

## Significant Barriers to Pursuing Nonprofit Executive Leadership Positions

UNFORTUNATELY, THE DATA DESCRIBED IN THE PRIOR CHAPTER DO not tell the whole story. A more thorough analysis of the survey data uncovers conflicting desires and reveals competing needs among next generation leaders making career decisions. Even in the face of leadership aspiration, participants describe a deliberation process marked by caution. Factors such as personal needs and family demands, salary and debt, and support and mentorship were weighed heavily. For many, the question is not whether to pursue a nonprofit leadership position, but under what conditions.

### Key Findings

- The long hours and compromised personal lives associated with executive leadership are significant deterrents to pursuing top positions
- Nonprofit salaries and actual or perceived insufficient life-long earning potential are barriers to executive leadership: 69% of respondents feel underpaid in their current positions and 64% reported that they have financial concerns about committing to a career in the nonprofit sector
- Lack of mentorship and support from incumbent executives in helping to pave a career path are serious frustrations for many next generation leaders: only 4% of respondents are explicitly being developed to become their organization's executive director. Women are being developed at a lower rate than men
- Inherent nonprofit structural limitations and obscure avenues to career advancement are obstacles to leadership opportunities inside organizations
- The prevailing executive director job description is unappealing to many next generation leaders

### Personal Sacrifices are Significant Deterrents to Executive Positions

THOUGH ONE IN THREE PARTICIPANTS RESPONDED FAVORABLY TO THE PROSPECT of becoming an executive director, another 30% answered unfavorably: eleven percent (11%) responded “definitely not” and another 19% “probably not” to the question “Do you want to be an executive director of a nonprofit someday?” We asked respondents to identify the reasons they would not pursue an executive position. Two of the top five reasons were related to the belief that one has to sacrifice work-life balance to be an executive director. This was corroborated in the focus groups: participants said frequently that being an executive director means, to them, making unacceptable personal compromises. The job of an executive director is notoriously marked by poor work-life balance—and it is not going unnoticed by those considering the position. Staff members see their executive directors putting in long hours, sending midnight emails and juggling the pressures of work and family. Though this issue is compounded for those with families—or who want to start a family soon—this poses a serious barrier to all who believe they should be able to have both a meaningful career and a healthy personal life.

“As I get older and I realize so much of my life has always been, ‘I’ll sacrifice this because I’m committed to this issue.’ And approaching my 40s, I think I’ve done as much sacrificing as I can do and there comes a point where you want to experience your life as well as be committed.”

“My executive director’s insane... is that where I’m going to be in 30 or 40 years? Is that where I’m headed, to be burnt out and working long hours and not seeing my kids grow up? But at the same time, where else do you pursue what you want to pursue?”

“I have a family. I don’t want to work 90 hours a week; that’s not my ultimate goal.”

“My fear is that when I came on and said, ‘Oh my gosh. This is what I want to do. Look at this [ED] position. Look at all the great things my CEO is doing. This is exactly what I want to be.’ Then, I see that she’s there from 6:00 a.m. to 12:00 midnight. She works outrageous hours—she never sees her husband. There are definitely things that you give up.”

“I almost feel like I’m being forced to choose to go outside of the nonprofit sector if I want a balanced life, not a cause. And that makes me very sad because I’d like to stay committed. There’s a tremendous guilt that goes with that that I’m just tired of.”

