<center>The Leadership Deficit in the Nonprofit and Voluntary Sector</center>

Introduction

Much research has focused on the topic of leadership in the nonprofit sector over the last ten years due to a combination of factors that has served to bring this subject to the forefront. Not only are a significant number of nonprofit leaders of retirement age, but the sector must also get ready for what Halpern (2006) terms, "the subsequent intergenerational leadership change in ways that reflect the increased diversity of communities" (p. 3).

This paper is intended to serve as a review of selected literature that examines the projected nonprofit leadership deficit, and explores how leadership development as a response to this potential crisis could benefit organizations in several ways. The challenges in developing nonprofit leaders are also examined, and some of the more prominent issues will be highlighted, along with those more specific to an Alberta context. The new realities of a diverse and inclusive workforce that could mediate the projected crisis will be discussed, along with the nuances of the relatively recent generational leadership shift.

Finally, it is of value to consider the context of a learning organization and how it might relate to leadership development in the nonprofit sector. There is no doubt that both the concept and practice of leadership development would be highly valued in an organization that prizes learning.

The Nature of the Nonprofit Leadership Deficit

The prospects of a leadership crisis or deficit in the nonprofit sector has been well documented by articles and research conducted by several different organizations. The first *Daring to Lead* report in 2001 (Peters & Wolfred, 2001) expanded on CompassPoint's 1999

report, Leadership Lost: A Study of Executive Director Tenure and Experience, which looked at the professional experience, compensation, tenure trends, and executive training and support of nonprofit leaders, and ways in which executive retention and the quality of nonprofit leadership in the sector might be supported. By 2006 the next *Daring to Lead* report (Bell et al, 2006) found that almost three-quarters of the executive directors (ED) surveyed were planning on not being in their jobs five years hence, while almost 10% were actively in the process of leaving.

The Annie E. Casey Foundation has produced a series of studies and documents that highlight leadership change and executive transitions such as a study on Nonprofit Executive Leadership and Transitions (Teegarden, 2004) which found that 23% of ED's planned to leave their jobs in the next two years, while another 65% planned to leave by 2009. This study also suggested that the baby boomers who were planning to retire would do so in two waves: the first group (almost 57%) by 2010 and the second wave (over 43%) would retire by the time they reached the age of 62, with most of these transitions expected to happen by 2020 (p. 5). Perhaps Adams (2006) put it best when he said "Given the growing number of aging Baby Boom leaders at the head of today's nonprofits, there is a good chance that your organization will face a leadership transition of its executive or management team during the next several years (p. 2).

In 2006 the Bridgespan Group conducted a study of the projected leadership requirements of nonprofits with revenues greater than $250,000 (excluding hospitals and post-secondary institutions), and projected that the sector in the U.S. will need between 333,000 and 640,000 new senior managers over the next decade, or 80,000 managers every year by 2016 (Tierney, 2006). According to this report, the projected leadership deficit will result from both limited supply and increasing demand, citing critical factors such as the increasing numbers of nonprofit

organizations, baby-boomer retirements, current nonprofit managers/leaders moving into different roles within or outside the sector, and the growth in the size and number of nonprofit organizations.

CompassPoint's 2006 *Daring to Lead* report on cited exactly the same numbers of leaders (75%) who planned to leave within five years in 2006 as there had been in their original study in 2001, yet clearly there has been no reports of a 75% turnover in leadership to date (Bell et al, 2006). As a follow-up, the latest *Daring to Lead* study conducted in 2011 reported new numbers that stated 7% of EDs have given notice and 67% anticipate leaving within five years (Cornelius et al, 2011). The study also points out that within that 67% there is 10% who are actively considering leaving even though they have not yet given notice. In the Canadian context, a recent study done by the HR Council for the Nonprofit Sector (2012) found that over 50% of executive directors said they will leave their current position within four years. So while no massive turnover in nonprofit leaders has been experienced as of yet, there is still cause for concern.

This could become a crisis for nonprofit organizations, not only in terms of being able to source out individuals for leadership positions but also because replacing leaders can be a costly experience for organizations, both financially and with respect to achievement of their mission. Some research has found that leadership transitions in a crisis or non-routine situation can represent almost 70% of all such transitions which, if not well-managed, can cost organizations in terms of repeated turnover, underperformance and even the inability to stay afloat (Association of Small Foundations, 2008).

