



Study: Most Nonprofits Lacking In Leadership, Management

NOVEMBER 1, 2017 MARK HRYWNA

Four of five nonprofits struggle with leadership and management issues and only 11 percent are prepared to scale for optimal impact, according to a new survey of more than 3,000 executives, staff, board members and donors.

“The Stanford Survey on Leadership and Management in the Nonprofit Sector” was spearheaded by William F. Meehan III and Kim Starkey Jonker, authors of “Engine of Impact: Essentials of Strategic Leadership in the Nonprofit Sector,” which [will be released this month](#). The survey was conducted in collaboration with the [Center for Social Innovation at Stanford Graduate School of Business](#), the [Stanford Center on Philanthropy and Civil Society](#), [Stanford Social Innovation Review \(SSIR\)](#), [GuideStar](#), and [BoardSource](#).

Among some of the most common challenges for nonprofits, according to the survey:

- > 56 percent struggle with weak board governance;
- > 52 percent struggle with fundraising;
- > Half struggle with impact evaluation;
- > 52 percent are not ready to scale their impact because they exhibit “weakness in strategic thinking,” such as, mission, strategy, impact evaluation, or insight and courage;” and,

- > 27 percent exhibit “weakness in strategic management,” such as, organization and talent, funding, or board governance, despite exhibiting strong strategic thinking.

A strategy of focus beats diversification, the authors argued, despite almost 1 in four respondents saying that their programs should be diversified to some degree. To guard against mission creep, Meehan and Jonker emphasized that nonprofits should shun the urge to diversity program areas and activities.

Almost one-quarter of executives and staff indicated that they don’t believe their nonprofit sets clear expectations for performance. Some 27 percent of nonprofit executives and staff don’t believe their organization’s culture encourages and rewards high performance. Almost one-third of respondents said they don’t get regular and specific feedback that helps them improve.

Research by Meehan and Jonker on high-performance nonprofits suggested seven essential components of strategic leadership that are needed to maximize impact:

- > Mission – a focused, clearly-defined statement of purpose;
- > Strategy – a strategic framework based strictly on what matters most;
- > Impact Evaluation – a system to measure impact;
- > Insight and Courage – a commitment to applying heart and soul to each decision;
- > Organization and Talent – a superb team to build and sustain high performance;
- > Funding – an ability to build strategic revenue channels and to tap the right donors; and,
- > Board Governance – a strong, effective board of directors.

High-performing nonprofits need strength in all seven of these areas, Meehan and Jonker said, and an inability to master just one of them can prevent an organization from achieving its goals.

The largest intergenerational transfer of wealth in American history is under way, the authors said, estimated to be \$59 trillion going from U.S households to philanthropic efforts and other entities between 2007 and 2061. “By working intentionally and proactively to master the essentials of strategic leadership, nonprofit organizations can seize this tremendous opportunity and ‘earn the right’ to receive additional funding and maximize their impact,” Jonker said.

For comprehensive findings of The Stanford Survey on Leadership and Management in the Nonprofit Sector, visit <http://www.engineofimpact.org/survey>