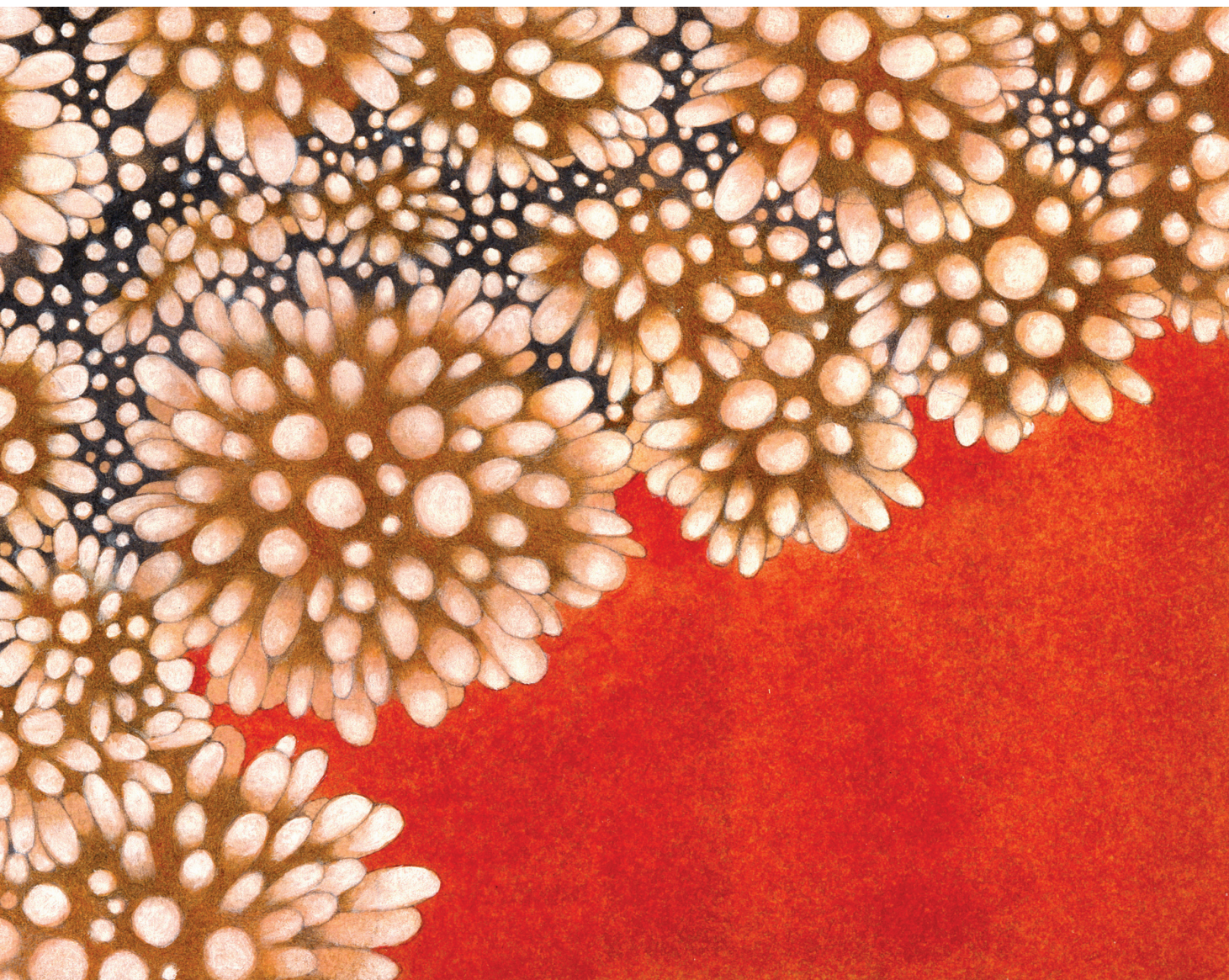




Technology's Effect *on* Nonprofit Management

by Holly Ross

With the proliferation of accessible data, decentralized,
flatter organizations, and pressure to leverage
technology, we must turn the challenges into
opportunities and keep up with the pace of change.



WHEN I AM ENGAGED IN SOME FORM of public speaking, I usually find a few audience members I can connect with. You know, those people in the crowd who really seem to get what you're saying and nod when you make eye contact. About a year ago, I was at an event in New York City, talking about the role of social media in nonprofit fundraising. I found one of those audience members. He was younger and had a typical Brooklyn, New York, look, with skinny-cut pants, facial hair, and thick-rimmed glasses.