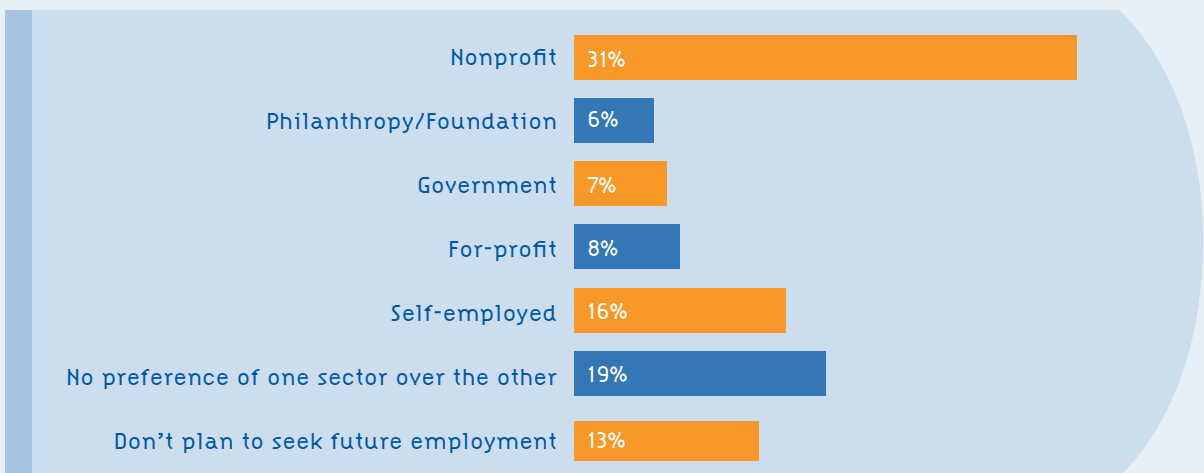
“I’ve got young kids of my own. I would love to be in an executive director position at some point. I think that I have the skills, but I can’t invest the time right now. My wife is also employed and she’s got a very demanding job. I’m kind of Mr. Mom a lot.... I feel like, to a certain extent, it holds me back a little bit.”



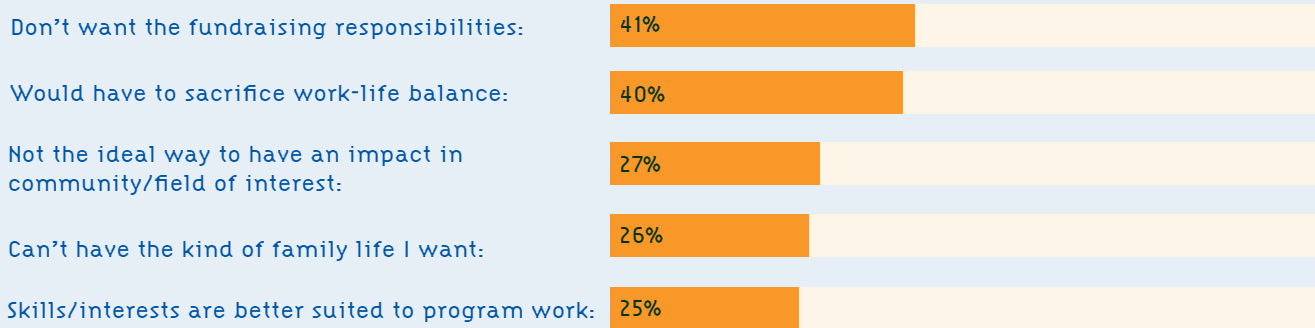
### Those Who Definitely DO NOT Aspire to Become Executive Directors

We don’t assume that the nonprofit sector needs everyone to aspire to executive leadership—nor do we think executive leadership is a fit for everyone. Nonetheless, it is important that we minimize the barriers to pursuing executive positions for those who are considering this career path. A closer look at this group might help us understand why executive leadership is unappealing to some and how they might be impacted by barriers to the position.

- On average, they are 46 years old
- 84% are women and 16% are men
- They are significantly more concerned with work-life balance and family demands
- They are generally more interested in other ways to have an impact in their communities
- 25% are actively seeking a new job outside their organization and
  - 37% are committed to staying in the nonprofit sector;
  - 13% are committed to leaving the nonprofit sector; and
  - 50% don’t feel strongly one way or another about the nonprofit sector
- Their next job will likely be:

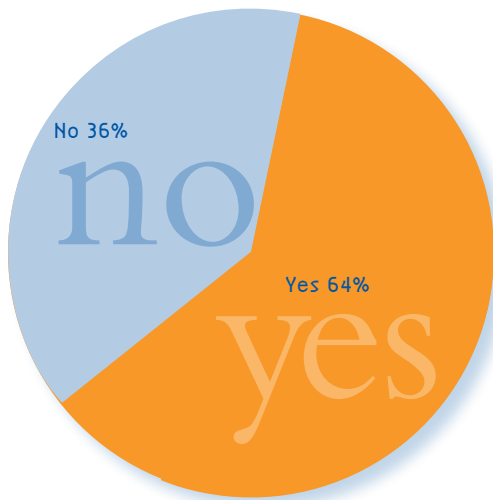


## Top five reasons not to pursue an executive director position



Does not total 100% because respondents were allowed to select multiple reasons.

