

**Creating bold, thriving,
sustainable nonprofit
leadership requires disruption**



About ONN

ONN is an independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen the sector as a key pillar of our society and economy. We work to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations to work together on issues affecting the sector and channel the voices of our network to governments, funders, and other stakeholders.

Acknowledgements

This report was made possible with the support of many ONN staff. Special thankyou to those acknowledged below for leading and funding this work.

- Taashi Gupta, Project Manager who led the work.
- Sandbox participants from across the province who shared their time and energy.
- Community Services Recovery Fund, Red Cross Canada.
- Disclaimer: This project was funded by the Government of Canada's Community Services Recovery Fund.

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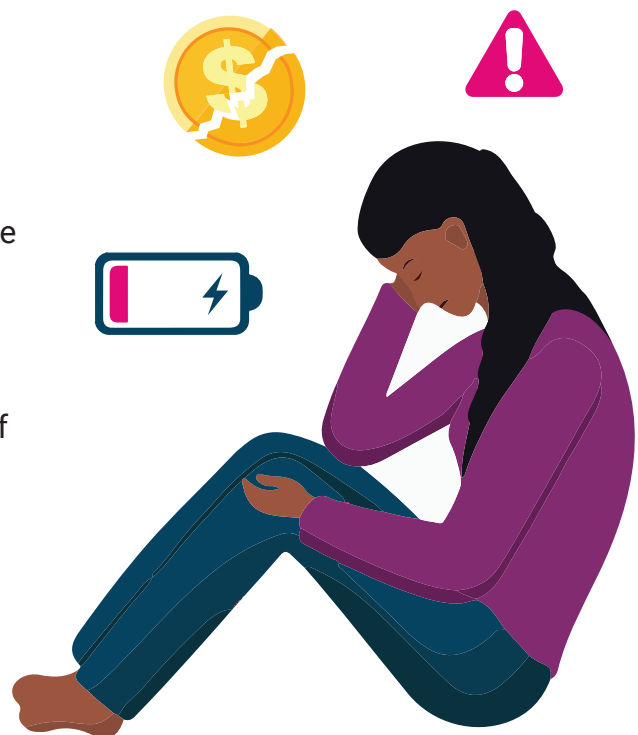
Communities need nonprofits, nonprofits need their workforce

Nonprofits create communities people want to live in and raise their families in. We make communities vibrant with accessible and high quality recreational activities, street festivals, and safe spaces for children before and after school. We provide essential services every Ontarian needs, including care for the old, young, sick, and frail. In addition, nonprofits are fundamental in helping Ontarians battle crises, from affordability to public health and climate emergencies. Nonprofits are supporting people with employment and training, delivering meals on wheels, and providing gender-based violence services. As demand rises, we are also filling gaps for affordable housing, mental health and addictions programs, and settlement services.

However the nonprofit labour force, made up of people who weave together this care infrastructure for communities to thrive, is facing a significant crisis due to the pandemic, and its fallout. People are leaving the sector at a high rate as nonprofits struggle to compete with each other, and across other sectors for people with all types of skills, expertise, and career experience. While labour force issues have always required the sector's attention, this moment has created an unprecedented level of urgency. Workforce issues are impacting every part of the sector, across roles and functions, subsectors, and regions.

The crisis is rapidly intensifying because:

- Resources to do the work are decreasing. Fundraising is harder than ever before, and government funding does not align with true cost of service and program delivery alongside the steep rise in inflation, and resulting affordability crisis.
- Design of funding structures prioritize project based roles, contributing to an environment of temporary contract work.
- There are significant social, economic, and political shifts happening simultaneously.
- Demand for services, particularly complex care, is high and causing staff burnout.



In 2013, ONN published [two key reports](#) that highlighted the need to close the leadership gap, and rethink current leadership models. Building on these reports, in 2017 ONN launched [seven key “competencies”](#) that nonprofit leaders needed to respond to emerging pressures and opportunities over the following two decades.