The most recent study done by the Bridgespan Group (2011) surveyed over 150 leadership development teams and found that leadership development and succession planning for senior

leader positions was rated as the single greatest organizational weakness faced by nonprofits. While preliminary, their results suggest that good leadership development and succession planning should look like a set of linked processes that are intended to build on the human resource function within an organization. These processes are (1) engage senior leaders; (2) understand future needs; (3) develop future leaders; (4) hire leaders externally as needed; (5) measure and improve practices; and (6) build culture that supports development. In their view, "The most *successful* succession planning is not a periodic event triggered by an executive's departure. Instead, it is a *proactive and systematic investment* in building a pipeline of leaders within an organization, so that when transitions are necessary, leaders at all levels are ready to act" (p. 2).

Reframing the Leadership Crisis

Although a substantial turnover in nonprofit leadership has not materialized to date, statistics from the 2011 *Daring to Lead* study suggest that while it may have been delayed such a turnover is still on the horizon. However, no matter whether the lack of nonprofit leadership will reach crisis proportions or not, the current research suggests that those involved with the nonprofit sector had reason to be concerned.

Some in the field suggest differing perspectives on what should concern the sector at the present time. Kunreuther and Corvington (2007) suggest that it is the sector that is in crisis, and that concerns about leadership only reinforce existing issues and don't necessarily force the sector to take a good look at the broader issues. In this way, thinking about leadership issues as a crisis affects how the sector frames what may be appropriate solutions or approaches to dealing with these issues, especially in light of potential for multigenerational leadership shifts.

This perspective suggests that three main themes may predominate current thinking when looking at solutions to a potential leadership crisis. The first of these are the current organizational structures in the sector that are operating in an environment that is quite different from when the organizations first originated. While most organizations may have adapted to the current economic realities, their traditional structures are not as attractive to next generation leaders as alternative models like shared leadership might be.

In addition, the current role of the executive director that is long on hours and short on compensation is not favoured by emerging leaders as well as many current ones. Perhaps these senior jobs don't have the same draw or reputation they once had, but whatever the reason, it is suggested that the way those positions are presently structured may in fact be partially responsible for a leadership gap.

Finally, it is necessary for current and often older leaders to support and develop leadership in their own organizations. While some research proffers a vision of a home-grown leadership solution in nonprofit succession planning (Teegarden, 2004), current data suggests that nonprofits fill only 30 to 40 % of their senior positions internally, as compared to for-profit companies who average closer to 65% (Tierney, 2006). Current realities also suggest that most organizations are too small and too flat to use this approach, as illustrated by the Teegarden study where only half of the organizations in largest size category had a deputy or associate director who might be eligible for internal leadership development (Johnson, 2009). In addition, some emerging leaders feel almost invisible to the Baby Boomer generation, valued perhaps for their technical expertise but not necessarily for their other abilities like strategic or big picture thinking. They feel their experience and education is ignored or dismissed, leading to frustration

when given responsibility but not authority. As a more diverse body than ever seen before, emerging leaders have different experiences and backgrounds than current leaders, and may even be considered to pose a threat to existing structures and operations.

Still others like Johnson (2009) believe that while a shortage of leadership in the nonprofit sector is legitimate, she does not think there is as much cause for concern as much of the current literature touts. As pointed out earlier, no dramatic turnover in leadership has occurred, and some of the research does not account for transitions into, rather than out of, the sector from other sectors or from baby boomers working longer into their retirement years than they had originally expected.

Johnson also suggests that using a simple economic supply and demand model points out several mitigating factors that are likely to affect the market for nonprofit leadership. These include an increasing participation in the work force by baby boomers due to good health or financial need, accelerated skill acquisition by younger workers (primarily through an increasing number of educational programs), and recruitment from other areas like the for-profit or government sectors. She further suggests that the merger and consolidation of organizations, an increase in using the management and/or professional skills of volunteers and part-time consultants, and the expanding use of venture philanthropy will also be mitigating factors in the leadership crisis.

A survey conducted by the Young Nonprofit Professional Network (YNPN) focused on respondents who were considered to have shown interest in a long-term career in the nonprofit sector and were seen as prime candidates for senior leadership roles (Solomon & Sandahl, 2007). This survey suggested that even though many are concerned about the flight of potential leaders

from the sector, these departures may be less critical in the long-term than first thought.