## Financial concerns about committing to a career in the nonprofit sector

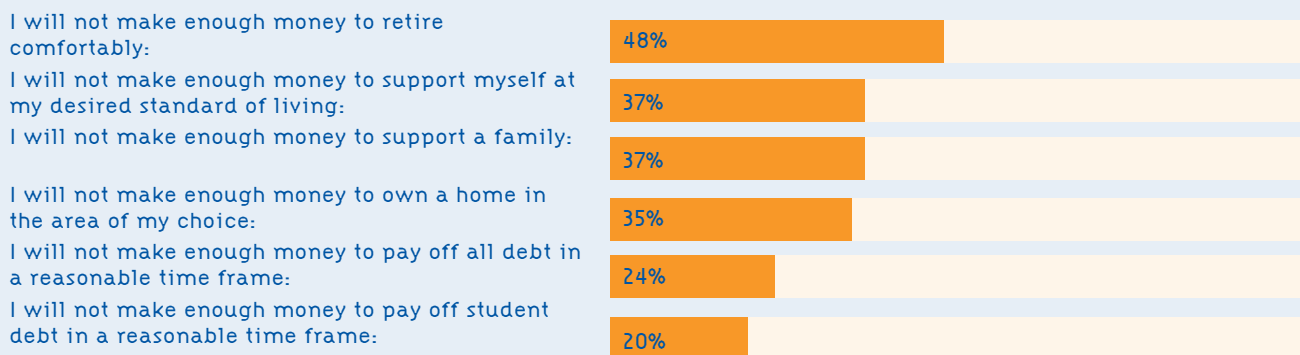


### Financial Concerns

ANOTHER DISINCENTIVE TO EXECUTIVE LEADERSHIP IS MONEY. This study asked a series of questions about personal finances and how money factors into the broader question of whether respondents aspire to executive leadership. We were interested to know if respondents felt justly compensated in their current positions. We also wanted to know what they thought about their long-term financial outlook should they choose to stay in the nonprofit sector for the remainder of their careers. *The degree to which respondents and focus group participants expressed concern about their personal finances was striking.* Sixty-nine percent (69%) of survey respondents feel underpaid for the work they do in their current positions. This is exacerbated by the concern that if they stay in nonprofit jobs, they risk sacrificing lifelong financial health: 64% of respondents reported that they have financial concerns about committing to a career in the nonprofit sector.

Digging a little deeper, we asked what contributed to these concerns. Topping the list was the fear of not being able to retire comfortably. This was followed by the concern about supporting one's self and family and the anxiety of not being able to own a home. Here is how respondents ranked those concerns that were most significant to them.

## Ranking of financial concerns about committing to a career in the nonprofit sector. "If the rest of my career is in the nonprofit sector..."



Does not total 100% because respondents were allowed to select multiple reasons.

Money issues frequently manifested themselves as a tension between competing priorities—the love of mission-based work and the need for financial security. Focus group participants spoke of foregoing luxuries that their friends could easily afford, having difficult negotiations with spouses, and even taking on second jobs to supplement their current salaries. And based on reports of low executive director salaries, it's not as though a significant salary increase is likely to accompany a promotion. Unfortunately, most don't expect that if they stick it out in the nonprofit sector their overall financial standing will improve once they get their next job. Perhaps most disheartening is the general belief that if you choose to become an executive director you do so fully expecting it to be a personal financial sacrifice.

Participants also described dissatisfaction with compensation structures, noting that nonprofits seem behind the times compared to for-profit companies that employ compensation systems more effective at incentivizing performance. Some also expressed frustration that nonprofit culture discourages people from asking for more money and that those who do ask are perceived as less committed than those who don't.

In light of legislation recently signed into law that will forgive student loan debt for those who enter public service occupations,<sup>13</sup> and because our sample of next generation leaders is composed of many young people, we wanted to know whether student debt influenced respondents' responses. We found that among survey respondents, 44% are currently carrying student loan debt. The majority of student debt carriers have balances between \$10,000 and \$25,000. Close to half (47%) of those with student loan debt are either "concerned" or "very concerned" about the pace of paying it down. For people of color, student loan debt was an even greater concern. *Ten percent (10%) more people of color are carrying student loan balances than whites, and they are more concerned than whites with their ability to pay it down in a reasonable timeframe.*