Ten years later, the sector continues to witness the departure of senior leaders at high rates without necessarily enough people wanting to fill the same role. In addition to retirement, many leaders are also leaving their roles due to burnout and/or a desire to take on less demanding roles. While research on nonprofit senior leadership in Ontario (or Canada) is scarce, the challenges regarding senior leadership gaps are widely recognized as a sector-wide systemic issue, which are further exacerbated amongst B3¹, I4², and 2SLGBTQIA+ organizations, women’s organizations, small-mid size organizations, and organizations in northern and rural Ontario.

Towards a resilient nonprofit workforce

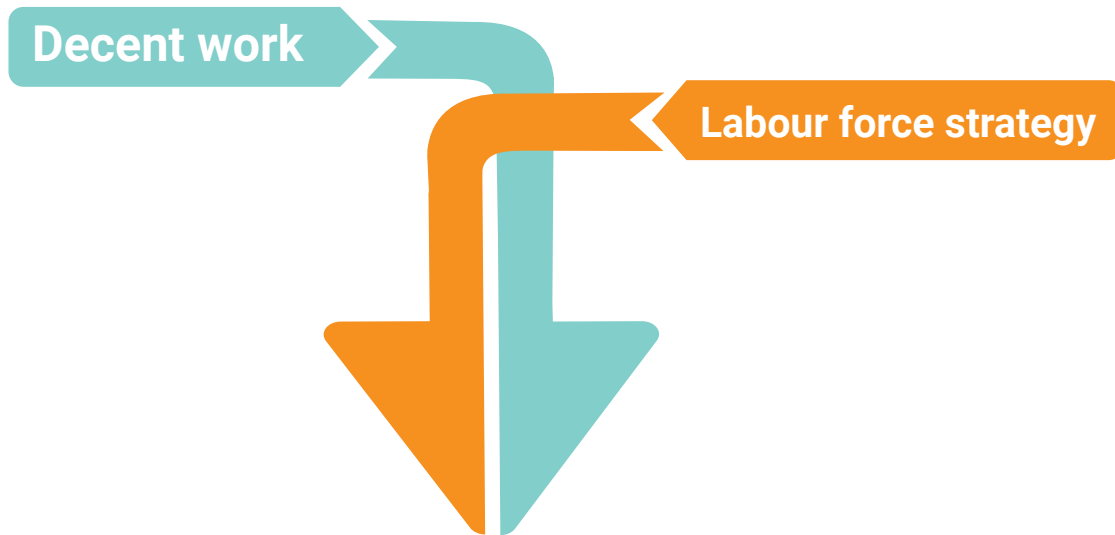
Since inception, ONN has continuously worked towards a strong and resilient nonprofit workforce where workers, employers, and communities are supported equally, rather than at the expense of each other. This vision is key. Our sector’s labour force is not only made up of the communities we are rooted in but is also critical for serving the same communities, from senior leaders and frontline workers to operational and program roles. If nonprofits can recruit and retain skilled people, they will be better positioned to fulfill their community-based missions.

ONN’s work has moved along two criss-crossing pathways in Ontario’s nonprofit sector: building and deepening a [decent work](#) movement grounded in equity, and developing a [labour force strategy](#).

In moving along these two pathways, and while monitoring the sector’s labour force challenges, successes, and opportunities over the past decade, ONN has had two learnings. First, that all pathways are needed to build a strong and resilient nonprofit workforce.

¹ Black-led, Black serving and Black-focused

² Indigenous benefiting, Indigenous informed, Indigenous Partnerships, Indigenous-led



Decent work provides a framework and language to talk about what good work is, and the actions we can take at the organizational, network, and policy levels to realize it. On the other hand, a sectoral labour force strategy, developed alongside nonprofits with labour market information and research mapping trends, addresses, mitigates, and prevents critical human resource issues and proactively prepares our sector for the future of work. Often what comes out of the labour force strategy is a workforce development plan which defines the skills and capabilities needed for future sector needs, identifies key gaps in the current workforce, and creates innovative strategies and programs to build, buy, borrow, and apply those capabilities all with the worker in the center.

The second learning ONN has had is that the future of work is bringing many opportunities and risks with it. If the sector is proactive, we can leverage the opportunities to shape our labour force to better meet our missions today and tomorrow, much like many other sectors. If we are not proactive we will be left behind.

