

Leaders Who Make a Difference

Essential Strategies for Meeting the Nonprofit Challenge

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Chapter One: The Leadership Challenge

*Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time.*
Henry Wadsworth Longfellow

I. Donald Turner had been teaching urban planning and architecture at Harvard, MIT, and Berkeley for many years. His research and writings revealed a deep concern about the scarcity of affordable housing in the United States. He would often decry the "unspeakable" (his word) conditions under which many poor families were living in a country that was the richest in the world. He knew that in some areas, like San Francisco, housing prices had risen so high that even schoolteachers and police officers couldn't afford to live in the communities they served.

Turner thought he might be able to do something about this problem. He accepted a position as director of New York City's Urban Homesteading Assistance Board, and later served as California's director of housing and community development under Governor Jerry Brown.

In 1983, Turner launched BRIDGE Housing Corporation, a nonprofit development company. The name is significant. Turner sought to create a bridge between the private, public, and philanthropic sectors in order to build high-quality housing for people in the \$12,000 to \$25,000 income range, who would otherwise be unable to afford it.

Starting as a two-person operation with a small, anonymous grant, BRIDGE Housing went on to become one of the great success stories in low-income housing in the United States. Turner was able in a brief thirteen-year period to build more than six thousand housing units representing over \$600 million in value. More than that, these units were exceptionally well designed, environmentally responsible, and conveniently located near job centers. This was housing that made the residents and neighbors proud. How was he able to accomplish so much in so short a time under difficult economic circumstances?

Extraordinary leadership was the key. Don Turner was a man constantly in motion, bringing people together, finding partners, developing new sources of funding, enrolling others in his cause. Often he'd encounter obstacles that others called impossible. There were occasional setbacks, of course, but most of the time he prevailed. Many of his colleagues were convinced that he could be depended upon reliably to produce a miracle a day, more on some days. One Ford Foundation official acknowledged that Turner was so persuasive that the foundation may have given him more than he asked for.

He inspired others with his vision, passion, and focus. As a professor, he steered many urban planning students toward a career in affordable housing. At BRIDGE Housing he infected others with his enthusiasm and can-do attitude. One manager of a BRIDGE

facility said Turner made him proud of the work he did. Turner inspired hope and optimism when problems seemed insurmountable and others were ready to give up.

He was a social entrepreneur, guided by his personal motto that he would do whatever it takes to build homes for those who couldn't get them any other way. In 1994, for example, he found a way into the largest untapped source of new funding for affordable housing in the United States-pension funds. With a challenge loan from World Savings and Loan, he persuaded the California State Teachers and California Public Employee Retirement Systems to commit \$225 million in loans. He matched these funds with another \$100 million from two large banks, thereby creating the financing for thousands of units of housing for low- and moderate-income workers.

He was truly innovative as well. Consider Marin City, USA, an outstanding residential, commercial, and community project in northern California. By designing a mixed-use development, he was able to use rents from commercial properties and office space to support job training and other social goals. He also innovated in social services, providing day-care centers, miniparks, and health clinics in some of his developments.

Turner's personal story ended tragically. He died in a fiery plane crash in April 1996, near Dubrovnic, that also claimed the lives of Secretary of Commerce Ron Brown and thirty-three other business and government leaders. But the legacy of Don Turner lives on in the leadership he inspired in the BRIDGE Housing Corporation, and in the thousands of families who live in homes that would not have existed if not for his persistence and dedication.

Don Turner was a strong and effective leader, but his story is hardly unique. Think of any great nonprofit organization that has survived and prospered for over a hundred years-Harvard University, the Art Institute of Chicago, the Mormon Church, the International Red Cross, the Salvation Army, or the Metropolitan Opera Association, for example. To be sure, these organizations have been blessed by generous donors, dedicated and capable professional staff, and good timing. But it is important to note that they wouldn't have had any of these advantages, or wouldn't have benefited much from them if they did, without exceptional leadership at critical times in their history.

Look at any successful organization and the answer will be much the same. They couldn't have done it without effective leadership, the great enabler that energizes an organization, allowing it to attain its full potential and make a real difference in its community.

What Is Leadership?

Ask a hundred leaders to define what they mean by the term leadership and no two of them will respond exactly alike. Still, they will voice some common themes. For example, in the eight well-regarded definitions of leadership shown in Exhibit 1.1, certain themes keep recurring-purpose, hope, inspiration, influence, marshaling resources, and effecting change.

