



THE EXPECTANT NON-PROFIT

A GUIDE FOR NAVIGATING THE HEALTHY
GROWTH OF ORGANIZATIONS

Maxine Harris, PhD

Non-profit organizations can be fragile things.

In the beginning, they need a lot of tender loving care. But just because you make it out of that first rough year, don't expect smooth sailing. Fewer than 50% of all non-profits make it to their 5th birthday! Not exactly a mortality rate to be proud of.

Just like new parents often need a “how to” book, so do new non-profit CEOs. So here it is, a guide for helping your organization flourish and live well into old age:

1. Define a mission, not a task
2. Don't confuse mission with strategy
3. Don't confuse mission with values
4. Move from unilateral power to delegated and representational authority
5. Move away from informal hiring
6. Bring in help from the outside
7. Plan for succession

1. Define a Mission, Not a Task

The very essence of a non-profit is to be mission driven, and by mission we mean something that aims for a noble purpose. Put quite simply, the mission of a non-profit organization is to make something “better.” But some non-profits confuse a mission with a job that needs to get done. For example, if children living in a poor neighborhood don’t have backpacks to take to school when the semester begins, a group might form that pledges to raise money for backpacks for every child who attends PS 89. The group might work very hard and accomplish its task. But this is a group that was never mission-driven, it was task-driven, and when the task was completed the organization no longer had a reason for being. Organizations that are merely task-driven burn out once the task is completed.

Now imagine an organization where the mission was to provide a successful learning experience for every child. The mission is broad and can include everything from providing tutoring; to making sure that every child has the tools needed to succeed in school, (computers, desks, as well as backpacks!); to providing training for incoming teachers. The mission is not fulfilled when one of its tasks is completed since there is always more to do. This mission is built for a growing organization!

Organizations that are merely task-driven burn out once the task is completed.

2. Don't Confuse Mission with Strategy

A mission is an organization's reason for existing: a strategy is how we get things done. Take for example an organization whose mission it is to defend and preserve equal rights for all. The organization might choose to work with any number of groups that have experienced unfair and biased treatment: people of color, LGBT individuals, the working poor, incarcerated men and women, and undocumented immigrants to name a few.

The strategy for how to accomplish that mission, however, is something else. The organization might file lawsuits, organize protests, collect petitions, or try to elect candidates sympathetic to its mission. The "how" can vary depending on context, opportunity and opposition. But the "why" stays constant.

As they grow, non-profits are in danger of losing the distinction between mission and strategy and you might have strong disagreements within the organization. Taking the above example once again. If you think your mission is to file lawsuits, then organizing protests might seem like a waste of time. Growing organizations need to keep asking themselves the question, "Why are we doing this anyway?" In other words, "What is our mission, our true north?"

Growing organizations need to keep asking themselves the question, "Why are we doing this anyway?"

3. Don't Confuse Mission with Values

Organizations have missions and they have values, but the two are not the same thing. Values are principles such as: we treat everyone with respect; we operate with integrity in everything we do; we strive for innovation and change; we seek to empower our staff and our clients; we strive to work collaboratively with others. Values are not why we operate, nor how we seek to operationalize our mission, but the ethics of how we do business.

Once core values get written and sometimes even included in a mission statement, organizations can get confused about what comes first. Is it our mission to treat others with respect, or do we create an environment of mutual respect while we are working to accomplish our mission? Silly as it may sound, some organizations confuse mission with values and spend more time on clarifying and adhering to their values than on accomplishing their mission. It might seem obvious that values should remain distinct from mission, but remember: non-profit organizations are started by people who in one way or another want a better world and that usually means treating others and ourselves in respectful and kind ways.

As organizations grow they need to always “keep their eyes on the prize.” We are defined by our mission, and we should have a mission big enough and bold enough to hold as the agency grows.

We are defined by our mission, and we should have a mission big enough and bold enough to hold as the agency grows.

4. Move from Unilateral Power to Delegated and Representational Authority

In a fledgling non-profit, no one asks the question “who’s in charge around here?” There is usually one leader, the person who founded the organization, and that person is in charge of everything. Like the story of the CEO who is in charge of everything from the strategic plan to picking the menu for the yearly picnic, the leader of the new organization has her nose in every aspect of the organization’s functioning. And while for the big decisions, this might make for consistency, it also places an undue burden on the leader and leaves others feeling as if they have no say in the activities or direction of the organization.

In the early life of a non-profit, the founder/leader may feel very protective of the organization and may not trust others to “take care of her baby.” Such a leader retains the power to say “yes” or “no” to every decision. In the very early stages there may even be no room for discussion. The leader demands agreement and may be prone to hiring “yes men” rather than bringing in people who might be able to make a real contribution to the life of the organization.

Leaders who exercise unilateral power may be resented by staff who see them as tyrannical, and those staff may operate in a passive-aggressive manner that impedes any progress within the organization. “If he thinks he knows better than the rest of us, then let him just do it himself.” No one really likes to work for a tyrant, and low morale and high turnover might result when a leader insists on being the only one in charge.

