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NP2020:

Issues and Answers From the Next Generation

NP 2020 Conference

AIM Alliance

Johnson Center
at Grand Valley State University

INTRODUCTION

In July of 2007, the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership convened a meeting of over 100 current and future leaders in the nonprofit sector at Grand Valley State University to discuss the impending nonprofit leadership deficit. The conference titled **NP2020: Issues and Answers From the Next Generation** brought professionals from 14 states to Grand Rapids, Michigan for three days of Open Space discussion and story-sharing.

What is the Leadership Deficit?

According to the Bridgespan Group's report entitled "The Nonprofit Sector's Leadership Deficit,"[1] over the decade from 2007-2016, nonprofits will need to attract and develop some 640,000 new senior leaders — the equivalent of 2.4 times the number currently employed. This statistic has drawn attention to the current leadership development initiatives in the nonprofit sector, as well as problems related to attracting and retaining Generation X and Y workers.

Several staff members at the Johnson Center had attended conferences and meetings where this issue was discussed, but they noticed a lack of Generation X and Y voices in these discussions. NP2020 was targeted specifically at this next generation of nonprofit leaders. The average age of attendees was 30 years old although the conference included participants ranging in age from 21 to 60.

Methodology

The **Issues** and **Answers** in this report are drawn as much as possible directly from the conversations and documentation of the participants of NP2020. Open Space requires a large amount of participant assistance to document the conversations that take place. Before beginning Open Space, Johnson Center staff asked one person in each conversation to commit to take notes and post them to the conference Wiki. Out of 28 discussion groups, only one conversation was not documented. The majority of the groups took high quality, detailed notes.

In addition to the conversation notes, participants were asked to write a leadership story as part of the opening exercises for the conference. The Johnson Center collaborated with the Grand Rapids Community Media Center to record over 20 hours of video throughout the conference. The video and photos taken throughout the conference provide visual documentation of the event.

The result of all the written and visual documentation is a tremendous amount of raw data. The conversation notes, the leadership stories and the video recording were all analyzed for this report. Johnson Center staff worked as a team to use qualitative techniques to analyze these data using methods described in Miles and Huberman (1994).[2] Through collaborative analysis and agreement, we feel confident that this report accurately represents the contributions and viewpoints of the participants of NP2020.

1 Tierney, T. 2006. The Nonprofit Sector's Leadership Deficit. Bridgespan Group. http://www.bridgespangroup.org/kno_articles_leadershipdeficit.html
2 Miles, M. & Huberman, M.1994. Qualitative Data Analysis: An Expanded Sourcebook.Sage Publications.

EXECUTIVE SUMMARY

The first day of NP2020 focused on identifying issues related to leadership in the nonprofit sector. Participants were invited to engage in Open Space conversations to discuss the issues at the top of their minds. These conversations were wide ranging and often spirited.

Four main issues were identified:

Issue 1: The Leadership Deficit is Here Now

NP2020 participants made a strong case that the leadership deficit is not a personnel recruitment problem that will be developing over the next decade. Rather, participants argued that the sector is doing a poor job of providing leadership training and professional development opportunities to aspiring executive directors. In addition, the problem is that current leaders are not guiding organizations in sustainable directions.

Issue 2: Emerging Leaders Want and Need Mentors

Many conversations at NP2020 centered around the importance of strong mentoring relationships as a means of knowledge transfer and professional development. Participants from Generation X and Y, as well as Baby Boomers, agreed that young professionals should take personal responsibility for finding a mentor and current leaders should be willing to share knowledge and "street smarts" with future leaders.

Issue 3: Structural Challenges Create Barriers to Nonprofit Careers

A majority of conference participants were either working in the nonprofit sector currently, or actively working toward nonprofit careers. Even though this group seems likely to become future leaders in the sector, they expressed concerns over the viability of a life long career in nonprofits. Among the issues the participants identified are: low pay, burnout, student loan burden, lack of professional development, and generational differences in organizational expectations.

