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Leadership and the Nonprofit Sector

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**Leadership
And The Nonprofit Sector**

by John W. Gardner

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REMARKS BY JOHN W. GARDNER

In 1965 I tried to describe in writing two contrasting styles of leadership: on the one hand, military leadership as I had observed it in World War II in the Marine Corps and in the 1950's as a member of the Scientific Advisory Board of the Air Force; and on the other hand corporate leadership, which I had the opportunity to observe as a director of Shell Oil, American Airlines, Time, Inc. and New York Telephone.

I never completed the essay, which is just as well because - in the decade that followed - I was to receive intensive exposure to still other styles and contexts of leadership. As a member of the President's Cabinet and later as head of a citizen's movement I learned a great deal about leadership in politics and government.

And along the way, I chaired the National Urban Coalition, an extraordinary collection of private sector leaders who came together to work on the underlying causes of the urban riots of the late 60's. The group included business leaders such as Henry Ford and David Rockefeller, union leaders such as George Meany and Walter Reuther, mayors such as Richard Daley and John Lindsay, the top minority

leaders of the day, such as Martin Luther King, Jr., and so on. My task was to chair that remarkable group.

I came through all of that convinced that an essay wasn't adequate to say all I wanted to say about leadership.

I love to watch great leaders in action. But given the state of the world today, that doesn't eat up much of my time. So I've spent the past six years doing other kinds of research for a book on the subject, a book which I have entitled *On Leadership*.

Let me begin with distinctions. First, don't confuse leadership with status. Even in large corporations and governmental agencies, the top ranking person may simply be Bureaucrat #1. Second, don't confuse leadership with power. The hold-up man who sticks a gun in your ribs has power. Leadership --- is something else.

Finally, don't confuse leadership with authority which is simply legitimized power. Meter maids have authority. Leadership is a process of persuasion and example.

The leader-follower or leader-constituent relationship is one in which communication and influence flow both ways. And in our tradition a necessary element in the relationship is that the followers hold the leaders accountable.

Attention to leadership alone is sterile -- and inappropriate. To lead is to play a role in a particular organized system. The leader is a part of the system, subject to all the forces that affect the system. Indeed, leadership is a subtopic. The larger topic is the accomplishment of group purpose. And we're not doing so well these days in the accomplishment of group purpose. We're flopping around like a net full of fish tossed into the fishing boat.

Let me say a word about leadership development. Some people dismiss the subject with the statement that leaders are born, not made. My opinion of that

assertion resembles Dr. Samuel Johnson's opinion of cucumbers. He said cucumbers should be carefully sliced, well seasoned with pepper and vinegar, and then thrown out. Most of the skills leaders have that enable them to lead are learned.

If one studies all aspects of leadership, one encounters a good many discouraging or hopelessly puzzling problems. But leadership development is not one of them. It is entirely possible to do a far better job than we have ever done.

In the United States leadership is dispersed throughout all segments of the society. There are leaders in government, business, education, organized labor, the professions, and so on. Leadership is also dispersed down through the many levels of social functioning - from the most lofty levels of our national life down to the school principal, the foreman on the shop floor, the local minister, the leader of the union local.

This widespread dispersion of leadership is absolutely necessary to the healthy functioning of a large intricately organized system. A great many individuals throughout the system must be in a state of psychological readiness to take the initiative in leaderlike action to improve functioning at their level.

Dwight Eisenhower said to me many years ago that the heart of combat leadership in the military services is the noncommissioned officer, and most military people share his view. It is ironic that we think of military people as wholly preoccupied with the top brass, when it is we civilians who are truly fascinated with our topmost leaders, giving little thought to the middle-level and lower-level leadership so crucial to our system.

Practically all the writing on leadership focuses on what "The Leader" does, as though leadership were a solo performance. But when you look at leaders out there in the real world you find that they have assembled informal teams. As a leader you can lack some of the absolutely critical leadership skills provided you have the

sense to build those skills into your team. President Truman, whom I had the good fortune to know, had one of the greatest teams this nation has ever seen, and he made history.