A unique sector like ours, combined with a rapidly shifting world of work, means that the usual steps to developing a labour force strategy will not work. We need to do things differently. Our labour force strategy needs to be sector-driven and sector-owned, where we are pooling risk and resources instead of trying to reinvent the wheel one organization at a time. Collectively, we can aspire to have a province-wide strategy that reflects the needs of the breadth and depth of our sector, and it can be adapted by networks and collectives at the local level, as it makes sense for them.

About the project

In 2023, ONN successfully received funding from the Community Services Recovery Fund from the Canadian Red Cross to build pathways that strengthen Ontario's nonprofit sector's ability to recruit and retain workers. The goal was to meet the sector's emerging needs as it weathered through its ongoing labour force crisis, and seed some of the roots for developing a sector-wide labour force strategy.

Utilizing a systemic and sector-driven approach while building on ONN's existing work, the short project had two streams:

1 Designing and hosting a series of sandboxes for nonprofit leaders to creatively explore and develop solutions for compensation and leadership in the sector. A report including learnings and recommendations from the sandboxes is now available.

2 Building partnerships with post-secondary institutions and regional/municipal economic development and labour boards in Ontario to raise the nonprofit sector's profile as an employer, find synergies in tackling the sector's labour force crisis, and carve out new pathways for recruitment.

The focus of this report is **stream one**, and highlights goals, learnings and recommendations presented by stakeholders in sandboxes. This report is divided into two parts: key learnings from the sandboxes, and recommendations for how to approach sustainable leadership in the nonprofit sector moving forward.

The leadership sandbox:

A space to pinpoint the problem, and develop a solution

The leadership sandbox was a multi-day, facilitated convening bringing together a cross-sectoral group of 16-18 nonprofit leaders to explore solutions for creating an enabling environment to recruit and retain senior leaders. ONN strategically curated meaningful space for nonprofit leaders to discuss, and design solutions collectively. Participants were encouraged to imagine solutions that could combat systemic issues, be relevant for a variety of sub-sectors, while considering the realities of smaller organizations; B3, I4, and 2SLGBTQIA+ organizations, and organizations in northern and rural Ontario.

Attendees included newer and seasoned leaders, those from small to large organizations, from multiple subsectors, whose careers started in the sector and those who came from corporate leadership, and leaders from various equity-deserving groups. It's important to note that while there were leaders representing provincial organizations, ONN was unable to have participation from leaders representing organizations from Northern Ontario.

In designing the leadership sandbox, ONN reviewed the limited nonprofit leadership research in Canada, interviewed past and present leaders, and surveyed the participants prior to the in-person sandbox. While the goal was to design a sandbox that focused on solution-building for increasing recruitment and retention of senior leaders, inevitably it also had to include time to co-build a shared understanding of the nonprofit leadership problem, and its underlying systemic barriers. Responses to the survey sent out prior to the sandbox highlighted how participants had very different understandings.

Participants spent the first day of the sandbox moving through an activity utilizing a tree metaphor to define and understand the sector's leadership problem.



Through this activity, participants identified:

- Impacts of unsupported leadership.
- Practices that uphold the impacts.
- Ideologies and systems that continue to create the environment for unsupported or under-resourced leadership.

After arriving at a shared understanding of the problem, the sandbox then created space for participants to imagine solutions that could be implemented in the following one to three years.

Learnings from the leadership sandbox

1 The leadership problem is complex; as are the solutions.



By the end of the sandbox, there was a clear and shared understanding among participants that the leadership problem in the nonprofit sector is fairly simple to name yet extremely complicated to solve. The problem is that senior leaders are expected to hold too many competing and unrealistic expectations at once while being an expert in everything, without appropriate resources, support, or commensurate compensation packages.

The exit of a leader, particularly one from an equity-deserving community, can sometimes be viewed as an isolated event even though it may have been because of a systemic issue familiar to the whole sector. A one-size fits all solution cannot suffice, given the many layers of nonprofit leadership, and the breadth and depth of the sector.