Issue 4: Generation X and Y Believe the Nonprofit Sector Needs More Diversity

Many participants argued the sector needs increased diversity of all kinds and at all levels. This need arises from the cultural sensitivity required to effectively meet community and client needs. Some participants believe the current lack of diversity among staff and board members leads to ineffective service delivery and assumptions about community needs.

During the second day of the conference, participants turned their attention to crafting answers to address the issues from the first day. These sessions produced a wide variety of thought provoking ideas.

Two answers in particular gained energy throughout the day's proceedings:

Answer 1: Funder Support for Infrastructure and Operating Costs

Providing the necessary training and development for staff and board members to manage this leadership transition will cost a great deal of money. Unfortunately, the current trend of restricting funding away from operating costs limits the nonprofit sectors' ability to address these challenges. Participants issued a call to foundations and other funders to provide financial support for infrastructure and operating budgets.

Answer 2: Continue the Conversation as the Transition Happens

At the end of the conference, many participants felt the event was a good start, but just the beginning of the process of working through the generational leadership transition. The participants agreed that this conversation should continue and called for leadership from the sector to convene events to bring the generations together and begin to formulate a comprehensive plan for transition.

A new way of convening

NP2020 was not a traditional conference. From the beginning, its organizers made it a point to ensure the conference utilized appropriate technology, was green, and, encouraged a spirit of openness and inclusion. The conference was envisioned to empower the participants to create their own topics and answers to the growing concern about the leadership deficit in the sector. The combination of all three elements: technology, green thinking and Open Space, made the conference successful in achieving this vision.

ISSUE 1:
The Leadership Deficit is Here Now

The first day of NP2020 focused on identifying issues related to the leadership deficit in the nonprofit sector. Many of the conversations touched on the broad question of whether a leadership deficit will happen, what it might look like, and how to address it. However, the consensus among participants was that the nonprofit sector suffers from a leadership deficit here and now. The leadership deficit is not an abstract issue that can be dealt with in the future; rather it is an endemic problem that has daily consequences for the effectiveness of the sector.

Notes from the conversations and leadership stories give evidence that many professionals from Generation X and Y have conflicts with their Baby Boomer executive directors, as well as other managers within their organizations. Many of these conflicts center around younger workers' interests in learning about all aspects of organizational management and leadership. Some of the notes expressed participants' frustrations at a perceived lack of information sharing within their organizations. As one participant wrote:

"When a crisis comes along, "mentors" close the door and focus on the problem but don't necessarily communicate the challenges and situations. Help us by sharing your crises and problems!"

Other issues that aroused reactions included closing board meetings to employees who are lower in the organizational hierarchy, restricting access to budget information, and planning organizational direction without adequate staff input. One participant made the following case for information sharing:

"…Individual and organizational learning can help prevent (future) crises, such as knowing the history of our positions or the logic behind processes/procedures/programs we're involved with. It is very important to learn from the past (why do we do things a certain way? Have we time-tested this as the best way?). And it is important to learn in real-time through evaluation."

At times the lack of information sharing was attributed to generational differences in leadership styles. In general, conference participants concluded many Baby Boomers lead with a style that is less transparent than they would like. One conversation bluntly accused:

"Baby-boomers [are] not wanting to pass the torch, not willing to mentor and prepare."

Others seem to think that organizational capacity issues as well as a lack of sector resources keep staff from accessing proper training and professional development:

"There is a lack of resources and professional development for young people…"

Cumulatively, these issues may be driving some aspiring leaders from the sector. However, at least one participant saw the challenges of the sector and of one organization in particular as a call to action:

"By seeing ineffective management, I was inspired to learn what I could about best practices in the sector."

ISSUE 2:
Emerging Leaders Want and Need Mentors

Several conversations at NP2020 centered around the notion of mentorship and its place in the nonprofit sector. From conversation notes, it became clear participants were seeking ways to create new forms of mentorship, while taking advantage of forms that already exists. One group came up with the following classification system:

"[There are three] types of mentoring: 1) mentoring from afar; 2) informal open communication with someone looking out for your best interest; and 3) formal mentoring with structure."

