Chapter 27

21st Century Leadership in the Nonprofit Sector

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ABSTRACT

The past decade has birthed not only remarkable advances in technology, but also an evolution of thought concerning nonprofit organizations. This ontogeny has brought the nonprofit sector face-to-face with a new reality. A certainty confronting head-on the old mores that have dictated the sensibilities by which a nonprofit's manner and method were framed. Success, in the 21st century marketplace, now requires a non-profit to be both technically astute and business savvy. It must not only equal or outperform its sister agencies, but also meet challenges posed by the worlds of commerce and government. Its leadership in turn must be equipped to handle these challenges and oversee profitable processes and procedures. This chapter will consider four key requisites for nonprofit leaders in the 21st century: education, technology, know-how, and environment. It will examine the role each plays in a leadership portfolio, along with the difficulties and rewards inherent in their determination and utilization.

INTRODUCTION

Technological advances have spawned a new framework of communication. Pen and ink have been replaced by key strokes, paper by screens, and postage by the "send" button. But what of the progeny of this match between thought and science? While well versed in the processes of electronic messaging, will they be equally as formidable in the boardroom (be it virtual or actual)?

A wake-up call has been sounded to all non-profits; succeed or perish. This warning carries with it a mandate to be on top of one's game at all times. However, putting one's best foot forward and taking the correct paths presents a test for an organization as well as its leadership. Failure to

correctly utilize tools such as technology, within an appropriate framework, can mean the difference in wearing a crown of success or a withered laurel.

However, technology can not stand alone on the battlefield of competition. Although technology is able to enhance the speed at which both formal and informal communications transpire, its proper use - accompanied by what will be stated in those communiqués - will be equally (if not more) important than the velocity or system by which the interaction takes place. Ultimately the transfer of knowledge and experience, along with the structure in which they are employed, will either tip the scale in favor of a nonprofit corporation or be the millstone that causes collapse.

The intent of this chapter is to identify and discuss obstacles facing nonprofit leaders in the 21st century marketplace. Further, to explore the influence and dynamics brought to bear by competition, an aging executive population, the need to productively utilize key business tools such as technology, and a mission to find the correct equation between new and old methodologies.

BACKGROUND

While many college graduates will enter a formal business environment, some will select the non-profit sector as a life's course (opting for what has been perceived as humanity versus cold corporate halls). However, there is a new mindset prevalent in the passageways of benevolence. Ushering in advances in technology and an expanded global perspective, the 21st century let fall the welcome mat of competition at the doorstep of every non-profit. So forceful was this impact, that it altered the traditional non-business perspective of many nonprofits.

Faced with rising costs, more competition for fewer donations and grants, and increased rivalry from for-profit companies entering the social sector, nonprofits are turning to the for-profit world to

leverage or replace their traditional sources of funding. The drive to become more businesslike, however, holds many dangers for nonprofits. (Dees, 1999, p. 137)

Like the fairytale frog, waiting to be transformed by the kiss of a princess, a nonprofit's conversion from social enterprise to the business sector can be a long and arduous task. For some, the notion of even thinking like a for-profit organization may prove daunting. Consequently, nonprofit leadership understudies must possess the same businesses acumen as their corporate counterparts - and then some. They must not only be prepared to handle the day to day challenges faced by the business community, they must also maintain the skill sets of their predecessors when dealing in areas such as membership, volunteers, and fundraising.

Many outside people think that the nonprofit sector has lower standards and a slower pace than the for-profit sector.... Let's dispel those myths right off the bat. These days, a nonprofit leader cannot create results through mandate. He or she must build commitment, create consensus, and be active on the front line…

You must have in-depth understanding of your organization's area of focus (health, education, the environment, etc.). You must be informed and strategic, yet hands-on. The environment in which nonprofits function today calls for far more accountability and transparency with the general public, regulatory bodies, and the organization's volunteers, staff, and constituencies. (Wheeler, 2009, pp. 14-15)

The educational background of its leaders will undoubtedly be one of the major components determining the success or failure of any 21st century nonprofit. Therefore, the curriculum for these next generation leaders must include not only the traditional business subjects (economics, finance,

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