The leadership problem is even more compounded amongst equity-deserving leaders from BI, IL, and 2SLGBTQIA+-focused, -serving, -led organizations and communities. They often struggle for organizational sustainability, and strive to meet growing community demands due to the disproportionate impact of the affordability crisis on Black, Indigenous, and queer communities, while working alongside their communities to heal from historical harms and combat current systems of oppression, including white supremacy and colonialist structures.

When not leading organizations from their communities, leaders from equity-deserving communities particularly experience the glass cliff phenomenon. The glass cliff is a phenomenon based on research conducted at the University of Exeter, that describes how women were promoted to higher positions when organizations were struggling or in crisis, and the chance of failure was high, essentially leaving them standing on a “glass cliff.” [More recently](#), this phenomena has broadened to describe the challenging position many leaders from equity-deserving communities find themselves in when they follow white leaders.

Leaders in smaller organizations also experience the nonprofit leadership problem differently as they often have limited budgets, are isolated in smaller communities, are volunteer-run or have difficulties recruiting talent due to non-competitive compensation packages, and frequently lack sustainable funding models.

When leadership is not well-supported, the impacts go beyond the individual and ripple onto organizations and the broader sector. Individual leaders face burnout, isolation, lack of work-life balance, and stalled career development. As a result, organizations have reduced capacity to focus on strategic work, cannot be agile, innovative, and/or responsive to emerging needs, are more susceptible to financial and reputational risks, experience higher rates of board and staff turnover, and weakening of partnerships and relationships with donors, funders, and other partners. The health of the sector is threatened as the broader nonprofit network has less capacity for collective systemic change efforts.

2 Leadership is individual exceptionalism

Current senior leadership roles in the nonprofit sector often rely on individual exceptionalism for success which come at a great cost to the individual, and create an unrealistic standard for all leaders to fill. Senior leaders are often expected to hold the workload, expertise, and expectations of the entire organization, from the operational components (finance, human resources (HR), information technology (IT)), strategic thinking and visioning, collaboration and relationship-building to communications and public affairs, and program and service delivery.



Collectively, the sector must reimagine the many leadership qualities our organizations, sector, and communities require and demand in a rapidly shifting world. This includes recognizing that there is no one way of being a leader, and many of the qualities of a successful leader cannot be quantified or easily measured.

Assumptions of what creates a successful leader in the nonprofit sector often stem from the same oppressive systems the sector aims to challenge: white supremacy, capitalism, colonialism, and all forms of discrimination including sexism, racism, transphobia, and ableism.

Some assumptions include that the leader is:

- Solely responsible for creating and leading the vision and direction of the organization for growth.
- Always the public face of the organization.
- An expert who knows and can do everything.
- Valued for quantifiable wins.
- Credentialed in some way with degrees and/or is a public figure.
- More effective and equipped for leadership if they have private-sector experience.
- Not allowed to be vulnerable, emotional, or able to receive and/or give care.

Often, the feminization of the sector, that is negative stereotypes of femininity, manifests into the leadership role as well:

- Holding pressure and stress for the entire organization, as the cushion, including supporting and appeasing staff, board, and funders to feel stable and supported.
- Meeting unrealistic expectations of professionalism and respectability in order to be taken seriously.
- Accepting lower pay or overworking in service of the organizational mission.
- Being unable to ask for support.

Not surprisingly, many leaders from equity-deserving communities take on leadership roles to create better environments, and model possibilities for others in their communities. In the process of being the 'first', the additional pressures of proving themselves and being a role model with limited to no support creates additional hardships for equity-deserving leaders, often creating conditions for burnout and leaving their role. In addition, there is a general lack of understanding, resources, and supports for hiring a leader from an equity-deserving community, especially if it's after years of white leadership.

Some specific leadership assumptions and pressures for leaders from equity-deserving communities are:

- They are unequivocally expected to lead and hold equity-related work in the organization, often without external support, in comparison to their white counterparts. This also creates a fallacy that all leaders from equity-deserving communities understand the histories and needs for all equity-deserving communities.
- They are pushed towards top positions in order to address inequities and other challenges, and may then be pushed out of leadership by burnout and lack of support from staff and board members.
- There are additional pressures to model and represent and/or be vulnerable in relation to their identity, externally or internally, to the organization.

There is additional pressure of proving themselves and the pressure of representing their community when communities are not a monolith.

