
REPLACING PASSIONATE LEADERS: THE CURRENT CHALLENGE FOR COMMUNITY DEVELOPMENT

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The chief organizational and human capital issues facing community economic development organizations and how we can address these issues are the focus of this paper. In both arenas, we compare the community development¹ and nonprofit fields and extrapolate where appropriate. While much information exists about organizational development for both fields, little reliable data on leadership in the community development field is available—although somewhat more information exists for the independent sector as a whole.

We begin by briefly laying out the context in which community-based development organizations—community development corporations (CDCs)—and nonprofit organizations operate, noting the demographic shifts that affect the entire sector but that make life particularly cumbersome for small- and medium-sized nonprofits. The influx of immigrants (along with the resulting change in needs of service-based economies) and the impending retirement of the Baby Boomer generation are the two salient demographic trends that must inform any successful human capital strategy.

A key premise of the paper is that at a time when the nonprofit sector faces demanding challenges and increasing competition, nonprofit organizations—the majority of which are small and financially fragile—must focus on finding ways to strengthen their organizational and human capital development. We also argue that government and private funders must play a critical role in advancing capacity-building strategies in the community development field.

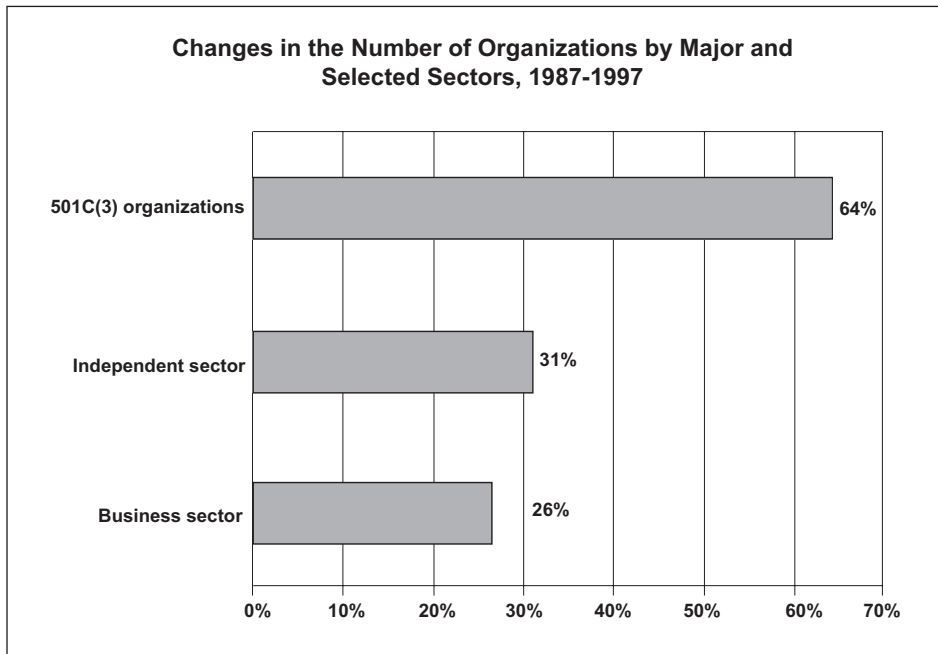
Although we present an overview of the current human capital capacity-building concerns of the community development field, we focus particular attention on the leadership crisis, the main concern voiced to us in our field interviews and research over the past 2 years for Living Cities: The National Community Development Initiative's human capital capacity-building grant.² This leadership crisis is a symptom/outgrowth of many other concerns, including a lack of clear pathways for building a second tier of leaders to step into vacated executive director (ED) positions. To make the matter more complicated, the exploration of this issue requires directly confronting the glass ceiling impeding capable people of color from leading their own

community-based organizations (CBOs). We conclude with recommendations for strategies to begin to address the challenges confronting the community economic development sector.

CONTEXT

The nonprofit sector in the United States is a significant and growing part of the nation's economy—any challenges to the sector represent challenges to the social and economic health of the nation. In 2002, the *Independent Sector* published results summarizing data from the IRS Forms 990 and state profiles of the nonprofit sector developed by the National Center for Charitable Statistics of the Urban Institute. The results showed that...

