The Realities of Leading a Non-Profit

A Research Summary Prepared for the Community Foundation of the Ozarks

By Habitat Communication & Culture

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Introduction

Executive Directors (EDs) and Chief Executive Officers (CEOs) of non-profits face challenging work roles. Lack of resources, social and/or community influences, and a varied ecosystem of stakeholders (ranging from board members to volunteers) all coalesce to shape (and sometimes hinder) the experience of leaders in these roles.

In 2021, the Community Foundation of the Ozarks commissioned a research study to explore the professional realities faced by the Executive Directors and Chief Executive Officers of non-profit groups in their network.

Through a rigorous literature review and both qualitative and quantitative data collection from nearly 120 current EDs/CEOs, we've uncovered a number of the most significant issues, including the organizational, motivational, workplace-related, and board-related elements that influence the work experience of EDs/CEOs.

This report, then, unpacks and explores the primary organizational factors and job demands of non-profit leaders, and how those demands contribute to engagement, commitment, and burnout.

Individual Respondent Demographics

Job Titles

- Executive Director
- CEO
- CEO combined with some other role, like President
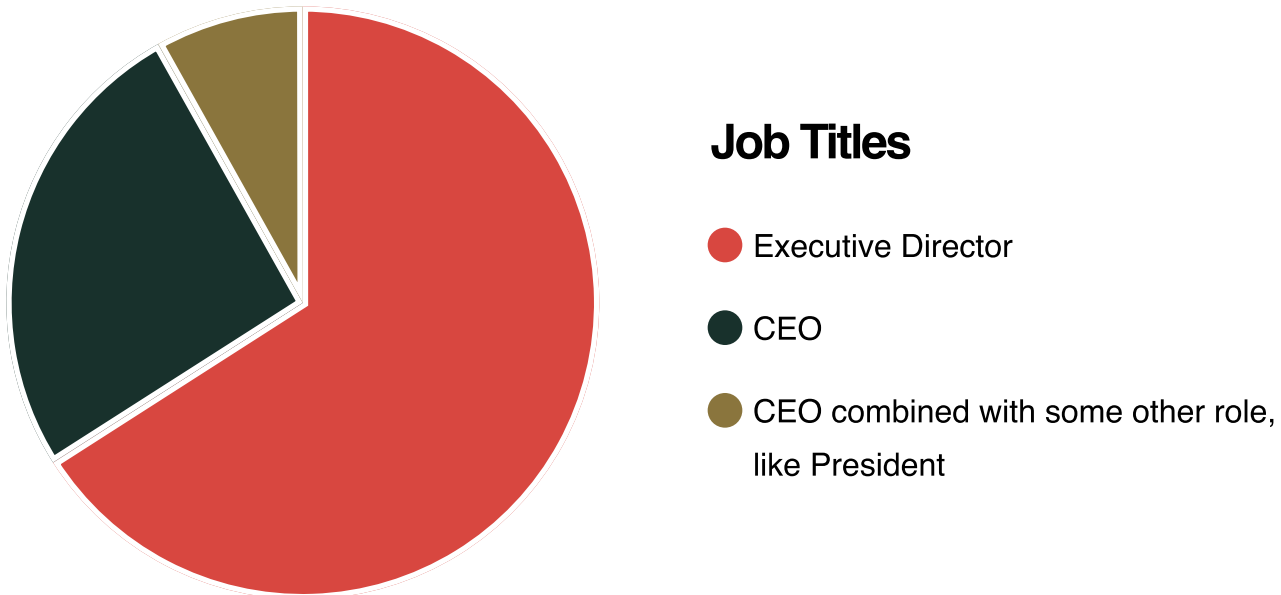
Characteristics of Survey Respondents
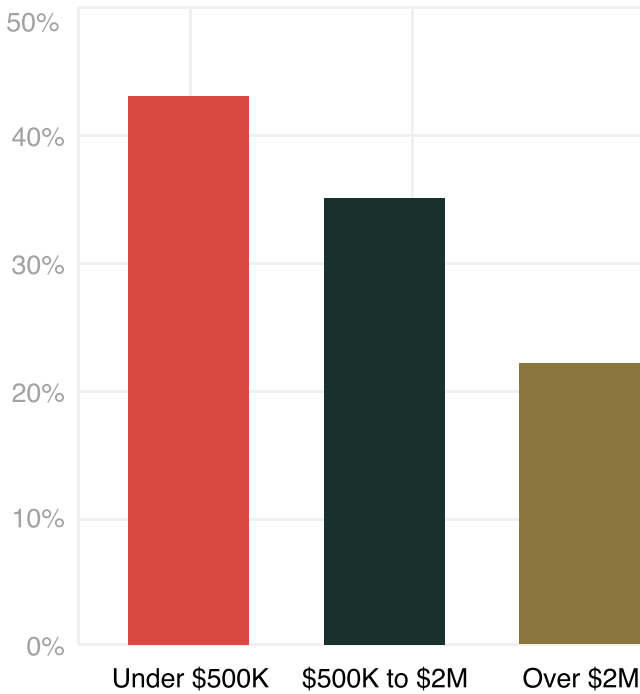
73% Female (16% did not respond)

26 – 85 years old (M = 52.30 years old; SD = 12.76 years)

4 Years Tenure Tenure levels ranged from one month up to 30 years.

Organizational Characteristics

Annual Operating Budgets

(Bar chart)
- Under $500K: ~43%
- $500K to $2M: ~35%
- Over $2M: ~22%

Average Number of Staff

(Bar chart)
- Full-Time: ~20.5
- Part-Time: ~10
- Flex/Gig: ~7
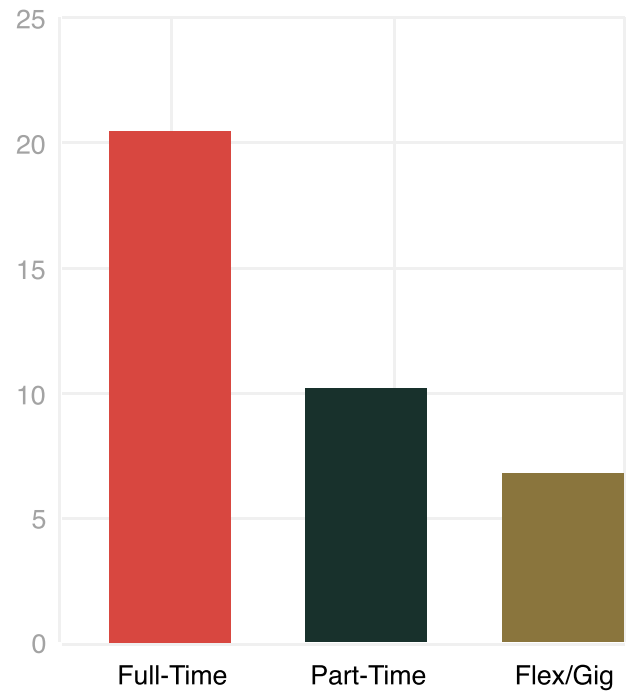
Mission Focus

- Other
- Social Services
- Youth Services
- Community Development
- Education
- Health