- There is additional pressure to “fix” the organization, when it is not an equity-deserving community organization.

Unsurprisingly, when leaders leave organizations after ten, twenty, or even thirty years, a vacuum of doom, fear, and instability can descend upon the organization as they try to fill their leadership role with another “exceptional individual”. Oftentimes another “unicorn” does not exist and even if they do, they do not want the demanding role.

3 Leadership needs an enabling environment

Certain antiquated and limiting beliefs that are part and parcel of the nonprofit sector create the environment for the nonprofit leadership problem to fester. The beliefs are perpetuated by nonprofits, and the sector's funders, government as regulators, and the public, often manifesting in organizational practices and culture. These too stem from the same oppressive systems the sector aims to challenge, as noted above.



Key limiting beliefs are:

- Operating from a scarcity mindset of limited resources creates cultures of fear, competition, and increased reliance on existing systems of privilege while deterring collective efforts.
- Unnecessary sense of urgency creates excessive work pressure and stress while limiting space for collaboration and innovation.
- Primary accountability is to funders rather than to communities nonprofits are part of and/or serve.
- Antiquated “charity” narrative and [overhead myth](#) create a false belief that the nonprofit sector is a “nice to have” and only for those in need.
- Undervaluing the impact of the nonprofit sector and therefore undervaluing the people who work in the sector.

Resultant key harmful organizational practices include:

- Under-spending on operations, which increases the required expertise and workload of senior leaders while reducing capacity to focus on priorities that are only in the purview of leadership such as strategy, visioning, and relationship building.
- Appeasing certain stakeholders (e.g funders, board, clients, staff), which deters risk-taking and innovation, spurs vision and mission drift or misalignment, and perpetuates the existing problematic systems and practices reflected in this report, regardless of their impact.
- Measuring impact inaccurately and/or in unnecessary ways (e.g misaligned funder impact reports, pay for performance models) that do not add value to the organization or represent its true impact on community

Sandbox participants noted the trickle down impact of the limiting beliefs and organizational practices that push leaders to perpetuate harmful practices themselves:

- Not modeling the cultures they want to build and foster.
- Not asking for support from peers.
- Don't say no (or can't).
- "Proving worth" by overworking.
- Undermining, controlling, or managing the board and/or staff, which can limit possibilities.

Operating in this way and context makes it difficult for a leader to think beyond existing norms and comfort zones. Much of their focus shifts towards "putting out fires", handling crises, meeting immediate goals, securing funding, and keeping up with growing program and service demands. Even if an organization knows that their current approaches may not be sustainable, they often lack the time and resources to pause and plan for the future, especially smaller nonprofits. Leadership in the sector can only become sustainable when our organizations become sustainable, which requires more resources and support, and cultural shifts.

Recommendations for sustainable leadership



The nonprofit leadership problem is not only systemic in nature itself but is also tied to the many other systemic issues prevalent in the sector. Like a big ball of yarn, nonprofits have not had the luxury - time, energy, resources - to begin untangling it collectively. While targeted leadership development courses (for specific roles, subsectors, geographies), one-off capacity building sessions, and/or cycles of consultants are helpful in a specific moment in time, they are band aid solutions at best. Larger organizations may find the resources and capacity to invest in leadership solutions, leaving the heaviest burden on executive directors of small and mid sized nonprofits and/or those from equity-deserving communities and organizations to figure it out themselves.

The nonprofit sector needs to begin by shifting its collective mindset on leadership in order to begin to unravel the leadership problem, and meet the needs of a rapidly shifting climate. Doing this, while embodying decent work, can create enabling environments for leadership to thrive, and eventually increase the recruitment and retention of senior leaders. It must be disentangled from individual exceptionalism, and antiquated ways of thinking about who or what is a good leader. Reimagining entails reckoning with the disproportionate and differential impacts of the nonprofit leadership problem on organizations and leaders from smaller budgets, in rural areas, and equity-deserving communities. The sector can grow into a leadership mindset that entails continuously developing leadership, rather than in ad hoc manner or when in crisis.

Mindset shifts will catalyze how nonprofits mobilize collectively and implement good organizational operating practices while learnings can further inform systemic solutions.