### Carry student loan debt



**“I’ve never worked in an organization where there was merit-based incentive pay. I’ve never worked for an organization that said, ‘Hey, if you do your job really, really well [you’ll be compensated for it].’ Maybe it’s shallow and maybe that makes me not as good of a nonprofit leader, but that would motivate me. Absolutely.”**

**“I have a part-time job that I work on the weekends because salary in the nonprofit world isn’t enough to do the things that I need to do with my family right now.”**

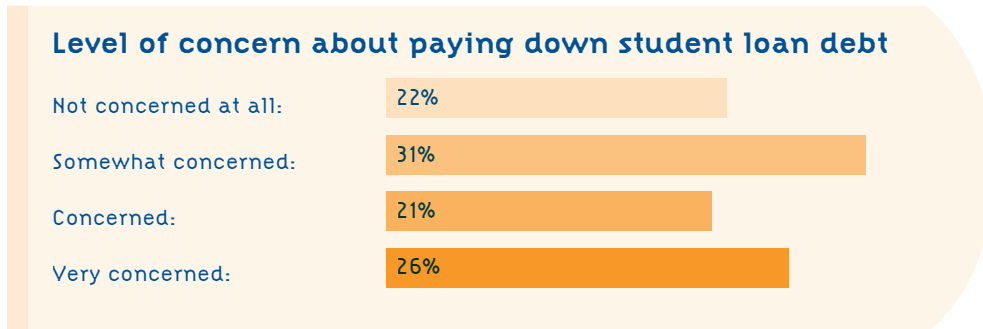
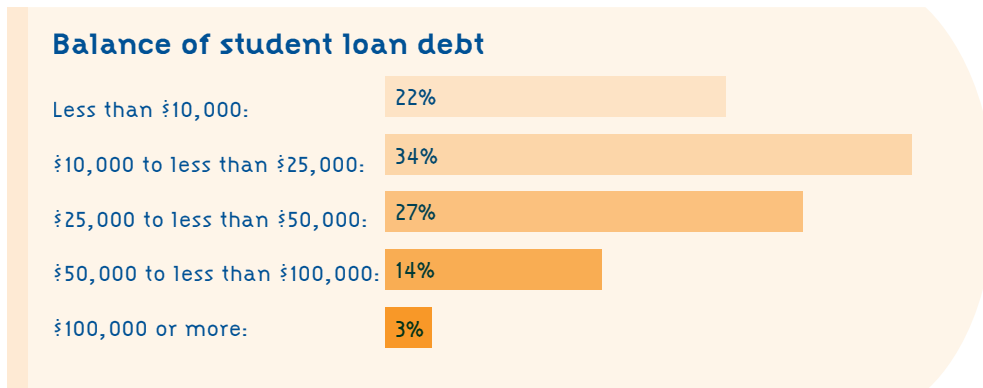
“You work all these hours, no overtime, nothing. It’s just like, ‘Oh, you’re doing it out of the goodness of your heart. You can’t complain. This is a nonprofit. Our budget is really small. The reason you are here is because you love it and that should be enough.’ I hear this all the time. .... It’s too much work and not enough money.”

13 The College Cost Reduction and Access Act of 2007.

“I’ve always negotiated salary. I’ve always said, ‘Can you bump that up?’ I don’t think as people who work in the [nonprofit] field that we always feel comfortable doing that. We think that that will make people question our passion or question our dedication, and it’s not about that.”

**“It’s obviously a huge financial challenge when you have this debt, but the organizations you’re going to work for certainly cannot afford to pay you what you need to pay back your loans.”**

“Because we’re in the nonprofit field we have to be realistic about what our salaries are going to be. What I haven’t always encountered is that the nonprofits themselves are realistic about what my financial pressures are, and the biggest financial pressure, for me, is that the reason I’m good at my job is that I have higher education. I have higher education; therefore I have higher education debt.”