EDs/CEOs and Key Employment Metrics

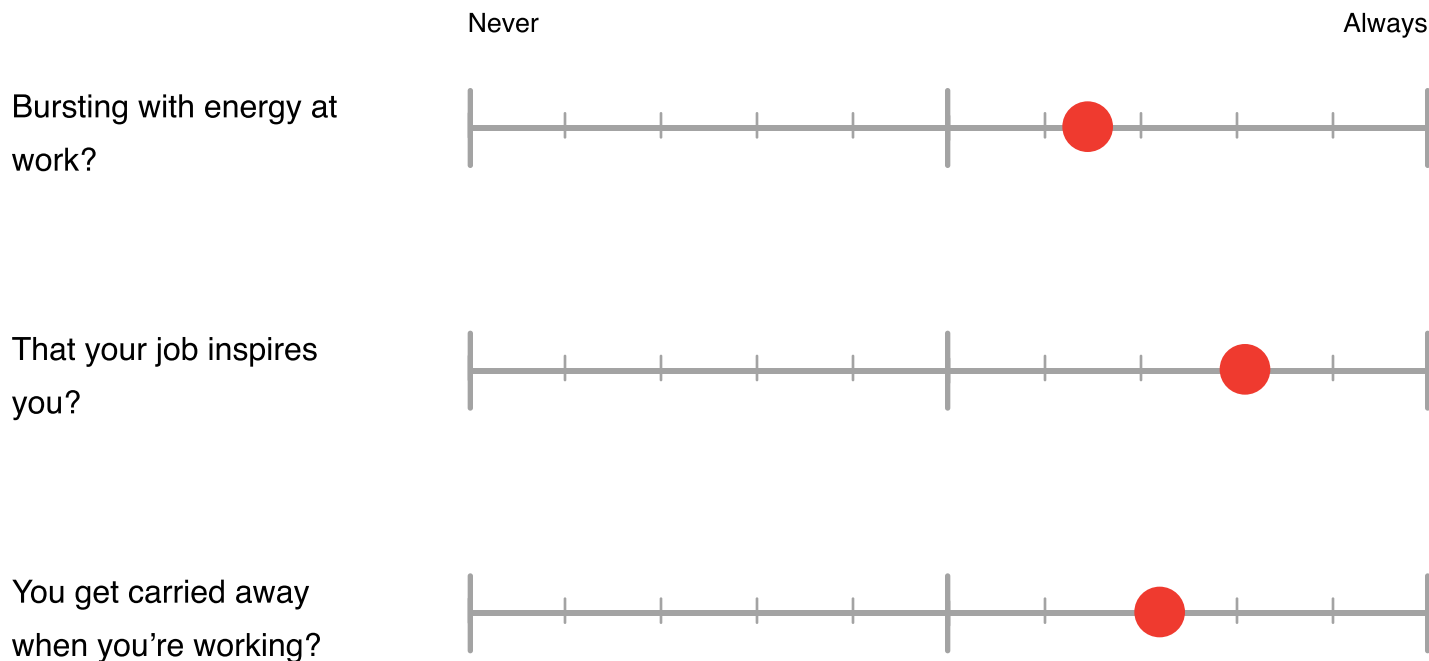Among the many roles they play, EDs/CEOs are, first and foremost, employees. While their specific roles shoulder them with tasks and responsibilities different from their peers, they encounter work-related issues like all employees. They are variously more or less engaged, more likely or less likely to burnout and turnover, and committed or not-so-committed to their organizations. In this section, we'll review the data we've collected from current EDs/CEOs about their perspectives on these key employment issues.

Engagement

Engagement has been the topic of the millennia for those interested in understanding how people encounter and implement their work. In this research, we've tackled engagement-related issues by asking a variety of questions about participants' energy and enthusiasm for their work.

How often do you feel…

Never   Always

Bursting with energy at work?

That your job inspires you?

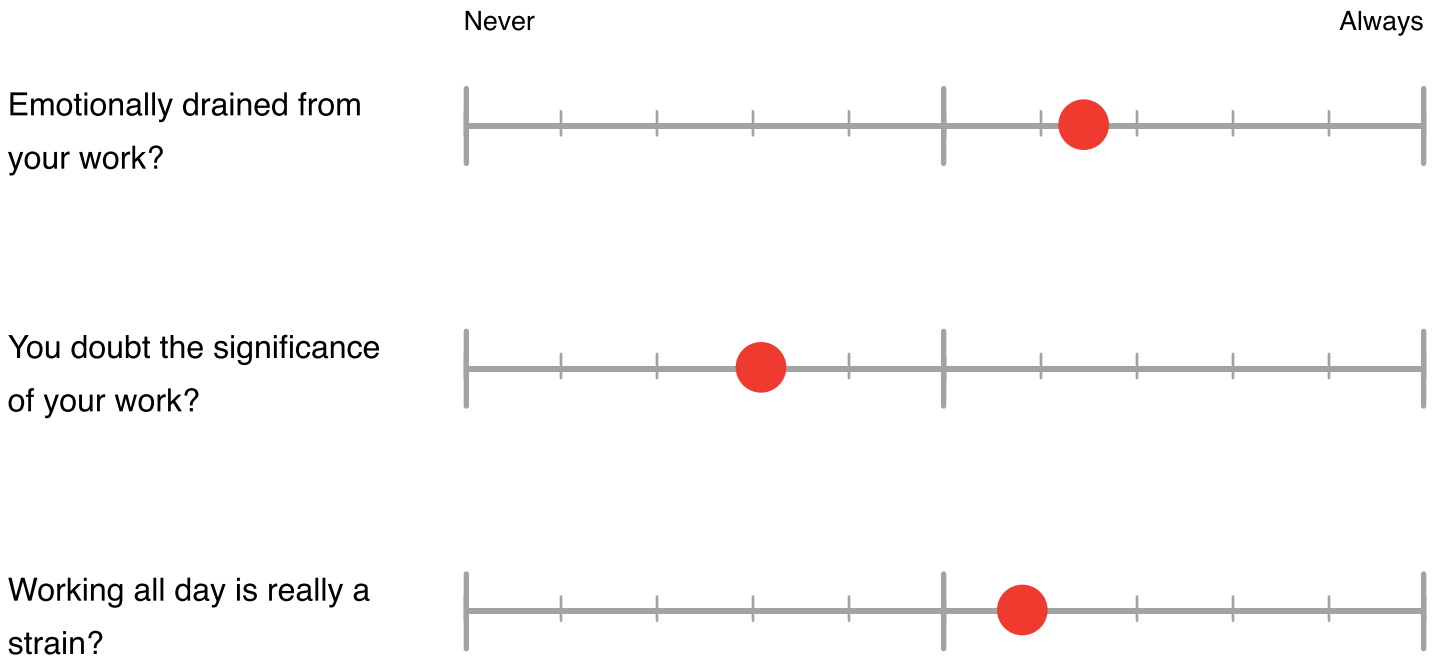You get carried away when you're working?

Burnout

Burnout has gained renewed attention as a critical employment metric. Combined with the standard demands and constraints of their role, EDs/CEOs have also had to face the emergent realities of COVID and unprecedented resignations and worker shortages. For this research, then, we've asked EDs/CEOs to weigh in on key items relating to burnout.
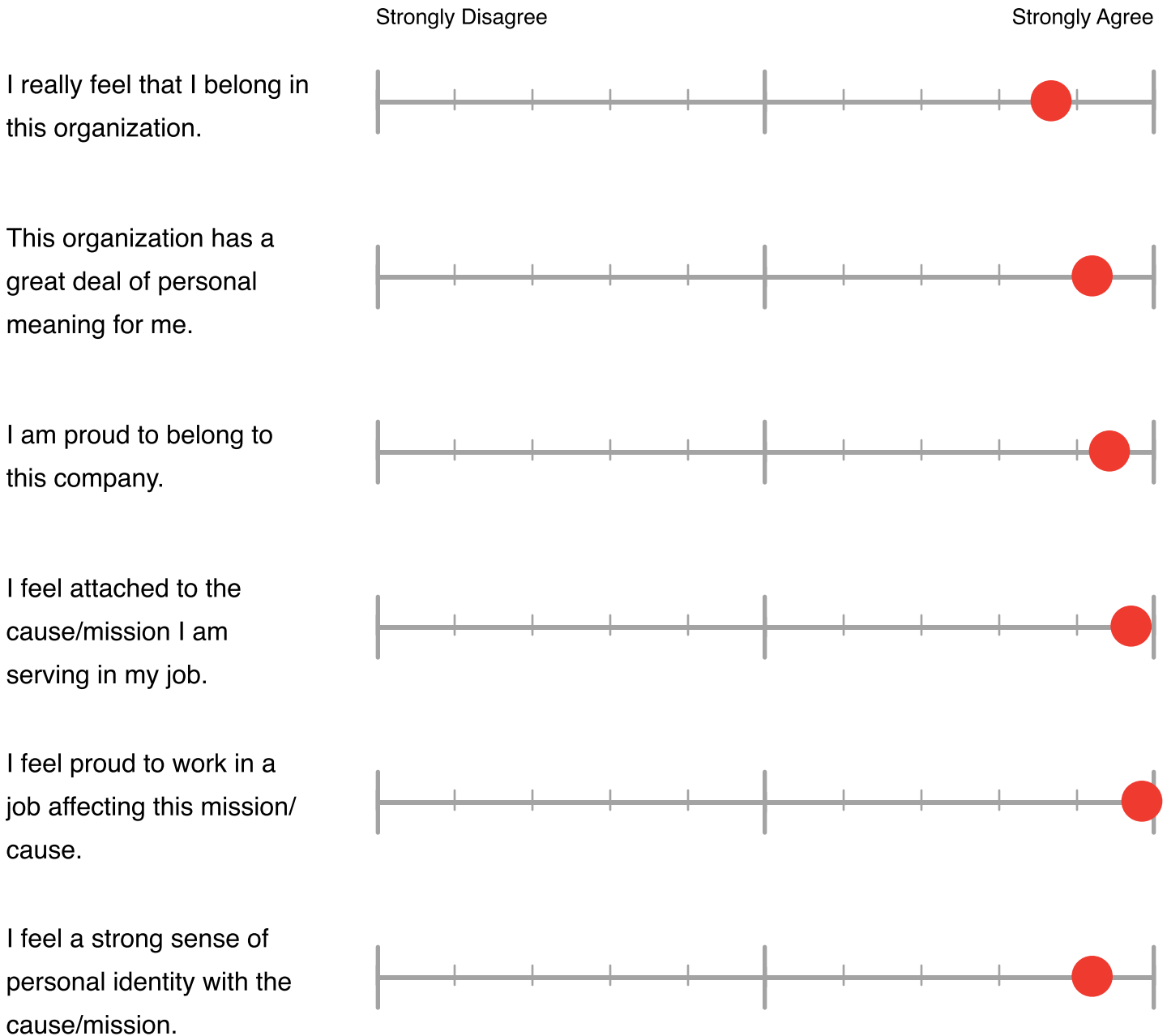
How often do you feel…

