

The Future of Nonprofit Leadership: Worker Self-directed Organizations

By **Simon Mont** | March 31, 2017



The dominant organizational structure of nonprofits is unsustainable. Nonprofit leaders are leaving the sector. In 2008, a national study, “**Ready to Lead?**”, produced by CompassPoint Nonprofit Services, the Annie E. Casey Foundation, the Meyer Foundation, and Idealist.org, found that three out of four executive directors planned to leave their positions within three years. The major reasons they cited were lack of adequate compensation, burnout, overwhelming fundraising responsibilities, and a fear that they would not be able to retire properly.

The struggle to find replacement executive directors is just one symptom of a problem that is holding the sector back from achieving its full potential. We have built our organizations around an idea that our leadership should come from either a single individual or a small group. This leads to the consolidation of responsibility and power in the people who occupy those positions and the creation of positions within organizations that demand long hours, compromised personal lives, and distance from personally fulfilling client and program work in order to focus on administration.

This myopic view of leadership also makes it hard to see the leadership qualities exhibited on a daily basis by people in all positions within our organizations. Instead of harnessing everyone's ability to lead, envision, and create, we are asking most of us to follow the few of us who assume a great burden.

But there are solutions! Not only do we have new organizational frameworks that resolve tensions and enhance capacities, we also have living examples of those frameworks in practice. The key to this new organizational framework is mutual empowerment and peer accountability. With mutual empowerment, we all create space for each other to discover and pursue opportunities that synergize to achieve the outcomes of the organization. With peer accountability, we build intentional relationships to ensure that our activities are aligned and we are all fulfilling our commitments.

The solution is not to replace structure with structurelessness. It is to replace the inefficient structure of hierarchy, with the dynamic structure of peer co-creation.

Understanding Leadership

When asked about the nonprofit leadership shortage, one next-generation leader responded, "Where is this supposed lack of leadership? We're all here. And we're ready. We're ready to take over when you're ready to retire. I wonder if it's more of a disconnect between generations and a difference in leadership styles than a lack of leadership."

The difference in leadership styles can be understood in terms of "individual-centered leadership" and "collective leadership." The dominant model of leadership is individual-centered. It imagines leaders to be identifiable

individual people with particular sets of personal skills and traits. In an organizational context, it imagines leaders to be individuals with formal positions atop hierarchies, whose direction people follow. This model makes leadership scarce because there can only be as many leaders as there are formal roles. Those who want room to enact their visions must compete within a bureaucracy to gain a position of power from which they can act. The creative potential of “followers” is either left unused or spent figuring out how to climb high enough to express itself.

This is a narrow understanding of what leadership really is. Leadership is the practice of maximizing the use of one’s individual talents and the potential of a team to develop and execute a vision. It is the practice of seeing the relationship of the individual to the group, and creating spaces where individual actions combine to achieve collective vision.

Everyone is capable of this kind of leadership. Committed staff at nonprofit organizations are already doing it simply by contributing to their teams. Our organizational models ignore people’s ability to contribute and instead prescribe a very defined role for them. Shared leadership happens when we maximize everyone’s ability to step into, at the right times, the leadership they are most suited for while coordinating our activity to achieve an impact larger than the sum of its parts.

When we expect a single leader (or small group of “leaders”) to create a system that will define and coordinate all individuals’ relationship to the organization by assigning roles and titles, we ignore the potential of every member to decide for themselves how to use the personal and interpersonal resources at their disposal to support the organization. We inhibit the dynamic, innovative, and agile responses that empowered people are capable of and choose static control and repetition instead.

Solving the Nonprofit “Leadership Crises”

The “Ready to Lead?” study shows us that very few people want the roles that the individual-centered leadership model provides. Respondents indicated that

the role is unsustainable, unfulfilling, and they do not feel it is the best way to accomplish their personal or organizational goals. If this problem is not addressed, then the talented, creative, value-centered people on whom the nonprofit sector relies will look elsewhere for employment.

The report's first recommendation was to "replace dated power structures." Fortunately for us, there are already organizations that are operating efficiently and effectively with different power structures designed to make our impact transformative and sustainable. These organizations employ shared leadership and are written about extensively in resources like *Reinventing Organizations* by Frederic Laloux.

At Sustainable Economies Law Center (SEL), we are bringing these models to the nonprofit sector in the form of worker self-directed nonprofits, organizations in which *all workers* have the power to influence the programs in which they work, the conditions of their workplace, their own career paths, and the direction of the organization as a whole. They shift the role of the executive director and reimagine the staff's relationship with the board of directors. Instead of leadership flowing from the top down, small groups are empowered to lead within clearly defined zones of autonomy, and systems are built to coordinate their activity without placing anyone in a position of hierarchical authority.

Our own experience practicing worker self-direction at the Law Center and an emerging body of research both show that distributing leadership throughout an organization can create organizations that are more effective at advancing their mission, more adaptable and responsive to complex systems, more accountable to their communities, and more fun. As "many younger people express frustration over top-down decision making, overly hierarchical structures, poor communication, lack of transparency around decision making, a culture of sacrifice, and resistance to change," worker self-direction answers the call by not only addressing the most significant obstacles to a generational leadership transition, but opening new possibilities for the impact of the sector.

Ideas for a New, More Sustainable Organization!

In addition to opening up a whole new set of possibilities, worker self-direction can also provide an elegant and integrated solution to many of the problems that pervade the nonprofit sector.

