

# What's LEADERSHIP Got to Do

With It?

Reflections on how nonprofit organizations are demonstrating excellence in service to the sector

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Many nonprofits ask me, “What does it take for us to get noticed?” “What do we need to do to make an impact in our community?” It’s clear to me that these organizations are eager to show their funders, partners, clients and other stakeholders that they are committed to their cause and that they have a drive to thrive. However, smart, effective organizations know that there’s more to success than simply delivering promised services or programs. They know that it takes a certain quality for a nonprofit to truly stand out, especially in a nonprofit sector as extensive and diverse as the one we have here in the Washington, DC region. I am talking about leadership, and not just leadership by individuals, but leadership demonstrated by organizations as a whole.

For the past several years I have served as chair of the Selection Committee for The Washington Post Award for Excellence in Nonprofit Management, which is managed by the Center for Nonprofit Advancement in Washington. And through this work I have come face-to-face with many extraordinary organizations here in our region. I’ve been able to learn about what makes them distinctive and what makes them stand out among their peers. But some recent experience with the Award has given me new insight into this topic of organizational leadership.

The award highlights management competence, promotes sustainable best practices and recognizes innovation that leads to excellence in nonprofit management. It is a dynamic process through which we can understand – and subsequently share with the sector – what it takes for organizations to achieve success through effective management practices. In fact, one of the goals of this process is to impact the nonprofit sector as a whole by disseminating stories about these successful organizations, reinforcing the connection between sound management practices and organizational capacity.

Nonprofit executives are always looking for the keys to greater effectiveness. They are looking for tactics they can replicate in their organizations to build their capacity. Donors and institutional funders are seeking new ways to identify which nonprofits are likely to be the best targets for their philanthropic investment. They are looking for signs and indicators to guide their giving decision-making. This Award can help both nonprofit leaders and funders answer those questions, and it has even helped to inform my perspective on how to evaluate the relative strength of a nonprofit organization.

## The Evolution of Excellence

Over the years, as the nonprofit sector has evolved and become more sophisticated, we have had to become more sophisticated with the questions we asked. What was once considered “excellent” or “innovative” has become commonplace or expected. A notable example is the strategic plan. Ten years ago it was considered excellent if not innovative for an organization to have a multi-year strategic plan in place. Today, it’s an expected norm. We now see excellence and innovation in how a plan is developed or in the ways it informs management decision-making. Questions that explored once cutting-edge issues no longer seemed relevant. For example, applications used to include a specific question that focused on a nonprofit’s use of technology. However today, such a question seems unnecessary as there is an expectation that organizations are deploying all the resources necessary to advance their mission, including technology.

In recent years, my fellow Selection Committee members and I saw that finalists and winners were exhibiting certain common qualities and attributes that set them apart. These attributes were less easily described than an organization’s HR practices, or its

financial policies and procedures, or its governance structure. Ten years ago, leadership wasn’t even on our minds; we didn’t see these traits in the responses to the application. Leadership wasn’t part of our working vocabulary at the time, so we weren’t asking specific questions focused on this topic.

We needed to expand our definitions of what it meant to be “excellent.” We understood that we needed to assess the less tangible areas of nonprofit management, exploring beyond an organization’s financial policies, planning processes, volunteer management practices, board recruitment or fundraising efforts. Hence, a new question addressed what organizations were doing to uphold the public trust. Stories about mistrust in the sector were still frequently seen in the media. Donors were becoming more skeptical, and nonprofits were needing to work harder to convince them that their organizations were worthy of their support. This new question sought to get at what nonprofits were doing to address this critical issue.

Winning organizations responded to the question about public trust using the broadest possible perspective rather than a narrow definition. They approached this new question by looking beyond simply listing the financial documents they had available on their website, for example. They shared the steps they were taking to open themselves up to higher levels of scrutiny. They demonstrated that they understood that as nonprofit organizations they should be held accountable to their stakeholders, whether they are donors, clients, partners or members of the community at large. Applicants were lifting up organizational values such as “integrity” and “transparency” as indicators that they took this issue seriously. And when asked to share particularly innovative examples of how they were demonstrating transparency and accountability, organizations shared

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stories of collaboration, of openly sharing their practices and models with others, and of their willingness to gather others in their field to address issues of common interest. It gave us useful indicators of how to clearly identify those organizations who were truly exceptional.