Never   Always

Emotionally drained from your work?

You doubt the significance of your work?

Working all day is really a strain?

Organizational Commitment

Organizational commitment is a reflection of a member's psychology towards their attachment to the organization they are working for. Respondents reported their levels of commitment by reporting their level of agreement with six statements.

	Strongly Disagree	Strongly Agree

I really feel that I belong in this organization.

This organization has a great deal of personal meaning for me.

I am proud to belong to this company.

I feel attached to the cause/mission I am serving in my job.

I feel proud to work in a job affecting this mission/cause.

I feel a strong sense of personal identity with the cause/mission.

Turnover Intentions

Overall, our findings suggest that satisfaction with Board of Directors is an essential factor in predicting turnover intentions. Worth noting is the insignificance of pay and benefits in predicting turnover levels. This suggests that organizations should create a positive relationship between leaders and the BOD and ensure that EDs/CEOs feel that their work is impactful.

Estimated Time of Departure

Respondents were also asked to indicate to what extent they agreed with the statement "I have seriously thought about quitting my job. Those who at least somewhat (24%) or strongly agreed (10%) with this statement were asked to respond to the item "I could realistically see myself leaving my job as early as within…" and were provided a list of six response options.
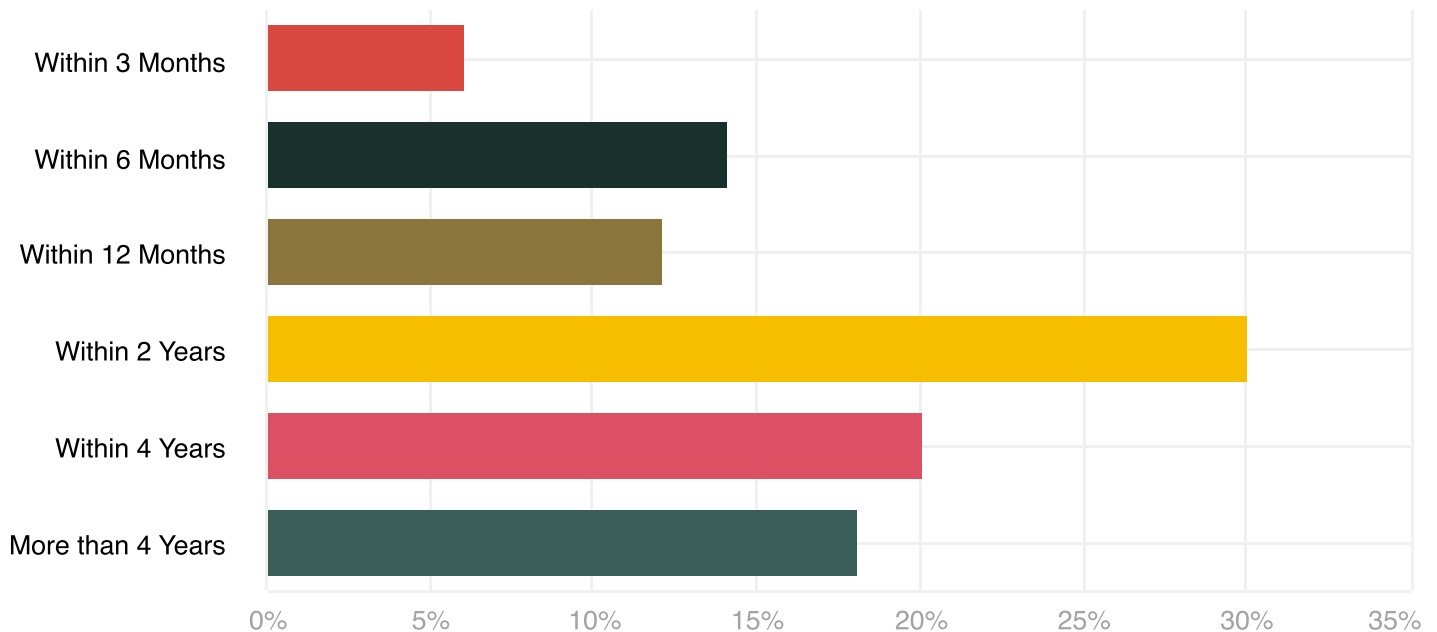
Formal Organizational Elements

Performance Evaluation / Training

EDs/CEOs influence and are influenced by many of the formal organizational elements, including performance evaluation systems and training opportunities, that contribute to (or obstruct) the success of nearly all employees. For this research, we were interested in learning about ED/CEO experiences with these systems, including how frequently they encountered these items, as well as the effects of these elements on their overall work experience.

40% of ED/CEO leaders do not receive any formal evaluation of their professional performance.
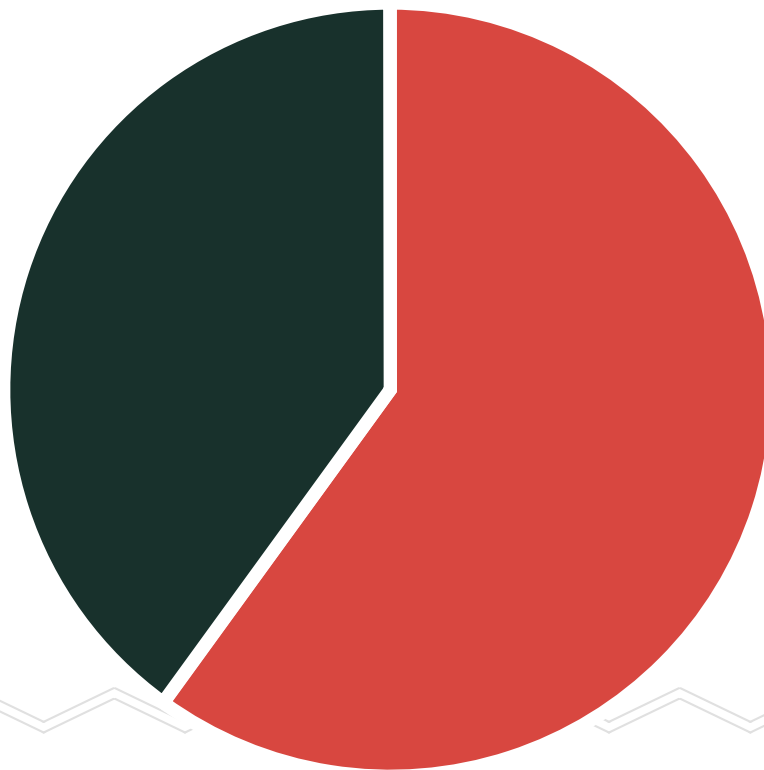
Performance Evaluation

Of the participants who responded to these specific items, **only 60% indicated their work involved a formal performance evaluation process focused on evaluating the performance of the ED/CEO.** When asked how frequently their performance was formally evaluated, **a large majority (82%) of the 65 respondents indicated they receive evaluations only once every calendar year.**

In the following pages, we'll unpack the details of those evaluations.