One of the main reasons participants cited for the importance of mentorship is its place in professional development. Notes from one conversation urged organizational leaders to view mentoring sessions as a legitimate use of "on-the-clock" time:

"Permitting/Fostering relevant, objective mentorship can help build capacity and serve as a valuable resource (especially if recognized as important enough to warrant "at-work" time)."

The professional development perspective was reinforced by other comments that indicated mentoring is valuable because it helps mentees learn from the experience of mentors in ways that are not available through more formal types of education:

"What we need are the 'trade secrets' and relationship-building, specific problem-solving skills that we don't learn in a class or university program."

Another reason for pursuing mentoring relationships emerged as participants discussed the problems of the generation gap, as well as the leadership transitions that will take place over the next decade:

"[Young professionals] need to build connections to the retiring generation to use the retiring generation's [experience] effectively in the continued development of the sector."

Current organizational leaders acknowledged that sharing information can be difficult, because it feels like giving up power. However, they see it as necessary for the good of the nonprofit sector:

"…It is "scary" to think about being replaceable; [but] we have to make the most of the time we have and pass it on."

Participants also felt that a mentoring relationship could be mutually beneficial. One group suggested asking:

"What do I bring to a mentor? I can bring fresh ideas and can also give them support or ideas for what they are working on."

Further notes from the same group suggested:

"You can be a "burnout buster" – your freshness and energy can help revitalize your mentor."

Rather than relying on formal programs or supervisors to establish relationships, a group clearly stated:

"We have a personal responsibility to seek out our mentoring opportunities."

Open Space

The use of the Open Space technology[3] process was at the heart of this gathering. Open Space, as a facilitation tool, allowed participants to create their own topics and to lead the discussion on these topics. Open Space ensured the participants were able to connect with others with similar interests, and collectively identify issue and/or answers.

Open Space empowers, while asking participants to take full responsibility for the results of the process. It allowed all voices and ideas to be heard and, for everyone to feel they are an integral part of the process. By nature, Open Space is inclusive.

Open Space starts with a discussion of the four rules:

- Whoever comes are the right people
- Whatever happens is the only thing that could have
- Whenever it starts is the right time
- When it's over, it's over

Open Space also recognizes the importance of people who naturally flit around different discussions (like bumble bees) or those who like to flutter outside the discussion space (like butterflies). Open space encourages the bumble bees and the butterflies to do what they normally would, but to do so while remaining engaged. So, butterflies would be engaged as they fluttered around the hallways, but still took time to interact with others who were doing the same thing.

After framing the key question for this gathering, "What are issues and answers from the next generation of nonprofit leadership?," a marketplace was setup that allowed participants to post their topic ideas. After the topics were posted in the marketplace the topic leaders were asked to announce their sessions to the big group and, the rest of the participants were asked to join in on the discussion of their choice. Overall, 28 different and lively discussions took place during the NP2020 conference.

3 Open space technology was created by Harrison Owen in 1986. He outlines this process in his 1997 book entitled "Open Space: A User's Guide".

Appropriate Technology

The conference planning committee created a collaborative on-line workspace to organize its planning notes and ideas, and to document collective decisions. This collaborative workspace was created through a wikispace (wiki), a type of web-based software that allows multiple users to create and edit web pages collectively. Getting planning committee members up to speed with this new technology took time. Wikis succeed when people actually use the space. With the persistence of the committee's leadership, organizing committee members did end up diligently utilizing this tool. The wiki was not a substitute for face-to-face meetings that were also conducted regularly.