We also offer our own definition: a leader of a nonprofit organization is a person who marshals the people, capital, and intellectual resources of the organization to move it in the right direction. More precisely:

- Marshaling resources means collecting them, focusing their attention, and inspiring or empowering their use.
- Moving an organization means energizing it, removing obstacles to progress, making the changes necessary to improve performance, and enabling it to learn

and grow.

- The right direction is the one that makes the greatest possible contribution over the long term to society or to the particular clients or community that the organization was created to serve. The right direction is toward the greater good, which we explore at some length in the next chapter.

Our characterization of leadership is also the emphasis of this book. It focuses squarely on the main purpose of nonprofit leadership, which is moving the organization in the right direction. We agree with Kouzes and Posner's statement (in Exhibit 1.1) that the main reason leaders are needed is to move the organization forward, to make progress. Leadership is where tomorrow begins.

In a small nonprofit organization the top leadership usually is exercised by the president, CEO, or executive director, although it may also be shared with a board chairman or a committee. In larger nonprofits there may be dozens of people in top leadership roles.

For example, Goodwill Industries is a national organization with national leadership, but each city in which it operates features a semiautonomous organization that is led by its own board of directors and president. Below that city level there may be other leaders responsible for individual plants or thrift shops.

Apart from the top leadership there are usually others who exercise leadership in most nonprofit organizations. For example, think of any medium-sized church or human services organization. A few paid staff members might be leading the key departments and programs, and many unpaid volunteers might be leading fundraising efforts, planning, or teams of volunteer service providers. These leaders are also trying to mobilize resources to move their areas of responsibility, which are parts of the larger entity, in the right direction.

Leadership should never be confused with the management or administration of a nonprofit organization. The main responsibility of a manager is to operate and maintain the organization efficiently, ensuring that it provides useful services to clients or the community at the lowest possible cost. The leader, though always cognizant of current operations, is more concerned with building the organization for the future—that is, securing new resources, developing new capacities, positioning the organization to take advantage of emerging opportunities, and adapting to change.

Leading and managing are quite different functions. They require two separate mind-sets and two different sets of skills. Because managers are chiefly responsible for processes and operations, they are mostly interested in what needs to be done and how it can be accomplished. In contrast, the leader is concerned with strategies and direction, with where the organization should be headed and what it can and should be doing in the future. This means that the manager's attention tends to be present oriented, with one eye on costs and the other on performance. The leader cares about these things as well, but most of his attention tends to be broader and longer term, with one eye on the challenges that lie just over the horizon and the other on the growth potential of the organization.

The manager, in order to schedule the staff and volunteers, allocate the budget, and control the delivery of services, prefers a stable and relatively predictable environment. That makes the management job easier. Managers work within current constraints. They depend on structures and systems to routinize and simplify complex tasks. They hate unexpected disruptions that interfere with providing services to the community.

Leaders, conversely, prefer flexibility and change to predictability and control. They

embrace complexity and uncertainty because they know that change often provides new opportunities for service and may suggest innovative directions for future growth and development. They search for ways to shatter constraints. There's nothing routine about leadership.

In addition, managers tend to be problem solvers, forever seeking better ways to deploy their resources to get the job done. They tend to be analytical thinkers, basing their judgments on performance evaluations, client surveys, financial reports, and other organizational data to diagnose problems and deal with them.

Leaders are more intuitive and divergent in their thinking. Harold J. Leavitt (1986) calls them pathfinders as opposed to problem solvers. In their search for new directions their interests transcend organizational boundaries to include many external relationships. For example, most leaders need to interact with or influence government officials, potential funding sources, other nonprofit organizations, and the media. They are forever networking and searching the world outside their organizations to find new allies or opportunities that can help them shape their institutions and position them for the longer term.

Finally, the successes of managers and leaders can be evaluated on different scales. Managers are deemed successful when they operate the organization efficiently, delivering services on time and within budget. Leaders are deemed successful when they enable their organizations to grow in their ability to serve the community, whether that be by discovering new community needs to satisfy, by expanding the resource base, by entrepreneuring new approaches to service delivery, or by energizing or transforming the organization itself. In an often-quoted phrase, "managers do things right, while leaders do the right thing" (Bennis and Nanus, 1997, p. 20).