It is also useful to note that we had a similar experience with responses to a question focused on risk management. Consistently, successful organizations approached this issue with a broad view rather than a limited scope. While most organizations would describe their various insurance policies and conflict of interest policies, winning organizations looked at all of the factors that could potentially put their organization or mission at risk. They understood that nonprofits face many potential threats, and each must be addressed thoughtfully and appropriately. One of last year's finalists, The Reading Connection in Arlington, spoke not only of financial risks, but also of "reputational risks," as well as the safety of the children with whom they worked. They and other winning organizations saw the big picture and adjusted their management practices accordingly.

Further evidence was showing that truly excellent nonprofit organizations were accomplishing their mission fully integrated into the communities in which they operated. This fact prompted us to incorporate a new question focusing specifically on collaboration. Responses highlighted the increasing range of ways through which nonprofits were working with peers, partners and even potential competitors in advancing their cause. These organizations understood that collaboration was a capacity building tactic, one that enabled them to be more than they could be on their own. These organizations could articulate their place in their particular field of interest and describe their special qualities without necessarily putting down or denigrating their fellow nonprofits. Collaboration has become a critical focus of both organizations as well as funders, and The Washington Post Award was providing concrete examples of effective collaborations in action that benefitted the community as well as the nonprofits.

## Leadership Emerges

As The Post Award approached its 20<sup>th</sup>

Anniversary, we were getting a clear picture of what it meant to be an excellent nonprofit organization. We had seen a significant evolution of the tactics employed by these organizations, the sophistication with which they approached complex issues, and the dedication through which they engaged the wider community in their work. We were struck by the clear level of confidence these organizations had, as well as by their deep understanding of their identity. Organizations who made it to the finalist round and ultimately to become winners of the Award were showing signs of a quality that was distinctly setting themselves apart from their peer organizations. It was a subtle theme that had been running through these responses for many years, but when we looked carefully, we identified that it was in fact "Leadership" that we had been tracking all along.

To better get at these leadership qualities, for the 2015 Award two new management focus areas were added to the 11 management areas already being explored: "*Leadership and Integrity*" and "*Awareness, Learning and Adaptability*." These now 13 management areas provide the overall framework through which all applicants are reviewed, and they are included in the application package along with specific examples of these practices in action from past winning organizations. In addition to the question focusing on engendering trust in the sector, a new separate question was added specifically to explore capacity building and how these organizations established a distinct identity for themselves. And lastly, the collaboration question was reworded: "*Describe the ways that your organization demonstrates leadership in the sector, through collaboration with other entities including businesses, government agencies or other nonprofit organizations, or through participation in issue-specific activities.*"

To this new question we got thoughtful responses that provided more specific descriptions of how these organizations approached the concept of leadership. The responses from this year's finalists provide us with useful insight into not only the role of leadership in a thriving sector, but also into the specific characteristics of a nonprofit that values and understands leadership. Looking back at last year's finalist organizations I can see many of these same characteristics and attributes even though we had not asked the leadership question directly.

What does it mean to be a leader in the nonprofit sector? What attributes should we aspire to espouse in an organization? I suggest that it comes down to three basic concepts:

*Self-Awareness, Self-Confidence and Selflessness.*

## The Winning Organizations

### 2014 Winner

Young Playwrights' Theater  
Washington, DC

### 2014 Finalists

The Reading Connection  
Arlington, VA  
Transitional Housing Corporation  
Washington, DC

### 2015 Semifinalists

Adventure Theatre MTC  
Glen Echo, MD  
Asian American LEAD  
Washington, DC  
Iona Senior Services  
Washington, DC  
Life Pieces to Masterpieces  
Washington, DC  
Mary's Center for Maternal & Child Care  
Washington, DC  
National Children's Alliance  
Washington, DC

### 2015 Finalists

Arlington Street People's Assistance Network (A-SPAN)  
Arlington, VA  
Calvary Women's Services  
Washington, DC  
Sitar Arts Center  
Washington, DC

The Washington Post  
Award for Excellence in  
Nonprofit Management is  
a program of the Center  
for Nonprofit Advancement.  
[www.nonprofitadvancement.org](http://www.nonprofitadvancement.org)



## Self-Awareness

Leading organizations know a great deal about themselves. Self-awareness is knowing about yourself, your strengths, abilities and capabilities. It means that these organizations understand the broader environment in which they operate while at the same time understanding the passions of those individuals who make their nonprofit run each and every day. Organizations arrive at this point of self-awareness from many directions. Asian American LEAD in Washington uses storytelling as a way of connecting themselves and each other to why the work matters to them. Their personal stories give them a way through which they deepen their understanding of their identity development. They learned that storytelling can strengthen relationships among the staff and volunteers, which in turn makes them better equipped to build relationships with other stakeholders. A-SPAN (Arlington Street People's Assistance Network) uses a personality profile evaluation system for both staff and board members to deepen their knowledge about themselves and to learn how to work effectively with each other to accomplish their goals.