Balanced Personal Lives

Work/life balance is often a challenge for people in traditional leadership roles such as executive directors. In a worker self-directed nonprofit, we redistribute aspects of the ED's role and other roles where responsibility and power are highly concentrated (such as fundraising and strategic planning) across the organization. Many hands make light work, and no single person is left feeling as if they need to carry the weight of the entire organization. Staff also gets to set the employment policies that apply to them and have a say in what work the organization takes on. This empowers people to create arrangements that actually work for them. For example, at the Sustainable Economies Law Center, our staff decided we would only work at the office for half of our time. This lets us work at the times and locations that are best for us, and it creates flexibility for us to balance other aspects of our lives because we aren't expected to be at the office every day. By having a say in what work the organization takes on, we can make sure we are not taking on so much that we will burn out.

Securing a Sustainable Livelihood

People are looking for fulfilling, meaningful lives filled with all sorts of experiences and opportunities for ourselves and our loved ones. Money is an important aspect of what enables an enjoyable and meaningful life, but it is not the goal in and of itself. The nonprofit sector knows this well; it is filled with people who have voluntarily accepted lower pay in exchange for the emotional, spiritual, and social benefits of doing work to make the world a more just and sustainable place. When we incorporate this perspective into our personnel decisions, we can come up with creative solutions to sticky problems.

Worker self-directed nonprofits enable staff to organize their labor and compensation in a way that is sufficient and sustainable for them. At SELC, for example, our collective decision to each work only 30 hours per week and only be required to spend 15 of those hours at the office has opened up tremendous possibilities. By choosing when and where we work, we regain a tremendous amount of autonomy over our lives. This flexibility lets us attend community events or be responsive to the needs of our loved ones in ways that a rigid eight-hour day does not.

The reduced workweek shifts our financial calculus as well. Many of us who could use a bit more money accept consulting jobs or engage in entrepreneurship to supplement our incomes. Some staff can use their time to cut down on other expenditures that they would have been forced to incur otherwise, like childcare. And beyond the numbers of it all, many of us feel like the opportunities our flexibility provides are priceless.

This exact arrangement may not be best for all organizations. The essential point to notice is that we (with board oversight) get together as a staff and make decisions about how to organize and compensate ourselves in order to make the best use of our organizational resources and provide ourselves with the lives we crave. Ultimately, this care for ourselves feeds back into the organization in the form of low turnover and high commitment.

Abundance of Mentorship and Growth Opportunities

When mentorship can only come from someone above us in a hierarchy or farther along in their career than us, then it will always be scarce. The key to maximizing the availability of mentorship and support is to realize that it can be built into the architecture of our organizations, and that it can often come in the form of peer-to-peer relationships.

At the Sustainable Economies Law Center, we have a number of small autonomous teams that are each devoted to different spheres of our work. One team works on food law, another on housing, another on worker cooperatives, another on running our internal finances, etc. If one of our staff members is interested in learning about a particular area or developing a particular skill, they indicate their interest and gather feedback from peers about whether it seems like a good use of time and resources. If the members of the team they

wish to join and the members of the teams they are already on think that the person has the time, then that person is free to join.

Once someone joins a new team, they will be exposed to all the expertise the team contains. They will likely start as an observer, chiming in at meetings when they have a unique insight. As they get their bearings, they will begin to take on small tasks like researching a part of an issue. Before long, they will be familiarized with the issues and will be ready to contribute more to the Law Center. Our teams benefit because they are populated by people who are genuinely interested in doing the work, and our whole organization gets to operate like a kind of university at the same time.

On top of that, we become leaders by leading. Even interns are given projects that call upon them to think broadly about the context they are operating in, how to develop strategy, and how to divide labor. New members are asked to rise to the challenge of facilitating meetings and creating new projects. All of this is done within the context of small autonomous groups that provide support, guidance, and reflection all along the way.

We all operate with an awareness that we have different strengths, weaknesses, and experiences and that we should all be communicating and sharing in a way that lifts all of us up. No one begrudges someone a supportive chat, because we know that we will be asking for one from someone else before long.

Increased Opportunities for Career Advancement

“Career advancement” tends to connote climbing higher on a ladder within a hierarchical structure. When an organization abandons fixed positions of a hierarchy and adopts a more dynamic structure, career advancement becomes multidimensional. To advance in our careers means to take on more responsibility, have the ability to leverage more resources to do more exciting things, have more power to make our dreams reality, be engaged in higher level strategic thinking, and be recognized for the expertise we have developed and the contributions that we make. And in the nonprofit sector, this type of advancement is directly tied to our drive to make the world more just and sustainable. Career advancement is to have more freedom and power to actualize our most inspiring visions.

Worker self-directed nonprofits enable workers to self-direct their own advancement by taking on new projects and responsibilities rather than waiting for others to hand down promotions. Each person has the space, resources, and support to expand the role they play so that it matches their ideal. Of course, all members take on some tasks that aren't the most exciting for them because those tasks just need to get done. But, overall, staff can innovatively and creatively pursue their visions, and peer accountability ensures that everyone stays aligned with the agreed-upon mission and strategy.

Concluding

It's time for a change in the nonprofit sector. We can keep saying that we are overworked and underpaid while trying desperately to find replacements for positions that few of us are actually satisfied with, or we can reinvent ourselves and live up to the potential of our most transformative visions.

By evolving our understanding of leadership and changing our structures, we can unleash the tremendous potential of all of our staff and stakeholders. We can create organizations that are more effective at achieving their missions and much more satisfying for people to work in. We can embody an exciting, empowering, and equitable model of governance that will attract high-level talent and develop the leadership potential of an entire generation.

ABOUT SIMON MONT

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