## Grooming Next Generation Leaders

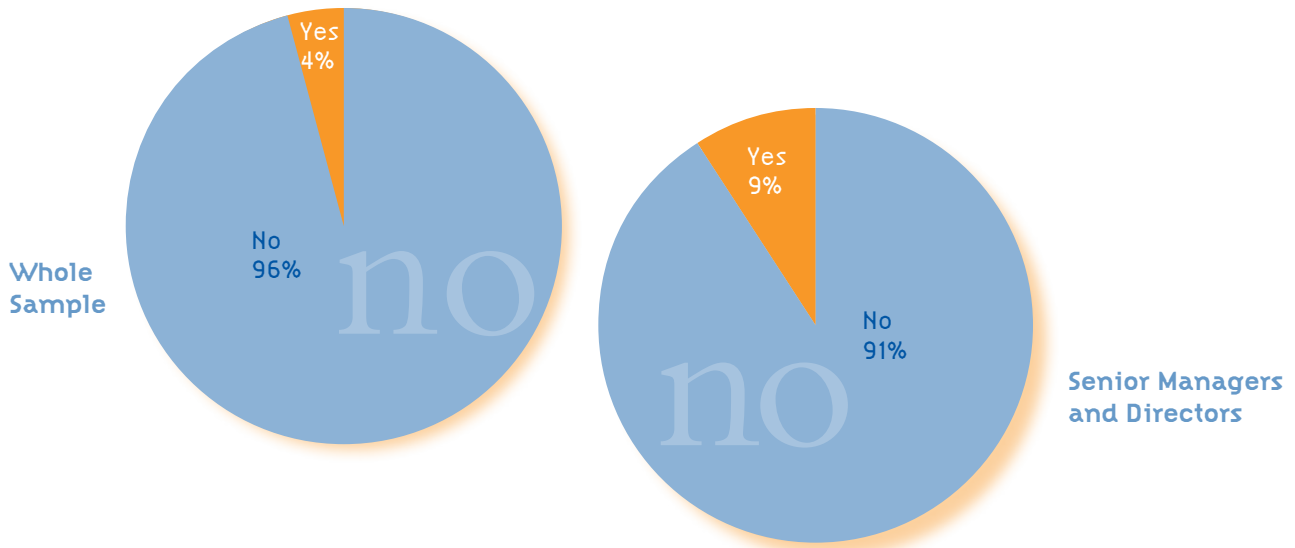
AMONG THIS SURVEY’S RESPONDENTS, ONLY 4% REPORTED THAT THEY ARE explicitly being developed to be their organization’s next executive director. Only 7% said that it is either “likely” or “very likely” that they will be their organization’s next executive director. And, just 27% have even discussed the possibility of being an executive director someday with their current supervisor or executive director. Even among respondents who are senior managers and directors—who are presumably the most qualified and likely candidates for executive positions—these figures are still low. *Among senior managers and directors, 9% are explicitly being developed to become executive directors; 12% said it is either “likely” or “very likely” that they will be their organization’s next executive director. And 41% of senior managers and directors have discussed the possibility of being an executive director someday with their current supervisor or executive director.* In contrast, in *Daring to Lead 2006*, 52% of executive directors reported actively developing one or more people on their staffs to be executive directors someday.<sup>14</sup> While explicit successor grooming is less frequently appropriate than more general leadership development, the difference raises the question of how transparent and effective current executives are being in their efforts to strengthen the leadership around them.

We know from other studies<sup>15</sup> that nonprofits tend to hire externally for executive directors and rarely groom their own successors. Considering the sector’s increased focus on developing new leaders to fill the leadership pipeline, we hoped to find more evidence that executives are actively developing successors from within their staffs. Particularly disheartening was that executives appear to be undervaluing the experience and leadership potential among their most experienced staff. The value of building “bench strength” goes beyond succession planning. Investing in staff development is also an effective retention strategy. Acknowledging people’s leadership potential helps build their confidence and interest in advancement. It is also an effective way for executives to share large workloads, reducing the risk of burnout.