Self-awareness is also about knowing one's limitations. Nonprofit organizations are often challenged with the choice of whether to be all things to all people or to work with other organizations whose competencies complement their own. Every one of this year's semifinalists, as well as the finalists for this year and last, list numerous ways through which they collaborate with other nonprofit organizations in the Washington region and beyond. The Reading Connection delivers all of its programming through its vast network of more than a dozen partner organizations in Arlington, Alexandria, Washington, and (soon) Montgomery County. The Sitar Arts Center has long-time established relationships with arts organizations across Washington, enabling them to provide the richest possible experience for its students. Many of these organizations spoke of a strategic effort not to duplicate services provided by other nonprofits in the area. They understood that their clients or participants could, in many cases, best be served through a collaborative relationship with another provider.

## Self-Confidence

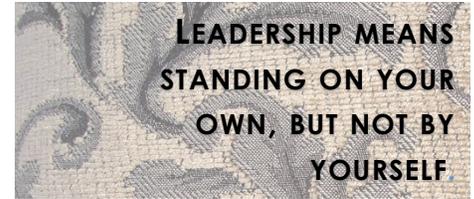
Robust organizations have nothing to hide. They have confidence in their beliefs as an organization based on research, experience and an understanding of the issue they address. They understand the benefit of evaluation as a way both to prove their work's effectiveness and also as an essential management decision-making tool. They have a track record of accomplishments or accolades or a combination of both such that they had an authentic leadership voice in the community. This self-confidence leads them to a desire and the ability to advocate for their cause, educate others about their issue, and encourage other nonprofits and community leaders to join them. These organizations are as much about creating a movement as they are about effectively delivering their services and programs.

Calvary Women's Services, A-SPAN, Iona Senior Services and Transitional Housing Corporation are all active in vibrant coalitions that are focused on the central issues of homelessness and aging, for example. The National Children Alliance engages with numerous government agencies to keep the issue of child advocacy in the front of their minds, and the Alliance's staff and volunteers are active in numerous national networks, councils and coalitions related to child welfare.

These nonprofits lead by example through their community involvement, but with many of these organizations leadership is also an organizational value that informs their internal practices. Everyone involved at these organizations is encouraged and supported to find ways to be engaged in the community. They are provided opportunities to sit on committees, volunteer with other organizations and share their expertise. They are given the chance to develop professionally, enabling individual employees and volunteers to build their personal self-confidence as a member of the team.

## Selflessness

The more I read about these organizations, the more I am struck by their generosity. Leadership means standing on your own but not by



yourself. Throughout the applications I saw references to sharing and to their being a "go-to" organization. They realized that they had more to gain by sharing their model or by making themselves available for replication. All of these organizations have robust fundraising programs and sound financial practices. None seemed to be concerned that they were revealing "trade secrets." They were happy to share; they felt it was their duty to share. This openness and generosity have led them to opportunities and recognition that has resulted in partnerships, funding, board members and other things of lasting value.

Life Pieces to Masterpieces specifically cited their belief that they had an obligation to share their perspective in "meaningful ways with others in the sector." Last year's winner, Young Playwrights' Theater, encourages other organizations to "steal our model!" They are open to any who want to learn more and are excited when organizations come to them with interest in learning or in a possible collaboration, such as happened with their 524 Project with the InsideOut Literary Project in Detroit, which joined two cities via playwriting and poetry. Also collaborating through the arts, Adventure Theatre MTC developed a number of programs that were emulated by other organizations, such as their sensory-friendly performances for children with autism. Through these collaborations, these organizations strategically and generously give back to the community and broaden their impact even further.