He could barely sit still through most of the talk, so I was unsurprised when he leaped to his

feet in the question-and-answer period. He began his question with a two-minute preamble, in which he repeatedly referred to “old-fashioned” fundraising—the “traditional” kind. Finally, he landed on his question and asked the panelists, “So what do you think is going to happen to all the organizations that are still stuck on these old-fashioned fundraising techniques, like, you know, *e-mail*?”

I was floored and have no idea how I answered his question, but I do recall flying off the dais to catch him as he went out the door at the end of the

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program. His question had summed up a thought I've been grappling with as a nonprofit leader myself—technology isn't that "other thing" that you do anymore. It's not merely ubiquitous but pervasive, embedded into the very fabric of the way we find a restaurant on a Friday night or track our workouts at the gym. This young man made it clear that, for his generation, technology is not second nature—it's just plain natural.

Of course, this young leader is the "new normal," but there are plenty of us still around who remember a time before text messaging existed, and when all you could do on a phone was make a call—and even then it had to be attached to a wire. That said, we all recognize that technology has changed the landscape of fundraising and afforded us remarkable leaps forward in our work, such as:

- Cloud computing, which has made it possible for us to do more of our work, from anywhere, at any time;
- An abundance of data coupled with advances in data-analysis tools, which have helped nonprofits better understand the impact and effectiveness of our work;
- Mobile phones and tablets, which are beginning to rival laptops in functionality and flexibility; and
- Social media, which has brought us one tweet closer to our supporters.

What once was the purview of specialists has become part of all we do, both personally and professionally. Despite all the possibilities, however, for many nonprofit leaders this transition has been somewhat uncomfortable. While we strive to wear technology well, it is often, at best, an itchy second skin. It is not natural for us, nor even second nature. Yet it's a gap we must bridge, because technology has not only changed what is possible for us to do in our organizations—it has changed how we lead and manage them.

In situations like this, I think it's appropriate to quote Dr. Phil: "You have to name it before you can claim it."¹ Our job as leaders is to, well, lead. We must articulate the discomforts technology has injected into leadership and manage these in ourselves before we can bring our organizations past the initial discomfort and into the future.

Technology and Leadership: Challenges and Opportunities

Technology has created a flatter information environment, and we can either attempt to tamp down the results or we can leverage them. In essence, technology has jump-started the concept of a learning organization, so that the term itself has nearly filtered out of our language; now "learning organization" is or should be the default mode for any organization looking to maximize its impact.

But it takes a certain confidence of leadership—and modeling from that leadership—to embrace the idea that all staff need and can add to the organization's wisdom and strategic positioning. And sometimes the push for transformation of this kind comes from the outside in (or the bottom up), so the two sides have to meet.

Ultimately, technology hasn't changed what, fundamentally, makes a good leader. Even after a solid decade of disruptive technologies, 2009 research from the Center for Creative Leadership identified seven key leadership qualities that probably still look very familiar:²

1. Leading: directing and motivating people;
2. Strategic planning: translating vision into realistic business strategies, including long-term objectives;
3. Managing change: using effective strategies to facilitate organizational transformation;
4. Inspiring commitment: recognizing and rewarding employees' achievements;
5. Resourcefulness: working effectively with top management;
6. Doing whatever it takes: persevering under adverse conditions; and
7. Being a quick learner: quickly learning new technical or business knowledge.

However, technology has dramatically altered how those qualities manifest in leaders and how staff, board, and stakeholders perceive their leadership. In other words, good leaders still have to direct and motivate people well, but technology has changed *how* leaders do it, and the leader's use of technology in directing and motivating people can influence how stakeholders feel they are being led. Also, there are simply more people than ever inside of our organizations who lead from the positions they hold.

As with most change, the coin of technology change comes with two sides. Nonprofit leaders from around the country have long reported their greatest technology challenges in Nonprofit Technology Network's (NTEN) annual Community Survey. The following are some of the most cited issues—issues that come with both challenges and opportunities:

Responsiveness. Inherent in responsiveness are two ideas: timeliness and thoughtfulness. A responsive person must offer a reply that arrives when it is needed and contains the information that is requested. Somewhere between typing up responses to memos on carbon paper and direct messages on Twitter, we forgot about the thoughtfulness in service of the timeliness.