Clearly, nonprofit organizations need both good leadership and good management if they are to succeed. Either one alone is necessary but not sufficient. Every year thousands of worthy nonprofit organizations fail for lack of one or the other.

Anyone who has ever tried to speak about leadership and management at executive seminars is sure to be challenged on the practical significance of the differences between these two roles. "In my organization," someone will say, "we're expected to do both jobs at the same time." That's like asking bears to dance—they'll do it as best they can, but they're still bears, and their interests and aptitudes aren't for ballet.

Because the skills, interests, and thinking patterns of leaders and managers are so different, it's as unlikely that you will find a single person equally skilled in both roles as it is that you will find a great basketball player equally talented in baseball, or vice versa. Indeed, many great leaders, like Nelson Mandela, Martin Luther King Jr., and Bill Gates, had no managerial experience at all when they assumed positions of leadership. Even when their organizations were relatively small, they were wise enough to concentrate on leadership and trust others with the management responsibilities.

There are times when a manager is called upon to lead, and some managers are able to rise to the occasion. However, when a person is hired specifically to be a leader, such as the CEO of a nonprofit organization, he should be allowed to lead. It has been our observation that whenever a leader is asked to handle managerial responsibilities as well, the short-term demands of management tend to crowd out attempts to lead the organization in a new direction. A few are able to do it, but most find that effective leadership itself is more than a full-time job.

Clearly, if leadership is important to an organization, leaders must have the time and scope to be leaders and must be able to count on others for most of the managerial tasks. This is true in all organizations but especially in the distinctive context of nonprofits.

The Distinctive Character of Nonprofit Leadership

Every year scores of new books on leadership cram the shelves of bookstores and libraries. All but a few of them are written for leaders in business or government. Although nonprofit organizations share some characteristics with their corporate or government brethren, they are in many ways quite different and present their own distinctive leadership challenges.

The purpose of nonprofit organizations is to improve people's lives or to address society's larger issues. Although businesses seek to increase the need for their services in order to grow, many nonprofits would be only too pleased to reduce or eliminate the need for their services. People voluntarily contribute their time and money to such organizations as an expression of their idealism and desire to serve the common good. This has several implications for leadership:

- Unlike work in the public and private sectors, much of the work in nonprofits gets done by people who are unpaid activists giving of themselves to achieve social purposes. Often these volunteers are busy people with full-time jobs and family commitments that may have little to do with the purpose of the nonprofit. They aren't looking for another job, but they are looking for a way to express the best that is in them in service to their community. Even paid staff members often consider their salaries secondary to the psychic income they derive from helping others less fortunate than themselves. Both the unpaid volunteers and the paid staff hope to experience personal fulfillment through their participation; they want to be able to feel better about themselves. Leading these kinds of people requires much more reliance on inspiration, passion, coaxing, persuasion, and peer pressure than upon authority, financial incentives, or fancy job titles, though in some cases these do have a role to play.
- The success of a nonprofit organization is measured not in profits or fulfillment of legislative intent but in terms of social good. This is a more value-laden and less clearly defined criterion than those other organizations must meet, leaving considerable room for nonprofit leaders to exercise judgment, intuition, and innovation in seeking promising new directions.
- With the high ideals and aspirations expressed in their charters and their dedication to community service, nonprofits can often attract some of the most talented and successful people in the community to serve on their boards of directors. These individuals may be leaders in their own right, with strong egos and even stronger opinions on what should be done. They have the responsibility for oversight and trusteeship, which at times puts them at odds with the leadership. However, they also can be enormously helpful to the leader in many ways, such as fundraising, networking, or suggesting new strategic directions. Thus working with the board—some might say using the board correctly or even leading the board—is a much more critical part of the leader's job in nonprofits than in other types of organization. Moreover, given the number of unpaid board members and volunteers in most nonprofits, the sheer number of people to be led is far larger in nonprofit organizations than in businesses or government agencies with similar-sized budgets.

Beyond their social charter, nonprofits are distinctive in terms of the many constituencies they serve. As an example, consider a teen-runaway shelter. Its clients are likely to include some of the least able and most needy members of society, such as drug addicts, prostitutes, high school dropouts, criminals, teenage mothers, and kids who have been

abused or abandoned. Each case presents a unique challenge and requires special treatment. These youths are served not as customers, who pay for a service and if satisfied will return again and again, but as people in need, who if well served will go on to become self-sufficient, productive members of society.