The existence of the team means that as a leader you are not alone. You have trusted colleagues to turn to for counsel. Considering the value of such trusted colleagues it's strange that some individuals who rise to leadership positions proceed to isolate themselves. A couple of years ago, one of America's top CEOs was fired. He was strong, he had big ideas, and finally he made some really big mistakes. One day -- not so long after the firing -- I was traveling with one of his board of directors, and I asked how it was that the man's close-in advisors hadn't given him better counsel - and the board member said, "He confided in no one. That was the problem. He went over the cliff all by himself."

To me that is just plain dumb. Someone said the difference between genius and stupidity is that genius has its limits. At whatever level leaders function -- top level, middle level, whatever -- they need talking partners, trusted counselors with whom they can check their judgement.

In my new book entitled, *On Leadership*, I identify nine tasks of leadership.

1. **Leaders define goals.** I'll have more to say about this later.
2. **Leaders affirm values.** Contemporary intellectuals don't enjoy talking about values, but historians and anthropologists have yet to discover a healthy society without a considerable base of shared values, shared norms, shared standards of conduct. The subject is important to leaders because they draw on the shared values continuously. A group without shared values is virtually impossible to lead.

Not only the society but subsystems within the society - communities, corporations, whatever, must develop value systems that hold them together. I had the good fortune to know the original Thomas Watson, founder of IBM and the father of the Thomas Watson who is now the patriarch of the family. (It's a

comment on my age that if you know a patriarch, I probably knew his father.)
Every historian of IBM has commented on the extent to which the elder Watson imbued the company with his values - and you can see the effect to this day.

3. Leaders motivate. Leaders do not invent motivation; they unlock what is there. So it is imperative that they know the potential sources of motivational energy in their constituents.

Not to mince words, our society today and our leaders at all levels do a pretty poor job of motivating people. And we won't do a better job until we rehabilitate the idea of commitments beyond the self, until we accept the idea that people want meaning in their lives and will strive mightily to achieve it, until we help people regain the confidence that they can affect their futures through their own intentional efforts.

One of the problems of motivating people in large nonprofit organizations is that many of them are a long way from the vital action that is the real purpose of the organization -- the patient on the operating table, the child amputee learning to walk again, the teenager caught up in drugs, the elderly person in the confusion of Alzheimer's. All too many members of boards of trustees, many donors or potential donors, and even some of the organization's top staff may never have had - or have not for a long time had - personal exposure to the vivid realities that the organization was set up to cope with. I recommend some carefully conducted tours of the front lines.

4. Leaders manage. If they aren't inclined that way, they bring first-class managers onto their team.

5. Leaders achieve a workable level of unity. Casey Stengel said the secret of running a ball club is to keep the five guys who hate you away from the five who are undecided. Actually, it's a little more complicated than that.

6. **Leaders explain.** They teach and they sell. If leaders aren't teaching and selling, they're not leading.

My own view, for what it's worth, is that a great many organizations in the nonprofit world are not performing the task of "explaining" with anything like the persuasiveness that they should. Most of them care deeply about their mission, but they have no real conception of how hard they must work to communicate that mission - and the importance of that mission - to others. It should be at the very top of their list. They have to find the words. They have to find the ways of reaching people.

A leader has a known and visible constituency. Leaders with imagination and experience know that they also have hidden constituents - potential allies not necessarily known to them but waiting to be awakened or, if awakened, waiting to be called. Marketing specialists are quite ingenious at sniffing out hidden constituencies. So are politicians. Almost all other categories of leaders are woefully unimaginative about it, and that includes many corporate CEOs, most heads of government agencies, and, I believe, most heads of non profits.

I know some nonprofit executives will say that if they're not as ingenious as marketing specialists it's because they didn't enter the nonprofit field with that as an ideal. I understand. But every real leader is teaching and selling all the time. You may feel a bit snobbish about a word such as "selling" and might feel better if I spoke of a missionary spirit. But why not talk straight? If you know a piece of the truth, if you know something that might heal us or enlighten us or help us to grow, you must want the word to reach as many of us as possible. You don't want to hoard your truth. You want to share it. Better to be lost than to be saved all alone.