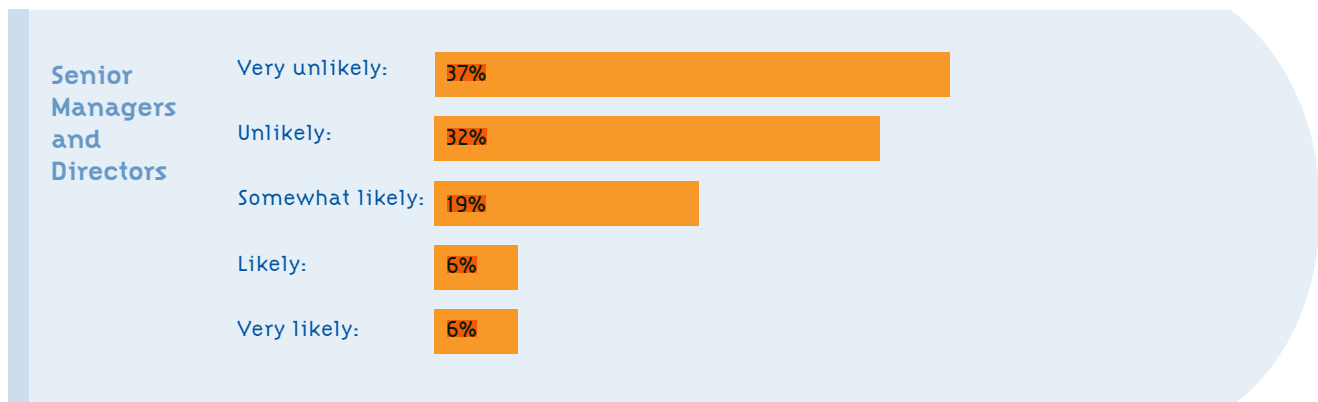
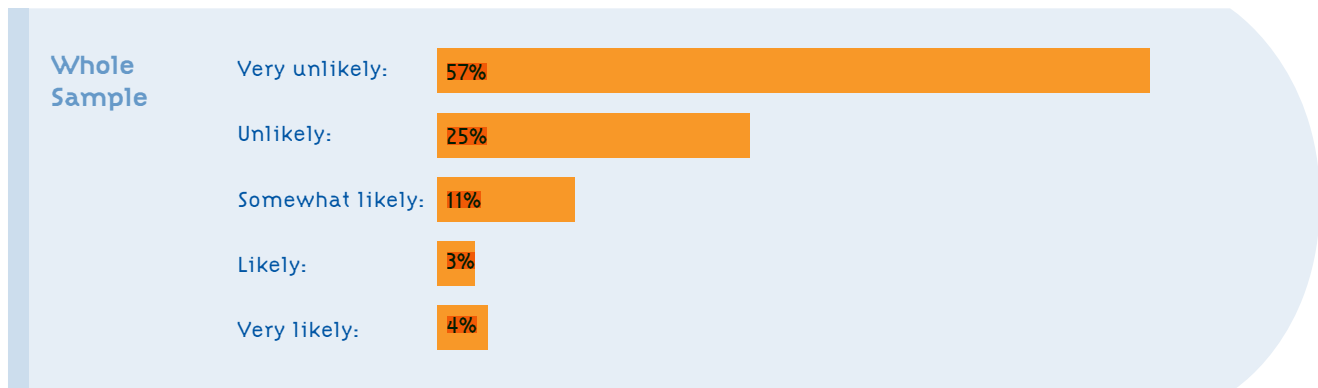
<sup>14</sup> Bell, Moyers, and Wolfred, op. cit., p. 25.

<sup>15</sup> See W. Bowen, *Inside the Boardroom* (1994); Bell, Moyers, and Wolfred, op. cit.; and Tierney, op. cit.

## Explicitly being developed to be organization's next executive director



## Likelihood of becoming organization's next executive director



“One of the reasons I left [my last position] is that there was a real unwillingness to share knowledge with me. I felt that I wasn’t working to my potential. They weren’t allowing me to do the job that I thought I was hired for. Ultimately, it wasn’t fulfilling because this whole idea of succession was so frightening to them.”

**“They say they want to train new leaders. But in fact, they’re not doing anything proactive. The phrase sounds really good, but it’s the action behind those words.”**

“They don’t want folks to go for education or better themselves in different ways because that means they’re coming after somebody else’s gig.”

There is also evidence that organizations may be perpetuating attitudes and systems that discriminate against women. *Despite the fact that women outnumber men by more than three to one in our sample, a significantly higher percentage of male respondents hold senior level management positions. Moreover, nearly twice as many men as women reported that they are being explicitly developed to be their organization’s next executive director.*

It is possible that sitting executive directors believe that they are grooming staff intentionally, but somehow have not made this clear to those they are attempting to develop. Although more and more executive directors are implementing succession plans and genuinely believe in the value of building “bench strength” among their staff, they may be falling short in communicating their intent and implementing their efforts. These data, coupled with comments heard in the focus groups, affirm the need for more intentional succession planning, explicit conversations about career advancement, and increased support from executive directors.

