

LEADING OUR FUTURE

LEADERSHIP COMPETENCIES IN ONTARIO'S NONPROFIT SECTOR

Executive Summary

WHAT DOES THE SECTOR NEED? LEADERSHIP THROUGH 7 KEY ROLES

Different skill sets will be needed at different points in an organization's development, and over the course of leaders' careers.



BUILDER

Builds strong, adaptive and diverse organizations and relationships



THINKER

Anticipates change, assesses data, creates strategy, supports learning



MENTOR

Supports staff growth, demonstrates empathy and trust, models perseverance and resilience



STORYTELLER

Communicates the mission and vision, champions the organizational brand



INNOVATOR

Encourages experimentation and risk taking, embraces change, adapts to dynamic environments



CONNECTOR

Develops networks, shares knowledge, collaborates, listens for diverse voices



STEWARD

Strengthens capacity through technology, demonstrates accountability, promotes effective governance

Sources: 1 Shaping the Future: Leadership in Ontario's Nonprofit Labour Force, Ontario Nonprofit Network, 2013; 2 Youth Perceptions of the Non-Profit Sector, Youth and Philanthropy Initiative, 2015

July 2017

TWITTER @o_n_n LINKEDIN / FACEBOOK ontario nonprofit network

@ Foundation House, 2 St. Clair Ave. E., Suite 300, Toronto, Ontario, M4T 2T5 | 416-642-5786
admin@theonnc.ca | theonn.ca

Leading our Future: Leadership Competencies in Ontario's Nonprofit Sector

Canada's 160,000 nonprofits and charities play a vital role in the social and economic development of our communities. In Ontario, the nonprofit sector consists of more than 55,000 organizations and employs over one million workers. It is a major employer in the province, and one of the fastest growing segments of Ontario's labour market. A key part of strengthening Ontario's nonprofit sector is strengthening its labour force. ONN is focused on developing a culture of labour market planning in the sector, and has identified leadership as a cross-cutting issue on which nonprofits can best work together.

Leading our Future builds on ONN's [previous research](#) on leadership and anticipates changes in the nonprofit environment, including changing demographics, resource constraints, the changing nature of work, technological developments, and more. It identifies key "competencies"—knowledge, skills, capabilities and attributes, and more—that nonprofit leaders will need to respond to these pressures and opportunities in the next two decades. The report's findings and conclusions are based on a literature review, and focus groups and key informant interviews.

Where to start the discussion of future leadership competencies in the nonprofit sector?

We looked at the factors, forces, pressures, and opportunities that are expected to shape the sector in the future. While there were many varying perspectives based on past experience and foresight, three themes were identified:

1. An increasingly disruptive, dynamic environment will demand innovative organizational forms and creative, adaptive nonprofit leadership.

Nonprofit leadership is tough at the best of times. The socio-demographic, political, economic, and social context will continue to be complex, unstable, and changing. Diversity within the sector in terms of organizational scope, focus, and size will remain and perhaps increase with new forms of

organizations. Technology will continue to be a strong force for change. The retirement of a large number of current leaders is leading to a transition from old to new forms of leadership. Nonprofits will need to develop more flexible and adaptive organizational structures. Resources remain a key challenge and a continuing barrier to innovation and capacity development for many nonprofits.

2. Nonprofit leadership is complex and continuously evolving.

Leadership occurs internally within an organization and externally in the broader community and sector. It is defined as management and leadership skills, competencies, and behaviours. Increasingly, leadership is thought of as dispersed and shared in a nonprofit, not fixed in an individual or position. It includes volunteer and paid leaders, whether staff or board members. Attracting and retaining potential leaders is challenging for many reasons, including compensation, workload and stress, limited room for advancement, and a low profile in the broad community. Leadership needs to vary by the nonprofit's size, type, stage of development, geography, and sub-sector. The nonprofit leader must manage relationships and expectations of multiple stakeholders—board volunteers, staff, funders, donors, clients, and the public.

3. The sector must re-frame its value proposition and promote its inherent rewards and opportunities as part of a strategy to attract future leaders.

The sector is challenged to communicate the impact of its distinct mission and value-based work in the current environment. Blurring boundaries of government and the business sector doing 'social good' and changing relationships with the public, donors and communities have implications for future leadership competencies. They highlight the need to refine and focus the sector's message so that it can articulate a clear profile and attract and retain the 'best of the best' of future leaders.

What do these themes mean for nonprofit leadership?

Future nonprofit leaders will need to demonstrate leadership through seven key roles:

WHAT DOES THE SECTOR NEED? LEADERSHIP THROUGH 7 KEY ROLES

Different skill sets will be needed at different points in an organization's development, and over the course of leaders' careers.