By now, we've all had the experience of the person who e-mails you just hours after sending a message, to ask, "Did you get my earlier e-mail? What's your answer?" It's clear that the expectation has shifted. Leaders must now be prepared to respond to any situation as quickly as possible, day or night. You may know (or be) the executive who answers e-mail before going to sleep at night and again upon waking because of this shift.

Social media has further hastened this need to respond. We saw this famously play out for the Susan G. Komen Foundation. On January 31, 2012, news broke that the foundation would no longer fund breast-cancer screening at Planned Parenthood. Just hours later, Planned Parenthood sent an e-mail to its supporters with the news. Moments after that, the angry tweets and Facebook posts directed at Susan G. Komen began flooding the social web. Komen's supporters also posted in these social spaces, but the organization itself said nothing—for nearly a full day.

In an age when anyone can contribute to the conversation about your organization and your issue, lack of responsiveness can translate into lack of leadership, and you won't always like what fills the vacuum.

Visibility. Technology has made it possible for us to share anything and everything about our lives. Did you go for a run? Post your route and times on Facebook! Go out for a great dinner? Better get an Instagram pic of that! Along the way, we've come to expect some of the same from our

leaders. While you don't (usually) have to tweet what you had for lunch, stakeholders and staff are more frequently asking for leaders to share the *why* along with the *how*. As Charlene Li puts it in *Open Leadership: How Social Technology Can Transform the Way You Lead*: "Rather than using the word 'transparency,' which implies complete openness and candor, I prefer to describe this skill as making information and processes 'visible.' You make visible your goals, and also the challenges, threats, and opportunities you face."³

Being a visible leader means sharing what you're working toward, how you plan to get there, and where you fail and succeed along the way. Before visibility was the norm, it was possible for leaders to remain enigmatic—sitting in the corner office, dictating to the lower echelons. Now, leaders must be highly visible, demonstrating what matters in their organization through shared actions and words. This is how you build and sustain culture in a Twitter-informed era.

You must have a clear, concise, and consistent message that is shared in your community. As Jamie Notter and Maddie Grant put it in their book, *Humanize: How People-Centric Organizations Succeed in a Social World*: "If you don't say anything, or if the messages are mixed or unclear, then your people will simply invent what they think the culture is supposed to be."⁴

Thinking Different(ly). "Doing whatever it takes" is one of those leadership qualities we all look for. Social media and other technologies have certainly expanded our possible definitions of it. For example, there used to be a couple of ways to get your message out to the public; now there are dozens.

While the possibilities have been expanding exponentially, our sector has responded by doubling down on the notion of "best practice." Search Amazon.com for "nonprofit best practice" and you will find over 13,000 results, from marketing to accounting. The notion of documenting the "best" way to build a website is simply anachronistic. Relying on best practices, what *has* worked, keeps us from focusing on what *will* work: the possibilities technology opens up for us.

Letting go of best practices will release us from the tyranny of incrementalism (if we focus

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on our best practices, we can serve 3 percent more people next year!) and opens us up to finding truly innovative solutions to the age-old problems we want to solve. In fact, technology may help us to find those creative solutions.

Crowdsourcing, the act of soliciting solutions from the public via social media and the web, can deliver hundreds of ideas quickly—ideas that leaders can use to seed new programs or answer new challenges. At GalaxyZoo.org, for example, individuals can help catalog and tag hundreds of thousands of images from the Hubble telescope, building a massive database that scientists from around the world can use in their research.

Technology and Management: Empowering the Edges of Your Organization

Starting in the mid-1990s, the productivity rate of American workers began to expand dramatically, frequently increasing more than 2.5 percent per year, after decades of stagnant productivity gains. Most impressively, these gains were found largely in service industries, not manufacturing. The reason? Increased computing power.⁵

As in the profitmaking sector, when computers, networks, and the Internet reached an efficient level in the nonprofit sector, managers could help staff do more in less time, building efficiencies that meant productivity gains and the ability to serve more people. But it took decades of experimentation to realize technology's power as it is now, and developments still progress apace. Our work lives are no less busy, because advances have brought with them increased expectations. We are expected to respond quickly to queries, inform and consult with stakeholders differently when a decision affects them, curate data, and share information more openly. We have had to learn how to manage employees and contractors working at a distance, to figure out how to integrate data-reporting duties into jobs that have not been focused on this in the past, and to choose the right software among the many options for financial management, fundraising, constituent records management, and our website presence. We have started thinking about social networking communications policies. To this end, we have had to redesign jobs and the way we communicate.