## Individuals and Organizations

In white papers, in seminars and in books, we often address leadership as a quality demonstrated by individuals. We focus on the role charismatic leaders play in a nonprofit's life. We create leadership development programs for staff and volunteers. Fundraising campaigns have leadership donors. "Shared Leadership" is one of the six practices of high-impact nonprofits cited by Leslie Crutchfield and Heather Grant

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in *Forces for Good*, and they too acknowledge that most of the books on leadership focus on the traits and behaviors of the individual leaders themselves. And while they cite the emergence of “collective leadership” as a new way to understand organizational dynamics, Grant and Crutchfield concede that leadership is still thought of as an individual act.<sup>1</sup>

But how can we apply the same concepts for organizations as a whole? High-impact organizations are those nonprofits where leadership extends beyond simply the person at the top to include people at all levels of the organization. Sharing leadership, the authors of *Forces for Good* assert, had enabled the organizations that they profiled to have greater impact. The Center for Creative Leadership has also addressed this in talking about the need to develop the “leadership capacity of collectives (for example, work groups, teams, and communities.)”<sup>2</sup> In “*Developing a Leadership Strategy - A Critical Ingredient for Organizational Success*” William Pasmore, PhD speaks of the need to create a leadership culture, which he describes as the “collective actions of formal and informal leaders acting together to influence organizational success.” He goes on to refer to the ability of formal and informal leaders to work together in support of organizational goals as a catalyst that ultimately makes the difference in an organization’s success.<sup>3</sup> Individuals, working across the entire organization, are transforming that same organization.

Terence Mickey, principal at Thought Warriors, refers to leadership as “those in any position who want to create change.” The nonprofits profiled in this paper want to make change, and they are taking on leadership roles to make that happen. Terence engages leaders through a process he calls the Leadership Narrative Method™. Through it he reinforces the important role that self-knowledge and understanding play in our ability to tell our story, in our ability to create change. Strong leaders, as they explore the depths of their experiences in building their ability to tell their powerful stories, are given great ability to call others to action.

I think the same can be said about organizations as a whole. All organizations, whether they are considered a formal or informal leader in their field, can collaborate. And through

that collaboration, organizations can influence the success of their particular cause or issue. We can see with the organizations I’ve cited above that their ability to work together in support of broader community goals is making a real difference in our world. These award-winning organizations have learned that – to paraphrase the authors of *Forces for Good* – true power comes from a culture of leadership that’s deeply ingrained in the organization. True leadership comes from organizations who freely give power away.

### A Call to Action

I urge nonprofit executives as well as board members to consider how these leadership attributes affect their work and they own nonprofits. Learn from the examples set by these winning organizations. Regardless of their cause or subject matter, these organizations highlight management practices and organizational qualities applicable to any nonprofit, whatever their scope or size. Use these traits to prompt a meaningful conversation at an upcoming staff meeting or board gathering. Ask yourself the questions, “How self-confident are we as an organization? How selfless are we? What have we done for the greater good of the sector? What do we know about ourselves and why we undertake this work?” Use the answers to effect positive change at your organization and set yourself on a course for excellence.

Donors and funders, use these concepts to inform your giving. Take our Selection Committee’s lead and explore the type of questions you have been asking. Are you getting at what you truly want to know about your potential philanthropic partners? If not, change the conversation you are having with nonprofits. Ask yourself powerful questions about your own priorities as a funder and the impact you hope your giving will have. How important is leadership to you as you make your giving decisions? How have your applicants demonstrated that they

understand their role in the sector? How have they demonstrated their self-confidence and self-awareness? Move beyond simply reviewing an organization’s budget, program description and mission statement and broaden your inquiry to examine those intangible qualities that make a difference in any relationship. It will make a big impact on your philanthropy.

The winning organizations I have highlighted here are nonprofits that are self-confident, self-aware and selfless. They understand why they do what they do. They know who they are and what they need. And they share what they know for the greater good.

These organizations, working across the entire nonprofit sector, are transforming the sector.

That’s leadership.

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*These observations can be addressed in a variety of forums, including seminars, blogs or board/staff meetings. Contact Marshall by email at [marshall@capdevstrat.com](mailto:marshall@capdevstrat.com) or call (703) 875-3000.*

#### Notes:

<sup>1</sup> Crutchfield, L. R. and Grant, H. M. “Forces for Good – the Six Practices of High-Impact Nonprofits.” San Francisco: Jossey-Bass, 2008.

<sup>2</sup> Van Velsor, E., and McCauley, C. “Our View of Leadership Development.” In *The Center for Creative Leadership Handbook of Leadership Development* (2<sup>nd</sup> ed.). San Francisco: Jossey-Bass, 2004. Cited in Crutchfield and Grant, 2008, page 177.

<sup>3</sup> Pasmore, W. “Development a Leadership Strategy – A Critical Ingredient for Organizational Success” Center for Creative Leadership 2014.



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