...between 1987 and 1997 the number of organizations in the independent sector increased by 31 percent, growing from 907,000 to almost 1.2 million. This was an annual growth rate of 2.7—higher than the 2.1 rate in the previous decade. This was largely accounted for by the 64 percent increase in the number of charitable 501(c)(3) organizations between 1987 and 1997 (see Figure 1). In comparison, the number of businesses grew by only 26 percent and government by 5 percent over the same time period. Churches, subordinate units, and conventions or associations of churches, although qualifying as 501(c)(3) entities, are not required to register with the IRS and are largely undercounted in this category. About 354,000 churches and analogous religious congregations, such as temples or mosques, can be identified (Weitzman and Jalandoni 2002, 9).

Figure 1. Nonprofit Sector Growth

Source: *The New Nonprofit Almanac and Desk Reference*, 2002

ECONOMIC

The lasting economic downturn and the September 11, 2001 tragedy have hit nonprofit organizations hard. Funds have been diverted from parts of the sector to emergency needs and disaster relief and to fill the gaps left by government and the private sector. As the economy itself shrinks and unemployment rises, fewer donations come to the independent sector, government and philanthropic wallets are thinner, requirements are more stringent, and funds become more competitive.

A recent 2001 study of the nonprofit sector in New York City showed that “one third of NYC nonprofits were ending the year with deficits...and that 70 percent reported trouble recruiting qualified management and staff” (Derryck and Abzug 2002; Seley and Wolpert 2002). Other studies—conducted in December 2001 and May 2002—show that the situation got worse after the September 11 tragedy. By May 2002, close to 85 percent of the nonprofits surveyed in New York City reported an impact from the terrorist attack, 72 percent of organizations had staff that needed counseling, 44 percent were dealing with changes in client participation, and 72 percent of the organizations were certain that September 11 had an economic impact on their organization (Derryck and Abzug 2002).

Competition is on the rise in the sector. Fees have always been large sources of income for nonprofits, but competition for fees and for government contracts has increased—from other nonprofits and from the private sector. The devolution of responsibility for the implementation of social policy from federal to state and local government—as a result of the passing in 1996 of both the Personal Responsibility and Work Opportunity Reconciliation Act and the Illegal Immigration Reform and Immigration Responsibility Act, and subsequent changes in major housing and jobs legislation—opened up new opportunities for local nonprofit organizations. According to Ben Hecht and Rey Ramsey, “They were able to compete to provide government services that in the past were not their domain. But they also found themselves competing with other nonprofits and, increasingly, with large private sector organizations” (Hecht and Ramsey 2001, 5).

DEMOGRAPHIC

Demographic shifts in the nation’s urban (and, increasingly, rural) areas also have an impact on the nation’s nonprofit sector. “The 2000 Census highlights the increasing diversity in the United States. There has been tremendous growth in the Hispanic or Latino population to about 35 million people, making them roughly equal to the number of African Americans, and an almost 75 percent increase in the Asian population” (Peters and Wolfred 2001). This demographic shift has put enormous pressure on nonprofits to respond not only to more people with more needs but to new and different people with different needs. Managers have to know how to negotiate across ethnic and racial boundaries and across national identities. Some of the most innovative organizations think of themselves as transnational organizations.

In a 2000 study of organizations serving immigrants in New York City, the organizations report that “they have had to spend more time doing public education and advocacy on behalf of the organization, its services and their clients,” as well as providing greater assistance with completing complicated paperwork, obtaining free food, and providing other basic services (Cordero-Guzman and Navarro 2000).

The aging and early retirement of the Baby Boomer generation further complicates the context for nonprofits. “As Baby Boomers reach retirement in 2011, they will increase the demand and attention for services for elderly, squeezing other social priorities” (Adams 2002). Moreover, as Baby Boomers retire, fewer people will be available to take their place in leadership positions—a challenge we discuss in more detail later in the paper (Adams 2002).