Nonprofits are also distinctive in the many overlapping interests they have with other organizations. To continue the example of the teen-runaway shelter, it would be impossible to operate such a service without public sector partners in the fields of health care, education, criminal justice, and social services. Similarly, private sector partners are needed to supply jobs and housing, and other nonprofits like food banks, legal aid organizations, and thrift shops are needed to provide essential goods and services. Thus many nonprofit leaders need strong diplomatic and political skills in order to assemble a well-synchronized public and private sector team to serve such clients.

Most other nonprofits have similarly diverse constituencies and fuzzy boundaries. Some, like museums, also receive support from a wide variety of sources—foundation grants, donations, entrance fees, product sales, endowments, and so forth. So the leader of such an organization must be comfortable with complexity. Unlike business leaders, who can prosper as long as their products are right for their markets, nonprofit leaders cannot be successful unless they become masters at building close working relationships with all kinds of individuals and many other organizations.

All organizations operate under financial constraints, of course, but nonprofits always seem to be closer to the margin than businesses and public sector agencies. Service needs and aspirations always seem to far outpace their shoestring budgets. Frequently, there is considerable uncertainty about where needed funds will come from or whether they'll arrive on time. This uncertainty about financing has increased recently as governments at all levels trim back their social services budgets. This puts an even larger burden on nonprofit leaders to be resourceful, innovative, and cooperative.

All organizations face changes and challenges from forces outside their control, but many nonprofit organizations seem to be peculiarly sensitive to change. To test this thesis, pick any nonprofit corporation and, looking at Table 1.1, identify the changes in the outside world that directly affect an essential aspect of that organization and then place a check in each appropriate box. To illustrate, if you were thinking about changes of importance to BRIDGE Housing, the demographic changes would include an increase in poor elderly couples, single mothers, and latchkey kids; the technological trends would include new building materials and designs; the economic developments would include more people working from their homes and wage pressure from global competition; the political trends would include government support for low-income housing; and so on. Nearly all of these trends have profound implications for the clients, staff, and operations of BRIDGE Housing and the organization's ability to supply housing to needy families.

For all these reasons, then, nonprofit leadership has its own distinctive flavor. In a recent survey we asked a small sample of nonprofit leaders what issues actually commanded most of their time and attention. The results are shown in Exhibit 1.2.

It is clear from this list that the nonprofit leader must be able to

- Reconcile the conflicting demands of clients, public and private sector partners, donors, volunteers, and others and align their energies in pursuit of socially useful services.
- Inspire trust, confidence, and optimism among those who care about a social

- issue and are willing to volunteer time or money to help address it.
- Ensure that the organization is financially sound, ethically above reproach, and fully accountable to the community it serves.
- Position the organization for the future in the face of the severe challenges of limited resources and frequent changes in the external environment; accomplish this through flexibility, innovative strategies, and rapid adaptation to threats and opportunities.
- Develop leaders on the board, in other parts of the organization, among the volunteers, and in the community to carry on the work of the organization.

Roles of Nonprofit Leaders

When Don Turner was asked what he'd be willing to do to improve the stock of affordable housing in San Francisco, his response was always the same-"whatever it takes." That's how the best leaders think, and surely there is much improvisation and experimentation in the way any true leader approaches a challenging social goal. However, if you probe deeply enough, you'll find a pattern and a logic to what they do. We have found a particular model useful in understanding the roles leaders play in nonprofit organizations, and why these roles are so essential (Nanus, 1992, p. 12).

Let's start with the notion that a leader's attention may at any time be focused in one or more of the following four directions:

1. Inside the organization, where the leader interacts with the board, staff, and volunteers to inspire, encourage, enthuse, and empower them.
2. Outside the organization, where the leader seeks assistance or support from donors, grantmakers, potential allies, the media, or other leaders in the business or public sectors.
3. On present operations, where the leader is concerned about the quality of services to clients and the community and also organizational structures, information systems, and other aspects of organizational effectiveness.
4. On future possibilities, where the leader anticipates trends and developments that are likely to have important implications for the future direction of the organization.

Great leaders of nonprofit organizations routinely look in all four directions and could hardly afford to do otherwise. When these directions are plotted on a single graph, as shown in Figure 1.1, six distinct roles of leadership are suggested.