Performance Evaluations

- 60% are involved in a formal performance evaluation.

- 40% do not receive any formal evaluation.

Who evaluates ED/CEO performance?

30% Received evaluations from more than one board member.

21% Received evaluations from a specifically focused committee (e.g., personnel).

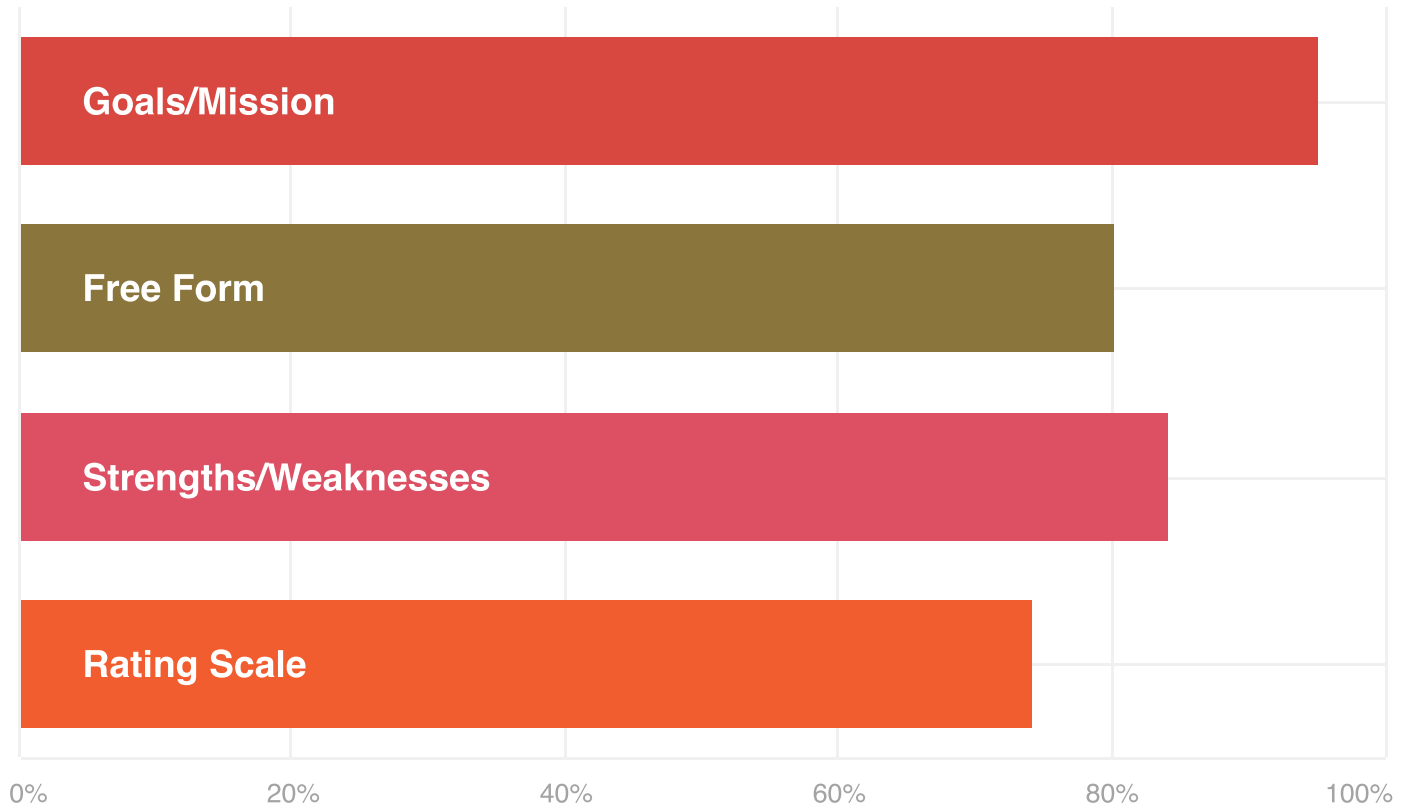**6%** Received evaluations from a single board member.

5% Received evaluations from multiple sources (sometimes called 360-degree ratings).

4% Received evaluations from another organizational leader.

By what standards are leaders evaluated?

We asked respondents to identity the types of criteria they're commonly evaluated against if/when they receive performance feedback. In the data below, we highlight the variety of standards used for evaluation purposes and what percentage of participants encounter those standards.

Standard	%
Goals/Mission	(~96%)
Free Form	(~80%)
Strengths/Weaknesses	(~84%)
Rating Scale	(~74%)

0%　　20%　　40%　　60%　　80%　　100%

Most respondents rated their performance an 8 or better when asked to evaluate their own performance.

63% of respondents received training specific to their role as CEO/ED.

Trainings

Of the 105 respondents who replied to questions about training, 53% reported receiving some training within their current organization**, but only 63% reported receiving training specific to their role as an ED/CEO**. Respondents then were asked to provide effectiveness ratings of this training (where 1 represented "Not effective at all" and 5 translated to "Extremely effective"). **Generally, this training was rated as moderately effective or better.**

Big Takeaways

Performance Evaluation Matters

Many EDs/CEOs we talked with received little to no formal evaluation of their performance. This element is crucial as **respondents who received formal evaluations were significantly more likely to report high levels of commitment** (to their organization or jobs, for example).

Clear Criteria are Good Criteria

Many EDs/CEOs we spoke with received feedback based on fluid, ever-changing criteria. This unstructured, dynamic approach to evaluation can make it hard for employees to clearly know what is expected of them, a critical metric for job success.

Training is Critical to Success

The lack of formal training for many of the responsibilities and tasks performed by EDs/CEOs is concerning, especially given that **respondents who reported receiving some formal training were more likely to report higher levels of satisfaction.** To create engaged leaders, give them training.

Motivational Elements

Self-Efficacy / Self-Set Goals / Org-Set Goals

A common refrain about non-profit leaders is that they're often passionate enough to overlook the challenges of the role. We believe this sentiment, that motivation should trump material or organizational concerns, is worth deeper consideration.

In this section, we detail specific responses to items related to typical motivation-related variables, including self-efficacy, organizationally-set, and self-set goals, before providing general takeaways regarding these key motivation issues.

Self-Efficacy

Self-efficacy refers to a person's confidence in their ability to perform (a certain task or in a specific role, for example). We were curious if non-profit EDs/CEOs were imbued with a strong sense of self-efficacy and how that sense influenced their work performance. Here are results from 100 participants who responded to these items.

Not Confident   Extremely Confident

Meeting the expectations of an ED/CEO in your organization.

Achieving results necessary for your organization.

Making decisions that affect other people.