BUILDER

Builds strong, adaptive and diverse organizations and relationships



THINKER

Anticipates change, assesses data, creates strategy, supports learning



MENTOR

Supports staff growth, demonstrates empathy and trust, models perseverance and resilience



STORYTELLER

Communicates the mission and vision, champions the organizational brand



INNOVATOR

Encourages experimentation and risk taking, embraces change, adapts to dynamic environments



CONNECTOR

Develops networks, shares knowledge, collaborates, listens for diverse voices



STEWARD

Strengthens capacity through technology, demonstrates accountability, promotes effective governance

Sources: 1 *Shaping the Future: Leadership in Ontario's Nonprofit Labour Force*, Ontario Nonprofit Network, 2013; 2 *Youth Perceptions of the Non-Profit Sector*, Youth and Philanthropy Initiative, 2015

Builder: The nonprofit leader of the future will build strong, adaptive, and diverse organizations that embody clear visions, missions, and values. The leader will build internal capacity and external relationships with communities and other stakeholders.

Thinker: The nonprofit environment is complex and it will be important for future leaders to anticipate change, understand the dynamics at play, assess data, and analyze situations and environments. Leaders must thoughtfully develop strategy, and support reflection and learning within the organization and community.

Mentor: A nonprofit leader must also be a mentor to support growth and development in employees and volunteers. The leader must be authentic and demonstrate qualities of empathy, sensitivity, trust, and openness. Future leaders will model perseverance, patience, and resilience in dealing with complex and uncertain environments.

Storyteller: Future leaders will communicate the nonprofit mission and value compellingly and honestly, and will develop and champion a strong and clear brand for the organization within the broader community.

Innovator: Future nonprofit leaders must be curious and encourage efforts to experiment and take reasonable risks. They will promote learning as a result of development and change and will continually adapt and adjust to a dynamic environment.

Connector: The nonprofit leader of the future will develop relationships, networks, and partnerships to further the organization's mission and impact. This includes sharing knowledge and ideas and collaborating within and across sectors. The leader will be skilled at listening for diverse voices and negotiating to resolve conflict.

Steward: Future leaders must direct, manage, and protect the human, capital, and financial resources of the organization. They will plan for longer-term organizational development, introduce technology and management strategies to strengthen capacity, and demonstrate accountability and transparency in communicating about performance and promote effective decision-making and governance.

How do we move towards this vision of a future leader?

The path to leadership is not straightforward. Nonprofit leaders may develop from within an organization, but they may also come from the private or public sectors. This brings both challenges and opportunities to prepare future leaders as they will come from different environments, with different approaches to the sector.

In addition, there is not one approach to leadership development. The research indicates that a range of formal and informal programs and initiatives are needed to support leadership development in this broad and diverse sector. One of the biggest barriers to more robust leadership development is a lack of resources—lack of funding for development initiatives and limited internal capacity to allow new and emerging leaders to move away from their roles to engage in opportunities for development.

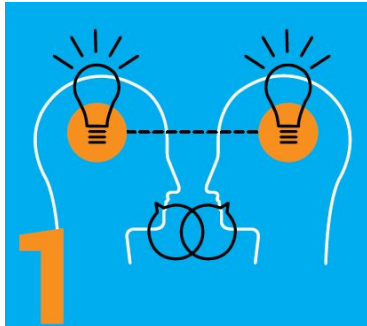
Strong, resilient, and supported leadership is essential to the future of the nonprofit sector in Ontario. Efforts are needed at three levels—organizational, sector, and systems—to build the leadership development framework and supportive environment that is urgently needed.

RECOMMENDATIONS: WHAT CAN WE DO TOGETHER?

Nonprofit-driven solutions!



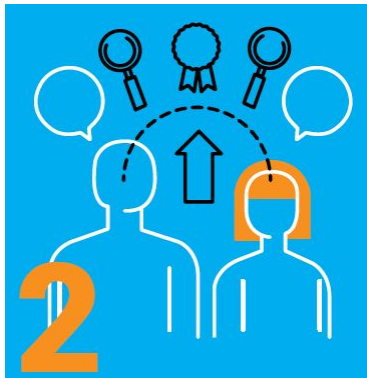
How can organizations and the nonprofit sector put this framework into action?



AT THE ORGANIZATIONAL LEVEL

Shift organizations to nurture new leadership structures and share leadership.