Roles 1 and 2: leader as visionary and strategist. Because the leader is the person responsible for moving the organization in the right direction, the role of the leader as direction setter is crucial. Working with others in the organization, the leader scans the realm of future possibilities in the outside world, seeking clues to a more desirable destination for the organization. The leader points the way to a new tomorrow by clearly stating a vision, preferably one so compelling that others will be inspired to follow. Great leaders have great visions, and great visions, when they are widely shared, are the principal engines of organizational growth and progress. Chapter Four will show how leaders develop such a vision. Chapter Five then discusses how leaders design the proper strategy for achieving the vision and mission.

Roles 3 and 4: leader as politician and campaigner. Politicians (in the best sense of the word) are spokespersons, advocates, and negotiators for the benefit of their constituents. They are passionate about the purposes of the organization and constantly speak out about it. Charles de Gaulle explained it best when he said, "I spoke. I had to. It is action that puts fervor to work. But it is words that create it." An effective leader is a super networker, a builder of relationships whose purpose ultimately is to provide useful resources, information, and support back to the organization or to the important

constituencies it serves. This is explored in Chapter Eight. In addition, effective leaders, like politicians, are proficient campaigners, but in this case the campaign is directed at securing financial resources, not votes. Chapter Nine shows how the most successful nonprofit leaders are also superb fundraisers and campaigners for economic support.

Role 5: leader as coach. Leaders are inherently team builders. They create and nurture a family of people who share a similar passion and sense of responsibility for addressing social concerns. They build trust, which is the cement that holds an organization together. They create hope and confidence. They set the tone of the organization. They are cheerleaders, empowering and inspiring individuals and helping them learn, grow, and realize their full human potential as they serve the organization's clients and the community. Chapter Seven shows how nonprofit leaders accomplish these tasks.

Role 6: leader as change agent. Leaders position the organization for the future. They make critical choices or influence the decisions of others about which services are most needed and which target client groups should get the most attention. Often this involves introducing a new program or creating strategic alliances with public or private sector partners. Sometimes it involves restructuring the organization or reconfiguring some aspect of service delivery. Occasionally, it involves major entrepreneurship and innovation, when nothing less than a transformation in the nature of the organization is needed. This change agent role is discussed more fully in Chapter Six.

Many books on leadership are devoted to the relationship between leaders and followers, which we have labeled the coaching role. Others concentrate entirely on the management of change, as if that were all the leader needed to do to be successful. These are important, of course, but we have found that leaders cannot be effective in nonprofit organizations unless they master all six of these roles-as visionary, strategist, politician, campaigner, coach, and change agent-and that's why we've devoted an entire chapter to each of them.

Of course, at any given time one or another of these roles may be dominant. Think again about Don Turner at BRIDGE Housing. At first, having just received an anonymous grant, he spent most of his time as a visionary, developing BRIDGE Housing's sense of direction and strategy with his new board of directors and forming the organization. At the time when he was putting together the big investment pool for low-income housing with banks and public employee pension funds, his major roles were as politician and change agent. At still other times, he concentrated on hiring, inspiring, and coaching his new staff. However, even when one or another role occupied most of his attention, he could ill afford to totally ignore any of the others. Don Turner knew this and was a superb practitioner of all six leadership roles.

These diverse leadership roles are what make it possible for nonprofit organizations to succeed despite the distinctive challenges facing them that we discussed earlier. Volunteers and others not on the payroll can be led without major financial incentives because their leaders are not pushing, directing, or prodding them, as they might try to do in many firms and bureaucracies. Instead, as coaches, their leaders are seeking to inspire, encourage, energize, and focus their passion and social concerns in the most productive ways. Even board members, with all their experience and stature, are willing to be led in this fashion-not as docile sheep but as active team players helping the organization succeed.

For nonprofits that are habitually underfunded, the leader as politician and campaigner can form networks of mutual support, thereby tapping the collective resources of others in the private and public sectors. The complexity that comes from dealing with multiple

constituencies and organizations with overlapping interests is made more manageable by leaders who can explain what the organization stands for, what it is trying to accomplish, and where it is headed.

Finally, leaders help the organization face uncertainty in the outside world by developing a clear vision and strategy, thereby removing at least the uncertainty about the organization's intentions and priorities. Leaders deal with turbulence by anticipating change and acting as change agent to position the organization to benefit from it if at all possible or adapt to it when necessary.