So how does an organization change if it is to grow? First, the leader needs to establish a team of trusted associates/department chiefs, each of whom leads a department/section/division

within the organization. These chiefs function as associate leaders, helping the founder to make decisions. This team should meet regularly so everyone knows and understands the functioning of all the departments.

In these meetings, the leader needs to let staff know that she cares what others have to say and therefore is providing a forum in which others can voice opinions. One way to do this is to have meetings that have clear agendas and expectations at the outset. Participants should know that some meetings are purely informational. Group members should report on what is happening in their part of the organization. There should also be meetings in which members present and advocate for a particular course of action, and finally there should be meetings in which senior leadership get to vote on how the organization should proceed. Importantly, as the organization transfers away from unilateral power, there should be a short period during which staff members know that the leader still retains the power to make a final decision. If this is spelled out before the meeting starts, then no one will be surprised or disappointed.

No one really likes to work for a tyrant, and low morale and high turnover might result when a leader insists on being the only one in charge.

As the organization continues to grow, the founder/leader must begin the process of transferring authority to other members of the leadership team. Authority is essentially delegated power. A person who has authority has the power to make final decisions within an identified sphere. For example, a leader within the human resources department is given the authority to manage complicated hiring and firing decisions. The founder relinquishes the right to overturn those decisions. Power has now been transferred. Others may have the right to question a decision, but ultimately the power now rests with the departmental leader.

Additionally, the founder must give other leaders the representational power to speak for the organization in public forums and with groups outside the organization. No more “I’ll have to check back with him/her before I can give you an answer on that.” Authority for outside decisions has been granted to someone other than the founder. Finally, associate leaders or chiefs need to be granted financial discretion over their departments. This means having a budget and having the authority to spend money without having to check back and see if it’s okay.

If organizations are to grow and thrive, they cannot be run by a king or queen. Just read Shakespeare’s histories—unilateral power invariably leads to defeat.

5. Move Away from Informal Hiring

When a founder opens the door of a new non-profit, or any new start-up for that matter, the last thing on her mind is whom to hire. First there is rarely any money to hire anyone. But, more importantly, the focus is on developing and refining the idea that inspired the organization in the first place, and that process is best done by one or two passionate, enthusiastic people. They play with ideas, sit in front of white boards, and are willing to “fail early and often.” But then they realize there is just too much work to be done by one or two people staying up half the night, and this is often where the first big mistake occurs.

Who do you hire when you don't know what you need? One more warm body is not enough. Moreover, that first hire is often a friend who shares a commitment to the mission, but may not be the right person to help. And if the person is not only a friend but is someone lacking the right skill set, then giving feedback, setting standards, and perhaps—in the worst case—firing that person becomes difficult and fraught with tension and hurt feelings, just what first-time founders with no experience running a business don't need in the early stages of running a business.

More formal and ultimately more successful hiring starts by assessing exactly what the organization needs. If you really need an IT expert, hiring a design person may be premature. You need to remember that a good design person cannot possibly be effective if the people who need to support that person have not been hired first.

The decision of whom to hire next requires that a clear organizational chart be constructed, an assessment of what skills are missing to help the organization grow needs to be performed, and then writing clear and specific job descriptions (with the help of someone experienced in HR process) that will be used to guide the hiring process. This orderly hiring process takes away the sense that hiring is personal and not skills-based. Now, if you are a new organizational leader, this discussion may make you want to scream and head for the hills. And that, regrettably, is what happens with many leaders as they turn into CEOs. They take a giant step backward and return to hiring friends who share their mission even if they don't possess the necessary skills.

Sometimes it takes a founder several repetitive mistakes before they realize that organized hiring is really the only course of action to insure successful hiring.

But the hiring process does not stop with writing good job descriptions, people actually need to be hired and this requires a series of steps for how to hire. Jobs need to be posted; regulations

for hiring need to be followed; people need to be interviewed and in many cases given a trial period, often with a duration of one to three months before an official offer of employment gets made. Generally, new hires then need to go through a training process and now, voila, the new employee is ready to start working.

But since no one gets hired for life, except for the founder, a process of evaluation needs to begin. Employees should be given a list of the criteria on which they will be evaluated, a process by which the evaluation will be conducted and a description of what will happen if the evaluation shows clear deficits.

Take all of these together—needs assessment, job descriptions, hiring procedures, and performance evaluations—and lo and behold, you find yourself with a human resources department. Even though most leaders know that such a department is needed if an organization is to grow, probably no other step is as difficult for founders/leaders to take. Many founders started their own organizations because they were driven by a mission, but also because they wanted to escape the constraints imposed by big businesses, and nothing sounds more bureaucratic than an HR department! But just as we don't want to take medicine even when we are sick, growing up demands swallowing the pill of more formal and standardized hiring.

Who do you hire when you don't know what you need? One more warm body is not enough.

6. Bring In Help From the Outside

When you first start a non-profit organization, you think that all you need is a good idea, a commitment to an honorable mission, and the willingness to work hard. But if the organization lasts long enough, most successful founders realize that that is not enough. You can't solve all the problems yourself, and you need to be willing to bring in help from outside the organization.