Nonprofit organizations can apply the framework by talking about it with staff and board members and conducting organizational self-assessments. They can work to ensure they have the policies, systems, and supports in place to develop and support current and emerging leadership and that there are resources allocated for training and development.

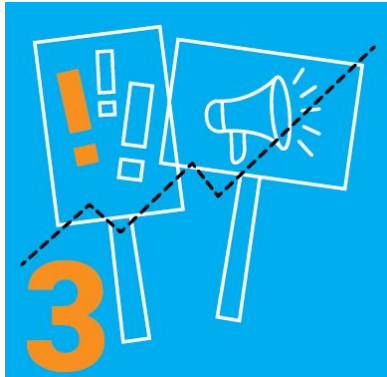


AT THE SECTOR LEVEL

Create and amplify sector-driven solutions.

Initiatives are needed at the sector level that support the development of leaders, including efforts to raise awareness of leadership competencies needed for the future, a resource bank to share tools and programs, a focus on developing the nonprofit sector's relationship with universities and colleges, and collaboration on leadership development among sector and sub-sector organizations and in smaller urban centres and rural communities. Further examples of leadership development initiatives are described in the report. Ways to continue

the thinking and focus on leadership development could be supported through establishing a panel of nonprofit leadership “champions”, both experienced and emerging, to promote leadership development in the sector and community.



AT THE SYSTEMS LEVEL

Advocate for change at the systems and policy levels.

Nonprofit leadership development also requires system level attention to the sector’s human resources, including policy change, reliable and accurate workforce information/data, and sustained, long-term investment in human resource development. Effort is also needed to promote a broad societal understanding of the role, impact, and opportunities of a career in the nonprofit sector. Policy and advocacy initiatives to promote “decent work”, including fair incomes, stable employment, health benefits, and a sector-wide nonprofit pension plan, are important to attract and retain a stable workforce and create leadership pipelines for the future.

Leadership for impact

In the face of an increasingly disruptive and uncertain environment for nonprofits, leadership competency will be the factor that will distinguish those organizations that thrive and succeed from those that struggle and fail. Stronger, sustainable leadership channels will have a significant impact on the ability of nonprofit organizations across the province to deliver on their mandates and strengthen our communities, and Ontario.

“ Leadership is running an effective and sustainable organization to lead people, and to have impact. ”

ABOUT ONN

Organized in 2007 and incorporated as a nonprofit in 2014, the Ontario Nonprofit Network (ONN) is the independent nonprofit network for the 55,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy.

ONN works to create a public policy environment that allows nonprofits and charities to thrive. We engage our network of diverse nonprofit organizations across Ontario to work together on issues affecting the sector, and channel the voices of our network to government, funders and other stakeholders.

OUR VISION

A Strong and Resilient Nonprofit Sector. Thriving Communities. A Dynamic Province.

OUR MISSION

To engage, advocate, and lead with—and for—nonprofit and charitable organizations that work for the public benefit in Ontario.

OUR VALUES

Courage to take risks and do things differently. **Diversity** of perspectives, creativity and expertise to get stuff done. **Optimism** and **determination**. **Solutions** created by the sector, with the sector, for the sector. **Celebrating** our successes and **learning** from our experiences. **Strength** that comes from working **together**.

www.theonn.ca

ACKNOWLEDGEMENTS

[Leading our Future: Leadership Competencies in Ontario's Nonprofit Sector](#) was researched and written by Peter Clutterbuck, PC Human Resources, and Caryl Arundel, Caryl Arundel and Associates.

ONN and the consulting team gratefully acknowledge the contribution of the ONN Leadership Competencies Advisory Group, comprised of sector leaders, academics, and researchers. The Advisory Group played an important role in guiding and shaping the development of this research and report:

Tom Abel, Co-Chair, Connect the Sector Steering Committee

Janice Chu, Director of Programs and Capacity Building, United Way Toronto & York Region

Emily Cordeaux, Coordinator, Research & Evaluation, Imagine Canada

David Lasby, Director, Research & Evaluation, Imagine Canada

Tracey Robertson, Prosperous People Lead, Ontario Trillium Foundation

Cathy Taylor, Executive Director, Ontario Nonprofit Network

ONN and the consulting team would like to thank focus group and key informant participants who generously gave their time to share their insights and experiences to help us understand the breadth and scope of the issues.

ONN would also like to thank the many sector leaders who have participated in and supported our labour force work over the past five years.

The authors would also like to thank the ONN staff for their logistical and technical support with organizing and conducting the on-line participation of several of the focus groups, and the final editing and production of the report.

ONN is grateful to United Way Toronto & York Region for supporting the development of this report.