Another more troubling explanation that could be at the root of this issue is that current executive directors are willfully withholding their support and mentorship out of fear of their own diminishing value. Some next generation leaders think that executive directors are threatened by younger staff’s fresh thinking and new ideas and that current leaders perceive change as a criticism of their own performance. Certainly this is frustrating. Moreover, it is also a factor contributing to a staff member’s disinterest in staying with an organization. Whether or not staff member contributions are properly valued, the perception that they’re not influences people’s decision making.

### **Structural Impediments to Career Advancement**

BECAUSE MANY NONPROFITS ARE SMALL WITH RELATIVELY FLAT ORGANIZATIONAL hierarchies, structural impediments to career advancement can limit pathways to executive positions. Internal advancement is difficult where there are no systems in place to guide transition and promotions. A substantial number of respondents view going to another organization as their best chance for career advancement: *55% of all survey respondents believe that they need to leave their organizations in order to advance their careers.* There was a significant difference in how people of color answered this question compared to whites: *60% of people of color believe they need to leave their organizations in order to advance compared to 53% for whites.* Furthermore, when we asked how long respondents believed they would stay in their jobs, 70% of people of color and 64% of whites reported that they would be surprised if they were still employed at their current organization in three years. When we asked how many people were job hunting, we found that 38% of people of color compared to 31% of whites were actively seeking a job outside their organizations right now. In light of recent reports pointing to the manifestations of systemic racism, interpersonal discrimination, and internalized oppression as obstacles limiting people of color’s leadership opportunities,<sup>16</sup> this data should be carefully considered. Though inconclusive, it could reveal that people of color feel deeper levels of disadvantage caused by nonprofits’ structural shortcomings.

**“I’ve got all these new ideas. It scares people.”**

**“There’s such a large gap between me and our CEO. If you’re not having someone mentor you along the way, how will you ever get there? I feel like sometimes ‘you have it or you don’t’ is their view. How do you advance within your own organization if the people that are leading it are not willing to give up their control and delegate and get you involved? It’s very scary when you think these people are going to retire and we’re not prepared.”**

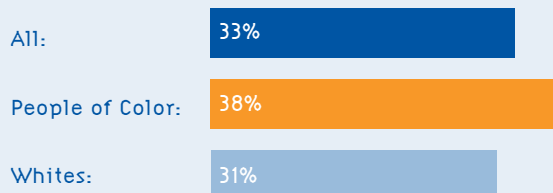
<sup>16</sup> For a discussion of this see *The Leadership Learning Community’s Multiple Styles of Leadership: Increasing the Participation of People of Color in the Leadership of the Nonprofit Sector* (2007).

**“I don’t know anyone in the nonprofit sector who worked backwards from 10 years out and said, ‘I’ve got to do this, this, and this to get there’ where I think other industries have more formal career ladders.”**

### Need to leave organization to advance



### Actively seeking a job outside organization



Clear career paths and well articulated advancement strategies are other structural ways that nonprofits can support staff development. Next generation leaders welcome training and skill-building activities; however, more targeted training and leadership development programs aimed at preparing people specifically for executive positions is something that many desire but few have found. There is genuine frustration that no clear way to become an executive director exists. One person described it as a glass ceiling, not defined by race or gender but by position: “There is a glass ceiling within the sector. How do you get to that executive director position when you’ve been in so many senior leadership positions? How do you break through to that next level?”

A substantial number of survey respondents, 78%, as well as many focus group participants have prior work experience in the corporate sector where training and development were an integral part of their experience. This highlighted the lack of training they received upon transitioning into the nonprofit sector. One person summed it up this way: “What I’ve seen in the nonprofit world as a contrast to what I’ve experienced in the corporate world is a lack of mentorship and infrastructure in growing leaders. When I came out of school I joined a large company and it was, ‘Okay, you’re a junior engineer. We have senior people partnered up with you to show you the ropes, teach you how things are done.’” He went on to explain how he sees this as a shortsightedness embedded in nonprofit culture: “A lot of people have the mentality, ‘Well, we just don’t have time to do that.’ Wow, if you spent a little bit of time upfront with training and mentorship, you would get so much more efficiency and payback going forward.”

Another dimension of structural barriers to executive positions is the belief that a typical executive job description is unappealing. A number of factors contribute. One complaint is that executives carry an inordinate amount of responsibility on their shoulders with little to no support from others: “That’s honestly my biggest fear, is that it would be a lonely position that you can’t be weak at. I mean, there’s no opportunity to ever show weakness, and then when you go home at night, it’s all on you.”