Research (e.g. Armour, 2005) suggests that Generations X and Y (born between 1965 and 2000)

are very comfortable with frequently changing careers and positions along the way to achieving

their career goals. Given this tendency, their absence from the sector may very well be

temporary, as 33 % of survey respondents who wanted to leave said they considered themselves

highly likely to return to the sector in the future, and stated their preference to become an

executive director at that time. This is important because it points to the need for there to be

both incentives and opportunities for people to want to return to the sector, otherwise the

sector may well be the loser in today's war for talent. Teegarden (2004) suggests that as a short-

term strategy the sector should make their intentions explicit about finding leadership positions

for emerging leaders so they don't choose to leave the sector when they perceive there are not

many senior positions available to them (p. 10).

Whether the perspective on the leadership deficit is that the situation is overstated, or

seen as real and imminent, there are challenges in developing emerging leaders that need to be

addressed in some form to ensure that leadership for the sector is willing, available and trained.

Leadership Development as an Organizational Strategy

According to the HR Council for the Nonprofit Sector, it has became evident that there is a

need for a skills development strategy for the nonprofit sector to combat both demographic

pressures from an aging workforce and a low national birth rate (Statistics Canada, 2006). With

this in mind, leadership development can be an important organizational strategy for many

reasons. It can be part of a recruitment and retention strategy for finding and keeping talented

people, it can make an organization a more desirable place to work, and it can assist the staff of an organization to be better equipped to successfully carry out its mission.

Several authors espouse leadership development as a way to develop organizational capacity and enhance the activities of the organization. Developing future leaders is an action that shows an organization is strategic thinking and future-oriented, and is interested in moving in the right direction (Yukl, 2006). Further to that, a leader is critical in influencing the direction and attitude of an organization, and leadership development can be an excellent way to shape the future direction of an organization (Gale, 2002).

As an example, the U.S. based Neighborhood Builders Program (Kramer and Tao, 2011) selects what they consider to be "high-performing" community-based organizations and give them large unrestricted grants and leadership training for both the ED and an emerging leader. Participants in the program reported that the program helped their respective organizations' achieve their goals (88 %), while 92% said their program impact was increased or enhanced. According to 88%, their financial sustainability was increased, and 80% said their ability to innovate was improved. In addition, only one of the over 600 organizations who went through this program since the challenging economic conditions of 2008 was not able to remain in operation (p.3). In the final assessment, a large number of the leaders who participated (85%) said the program increased their leadership capacity. For the emerging leaders who are less often targets of such training, one of the positive benefits was that they were able to recognize that they did have the ability to be leaders, both now and in the future.

Leadership development can also help with the recruitment and retention of talent. Noe (2002) points out that the factors that may influence employees into staying with an organization

include good colleagues, challenging assignments and the opportunity to develop and grow a career. A recent study in Alberta found that for those employed in the nonprofit sector for less than two years the opportunity for professional development was what they sought most, second only to being valued for their contributions in the workplace (Alberta Nonprofit Workforce Council, 2012).

Some of the common benefits of training and development include more productive and motivated staff that are better able to achieve the mission of the organization as well as meet the challenges that change may bring. Other positive results can be maintaining a pool of people who may be able to replace employees who leave, and acting as a recruitment and retention strategy (HR Council for the Nonprofit Sector, 2012).

The Challenges in Developing Nonprofit Leaders

While there is no doubt that a broader leadership development effort across the sector and within individual organizations would be welcome in both concept and implementation, there are some specific areas that would benefit from more attention. Recent research has indicated that those in the sector feel there is a need for more guidance and mentoring for emerging leaders, as well as for more performance management in general and specifically improved performance feedback. Also of note is a generational and demographic shift in how leader are viewed and developed, outdated hierarchical organizational structures, and time and funding for leadership.

Guidance and mentoring. Frustration with the lack of guidance and mentorship for emerging leaders is often mentioned as an issue in developing nonprofit leaders. As an YNPN survey participant remarked, "I would be more likely to take on a leadership role in an

organization with internal structures in place to support new leadership, as well as opportunities to network and be part of a community of other new leaders" (Solomon and Sandahl, 2007, p. 5). Other respondents in the same study felt that senior leaders might see them as a threat rather than trying to mentor them, and might even be preventing them from moving forward

Developing new networks and entry into existing networks was highly significant for emerging leaders. In a study of nonprofit employees, only 4% of respondents were being developed to become the next senior leader, with women being developed at a rate lower than that of men (Cornelius et al, 2008). Respondents also stated they were highly interested in further developing their external connections and networks (46%) as well as their technical and management skills (45%) in preparation for being a leader.