As the group became well versed with this technology, they decided to utilize the wiki as a way to document the proceedings of the conference. Thus, the NP2020 public wiki was born! Conference participants utilized this wiki to post their discussion notes. The original proceedings of the conference are still accessible through this website:

www.np2020.wikispaces.com

A blog was created after the conference to allow the participants to continue discussion. This blog can be accessed at:

www.Nonprofit2020.wordpress.com

Together, the wiki and the blog allow on-going virtual connection to the NP2020 discussion.

Finally, computer workstations were made available throughout the conference facility and in discussion rooms. Wireless internet access was provided throughout. Participants were encouraged to bring their laptops. Conference participants used this ubiquitous access to look up reference materials, make connections with interested people in other locations, and document conversations in real time.

ISSUE 3:
Structural Challenges Create Barriers to Nonprofit Careers

The large majority of NP2020 participants are currently working in the nonprofit sector, or actively pursuing the sector as a career choice. Ideally, this group could become the future leaders research suggests the sector so desperately needs. However, a recent study by the Young Nonprofit Professionals Network (2007), suggests many young people plan to leave the sector at some point in their careers. During analysis, it became clear there were several barriers that make a lifelong career in the nonprofit sector unsustainable for many people. The first barrier seems to be a mindset issue. As one participant wrote:

"Many don't think of nonprofits as a career path."

In addition, the low salaries and lack of other financial rewards in the sector present challenges to the long-term viability of a nonprofit career. The financial pressures created by student loans add to this situation. A participant chose to frame this as an equity issue in this comment:

"Equity issues need to be placed in the forefront of work in leadership development of the NP sector, raising the salary issue and living wage issues constantly at the board level: If NPs are going to tell others to pay living wage, they need to do so themselves."

Other participants expressed concern at the long hours typical of upper management positions. Some also pointed out that nonprofits typically have very flat management teams, which leaves individual managers in charge of large areas of responsibility. In the eyes of NP2020 participants this environment is the perfect breeding ground for burnout. One participant expressed frustration at "60 hour work weeks." A conversation group suggested:

"[The sector has a] need for more effective structures for dealing with issues of burnout — lack of a clear career path, low wages/ salary, stress, [and] lack of professional development."

Of all of the issues raised during the first day of NP2020, generational differences around technology were at the heart of some of the most emotionally charged conversations. Many participants expressed concern that their Baby Boomer supervisors don't understand technological advancements and their implications for the nature of work. This became a powerful reason for younger, technologically savvy professionals to gravitate away from the nonprofit sector. As one participant noted:

"Young people deal with technology efficiently. Baby-boomers need to understand our abilities with computers, Internet, etc. There no longer is a structural 8-hour day at work because technology allows people to work from home, at school etc. There are different work environments for 20-30 year olds than 50-60 year olds."

Finally, the possibility of having a career that crosses multiple sector boundaries surfaced as a possible argument against young professionals staying in the nonprofit sector for an entire career. As some participants noted, certain types of professions, such as accounting, marketing and law can serve all three sectors of the economy. With the blurring of lines between for-profit social enterprises and nonprofit organizations, it may even be possible to dedicate a career to a cause like poverty or world health while crossing sector lines. This led one group of discussants to ask the question:

"Is working for for-profit organizations that do support work for nonprofits (i.e. marketing, accounting etc.) just as good?"

ISSUE 4:
Generation X and Y Believe the Nonprofit Sector Needs More Diversity

"The traditional philanthropic model connects power, money, influence, as key factors, in ways that may not be sensitive to the needs and visions of smaller mission-based nonprofits. [The sector] needs to move toward a new, more holistic model of Board/policy governance."

With this assertion, NP2020 participants began many long and varied conversations about the need for increased diversity in all parts of the nonprofit sector. At the same time they were lobbying for increased diversity among board, staff and donors, some participants challenged traditional concepts of diversity. One participant framed the challenge in terms of diversity of thought and values:

"Having a board with people of different ethnicities or races does not equate to diversity – all these people may have the same values and ideas, and there is little or no diversity in that."

Others added to the broadening of the definition of diversity:

"Definitions of diversity are too narrow, since diversity is important along many different dimensions, not just in terms of the usual categories, but including generational, neighborhoods, community-based activism."