SOCIAL POLICY

An additional challenge posed by the change in social policy comes from nonprofits trying to keep abreast of a quickly changing policy environment—getting informed

and staying informed is becoming increasingly critical to survival. Accumulating and distributing relevant policy and practical information—for example, best-practice management information—often requires learning how to rely on intermediary organizations for the information.

PHILANTHROPY

Nonprofits also face major changes in philanthropy. In the years just before the fall of 2001, the challenge was the growth in the number of “big money” donors who insisted on taking a direct interest in how their money was being “invested” and, as a result, increasingly influencing the missions of organizations. Most recently, the challenge has been the reduced spending by foundations as a response to the unexpected terrorism and economic downturn. This change has not only resulted in less spending for new projects but also an even greater call for accountability and monitoring of program outcomes. Groups feel increasing pressure to raise and donate funds through the Internet, often changing traditional notions of fundraising and gift giving (Atienza and Marino 2003).

The bottom line is that those operating in the nonprofit sector need to be smart, informed, versatile, and accountable, leading to a greater demand for strong management and organizational skills.

MAJOR CAPACITY-BUILDING NEEDS

The nonprofit sector—including CDCs and other CBOs—suffers from insufficient attention to organizational capacity-building. In *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact*, Letts, Ryan, and Grossman (1999) argue that this deficiency stems in part from the reality that “the nonprofit sector has historically been ambivalent about building and sustaining organizational capacity...The focus has typically been on development of new programmatic initiatives and expanding existing programs to new markets.” They rightfully argue that “nonprofits should invest more heavily and strategically in quality processes, product development processes, benchmarking, and human resource management” (Letts, Ryan, and Grossman 1999).

In the following section, we present information on the capacity-building needs of the community development field and the nonprofit sector as a whole.

Table 1. General Comparison of Nonprofits to Community Development

	Nonprofits ³	Community Development Organizations ⁴
Average number of employees	7.25 ⁵	6
Total number of organizations	1.6 million	3,600

THE NONPROFIT SECTOR

The research shows that the following are the most frequently mentioned capacity-building needs as ranked by nonprofit EDs in various studies: core funding (operations, compensation, benefits); human capital development (boards, staff recruitment and retention, staff training, and leadership development); strategic planning; technology; and financial and program-management systems.

Paul Light, in his insightful 2002 monograph, *Pathways to Nonprofit Excellence*, argues that the movement for organizational effectiveness suffers from two related problems. First, the movement suffers from a lack of a commonly understood definition of organizational effectiveness. “It can mean different things to different people,” Light says. Second, Light writes, there is no “commonly accepted wisdom on what might actually help nonprofits improve performance—the field does not have good measurements of what interventions work under which circumstances” (Light 2002a).

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In an attempt to begin to fill this knowledge gap, Light interviewed a random sample of 250 opinion leaders in the organizational effectiveness movement—including members of Grantmakers for Effective Organizations, the Association for Research on Nonprofit Organizations and Voluntary Action, and the Alliance for Nonprofit Management. In addition, he gathered information from a snowball sample of 250 EDs of exemplary nonprofits. The findings from two sets of interviews show “shared characteristics of high-performing nonprofits and some lessons that poorly performing nonprofits can use” (Light 2002a). The key findings relevant to an understanding of the state of the nonprofit field are as follows:

- “More than three-quarters (77 percent) [of those interviewed] strongly or somewhat agreed that nonprofits are better managed today than they were

five years ago. Yet, only 21 percent said that most of the nonprofits they know well are high-performing” (Light 2002a, 43).

- “Respondents were more likely to see high performance in three settings: 1) in organizations with a budget between \$500,000 and \$10 million; 2) in organizations that are middle-aged (seven to 15 years old) or older (15 years plus); and 3) in organizations that experienced rapid or moderate growth over the past five years. Respondents saw less high performance in organizations that were very small or very large, and in organizations that were very young, and saw no high performers in organizations that had experienced moderate or rapid declines in growth” (Light 2002a, 44).
- “Opinion leaders who knew more nonprofits well were also less likely to say that management has improved. Familiarity does not breed contempt per se, but it does breed a sense that high performance is possible in many settings, but rare nonetheless” (Light 2002a, 44).