ONN has just started planting the seeds with this project, but there is a greater - and urgent - opportunity to advance the work. Pulling from the leadership sandbox and relevant research, ONN proposes the following collective recommendations.

1 Shift the nonprofit sector's leadership mindset.

- **Reimagine governance** to identify and implement decision-making structures to meet organizational needs in line with their values and mission.
- **Re-evaluate leadership competencies** needed in the nonprofit sector to arrive at a shared understanding that can be communicated effectively in recruitment, and building systems of skills development and training for existing workers and leaders.
- **Engage in thought leadership** on various non-traditional leadership models, like shared or co-leadership, to provide a variety of leadership pathways for the breadth and depth of the sector.
- **Develop resources** that stem from sector experiences and insights to support successions and transitions, such as an Interim Leadership Transition Guide.



2 Mobilize collectively (locally, regionally, provincially).

- **Cultivate local leadership networks** to reduce isolation, and create opportunities for co-mentorship and resource sharing. The networks can serve as foundations for collective advocacy.
- **Create local nonprofit-led spaces** for senior leaders to develop meaningful and relevant leadership competencies.
- Develop intentional and strategic provincial **mentorship programs** to support emerging leaders. This can include reciprocal or intergenerational leadership programs for mutual capacity building.
- Explore opportunities to **outsource operational responsibilities**, including creating hubs between multiple organizations to support back-end responsibilities. This could include: HR, finances, tech and IT, and any other support systems.



3 Operationalize good practices.

- Review the organizations' Executive Director (ED) or Chief Executive Officer (CEO) **job description** to identify opportunities for support and sustainability. This might mean pinpointing what is in the purview of the leadership role, embedding leadership development of others (network building, capacity building, and mentorship), removing unrealistic expectations, and identifying what can be done by other operational support and infrastructure. The job description should be reviewed annually or every two years.
- Ensure human resource policies and processes, including **compensation structures and performance evaluation models**, take into account the unique positioning of the ED or CEO as a role that solely reports to volunteer board members. Performance evaluation models should allow for mutual meaningful feedback and learning between ED or CEO and the organization.
- Create an **onboarding process** for senior leaders that takes into account the differential supports required for leaders from equity-deserving communities. Rather than viewing it as a moment in time, onboarding should be considered an ongoing process for the first year of leadership.
- Explore options for two or more organizations to **"co-hire" and/or "share"** operations staff.
- Develop a **succession plan**, and ensure that it is updated every two years so it remains relevant to the organization. Consider making it a standing board meeting agenda item.
- Develop an **interim transition plan**, and ensure that it is updated every two years so it remains relevant to the organization. An interim transition plan, differing from a succession plan that is aimed at long-term planning, and an emergency plan which is for crisis planning, would ensure the organization is ready for a leadership transition at any time. The plan answers questions such as: How is the organization preparing for the current leader to leave? Who is going to step in as interim leader and for how long? How will the board recruit a new leader? How does the organization want to evaluate its leadership needs before it hires another leader?