These are matters that Mike O'Neill and his colleagues understand very well, and can be helpful on.

7. **Leaders serve as symbols.** Leaders are symbols whether they want to be or not. The good leader knows how to use that reality to advance the group toward its goals.

8. **Leaders represent the group externally.** The higher leaders rise in the hierarchy, the more time they spend outside.

9. **Leaders renew the complex systems over which they preside.** Since I wrote a book on the subject of renewal and talk about it incessantly, I won't repeat myself here. Maybe just a few sentences!

Organizations are created by their founders to serve vibrant, living purposes. But all too often the founding purposes fade and what finally get served are the purposes of institutional self-enhancement. It happens in hospitals to the detriment of patients, in schools to the detriment of students, in business to the detriment of shareholders and customers, and in government to the detriment of taxpayers. It is rarely the result of evil intent: It happens because means triumph over ends, form triumphs over spirit, and the turf syndrome conquers all.

It is not with any pleasure that I count nonprofits among the victims of this cycle. I said "Organizations are created by their founders to serve vibrant, living purposes." In the case of nonprofits I would add "purposes generally designed to further some critically important social objective." All the more heartbreaking that such purposes get layered over by the objectives of institutional self-enhancement. All the more tragic that the vision, the gleam that inspired the founders is somehow the victim of organizational aging.

Again, this is something that Mike O'Neill and his colleagues understand and can deal with.

So much for the tasks of leadership. Leaders can delegate to gifted aides virtually every one of the leadership tasks except for the envisioning of goals.

Leaders must themselves have a sense of where the whole venture is going and must go. That is the very core and essence of leadership.

Possibly the most significant fact about leaders today is that they accomplish their purposes through large and intricately organized systems. Art Hoppe says it isn't whether you win or lose, it's whether you know what game you're playing. Today the game of leadership isn't anything like Teddy Roosevelt leading his Rough Riders in the charge up San Juan Hill. Today it's a team of highly sophisticated individuals getting results out of large organized systems.

But we've learned from hard experience that large organizations tend all too often to suppress individual energies and suppress leadership. Most people in most organizations most of the time are working at half speed, more stale than they know, more bored than they care to admit. Boredom is the secret ailment of large-scale organization. Logan Pearsall Smith once said that boredom can rise to the level of a mystical experience. I believe it, and I know some middle-level executives who rank with the great mystics of all time.

And all too often the root of the problem is that they have not been encouraged to use their own initiative.

Another distinctive problem facing contemporary leaders is the multiplicity of independent systems that make up our society. It's no longer enough to lead your own troops or followers or constituency. The system over which you preside exists in a universe of systems, some of which are bound to be highly relevant for whatever purposes you are trying to achieve. You have no authority over those systems but you have to exercise leaderlike influence with respect to them.

For that reason, the effective leader today will have recourse to the arts of negotiation, conflict resolution and coalition-building. Great victories have been won by the leader who understands the bargaining arts.

In my judgment the arts of conflict resolution -- the arts of diminishing social polarization -- should be taught in every high school and college in the nation. Leaders must build community --- build it and rebuild it -- if only because leadership grows steadily more difficult as community disintegrates.

In order to exercise leaderlike influence you have to know the people you want to influence. You know the people in your own organization, your own culture, so to speak, but how well do you know those outside? You encounter people outside your own system who are by means easy to understand. Legislators? Journalists? An so on.

In my first appearance at a Congressional hearing, I didn't know any more about legislators than I did about armadillos, and it showed. I struck out over and over during that interminable session. In the years when Bob Feller had the most dazzling fast ball in the major leagues, Bucky Harris undertook to advise a rookie who was coming up to bat for the first time against Feller. He said, "Go up and hit what you see. If you don't see anything, come on back." That was my problem. I didn't see where the questions were leading until it was too late. Now, after years of dealing with legislators, I realize how ignorant I was.

The higher you rise as a leader the more certain that you will have to deal with the media. But we've all known top executives who have gone through their whole careers without ever understanding journalists as human beings. Journalists interviewing public figures have been exposed to every variety of evasion and duplicity. They all live with the frustration of not getting stories they know are there. And at least for some of them, the more powerful the leader is, the more he stirs the natural predator in them. Leaders had better understand them, had better understand people in all the external systems over which leaderlike influence is to be exercised.