Leaders like Don Turner excel at all those roles. But what can we say about the personal qualities needed by nonprofit leaders to be successful in assuming these roles?

The Qualities of Successful Leaders

In our experience, successful nonprofit leaders come in all shapes and sizes, from every ethnic group and both genders. Many of them are articulate, assertive, well groomed, systematic, and courageous, but we've known others who had fewer of these qualities and still succeeded.

For decades researchers have been trying to understand what qualities contribute most to leadership effectiveness. After an exhaustive review of dozens of studies conducted among business leaders over a period of several decades, one scholar concluded that relevant personality traits for leaders were a high energy level, an ability to tolerate stress, self-confidence and self-control, emotional maturity, and integrity (Yukl, 1994, p. 280).

John Gardner (1990, pp. 48-53) also reviewed the literature and came up with a longer list of desired attributes-physical vitality and stamina; intelligence and judgment in action; willingness to accept responsibilities; task competence; understanding of followers and constituents and their needs; skill in dealing with people; need to achieve; capacity to motivate; courage, resolution, and steadiness; capacity to win and hold trust; confidence; ascendance, dominance, and assertiveness; and adaptability or flexibility of approach.

Others have longer or shorter lists. Our experience doesn't contradict any of these conclusions, but we find one study of leadership characteristics particularly helpful when thinking about leaders in the nonprofit sector. In a series of surveys begun in the early 1980s, Kouzes and Posner (1993, p. 12) asked fifteen thousand executives to select from a list of twenty qualities those that they most admired in a leader or expected in someone whose direction they would willingly follow. The twenty qualities had been distilled from four hundred interviews and an earlier study sponsored by the American Management Association of 1,500 managers who had identified some 225 characteristics they felt were relevant to successful leadership.

The results were remarkably consistent. Four characteristics always topped the list -- being honest, forward looking, inspiring, and competent. These qualities handily beat out such other intuitively appealing leadership characteristics as intelligence, caring, loyalty, determination, dependability, and maturity. We think these results are especially compelling in the case of nonprofit leaders, for the following reasons:

- Being honest. Unless leaders are trusted and believed, they will not be followed or supported. Nonprofit organizations depend heavily on gifts of time and money from volunteers, board members, and other donors, gifts that would quickly disappear if the leader were not completely trustworthy. So much

depends upon the leader's integrity that even a hint of unethical behavior severely damages the organization, as United Way and others have learned to their great sorrow.

- Moreover, many nonprofit organizations are themselves an institutionalized form of public trust. They may be entrusted with the care of children or helpless invalids, with the protection of valuable cultural treasures like great art objects, with the preservation of historical buildings or the survival of endangered species. Their work affects human lives in countless ways. They must earn their trust every day, with scrupulously honest behavior, or suffer the greatest public humiliation and condemnation. The media are ever on the alert for signs of shady dealings precisely because nonprofit leaders are expected to be role models of ethical behavior and the slightest deviation is newsworthy. Honesty is not simply the best policy for nonprofit leaders, it is the only policy, or they will no longer be leaders.
- Being forward looking. People work for nonprofits or donate money because they hope that by doing so they can improve themselves, their communities, or society in important ways. Their passion and idealism is intrinsically tied to a notion of a better future. That's why they seek leaders who are forward looking, who can show them the way to a brighter tomorrow. That's why nonprofit leaders need to seek and accept responsibility for the organization's future. And that's why their roles as visionaries and change agents are so crucial to their effectiveness as leaders. As George Bernard Shaw said, we become wise not by remembering the past but by taking responsibility for the future.
- Being inspiring. People in nonprofit organizations want to make a difference in their community. They want to be where the action is. They're attracted to a leader like Don Turner who displays a passion for the possibilities of his organization, who sets a good example, and who can inspire others with his enthusiasm and sense of optimism. As Ralph Waldo Emerson said, "Not he is great who can alter matter, but he who can alter my state of mind." People respond well to a leader who appeals to their better nature, inspiring them to do good works in the service of others. That's why they're willing to volunteer their time and donate their money. Perhaps nowhere is this more evident than in the many examples of great religious leaders who have had the ability to inspire their followers to exceptional acts of charity, devotion, and even self-sacrifice in service to humanity.
- Being competent. People in nonprofit organizations expect their leaders to be effective, to get things done. They're impressed when a leader shows skill at fundraising or displays an ability to reach out to the public and business sectors to form powerful new partnerships. They'll follow someone they think can make them more effective or from whom they think they can learn and grow. Good leaders know their own strengths and weaknesses and are perpetual learners. People will follow leaders who show self-confidence and take the initiative, trying always to shape events and not merely react to them. Competent leaders attract volunteers and contributions, and they attract other leaders to their cause.