So, technology has not necessarily made management easier—indeed, there are new challenges that reflect the changes that technology has wrought in jobs, social action, financial transactions, and a host of other realms. There may be two areas in which the challenges are most felt, and those are in the management of data and in the decentralization that is occurring as a result of a flatter information platform.

1. Data

Nonprofit managers have long used data to make informed decisions about what's working and what's not, and technological advances in the gathering, storing, and accessing of data are bringing a sense of certainty that might feel luxurious to some. Many levels of staff can now enter, search for, and access information more quickly; create and document systems that can be used by entire organizations; and produce materials for their programs in a fraction of the time, at a fraction of the cost. While technology can certainly make us more efficient, its proliferation has also drastically changed some of our management assumptions.

At this point, there is very little in our nonprofit work that does not leave a trail of data behind it. Sent out an e-mail? If you have the right e-mail tool, you can see exactly who opened it, what links they clicked on, and where they went on your site. Even phone calls can be tracked and analyzed with the advent of Voice over IP services.

While some might feel that more data means more opportunities for better decision making, the proliferation of data in the last decade has made data-informed decision making harder, not easier. Managers have more data points to wade through, those data are often contradictory, and managers rarely have the statistical background to perform the kind of sophisticated analysis that might be needed to make sense of so much information. In the coming years, good managers will have to learn which data are important to look at and build the skill set that will allow them to understand those data fully.

2. Decentralization

With so much information and production power in the hands of nonprofit staff at all levels of an

organization, it's no surprise that today's managers are feeling the squeeze from the bottom. As computer scientist Vint Cerf noted about the Internet: "The Internet is based on a layered, end-to-end model that allows people at each level of the network to innovate free of any central control. By placing intelligence at the edges rather than control in the middle of the network, the Internet has created a platform for innovation."⁶

Simply put, we have become accustomed to finding the information we need and acting on it incredibly quickly, and that access and desire for action is not limited to the top of the org chart. In a traditional, top-down organization, only the top of the pyramid really engages with questions of vision, mission, and strategy. The top makes the decisions, wordsmiths the language, and then bestows it on the bottom of the pyramid.

Today, we need decentralized structures to succeed. Those who used to be at the bottom of the pyramid must be empowered to represent the vision, mission, and strategy in their work and then bring their experiences back to the leadership. The pace of change is too quick to wait for the next regularly scheduled strategic planning retreat to get feedback from your staff.

The challenge here, besides the new model, is that a decentralized, flatter organization ends up requiring more from leadership than the traditional hierarchy. If you're going to empower the edges of your organization to represent you in social spaces, at meet-ups, and through e-mails in ways they never did before, they can't simply memorize your mission statement: they must truly understand your strategies.

This decentralization does not stop at the walls of your organization. Technology has given people the sense that they should be able to communicate with you, so your constituents and stakeholders may be feeling more and more empowered to demand accountability (think Komen). In the end, this forces nonprofits to think much more deeply about their methods of creating dialogue with stakeholders and to communicate in a way that may be less tightly controlled than in the past.

* * *

Technology is the application of science for practical purposes. Surely, technology is our creation, but we are also its work. As much as we have shaped technology, it has shaped us—a symbiotic relationship that brings both great possibilities and great limitations. Recognizing those tensions and navigating wisely will be the biggest challenge for nonprofit leaders and managers in the coming decades.

So, we are faced with a choice. We can embrace the discomfort and try to work through it, or we can decide it's not for us and leave the possibilities on the table. That young leader I spoke with last year? He's not leaving *anything* on the table. Currently, he's using social media to recruit new advocates for his cause: a mobile app to help his supporters track their actions and rank their activity levels. And he's even set up one of those old-fashioned websites!

NOTES

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4. Jamie Notter and Maddie Grant, *Humanize: How People-Centric Organizations Succeed in a Social World* (Indianapolis: Que Publishing, 2011), 125.
5. Richard G. Anderson and Kevin L. Kliesen, "The 1990s Acceleration in Labor Productivity: Causes and Measurement," *The Federal Reserve Bank of St. Louis Review* 88, no. 3 (May/June 2006), 181–202, www.research.stlouisfed.org/publications/review/06/05/Anderson.pdf.
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