

Nineteen Practices toward a Nonprofit Theory of Leadership and Organizational Culture

by Jon Pratt, JD, MPA

The accountability principles and management practices outlined in this article were designed by the Minnesota Council of Nonprofits to lay out an explicitly nonprofit set of expectations for leadership from board members, managers, and volunteers.

Editors' note: The following article was adapted from *Principles & Practices for Nonprofit Excellence: A Guide for Nonprofit Staff and Board Members* (Minnesota Council of Nonprofits, 2014), which updates a set of accountability principles and management practices developed by MCN that associations of nonprofit organizations throughout the United States have used as a basis for similar documents in their locales over the past decade. To download the original document, visit www.minnesotanonprofits.org/nonprofit-resources/principles-and-practices/principles-and-practices-for-nonprofit-excellence-2014/principles-and-practices-for-nonprofit-excellence.

NONPROFIT ORGANIZATIONS ARE DIFFERENT from business and government. One would reasonably expect to manage and govern them differently. However, in the absence of a general framework for nonprofit management, third sector organizations are under persistent pressure to look like something else. On the one hand, nonprofits are advised (sometimes by “venture” philanthropists) to become more entrepreneurial and business savvy, orienting their organizations more closely to market forces. At the same time, organizations are increasingly urged to make the reliability and accountability of their “outcomes” their highest priority by controlling internal processes and structuring and orienting themselves as hierarchies.

The following statements on leadership and organizational culture are excerpted from *Principles & Practices*

for *Nonprofit Excellence: A Guide for Nonprofit Staff and Board Members*—a forty-page document available for free on the Minnesota Council of Nonprofits website. To facilitate broad participation in important discussions and decision making, these nineteen practices were designed to lay out an explicitly nonprofit set of expectations for leadership from board members, managers, and volunteers.

By engaging diverse groups of people who care about the organization’s work and the people it serves—and thus gaining perspectives from both inside and outside the organization—nonprofits are able to mobilize support, learn from peers, and respond to community concerns. Nonprofit leaders have a complex task: carrying out challenging missions with limited resources and sometimes conflicting demands in the midst of constantly evolving networks of organizational and

personal relationships. Open and interactive leadership practices and organizational cultures strengthen the ability of nonprofits to interpret and adapt to opportunities in this shifting environment, and to make the most effective use of the ideas and resources available in their organizations, networks, and communities.

Decision Making

1. Nonprofit leaders should make clear the decision-making structures and processes of the organization and its governing body.
2. Nonprofit leaders should devote time and attention to analyzing the changing environment, and steer the organization through those changes.
3. Nonprofit leaders should actively seek to understand underlying causes of mission-related issues and use this awareness to focus organizational activities.

4. Nonprofit leaders should prioritize organizational goals and negotiate external relationships to buffer against excessive control of the organization by funding sources, government regulators, and other external influences.
5. Nonprofit leaders should recognize and navigate the organization's response to the sometimes competing interests of funders, clients, constituents, the board, the public, and volunteers.
6. Nonprofit leaders should discern a sustainable business model from the organization's size, focus, funding sources, and activities.
12. Nonprofit leaders should create and sustain an organizational culture that best advances the nonprofit's mission and goals.
13. Nonprofit leaders should push the organization to make difficult and timely decisions, challenge others in the organization when necessary, and permit conflicting views to be expressed on the way to reaching resolution.
14. Nonprofit leaders should foster a culture of information sharing and interaction between the board and others in the organization so that innovation and creativity can come from diverse parts of the organization.

Communications

7. Nonprofit leaders should help the organization cope with multiple demands by focusing the organization's attention on timely, mission-relevant issues and opportunities.
8. Leaders should advocate for their organization and its mission, championing the cause in- and outside of the organization.
9. Leaders should actively communicate how the organization's activities produce the intended change in the community and inspire others to effect that change through fundraising, advocacy, and programming.
10. Nonprofit leaders should ensure that sufficient time and energy are invested in the organization's communications capacity.
15. Nonprofit leaders should identify and implement opportunities that enhance a positive work environment.
16. Nonprofit leaders should demonstrate the behaviors they expect of their colleagues.
17. Nonprofit leaders should encourage their organization's staff and board to seek out, recognize, and leverage the shared and different values of diverse cultures.
18. Nonprofit leaders should pay attention and attend to their need for professional and personal renewal and encourage the same in others.
19. Nonprofit leaders should allow for and encourage questions and reflections on the organization's strategies, effectiveness, and ability to change.

Culture

11. Nonprofit leaders should continually develop the skills, knowledge, and abilities of others at all levels of the organization so that they may take on greater responsibility for carrying out the organization's mission and engaging community members.

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