Mobilizing people's actions towards an intended goal.
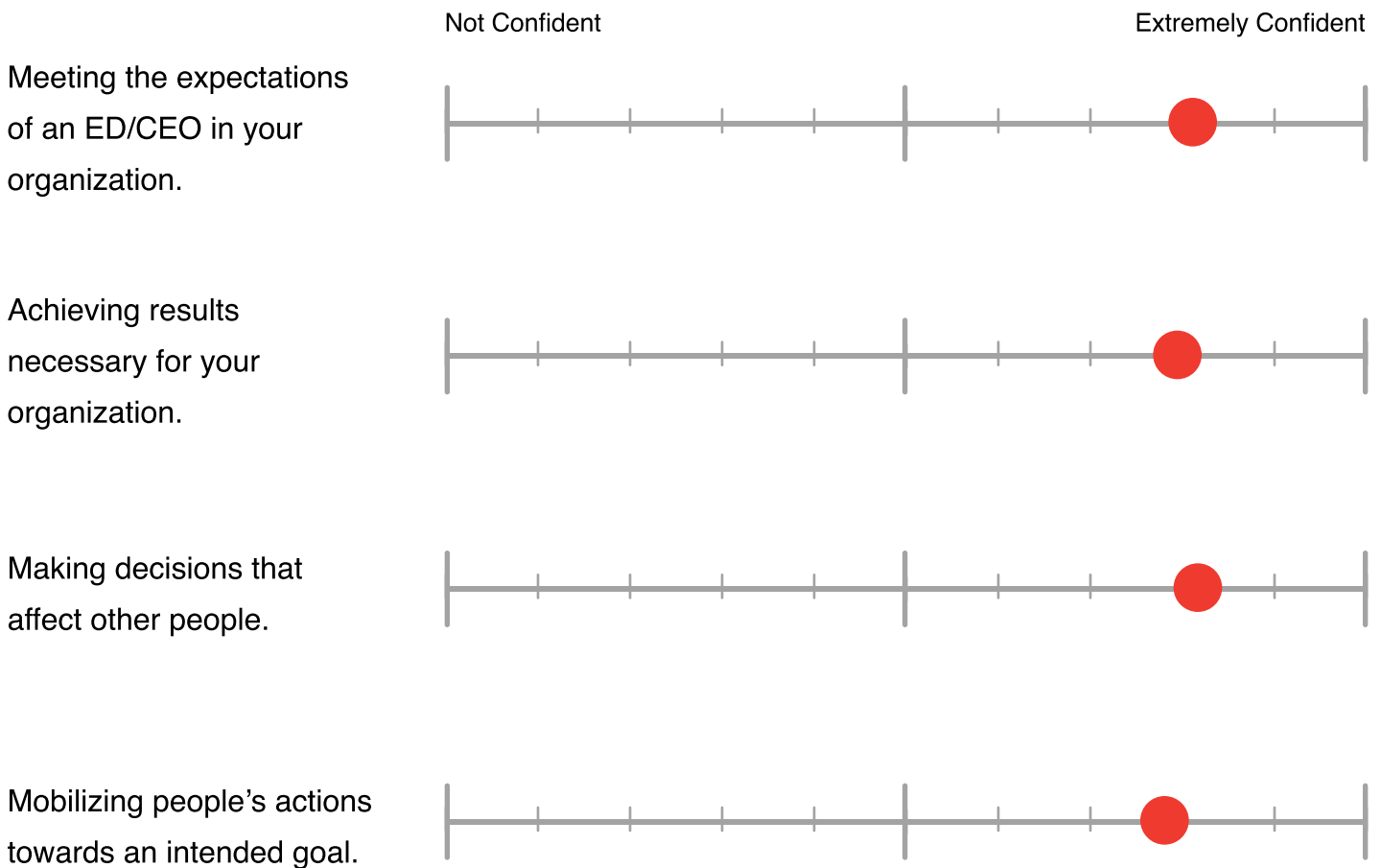
Self-Set Goals

Performance against specific goals is a tried and true indicator of job success. Accordingly, we were curious if many EDs/CEOs set their own goals as a means of motivation. 80 survey participants indicated they set their own goals, and their assessments of that process are captured in the following data.

	Extremely Inaccurate	Extremely Accurate

I display or remind myself of these goals on a regular basis.

I use methods to evaluate my progress towards those goals.

I believe those goals are challenging.

The goals I use are measurable and specific.
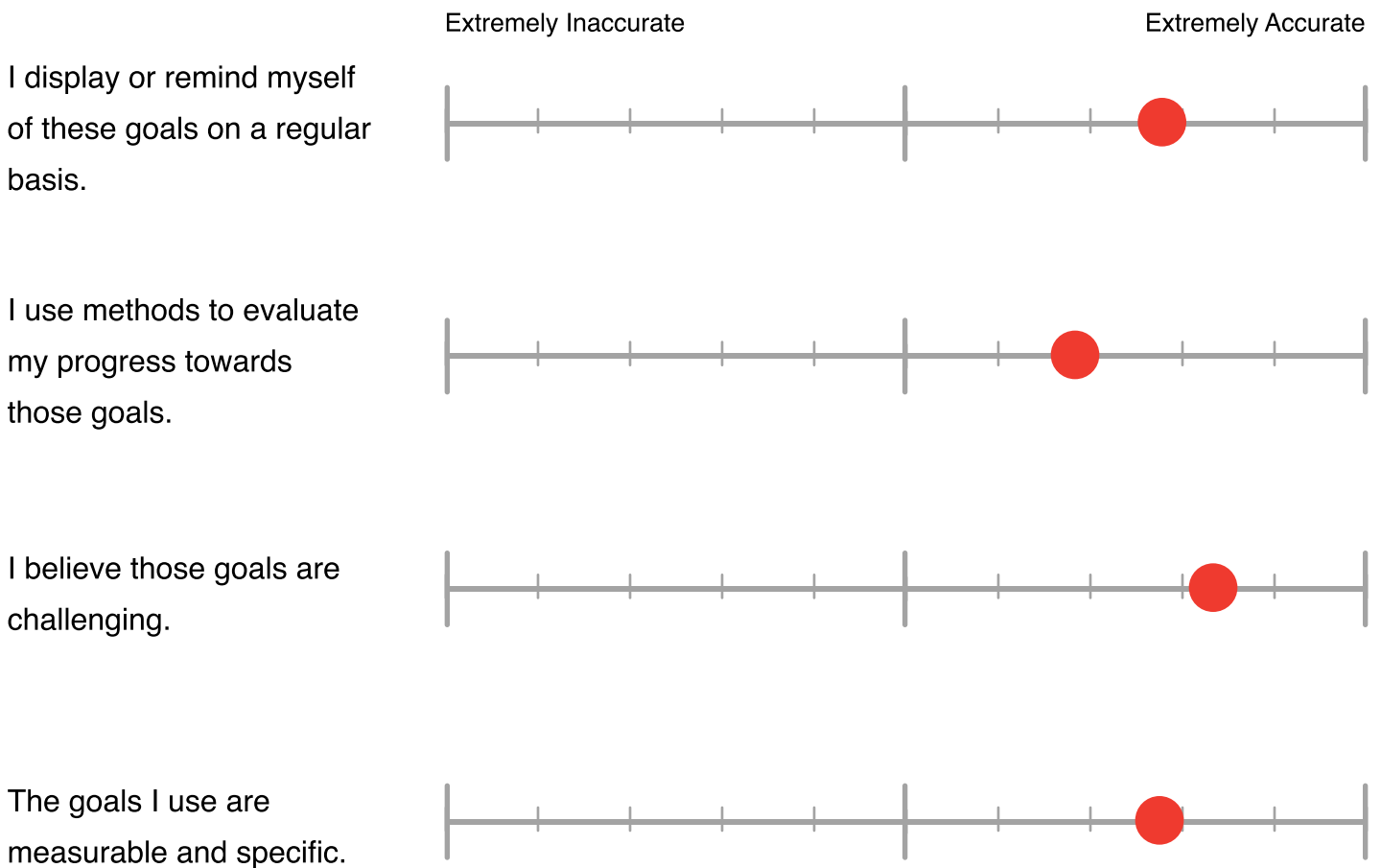
Organizationally-Set Goals

Many EDs/CEOs indicated that they set their own goals, but the question remains: how many EDs/CEOs interact with organizational goals. **Only 40 respondents indicated their organization sets or assigns specific goals related to their performance.** Those 40 respondents were then asked to reflect on the clarity and quality of those goals, and their responses are detailed in the data below.

	Extremely Inaccurate	Extremely Accurate

I am aware of exactly what goals I must achieve.

I am aware of exactly how progress towards those goals is evaluated.

I believe those goals are challenging.

I played a part in setting/ determining those goals.

Big Takeaways

Only 39% of organizations set formal goals for leaders.

74% of leaders set formal goals for their role.

Leaders Want Challenges

Our data indicates that **EDs/CEOs who encounter organizationally-set goals are more likely to report higher levels of self-efficacy.** If boards, or other leadership- and administration-level stakeholders, want to compound the effects of intrinsic motivators (e.g., passion) common among EDs/CEOs, they need to provide them with clear, meaningful, and structured challenges.