The belief that executive directors are solely responsible for the financial sustainability of their organizations and therefore the livelihood of their staffs is also too daunting for many

## Profile

### People of Color

- Desire to be an executive director is 10% higher than for whites
- Feel a greater need to prepare for executive leadership than whites
- Among those actively seeking a job outside their current organization, are twice as likely as whites to leave the nonprofit sector for their next job
- Are more likely to believe that they need to leave their organizations in order to advance their careers
- Are more concerned with committing to the nonprofit sector because of financial issues than whites
- Carry more student loan debt than whites

“There are a lot of classes available for existing EDs, but I don’t see classes too often for someone who’s thinking about becoming an ED. It’d be nice if there was a track for that. In other words, the only way to get that right now is to fill in when they’re out of town or when they’re—whoops—not there any more. Then someone has to take the job, and you’re kind of filling in. So do I want to be a leader in that kind of a situation? I don’t like that. I would prefer to be a next generation leader if there was a better system of preparing us.”

**“I love the nonprofit world, but I don’t ever want to be an executive director. It doesn’t suit me. I’m kind of a policy dork that likes to be behind the scenes.”**

“Is there space for my leadership within the organization, given its current structure?”

people. It is not that they shy away from responsibility in general, but that they do not want to be set up for failure. We often see this articulated as a dislike or fear of fundraising. *The top reason survey respondents chose for not wanting an executive position was the level of fundraising responsibilities inherent in the job.* We heard from focus group participants that they were not resistant to fundraising duties—in fact they welcomed learning new techniques. Put more accurately then, the fear of fundraising activities is not the root of this concern, but rather the fear of failing to raise enough money. The prospect of financial failure is a great source of hesitation. Astutely, they recognize that in the face of deficits, underfunded programs, and low salaries, expert fundraising skills alone might not be enough.

### **A New Definition of an Executive Director**

ANOTHER DETERRENT IS THE KIND OF WORK AN EXECUTIVE DIRECTOR DOES ON a day-to-day basis. Because it is more administrative, some feared becoming too distanced from the “real” client and program work they find so satisfying. One focus group participant said, “I enjoy working with the clients and working with people and doing a whole gamut of things other than just strictly working on fundraising and working with board members.” Others feared that the balance of administration to program did not play to their interests, skills, or strengths. Because the love of the work factors so strongly in people’s job satisfaction, a perception that this would be compromised by having to take on more management functions was a deterrent for many people. *A third of survey respondents indicated that, for them, the executive director position is not the ideal way to have an impact on their community or field of interest. Another quarter reported that their skills and interests are better suited for program work.*

Despite these barriers, there is enthusiasm among next generation leaders for redefining what executive positions look like. They desire new models of leadership that are collaborative and supportive in nature. *Though the current executive director job description may be unattractive, the idea of creating a new job description is exciting.* One participant said, “The emerging generation of leaders is a product of a new landscape where the organization finds itself. They have their fingers on the pulse of something that’s shifted in a way that I think the current leadership needs and is looking for.” Nonprofit organizations must make room for new leaders. If organizational resistance proves too great, potential executives are likely to give up and pursue their career aspirations elsewhere. In response to the prevailing fears that we might be witness to a leadership vacuum in the near-term, one next generation leader had this to say: *“Where is this supposed lack of leadership? We’re all here. And we’re ready. We’re ready to take over when you’re ready to retire. I wonder if it’s more of a disconnect between generations and a difference in leadership styles than a lack of leadership.”*

This is echoed in the recent publication *Next Shift: Beyond the Leadership Crisis* where the authors argue that we are limited in our ability to change current structures by framing the situation using crisis terminology that is articulated from the biased perspective of Baby Boomers.<sup>17</sup> When we look at the situation from the vantage point of younger leaders, we see a different landscape. While there are significant issues to be resolved, there might not be a dearth of leadership talent in the pipeline.

**“The breadth of responsibility all on one person’s shoulders... without the mentorship and the support to know what mistakes you might be making, I mean, the liability is so huge I wouldn’t want it unless I really had help.”**

<sup>17</sup> Frances Kunreuther and Patrick A. Corvington, *Next Shift: Beyond the Nonprofit Leadership Crisis* (Baltimore, MD: Annie E. Casey Foundation, 2007).