Others have noted that executives often do not come into their roles with adequate preparation and support, perhaps due to an apparent lack of succession and transition planning (Fischer & Beimers, 2009) that causes less importance to be placed on developing the leaders within an organization. While executive coaching can assist in developing current executives, there is a case to be made for guiding and mentoring emerging leaders before they are put in the potentially isolated job at the top of a nonprofit organization. For those in the top job, they have reported being less effective at the tasks involved in leading others than they were at those necessary to lead themselves. The tasks involved in leading others were typically those of human resource management, usually hiring and firing, giving and receiving effective feedback, and working to maintain the alignment and high performance of a whole team. While 81% said they worked with someone they trusted in making important organizational decisions, only 31% said they explicitly mentored another (Cornelius et al, 2011).

Improved performance feedback. Emerging leaders also say the culture at their current organization does not encourage performance management or possess the mechanisms to allow open and frank feedback on their performance (Simms, 2009). They identify a disconnection between the nonprofit culture that does not lend itself to continuous development and the importance of feedback to support development. According to the latest *Daring to Lead* Study (Cornelius et al, 2011), 45% of executives did not have a performance evaluation in the last year, and of those who did have one, only 32% reported it as being very useful.

Generational and demographic shifts. As the demographics of the workforce change, generational differences are often mentioned (for both older and younger generations) as being a key stumbling block to leadership development efforts. Different styles of working across generations has been the subject of many studies, articles and books across every sector, such as the world-wide PricewaterhouseCoopers 2011 study on millenials. An American Association of Retired Persons (AARP) paper on leading a multigenerational workforce noted a study that found more that 60% of employers had experienced intergenerational conflict. This report also suggests organizations that support an "age-neutral" workplace will see a positive impact on their bottom line in terms of corporate culture, recruitment, employee engagement, retention and customer service (Murphy, 2007).

Organizational structure. Outdated hierarchical organizational structures also appear to be unattractive to emerging leaders and would benefit by being replaced with a less traditional structure where everyone is responsible for contributing to the achievement of the mission (Cornelius et al, 2008). However, this in turn might lead to flatter organizations, where often there is often no path or system to career advancement, one of the stated concerns about

leadership development in smaller organizations. This might call for exploring a different model of leadership such as shared leadership, which could be attractive to those who are interested in the current incarnation of the organization but may not feel they have all the skills or the time necessary to be its only leader.

A greater proportion of potential younger leaders who are interested in becoming an ED are apprehensive about taking on the role as it is presently structured. Currently they see high stress levels, long hours and negligible work-life balance in existing executives. As one YNPN survey participant noted, "It's very important for me to be able to have a happy, healthy, and fulfilling personal life in addition to my career. The climate I have observed in many nonprofits does not support this …[there is an expectation] that leaders, especially EDs, will take on challenging, stressful schedules with relatively low pay because they believe in 'the cause'", (Solomon and Sandahl, 2007, p. 3). As a study on next generation leaders states, "The job of an executive director is notoriously marked by poor work-life balance—and it is not going unnoticed by those considering the position" (Cornelius, 2008, p. 16). This can be compounded for those who either have or want to start a family as well as have a leadership position in the sector.

Work-life balance can be a concern even for those aged fifty and over. One study (Cornelius et al, 2008) specifically looked at respondents aged fifty and older who might be interested in becoming an ED. They echoed the concerns about the sacrifice of work-life balance and the fundraising responsibilities that they felt were part and parcel of an ED's job (p. 15).

Time and funding for leadership development. While many organizations feel they do not have the budget to promote leadership development, individuals often feel they don't have the time and possibly the support to follow up on training and development opportunities.

Organizations that support leadership development need to find time for emerging leaders to participate in development opportunities, whether they are formal courses and programs, or informal peer networks.

Part of the problem relates to a funding model that doesn't necessarily designate funds for "overhead" costs like leadership training. One study found that only 15% of organizations in the U.S. commented that they had received any funding for leadership development (Dobin & Tchume, 2011).

In Canada, Toupin (as quoted in Saunders, 2004) explains:

Fewer organizations now have access to core funding and project funding tends to be short-term. Short-term funding limits organizations' ability to offer anything more than short-term contractual employment. Chronic uncertainty about funding makes it more difficult to attract and keep employees. Over time, employees wanting stability and job security will gravitate to jobs with more stable non-profits or they will go entirely outside the sector. (p. 2)

Funders should be encouraged to support organizations in succession and transition planning, as well as leadership development and training, through direct support or through such means as a scholarship program (e.g. Cornelius et al, 2008; Solomon & Sandahl, 2007). This can also help current executives, as for many leaders the challenge of obtaining organizational financial capital was the leading cause of burnout, while an aversion to fundraising was one of the reasons that future leaders did not desire to be executives (Bell et al, 2006). In addition this type of investment by funders and others helps improve morale within an organization and demonstrates a commitment to developing staff that will encourage those interested in leadership roles to stay in the sector. Investing in leadership development also encourages those in an organization to take a long-term view in terms of the organization's sustainability.