Our experience confirms the Kouzes and Posner studies in that we believe these four qualities—being honest, forward looking, inspiring, and competent—are the characteristics most likely to be found among successful nonprofit leaders. Other qualities frequently mentioned in the leadership literature are drive, determination, persistence, creativity, flexibility, charisma, decisiveness, and inclusiveness. We don't doubt that these are all useful in some situations, as are the ones identified in Yukl's and Gardner's studies, mentioned earlier, but the four qualities identified by Kouzes and Posner seem to be the most compelling in the context of leading nonprofit organizations.

Earning the Right to Lead

How does one learn to lead a nonprofit organization? Obviously, no one is born knowing how to do it. Some parents may be good role models, but that doesn't guarantee that their children will inherit their leadership qualities or skills or even that they'll want to do so. Moreover, unlike most professions, nonprofit leadership offers no clear educational path for men and women to gain the necessary qualifications.

Nor do leaders seem to have any common base of experience. To illustrate, here are the professional backgrounds of a few of the successful leaders of large and small nonprofit organizations that we've encountered over the past decade-Navy admiral, priest, housewife, former cabinet official, businessman, publicist, pilot, professor, rheumatologist, radio announcer, computer scientist, diplomat, attorney, nurse, high school teacher, and engineer. In none of these cases did the person set out deliberately to be the leader of a nonprofit organization.

So without formal education in leadership or a common experience base, where do nonprofit leaders come from? Like all leaders, they develop themselves. They're self-taught. Read the autobiographies of famous leaders like U.S. presidents, business tycoons, popes, and military commanders, and you'll find the same pattern repeated over and over again. Effective leaders pulled themselves up by their proverbial bootstraps. They actively sought leadership responsibilities. They paid their dues and earned the right to lead.

It's the same with nonprofit leaders, with one vital addition. The most successful nonprofit leaders, like Donald Turner, are motivated by a driving passion for some cause. Often they describe this consuming desire as the very purpose of their lives. Many of them would strongly identify with the simple words of the poem "What I Live For," penned over a hundred years ago by George Linnaeus Banks:

- For the cause that lacks assistance,
- For the wrong that needs resistance,
- For the future in the distance,
- And the good that I can do.

Some leaders find their passion in helping others who are victims of disease, poverty, or an array of other afflictions. Others view themselves as victims-of crime, congestion, pollution, a decline in societal values, a spiritual void, and so forth-and their efforts to lead nonprofit organizations that deal with these problems are a way of changing their own self-image from one of victim and complainer to one of community activist.

Thus driven they form a nonprofit organization or aspire to lead one because they truly believe that by doing so they'll be able to make a real difference. They see their leadership not as an end in itself but as a means to an end-that is, changing the world in some socially significant way.

Nonprofit leadership is available to any honest person with reasonable intelligence and drive, but there's a lot to learn. Some important lessons will be covered in this book, but there is much more that can be learned only through a variety of firsthand experiences. It may take years of hard work, and if the leaders we've met are representative, those who aspire to such positions will have to be prepared for many setbacks along the way. In fact, that's one of the key ways they learn.

Apart from learning from books and experiences, leaders learn by self-reflection, as they assess their own strengths and weaknesses to determine what works for them and what doesn't. They also learn from mentors, starting with their parents and friends and later

progressing to respected teachers, coaches, and finally the role modeling of other successful leaders. Most of all, they learn by personal experimentation, often putting themselves in challenging situations that require tenacity, courage, and personal growth.

In fact leaders seem to be learning about leadership all their lives, often starting at a very young age. But even after they've learned all they can and mastered all the necessary skills, they still have to prove themselves on the job. They have to demonstrate that they deserve to be leaders, that people will follow them, and especially that they can get results. That's the ultimate test and the subject to which we now turn. What are the results that matter in judging the success of nonprofit organizations and their leaders?