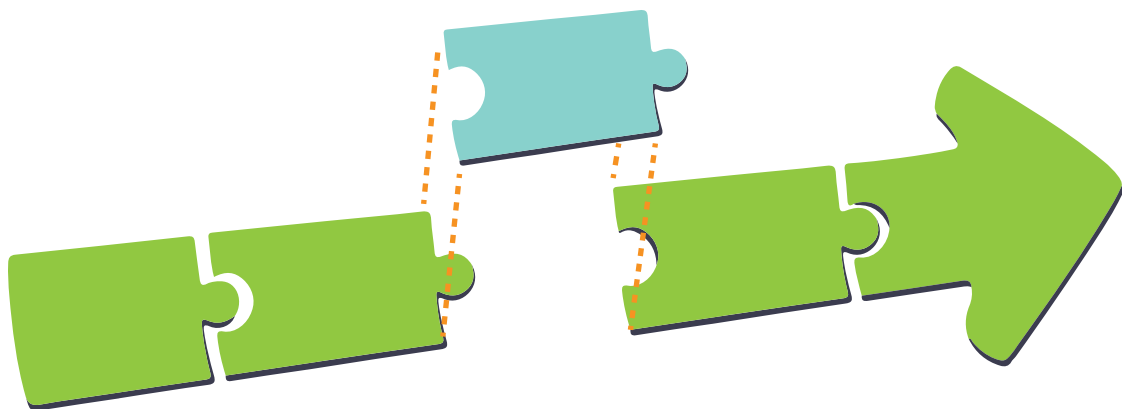
A beginning not an end

The nonprofit sector needs many more supported, diverse leaders if it is to continue to play a vital role in local communities. Increased recruitment and retention will not happen overnight as the leadership sandbox unearthed the paradox of the nonprofit leadership problem - simple to name yet complicated to solve. In beginning to explore systemic solutions to the problem, the sandbox also unearthed how leadership is tied to individual exceptionalism, and requires an enabling environment to thrive.

This project allowed ONN to add to its efforts to further a province-wide, nonprofit sector-wide labour force strategy. In particular, it was an opportunity for ONN to dive back into nonprofit leadership, a key labour force issue identified by the sector over the past decade.

As Vidya Shah shares: “And the last thing I’ll say is that I think leadership itself is more than any one individual. It is more than any one time. It is intergenerational and it is collective and it’s actually the spaces in between the ideas that we have, the structures that we hold people, the more than human it’s, all of that. It’s that network of relationships that to me constitutes leadership.”

There’s more work to be done, but by exploring and implementing our recommendations, there’s a path forward to creating a stronger, more supported nonprofit labour force.



Appendix A: Research

- The Philanthropist. [The decision to step down: Reflections from four foundation leaders.](#) (2024)
- Ontario Federation of Indigenous Friendship Centres. Decent Work Report. (2024)
- Nonprofit Quarterly. [Women of Colour Leaders: Shifting Power Dynamics within the Board-Executive Relationship.](#) (2024)
- Nonprofit Quarterly. [Making Co-CEOS Work: Insights from Leaders Sharing Leadership Successfully.](#) (2024)
- Nonprofit Quarterly. [Coleading as an Act of Rebellion.](#) (2024)
- The Conversation. [How racialized women can tackle backlash when advocating for change.](#) (2024)
- The Circle of Philanthropy. [Fewer people want to lead nonprofits. What's the answer?](#) (2024)
- London Middlesex Mental Health and Addiction Strategic Direction Office. [You don't need to be everything for everyone: Lessons Learned in Mental Health and Addiction Nonprofit Leadership](#) (2024)
- Fora Network. [What does it mean to be Black in Leadership? A Q&A with Fora's New CEO](#) (2024)
- Nonprofit Quarterly. [It Isn't Just Lonely at the Top, It's Downright Scary: The Reckoning Needed for Black Women Leaders](#) (2024)
- Nonprofit Quarterly. [Pushed into leadership, hung out to dry](#) (2024)
- Sweet July. [How sabbaticals are revolutionizing self-care](#) (2024)
- Building Movement Project. [The Push and Pull: Declining Interest in Nonprofit Leadership](#) (2024)
- The Dais. [Embracing Our Future: Social Purpose Leadership in 2030](#) (2022)
- Imagine Canada. [Diversity is our strength](#) (2022)
- CivicAction. [Diversity and Inclusion in Nonprofit Leadership in Ontario](#) (2023)
- Building Movement Project. [Trading Glass Ceilings for Glass Cliffs](#) (2022)
- Nonprofit Quarterly. [Healing centered leadership: A path to transformation](#) (2022)
- Nonprofit AF. [Funders, fund sabbaticals. Nonprofits, have a sabbatical policy](#) (2020)

Appendix B: Research

- Boardsource. [Avoiding the glass cliff and BIPOC leadership initiative.](#) (2024)
- The Bridgespan Group. [Nonprofit Leadership Transitions: Four Ways Funders Can Support Leaders of Color](#) (2024)
- Righting Relations Canada. [Reflections on Transforming the Non-Profit Sector.](#) (2023)
- Maytree. [Five good ideas for successful succession planning](#) (2023)
- The Philanthropist. [Three Ways to Support a New Executive Director.](#) (2023)