The Alberta Context

Like other locations in Canada and the U.S., Alberta's non-profit sector is facing a considerable number of challenges specifically involving labour and workforce strategies which, along with other sectors, are under an increasing strain due to Alberta's booming economy. Alberta's significant economic growth starting in the year 2000 fuelled labour and skill shortages in all sectors in Alberta, with an unemployment rate of only 3.9% in 2005, the lowest in Canada. Industry leaders felt that without a coordinated response to this situation future growth would be impacted (HR Council for the Nonprofit Sector, 2009). While these trends brought skilled labour shortages to all sectors, the challenges for the nonprofit sector were particularly significant.

In Alberta the aging workforce at the senior and middle management levels in the sector and a lack of middle management staff have left many nonprofit organizations unprepared for any large turnover in leadership in the next five years (Calgary Chamber of Voluntary Organizations and Edmonton Chamber of Voluntary Organizations, 2010). Some of the challenges include dependency on external funding, an increasing demand for services, and increasing competition between more organizations. Specific workforce challenges include increasing competition for workers in the province from all sectors, stressful working conditions, a combination of low job security and high turnover (specifically in entry level positions), a lack of professional development opportunities, and increased difficulty recruiting volunteers whenever the economy was booming.

While staff recruitment has improved somewhat due to the soft employment market in other sectors, there are still human resource challenges ahead as the economy improves.

Research indicates that 42% of nonprofits in Alberta had difficulty recruiting and retaining staff in the last three years. Organizations say they have worked hard to enhance the appeal of their workplaces, employing such tactics as "competitive wages; improved benefits; offering permanent positions rather than contracts; positive and collegial work environments; effective leadership; better hiring procedures; staff training and development opportunities; increased flexibility; and increased employee involvement and autonomy"(Calgary Chamber of Voluntary Organizations, 2010, p. 8). The same survey also indicated that 77% of Alberta nonprofits provided employees with development opportunities, although these were primarily on-the-job and work-related courses, seminars, and workshops. So while these numbers are very encouraging, these particular opportunities appear to relate specifically to the functional job content rather than leadership development opportunities.

Challenges to Nonprofit Leadership Development in Alberta

Developing leaders in Alberta has had very similar challenges to developing leaders in the rest of the nonprofit sector. There are issues of time and budgets, the challenges of recruiting and retaining talented people, and making traditional structures more appealing to emerging leaders. Based on personal interviews held with executives, educators and funders in the sector, some further issues were brought to light.

Some interview respondents indicated that there was not enough recognition of the importance of leadership development in the sector. This may well go hand in hand with current leaders noting they have heard others in the sector saying they have no time or inclination to mentor others. Respondents expressed that there was not enough cooperation and collaboration between organizations in terms of developing leaders. Some felt there was not enough

collaboration between the sector and educational providers; others felt organizations were not necessarily open to sharing their leadership challenges (or leaders) with others, which meant that possible solutions like shared training and staff exchanges were not viable.

Mention was also made of the importance of having relevant education and training available to the sector. Nonprofit organizations want access to relevant and affordable education, while educational institutions need enough registrants to justify offering courses and programs. Nonprofits also want credentials and flexibility in a format which can be problematic for highly structured institutions. Desired topics and courses might favour funders' initiatives, or current issues in the sector which are not always as current by the time curriculum is developed and approved. Evidence of these challenges in providing accessible and relevant nonprofit education can be seen in the state of flux of most of Alberta's nonprofit management education programs.

Developing and Encouraging Emerging Leaders

Emerging leaders are not just a post-baby boomer generation that may be waiting in the wings to enter onto the leadership stage. They can be anyone in the organization or sector who could be a potential leader, which may require some rethinking of what an inclusive workforce might look like. In fact, one study specifically examined a smaller but still significant section of respondents aged fifty and older (Cornelius et al, 2008), where one in five said they wanted to be an ED, and one in four said they were ready now (p. 15). Excluding this group was noted as possibly ignoring what could be a noteworthy source of leadership talent. AARP comments that since workers aged 55-64 are now the fastest growing section of the workforce, recruitment

aimed at people in that age bracket can give organizations a competitive advantage (Murphy, 2007).