Sometimes organizations start growing faster than founders anticipated. There may be new opportunities, additional demands, competing requests, and outside competitors. And at this point founders may find their heads spinning. Which risks should I take? Which options might lead to dead ends? Will the organization crumble if I make a mistake?

This is when leaders need to take a step back and bring in reinforcements. Remember, you are not the first person to build a thriving organization. There are many people who can step back and say with confidence, "been there, done that." And those are the people who need to come in and take a look and then give their advice and counsel. Remember, outsiders are not new employees. They are experienced consultants who come in with the purpose of taking a big picture look, like helicopters who hover above and get a full perspective on what is going on below.

Outsiders can assess how the organization is doing, reaffirm the mission, and make suggestions for how things could be done better. Because they have no real authority to make things happen, their suggestions can hopefully be free of bias and self-interest. Outsiders can lead training efforts, can provide coaching, and can do an ongoing assessment of how things are proceeding.

Consultants come in only for a limited time and should have a clearly defined task. And remember, their advice is just that, advice—not an imperative.

One consultant may not be enough; sometimes several people are necessary to tackle different problems. Without much experience in running an organization, most founders think that if you bring in outside help, you are de facto hiring a new employee. That need not be the case. And, although you might not think about it at first, outside help can come from reading a book or going to a lecture or attending a conference. Experts have researched a range of problems, collected data, and have suggestions for how to remedy difficulties. There is nothing wrong with having a conversation with a book!

And finally, founders should not be ashamed of bringing in outside help. Part of growing up is recognizing what you don't know and being willing to let others from the outside guide you. Even experienced climbers need sherpas to help them reach the top of the mountain!

Remember, you are not the first person to build a thriving organization. There are many people who can step back and say with confidence, “been there, done that.”

7. Plan for Succession

The last thing the founder of an organization wants to hear is that he will not be there forever. It took a certain amount of hubris to venture out on your own and start a new business, but it takes a certain amount of humility to plan for the future.

First, every leader needs a drop-dead plan. Gruesome as this may sound, there needs to be a plan in place, somewhat like the 25th amendment, for what happens if the leader becomes unexpectedly incapacitated or dies suddenly. Who will take over in the short term? Now this may or may not be the person who will ultimately lead the organization going forward, but the organization needs to know who will take over in the short term if the founder is unable to carry on.

The organization needs a deep bench, so that when it is time to choose a new leader, there are plenty of choices. When members of the leadership team are cross-trained in all aspects of the organization they have the knowledge to take over when the time comes. It is also necessary that each leader receives the individualized training that he or she needs. This may come from participating in local or national conferences, or in some cases bringing in an outside coach who can guide potential leaders in their journey to becoming CEOs.

The board of directors should also have a clear procedure for how a new CEO will be chosen. Since many boards in new non-profits are founder-run, it is better if the policies are crafted by a legal team so that there is no arguing or jostling for power when it is time to choose a new CEO.

Sometimes it is best for the organization if the new leader comes from outside the ranks of current employees. Outside leaders can bring a new perspective to the organization and can make changes that the prior CEO might have been reluctant to make. Bringing someone in from the outside, however, may engender resentment from those internal candidates who now feel

“Well I guess we weren’t good enough.” Some strong internal leaders who were passed over may choose to leave and take their talents elsewhere.

In some cases, succession is well planned and goes smoothly. Some staff are glad for change, but others lament the loss of a founder and may fear that the organization will flounder. And while some founders leave gracefully, others prefer being carried out feet first. In any case, it is best not to announce a planned departure date too soon. Organizations can struggle when the leader is a lame duck. Succession, like every major life transition, can happen smoothly if it is well planned and carefully executed, but if not, it can be like an estate that languishes in probate for years.

If they survive their early struggles, all organizations grow up. Like children, it happens fast, before your very eyes, and before you even know it.

Keep your focus on the mission, learn how to share power, take hiring seriously, open the doors to the outside, and plan for your departure. Then you can sit back and watch your organization grow! 📖



Info



Ready to dig deeper into this idea? Buy a copy of *Lessons for Non-Profit and Start-Up Leaders*.

Want copies for your organization or for an event?
We can help: customerservice@800ceoread.com 800-236-7323

About the author

Maxine Harris, PhD is the co-author of *Lessons for Non-Profit and Start-Up Leaders: Tales from a Reluctant CEO*, and CEO of Community Connections, a large social service organization in Washington, DC.

For more information, visit www.communityconnectionsdc.org.



Powered by the love and tender care of 800-CEO-READ, ChangeThis is a

vehicle for big ideas to spread. Keep up with the latest developments in business books and ideas at 800ceoread.com

This document was created on November 15, 2017 and is based on the best information available at that time.

The copyright of this work belongs to the author, who is solely responsible for the content. This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License. To view a copy of this license, visit Creative Commons. Cover image from Adobe Stock.

Share this

Pass along a copy of this manifesto to others.



Subscribe

Sign up for e-news to learn when our latest manifestos are available.