The issue of diversity was of great concern to NP2020 participants because of the perception that the lack of understanding of other cultures can lead to ineffective services:

"In communities of color, leadership can mean very different things from what it means in the dominant culture, and traditional definitions of leadership can often be unresponsive to the needs and understandings of other communities."

Participants believe more diverse and culturally competent organizations will be in positions to better serve their communities. Notes from one conversation indicate participants believe this will take a group effort:

"Executive directors will be more empowered to respond to the diversity deficit in the sector when nonprofit boards learn to embody diversity more effectively by understanding and including real representation of the communities in which they work."

Green Thinking

If there is one thing conference participants missed out on, it is the quintessential conference tote or traditional stack of papers. Dubbed as the "Conference on a Stick©" all the information needed for the session, including the background research and presentations, were provided to participants on a USB memory drive. Only a 4-page program with facility maps and the conference agenda was handed out.

The Johnson Center worked with Grand Valley's Conference Services department to provide food that was fresh, local, and served buffet style to minimize waste. Instead of sodas in individual cans, the beverage station featured pitchers of water, lemonade, and iced tea (and endless supplies of coffee, of course!) Travel mugs were also provided to each participant. They were asked to decorate each of these with their names and to reuse these cups throughout the conference.

Finally, the conference utilized hotels within walking distance of the conference facility and downtown Grand Rapids. Many conference participants chose to take advantage of this prime location and enjoyed Friday evening dine-arounds at locally owned restaurants.

Defining the Generations

Generation Y (Millenials)
was born between 1981 and 1999

Generation X
was born between 1965 and 1980

Baby Boomers
were born between 1946 and 1964

Answer 1:
Funder Support for Infrastructure and Operating Costs

All the participants of NP2020 agreed the next decade will be challenging for the nonprofit sector. As leadership transitions occur and new leaders emerge, organizations will have to focus on staff development and training. Unfortunately, the current funding environment can penalize organizations for spending money on these types of activities, labeling them "overhead" and excluding them from many funding streams. "Funders often dictate how an organization will operate," and many funders restrict the use of funding for operating costs at this time.

How do we educate donors about the need to consider less restrictions on where their donation goes? As one group pointed out, "[The] ways that foundations restrict funding often don't allow it to be used for infrastructure, to pay staff, etc." This can force organizations to keep salaries and benefits low, deny training and development, and burn out staff with heavy workloads.

NP2020 participants believe nonprofit organizations will need to have flexibility in their funding streams to develop staff, train boards, plan for leadership successions, and pay sustainable wages. They issued this call to action:

"We need more foundation funders who are willing to grapple with the problem of general operating costs, since many smaller nonprofits can't address sustainability issues related to pay without more secure funding for general operating costs."

Answer 2:
Continue the Conversation as the Transition Happens

The Open Space of NP2020 closed with the consensus that this conversation should continue throughout the course of the generational transition. One group put this need into the following passionate language:

"Need for Sector-wide Plans of Action!! But who's going to take leadership for creating those plans? Core need for courageous and innovative leadership in this area."

Because NP2020 focused on drawing out the voices of Generation X and Y professionals, there were relatively few representatives from senior leadership ranks in the sector. This gave participants space to formulate their thoughts, but the format was not without its limits. Specifically, the findings from this conference do not fully represent the voices of the entire nonprofit workforce. As a way of bridging this gap, participants called for a sponsor to bring senior leaders together with young professionals:

"Would a funder entertain a 2-day summit to discuss these age issues with senior executives so that young people don't feel so disconnected from that generation?"

FSC LOGO HERE

Doodles:

Paper, crayons and markers were provided on all tabletops at the conference plenary room. Participants were encouraged to write on this and create "doodles". We wanted to capture the thoughts of our participants in a creative and unstructured way. The doodles share participants leadership questions.

Video from the NP2020 Conference

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