In addition, the suggestions around talent development from organizations representing next generation leaders can often be applied to any emerging leader. For example, YNPN (Solomon & Sandahl, 2007) suggests providing mentoring and giving more leadership responsibility to those considered to be the next generation of nonprofit leaders, a suggestion echoed by those queried in about leadership development in Alberta (Abrams & Rabinovitz, 2012). They suggest that current senior leadership mentor their successors by helping them take on the responsibilities of leadership now rather than waiting until after the senior leaders are gone. Providing an opportunity for more management experience could go a long way towards encouraging them to stay in the sector. Not only does this provide training for emerging leaders, it shows others in the organization that there may well be support for them to become emerging leaders themselves.

Other suggestions include the creation of a "talent bank" of young nonprofit professionals on a regional or sectoral level, connecting them to each other and to potential leadership opportunities, overcoming the disadvantages felt by many belonging to small and/or flat organizations. As this study notes, "Nonprofits already collaborate through joint funding proposals and program initiatives. Why not partner on training and retaining future leaders?" (Solomon & Sandahl, 2007, p. 7).

They also suggest that funders consider funding career path and leadership development in the sector. The results of their study show that it does a disservice to both organizations and the sector as a whole when there is a failure or inability to fund local talent development. Not only

does providing funds to support talent development emphasize the importance of succession planning, it also encourages potential leaders to stay in the sector because their organizations have made a commitment to investing in their careers. Further to that, developing more senior staff and emerging leaders is not only an investment in the quality of organizational programs, but in the future and sustainability of the organization itself.

Finally, YNPN suggests that all those in the nonprofit sector could work on their image, thinking about how the sector looks as a potential employer to talented potential leaders. As they put it, there is a need to educate future leaders "... about what it means to have a career in the nonprofit sector, about their own responsibilities in making these jobs sustainable, and about the very different challenges and opportunities each organization will present leaders" (p. 7).

Adams (2006) suggests that a powerful approach is to create a strategic leader development succession plan, which can focus on developing staff at all levels of the organization by giving them increased responsibility, and which can also help organizations identify and nurture those who may be emerging leaders. For organizations that are not big enough to have two people with sufficient talent for the most senior position present at the same time, they could consider thinking about leadership development "in terms of "communities of practice," groups in and around the organization, in the "broader ecology," which might serve as potent sources of new leaders (p. 6).

Another YNPN survey sought to explore whether the recommendations about developing emerging leaders they kept seeing over and over again in the current literature were the right ones (Dobin & Tchume, 2011). When over 1100 young nonprofit professionals were surveyed, they validated the recommendations seen in the many of the prevailing studies as being the right

ones. Over 94% believed that the first two recommendations, offering more competitive compensation and making an investment in building "bench strength" (internal candidates) could have a high impact. Over 88% thought engaging in inclusive succession planning was critical, while 75% said that the prioritization of diversity and inclusivity was important. Changes in the structures of nonprofit organizations and the ED job were rated by 52% of respondents as having a large impact.

The *Daring to Lead 2011* study (Cornelius et al, 2011) examined what strategies were considered to be most important and effective in terms of developing leaders. Current executives reported that executive coaching, peer networks and leadership programs were very effective, all of which contained the chance for skilled executives to reflect on their role in the organization and their own leadership practices. Formal and informal peer networks seemed to be quite effective at decreasing feelings of isolation and helping executives share what might be some of the normal day-to-day trials and tribulations they faced.

A Diverse and Inclusive Workforce

Just like other sectors in Canada, the nonprofit sector has its share of recruitment challenges, which may mean looking to a workforce that does not look the same as it did in the past. There will need to be a greater reliance on those from other countries, First Nations, retired workers, and those with disabilities, which of course has connotations for leadership development in the sector (HR Council for Nonprofit Sector, 2011).

Bormann & Woods (1999) define the terms diversity and inclusion this way: "...diversity describes the spectrum of human similarities and differences. Inclusion, on the other hand,

describes the way an organization configures opportunity, interaction, communication, information and decision-making to utilize the potential of diversity" (p. 4).

Utilizing the potential of diversity, however, is not without its challenges. Holmgren (2011) points out that immigration will help revitalize our workforce but will also add to the complexity of the work environment by adding cultural influences, expectations, and increasing incidences of prejudice that often go hand-in-hand with increasing diversity. He adds that generational differences will only serve to expand and intensify this complexity (p. 33).