It's Hard to Hit a Moving Target

The material challenges of running a non-profit are substantive and ever-changing. Given the dynamic conditions faced by EDs/CEOs on a regular basis, **consistent and clear goals provide a guiding light** as they make decisions, navigate issues, and provide for their communities. For board members looking to provide an immediate motivational boost to their ED/CEO, take time to set goals.

Workplace Demands

Job Requirements / Job Demands / Job Resources

All jobs are an attempt at delicately balancing the requirements and demands of a given role with the finite amount of resources available to meet those criteria. Non-profit leaders often find themselves especially squeezed by this balance, navigating vague or shifting expectations against a "do more with less" attitude. For this research, then, we wanted to understand more specifically how EDs/CEOs encountered these elements of work, and what effects such workplace demands have on their performance.

Job Requirements

In this section, we detail results related to items about job requirements of EDs/CEOs, including traditionally conceived core tasks, other items that respondents identified as "extra" or "distracting," and the amounts of time dedicated to their various duties.
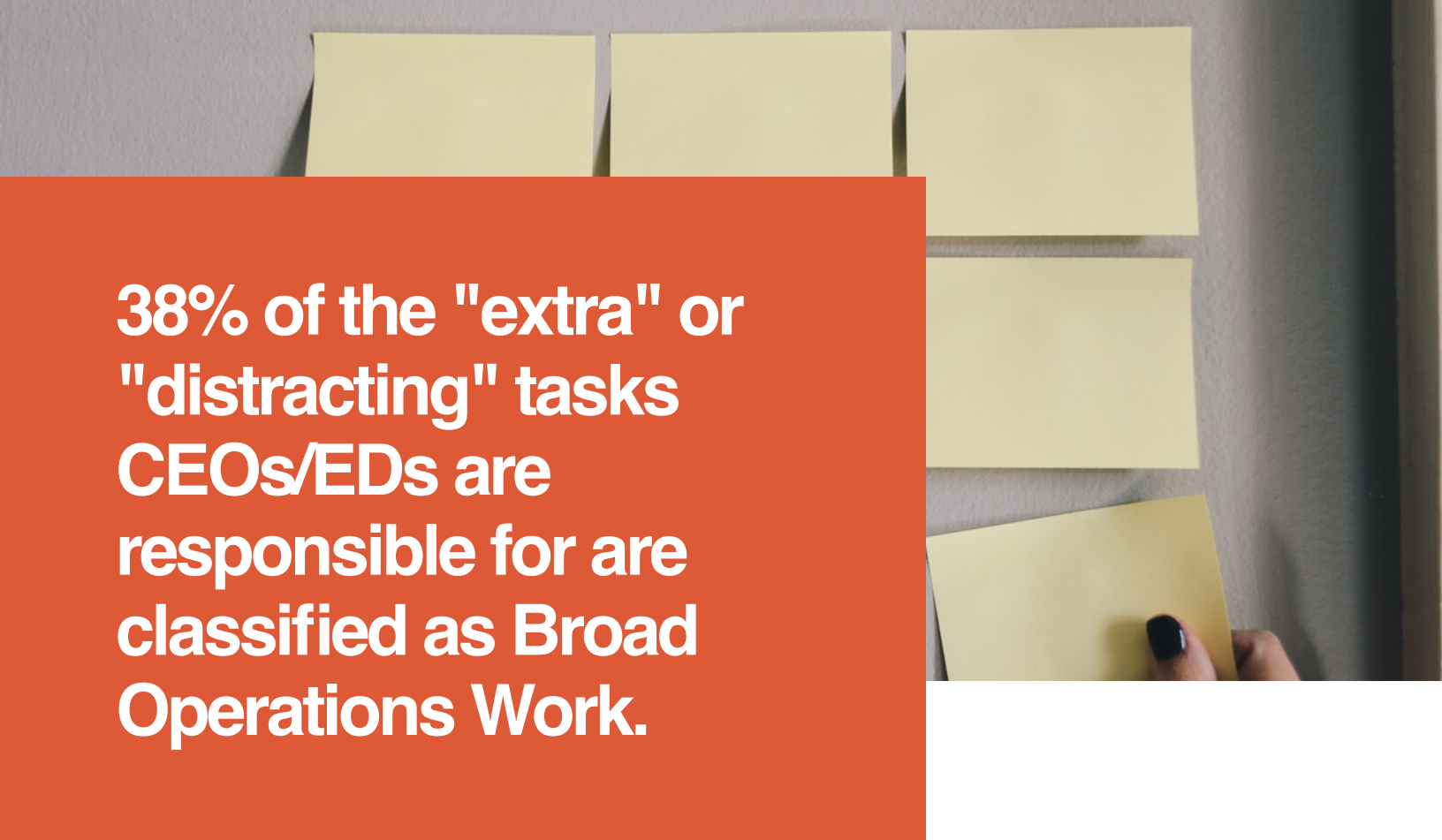
Responsibility Inventory

Respondents were asked to indicate (a) the importance of specific responsibilities in maintaining the organization's viability and (b) the difficulty of completing the responsibility, given current resources. Each rating (i.e., importance & difficulty) used a 3-point response scale.

● Importance   ● Difficulty
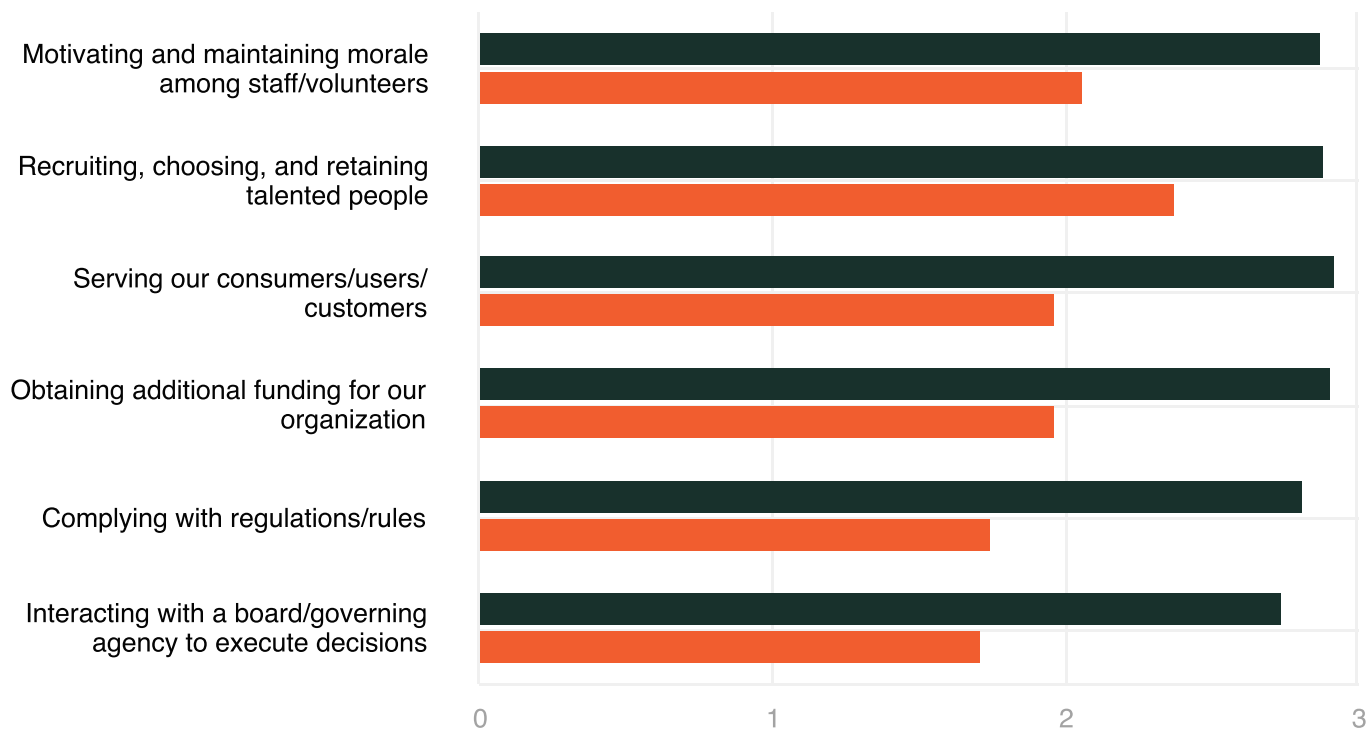
38% of the "extra" or "distracting" tasks CEOs/EDs are responsible for are classified as Broad Operations Work.