Another burden on leaders is that they have to have a sense of what's ahead. Many of you will remember the notice that is said to have appeared in a British provincial newspaper: "The annual meeting of the Suffolk Soothsaying Society has been postponed due to unforeseen circumstances." Leaders have to do better than that.

For leaders, timing is immensely important. Wise leaders sharpen their sense of things to come. They are sensitive to the currents of change and to emerging trends. It does not work if they come to the task with a set of fixed ideas that they try to impose on events. It works only if they let their minds be open and keep a sense of the movement of things. I am not suggesting that they sway with every breeze that blows; but they had better know which way the wind is blowing and whether it is a zephyr or a gale.

The saying in university departments of economics is that there are many prophets without honor, few without honoraria. There is such a thing as "the visible future." The seedlings of twenty-first-century life are sprouting all around us if we have the wit to identify them.

Most significant changes are preceded by a long train of premonitory events. Sometimes the events are readily observable. The number and in rough terms the ethnic compositions of the nation's high school graduates in the year 2000 can be approximately foretold because they are alive today. Sometimes the premonitory events are harder to sort out. For example, I believe that twenty-five years from now people will look back on our present day-care practices as primitive, and I have no doubt that the precursors of twenty-first-century practice are out there today for those shrewd enough to identify them.

In short, with respect to some things, the future announces itself from afar. But most people are not listening. The noisy clatter of the present drowns out the

tentative sounds of things to come. The sound of the new does not fit old perceptual patterns and goes unnoticed by most people.

And of the few who do perceive something coming, most lack the energy, initiative, courage or will to do anything about it. Leaders who have the wit to perceive and the courage to act will be credited with a gift for prophecy that they do not necessarily have.

And now let me conclude with what I consider to be the heart of leadership - the release of human talent and energy, the release of human possibilities.

There is nothing more essential to the dynamism of a social system than the effectiveness and capacity, the quality and vitality of the human beings in the system. The greatest asset any society has is the talent and energy of its people. Yet no society has ever fully recognized or honored that asset; indeed, most societies have effectively stifled both talent and energy. It is a matter of self-interest for every society to remove obstacles to human growth and performance. The battles we wage against physical and mental illness, prejudice, ignorance and poverty are not just exercises in compassion. They are battles for the release of human talent and energy.

There are large areas of the globe -- and indeed areas within our country -- where those battles are being lost - or are not even being fought.

I'm sure you understand what I'm saying. But it would be quite natural for you to suppose, especially in view of my references to poverty and ignorance, that the loss I speak of is something that takes place far from you and your circle.

I hope to persuade you that the problem of lost talent and untapped energy is a part of your own lives. The loss occurs on a large scale in corporations, in government agencies, in nonprofit organizations. Let's talk about those of you in this room today. How much of your own talent and energy has been tapped? You are a highly selected group in your level of personal development. Over a lifetime,

what fraction of your potential talent and energy will have been fully realized? I would guess that the fraction would not be higher than one over two. Would you believe that one half of what you have to give the world in talent and energy is untapped, much of it even unsuspected? Would you believe that you have talents and possibilities you don't even know about?

It is not just a matter of the ancient and familiar barriers to individual development -- physical and mental ill health, poverty, ignorance, political subjugation and so on, most of which don't apply in this room. There are barriers that we are just beginning to understand. We are just beginning to see that the individual's potentialities may be blighted by early discouragement, -- by an early environment that diminished the sense of self-worth, -- by excessive pressures for conformity, -- by narrow specialization, by a lack of opportunities to grow. And we are just beginning to recognize how even those who have had every advantage and opportunity unconsciously put a ceiling on their own growth, underestimate their potentialities or hide from the risk that growth involves.

So let me offer a closing comment. Each of you has within you more resources of energy than you have ever tapped, more talent than you have ever exploited, more strength than has ever been tested, more to give than you have ever given. As individuals you must understand that about yourselves, and as leaders you must understand it of others.