Building an inclusive workforce could assist an organization in developing its leaders, as well as for the sector overall. In making a business case for an inclusive workplace, the Edmonton Chamber of Voluntary Organizations (2011) stated that being inclusive and supporting a variety of workers from different backgrounds and ways of life can position an organization as an employer of choice among all those that are competing for the same talent.

Shifting demographic boundaries. Today the shift in demographics means working across generations and also working across cultures. For nonprofits it can also mean learning how to share leadership across those boundaries in a way that reflects the diversity of the organization and the diversity of the community served (Gowdy et al, 2009; Halpern, 2006).

The shift in generational leadership is a very specific form of diverse workforce. For the first time there are four generations in the workplace, with the Millenials or Generation Y (born 1980-2000), Generation X (born 1965-1980), Baby Boomers (born 1946-1964), and the World War II generation (born before 1945). There are great differences between the generations in how they conceptualize their personal and professional lives and work-life balance in particular. When Generation X'ers are writing policies that will affect the work lives of baby boomers, and boomers

are trying to find something in common with a younger colleague who has only a college practicum for experience - the footing of these relationships can be on rocky ground.

Research has found that leadership qualities are generally viewed the same from one generation to the next, with differences possibly related to where the leaders are in their own life cycle, with senior leaders focusing more on their own leadership qualities while younger leaders tending to focus more on the new leadership needed to build their organizations (Kunreuther, 2005). Vision, communication skills, collaborative style and a concern about staff were all seen as critical components of leadership across all ages and positions for organizations involved in social change (p. 12). There was a difference seen between older leaders who were founders and those who were not. The founders focused more on what values and skills their successors would need to lead the organization, whereas the other senior leaders focused more on leadership as a way to look at the qualities they brought to their work. Some of these latter findings were verified in a small local qualitative study where executives saw themselves as the organizational "glue" that holds everything together, and as the ones who shaped the culture of their organizations (Stewart, 2011).

As one writer notes on the differences between generations, "For baby boomers, it's the juggling act between job and family. For Gen X, it means moving in and out of the workforce to accommodate kids and outside interests. Now along come the 76 million members of Generation Y. For these new 20-something workers, the line between work and home doesn't really exist. They just want to spend their time in meaningful and useful ways, no matter where they are" (Trunk, 2007).

Kunreuther & Corvington (2007) point out that the traditional structures of most organizations may not be as attractive to next generation leaders as different models like shared leadership might be. In addition, the current role of the executive director does not look appealing to emerging leaders and quite possibly to current ones. Both personal and professional reasons seem to influence emerging leaders' lack of interest in following in the footsteps of current executive directors. A study of generation change and leadership found that it was common for younger managers to be reluctant to take on the ED role. In their words, it was "a thankless position that precludes a happy and well-balanced life" (Kunreuther, 2005, p. 12).

Several studies have found that a great proportion of skilled and experienced respondents plan to leave the sector, although many intend to return, but seldom to their current organization (e.g. Solomon & Sandahl, 2007; Cornelius et al, 2008). However, research also suggests that Generations X and Y are very comfortable about frequently changing professional positions and sectors in order to achieve their career goals and ambitions. So while many intend to leave the sector, their absence may be only temporary, and this may have to be accepted as the "new normal".

For most of these potential leaders, moving into an executive role at their organization is not the answer. The ED role itself was considered stressful and not conducive to work-life balance - just over 90 % of the YNPN respondents cited burnout as a reason for leaving the sector (Solomon & Sandahl, 2007). They saw the ED position as one with much stress and long hours and little in the way of work-life balance. Lack of career advancement was also reported by almost 70% of respondents as an important factor influencing their decision to leave the sector.

The most different generation. More has been written about the Millenial Generation than either the baby boomers or the Gen Xs. This could be because they are so different from the boomers who are in leadership positions right now, but also because those born at the beginning of the Millenial period are now in a position to embark on leadership positions in every sector. A recent newspaper article about the generation gap stated, "Understanding the changing values of the Millennials and adjusting to meet their requirements should be on the agenda for Canadian ... companies" (Sankey, 2012).

Millenials are looking for different things from the workplace than any of their predecessors. Training and development programs offered by an employer are highly valued, with a personal learning and development plan being the first choice of benefits from an employer even over flexible hours. Career progression is so important that it is prized ahead of competitive salaries (PricewaterhouseCoopers, 2011). Millenials also have different expectations about what comprises effective training, typically a mix of classroom instruction, self-directed study, coaching, and group learning, with a focus on a range of "digital" learning styles. Since they are used to learning in teams and by doing this could cause learning that is based solely in the classroom to be ineffective.