Frequency of tasks that may negatively impact a leader's performance in their role.

In this survey, respondents were provided the chance to detail up to three different examples of these types of "Extra" or "Distracting" Tasks. Among the 209 tasks provided by respondents, a number of categories of tasks emerged as common themes.

22% **Facility Work**
(examples: cleaning/custodial tasks, maintaining/fixing premises/equipment/vehicles)

14% **Financial Work**
(examples: involving accounting/finance insurance tasks, securing grants, managing donations/development, and purchasing/ordering)

22% **Interpersonal Work**
(examples: involving comforting staff, interacting with/directing volunteers, directly attending to clients/consumers, and filling-in for missing staff)
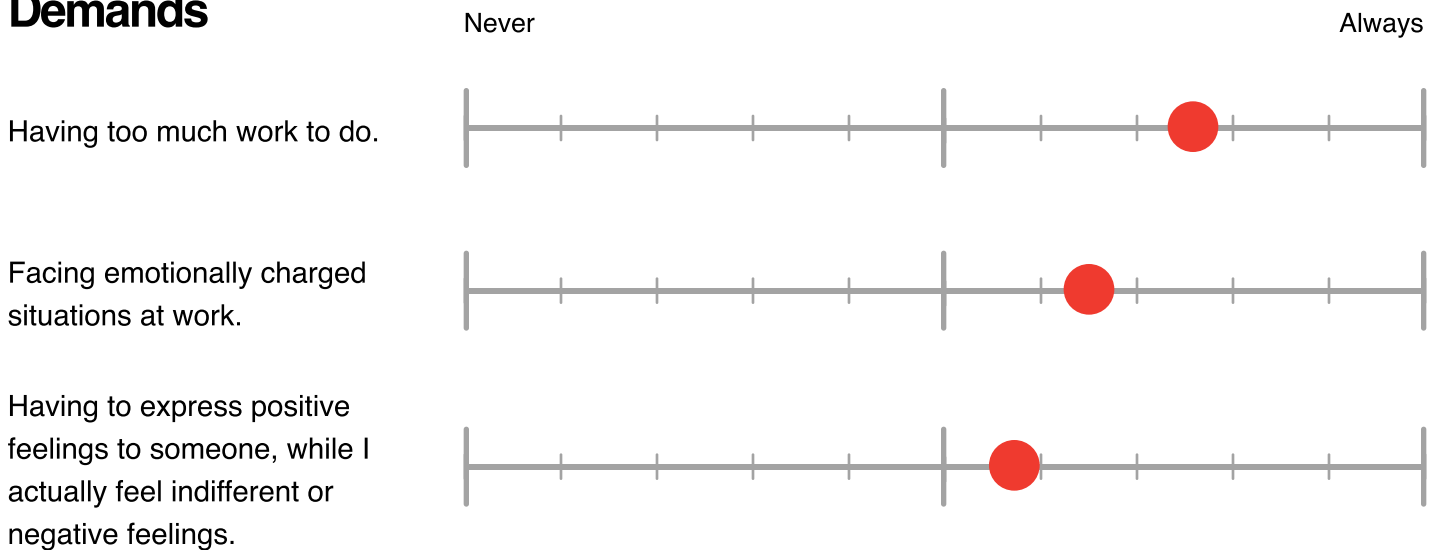
38% **Broad Operations Work**
(examples: involving hiring/HR tasks, IT/technical support tasks, event planning tasks, marketing duties, and administrative tasks)

Job Demands

An elegant view of jobs weighs the balance between the volume/intensity of an employees' job demands against their available resources to meet their demands. To measure the demands and resources in the role of EDs/CEOs, respondents indicated how frequently they experience each of three job demands and three job resources. Responses are detailed below.

Demands

Never   Always

Having too much work to do.

Facing emotionally charged situations at work.

Having to express positive feelings to someone, while I actually feel indifferent or negative feelings.

The respondents work an average of 10 hours per week outside the standard business hours.

Job Resources

There is a significant positive correlation between job resources and self efficacy.

Resources

Never   Always

Having flexibility in how and when I execute my job.

If necessary, trusting I can ask colleagues for help.

My organization providing possibilities for me to learn new things.

Big Takeaways

Extra Doesn't Always Mean Good

Given that many EDs/CEOs already swim in vague waters, often lacking clear goals and operating in systems without formal performance evaluations, the widespread prevalence of "extra" tasks is troubling. Leading a non-profit is taxing enough without the addition of energy-draining, out-of-scope responsibilities. **Focus is a resource, too, and we need to cultivate and honor it in the same vein as financial contributions and volunteers.**

Age May Influence Perceived or Actual Workplace Demands

Older EDs/CEOs report lower levels of job demands and burnout while reporting higher levels of commitment. One potential explanation for these findings is that as workers age, they may develop a better understanding of their own capabilities and what they can realistically accomplish.

Normalize Doing More with More

The commonly held belief that non-profits should thrive despite a lack of resources is a meaningful barrier to ED/CEO success. **Our research indicates that a lack of resources contributes to diminished levels of self-efficacy**, a crucial variable for job success. If we want people to succeed, we should muster the resources required for their success.

Board of Director Elements

Frequency / Perceived Effects / Satisfaction

Boards of Directors (BOD) have a meaningful impact on ED/CEO work experiences. In fact, **our research indicates that interactions with boards significantly influence key employment metrics, including engagement and retention.** In this section, then, we'll review the ways in which board-related interactions shape ED/CEO perspectives, and provide key takeaways for board members interested in improving ED/CEO chances for success.
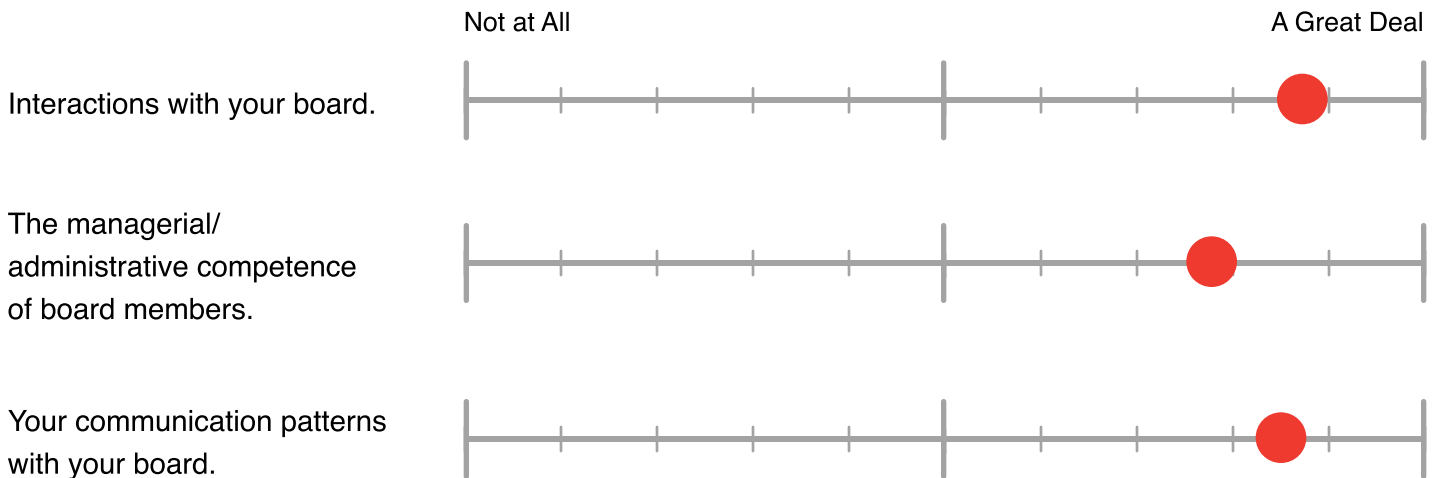
Reported Frequency of Board Interactions

We asked EDs/CEOs to report on the frequency with which they interact with members of their board. Our data suggests that most EDs/CEOs (70%) interact with their boards (or members of their board) one to two times per month. In the following pages, we'll reflect on how those interactions influence ED/CEO work experiences.