Letts, Ryan, and Grossman (1999) found that leading nonprofit organizations excel in three major areas of organizational capacity: (1) program delivery, (2) program expansion; and (3) adaptive capacity. The third area, adaptive capacity, makes an organization not only efficient but also effective.

A Brookings Institution Center for Public Service study (Light 2002b) based on information collected between October 2001 and January 2002 from a nationwide representative telephone survey of 1,140 nonprofit workers reported the following findings:

- Nonprofit employees were more likely than federal or private-sector employees to be able “to very easily describe how their jobs contribute to their organization’s mission.”
- “Nonprofit employees report serious shortages of the resources needed to succeed. Roughly a third of nonprofit employees said their organizations only sometimes or rarely provide the training they need to do their jobs well. Another two fifths reported that their organizations only sometimes or rarely provide enough employees to do their jobs well.” They report “high levels of stress and potential burnout” and are more likely to say they felt proud of where they work.
- “The nonprofit sector may be losing the respect of the public it serves.”
- “Viewed as a whole, nonprofit employees are highly motivated, hard working, and deeply committed, but often serve in organizations that do not provide the resources to succeed. Perhaps that is why turnover among EDs is

too high, why board vacancies are increasing, and why so many talented recruits leave early in their careers.”

- “Younger respondents were less likely than older respondents to say their organizations were doing a good job at retaining employees...and were the most likely to say it would be easy for them to get another job in a different organization.”
- Employees express dissatisfaction on several fronts. Sixty-four percent of those surveyed said they “need increased access to staff, training, technology, and funding.” They believe too few opportunities are available for advancement and they doubt their organizations can do something about poor performance.

A fourth set of information—data collected in 2000 by the Puerto Rican Legal Defense and Education Fund from 336 Latino nonprofit organizations in New York City, New Jersey, and Connecticut—indicated that for the sample as a whole, the most serious problem facing the organizations was an inability to attract qualified personnel. The organizations claim they need qualified personnel to develop relationships with funding sources and help with strategic planning. They find it very difficult to attract individuals who could help fundraise, and the organizations do not have the time and resources to make long-term strategic plans. All these factors are related. Lack of funds also makes it difficult to pay the cost of employee benefits.

Another consistent concern is increasing the ability of the board to raise funds. In the focus group sessions among the Latino nonprofits, directors indicated that although long-time board members were instrumental in starting the organization, the needs of the organization change over time. All too often, board members who provided the skills needed to help establish and nourish an organization in its early years do not have equal skills in the art of fundraising.

In sum, the existing evidence points to a nonprofit sector that attracts committed employees and seems to be getting stronger, but that continues to be plagued by the need for capital and by failures in appropriately meeting the support, training, and career needs of its employees.

COMMUNITY DEVELOPMENT

During our last 2 years of research, and having interviewed more than 50 experts in the field, *recruitment* and *retention* were the most frequently mentioned impediments

to CDC growth. Practitioners cited the low prestige and visibility associated with the field. The average organization's small size (six people) often caused problems by precluding a satisfying career ladder.

Others described a *looming leadership crisis*, with young and old staff facing a conflict of cultures and expectations. Many first-generation EDs relied primarily on charisma, devotion to mission, and raw talent for their success. Now some of these same passionate EDs are preparing to retire without a second-in-command who can handle the reins, creating a dire need for succession planning. "With over a million nonprofits in the United States (close to 3 million when emerging nonprofits are included), if even 10 percent a year—a conservative estimate given available data—are undergoing an executive transition, then there are over 100,000 nonprofit executive transitions happening every year. Further, with the predominance of Baby Boomers in executive director positions, it is likely that the number of transitions will increase as Baby Boomers retire (Independent Sector 2001; Smith and Goldstein 2001; Peters and Wolfred 2001; Wolfred, Allison, and Masaoka 1999).

While the evidence is just beginning to accumulate, field experience and qualitative research show other factors influencing transitions include racism, organization size and position in its life cycle, the type of transition (for example, founder/long-term executive director, volunteer leadership to staff leadership, resignation or termination), compensation, characteristics of the job, and the influence of the past executive (Altman 1995; Hodgkinson et al. 1996; Burkhardt and Adams 2001; Smith and Goldstein 2001; Redington and Vickers 2001; Bailey and Grochau 1993).