For Millenials the nonprofit sector may not seem like the optimal place to pursue a career. While they can easily find meaning working for a nonprofit, there are barriers to having things that are important to them like career progression as well as training and development. Other barriers that might arise are a lack of opportunity to develop management experience to burnout, and job stress in a job and organizational structure that makes no sense.

Whatever the differences, an accepting and inclusive workplace could be one of the key factors in recruiting and retaining talent in the nonprofit sector. Developing the leadership capabilities in that talent will only serve to strengthen the sector as well.

Leadership Development in the Context of a Learning Organization

Organizations that are interested in developing emerging and current leaders may also be interested in exploring the concept of learning organizations as they relate to this process. There is a bewildering array of definitions of a learning organization, although Garvin (2000) suggests that a clear definition has proven to be hard to pin down. These definitions can be relatively simple, such as Braham's definition that "A learning organization is an organization that prioritizes learning" (p. 4). A more complex definition is that of Watkins and Marsick (1992), who said, "Learning organizations are characterized by total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or principle (p. 118). Or that of Garvin (2000) himself, who states "A learning organization is an organization skilled at creating, acquiring, interpreting, transferring, and retaining knowledge, and at purposeful modifying behavior to reflect new knowledge and insights" (p. 11).

Probably the most well known definition is that of Senge, who coined the term in 1990 with his book The Fifth Discipline, which focused on the learning organization and the five disciplines of personal mastery, mental models, shared vision, team learning, and systems thinking. He sees learning organizations as "organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together (1990, p. 3).

There are many reasons to become a learning organization, several of which dovetail with reasons to invest in leadership development. These include encouraging superior performance, improving quality, increasing competitive advantage, managing change and energizing the workforce (Senge et al, 1994, pp 9-11). Senge also notes that one reason to invest energy into becoming a learning organization is "because the times demand it", his commentary on how much cutting-edge technological change there is in everyday life. More specifically he says, "People in learning organizations will be able to look forward to creating, rather than merely reacting to, the new world that emerges" (p. 12).

Kerka (1995) suggests that being able to conceptualize a learning organization appears to be based on the assumption that 'learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn' (as quoted in Smith, 2001), hinting that taking acceptable risks can be an important part of both learning and a learning organization. Further, she puts forward that the more popular characteristics of a learning organization appearing in some form in the literature are the following: (1) provide continuous learning opportunities; (2) use learning to reach their goals; (3) link individual performance with organizational performance; (4) foster inquiry and dialogue, making it safe for people to share openly and take risks; (5) embrace creative tension as a source of energy and renewal; and (6) [be] continuously aware of and interact with their environment (Kerka, 1995).

Watkins and Marsick (1993) share their view that the principles of a learning organization are: (1) creates continuous learning opportunities, (2) promotes inquiry and dialogue, (3) encourages collaboration and team learning, (4) establishes systems to capture and share

learning, (5) empowers people toward collective vision, and (6) connects the organization to its environment (as quoted in Fenwick, 1998).

Regardless of what the qualities of learning organizations are said to be, the most important ones need to be relevant to an organization. Applying this concept will be much more helpful if it means that the newly minted learning organization can achieve a state that values and promotes learning and development.

Conclusion

The aim of this paper was to illustrate the nature of the projected leadership crisis in the nonprofit sector and examine what ramifications this has for developing emerging leaders in today's economic climate. While the leadership deficit might not be as all-encompassing as it was originally thought to be, it still raises many issues that need to be addressed.

While there are currently barriers to developing leaders in the nonprofit sector, an awareness of them can be the first step in dealing with them. Much recent research has illustrated areas where leadership development efforts might be best concentrated, and gives examples of how successes can best be achieved in Alberta and elsewhere. Part of the solution may be embracing the concept of a diverse and inclusive workforce, which cuts across generational and cultural boundaries in differing ways.

As an organizational strategy, leadership development can accomplish much more than just develop leadership talents. It can enhance the achievement of the organizational mission, it can help recruit and retain staff and future leaders, and it can demonstrate that both individual organizations and the sector are committed to developing the leadership abilities that lie within

the sector. When combined with the potential of embracing learning as an important part of how

the mission is achieved, a future is definitely emerging in leadership development.

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