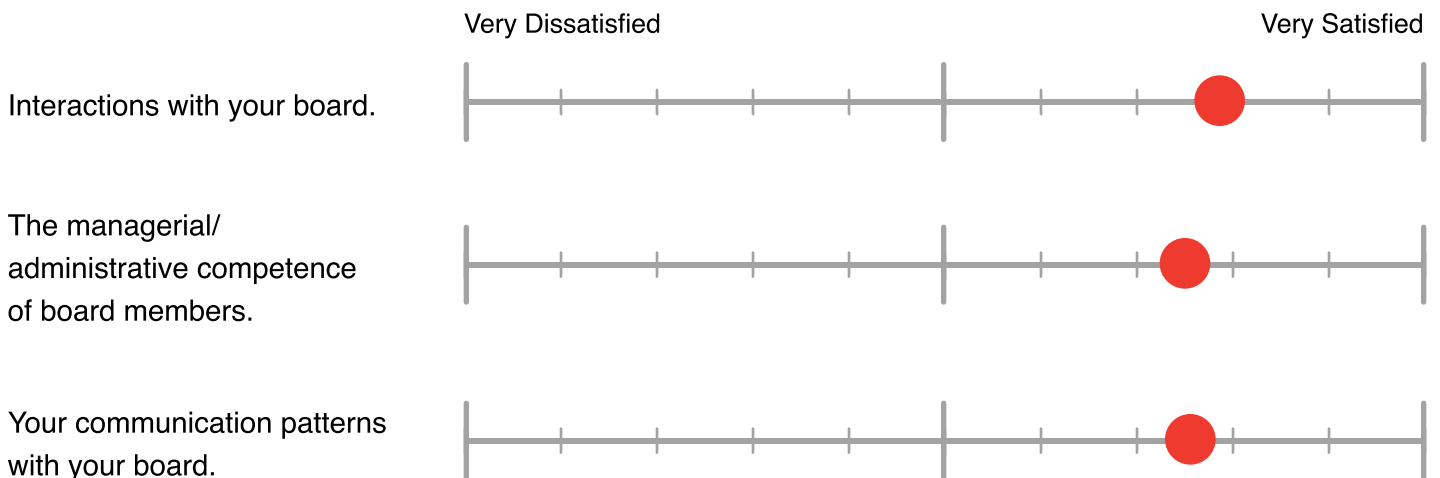## How often leaders communicate with BOD.
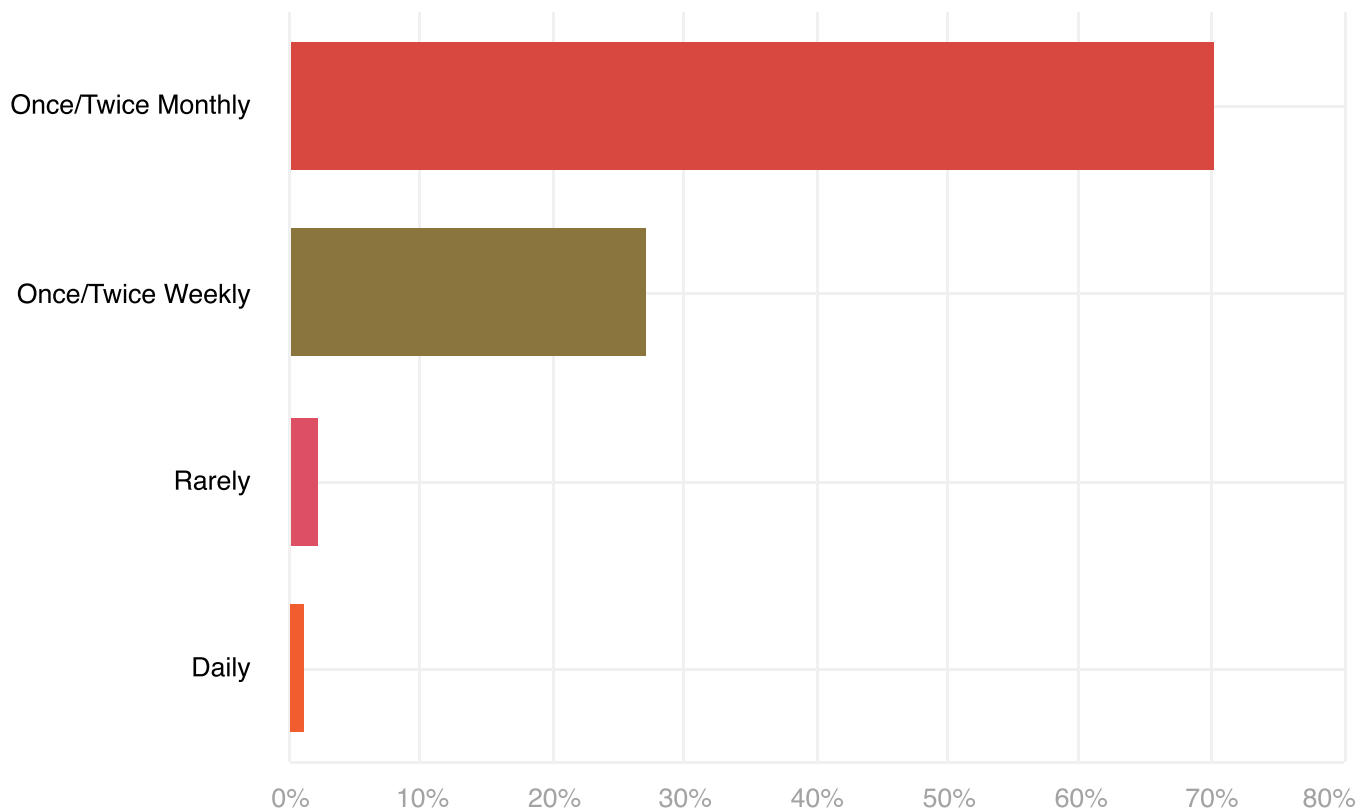
Perceived Effects & Satisfaction with BOD

How much does each of the following affect your ability to perform your role as ED/CEO?

Not at All   A Great Deal

Interactions with your board.

The managerial/
administrative competence
of board members.

Your communication patterns
with your board.

How satisfied are you with each of the following elements of your experience with your board?

Very Dissatisfied   Very Satisfied

Interactions with your board.

The managerial/
administrative competence
of board members.

Your communication patterns
with your board.

Big Takeaways

Boards Drive Leadership Retention

EDs/CEOs' interactions with boards are important factors in their work roles. This study reveals that desirable outcomes (e.g., engagement, retention intentions) are more closely linked to leaders' satisfaction with their boards. Specifically, **our data suggests that board-related interactions play a significant role in the turnover intentions of EDs/CEOs,** and boards with more consistent and quality communication patterns are more likely to retain leaders.

In short, boards should establish and maintain routine communication practices with EDs/CEOs.

Leaders Benefit from Board Expertise

While communication practices are most likely to drive long-term retention decisions for EDs/CEOs, **respondents who reported lower levels of administrative/managerial competence among their boards were more likely to turnover sooner** (i.e., reported more immediate intentions to leave their roles). Ensuring that boards feature members capable of supporting EDs/CEOs, administratively, is a crucial predictor of success for non-profit leaders.

About Habitat Communication & Culture

Founded in 2020, Habitat Communication & Culture helps organizations adapt, evolve, & thrive. Our research-first, data-driven approach features a robust discovery process and multiple proven systems for improving organizational performance. At Habitat, we collaborate with our clients to build a deep understanding of the issues they face and identify the specific outcomes that will drive their success in the future.

🔍 Needs Assessment

We diagnose problems and identify opportunities to ensure the solutions we provide account for the unique complexities of your organization.

◎ Organizational Goals

We create and install proven goal-setting systems that help organizations measure progress and achieve ambitious goals.

Performance Management

Our tools and methods help individuals and groups increase alignment, effectiveness, and consistency in their work and professional development.

⭐ Leadership Development

Our training and coaching engagements help leaders and managers improve communication, problem-solving, and decision-making.

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