CDC providers also expressed interest in finding ways to *mentor the local population* to keep their skills in the community. They mentioned the need for increases in training budgets and building scholarship funds that promote community development programs in higher education to grow their labor pools. They also talked about the need for more highly skilled and better-trained project managers, but not at the expense of a commitment to mission. Another skill in low supply is financial management. Accounting for funds and reporting on their use require more sophisticated systems and staff to manage them (LISC 2000).

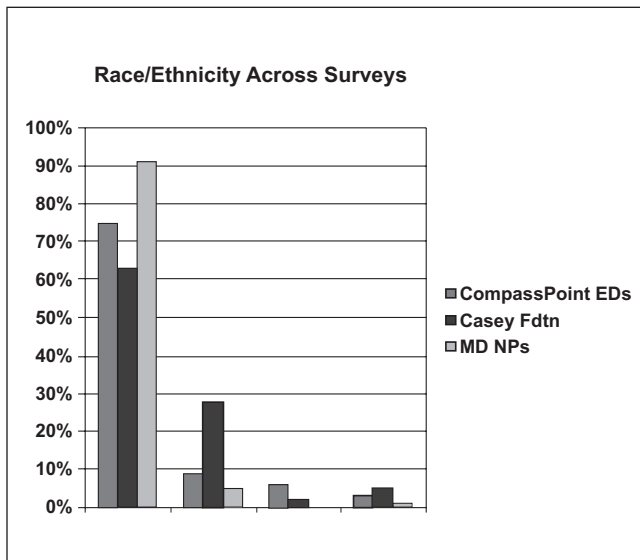
CDCs report difficulty attracting and retaining people of color. The industry's leadership and senior management staff reflect their communities less and less and often are separated by a cultural, racial, and/or educational gap (McNeeley 1995). This trend makes finding people who are literate in both the issues of the indigenous community and skilled in project development and high-finance dealings quite challenging. In addition, like its sibling nonprofit industry, CDCs often suffer from

weak board structures (McNeeley 1995) and strained relationships between boards and leaders often are cited as reasons EDs leave.⁶ Add to this picture an insufficient organizational management system and limited opportunity for advancement, and we have the makings of an industry whose seams are on the verge of bursting (McNeeley 1995).

THE LEADERSHIP CRISIS

Relying primarily on a 2001 CompassPoint survey of 1,072 executive directors, an Annie E. Casey Foundation survey of 129 of its funded CBOs (29 percent of which are community development organizations), and a Maryland Association of Nonprofit Organizations survey of 2001, the following composite emerges of a sector experiencing a fast-paced transition of leadership and culture, which, if not handled gingerly, could result in an irreparable leakage of experience and wisdom:

Figure 2. Race/Ethnicity Across Surveys



- **Most transitions are nonroutine.** The majority of executive transitions (60 percent) involve some kind of organizational crisis including loss of a founding leader or another major change.
- **High turnover.** Of the 129 Casey grantees surveyed, 23 percent reported executive transitions in the last 2 years and 62 percent of executive respondents reported their intention to leave their position within the next

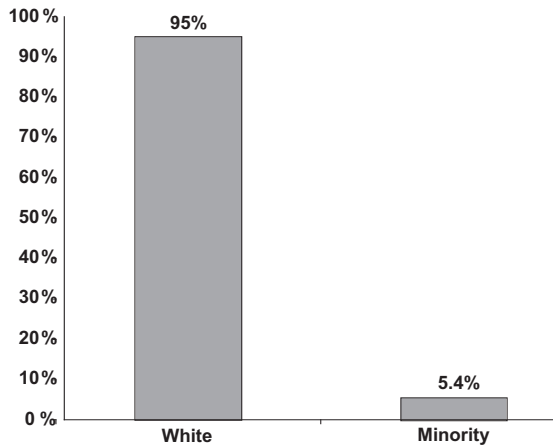
5 years. In short, over a 7-year period, these numbers show the possibility of 85 percent turnover of executives in these organizations alone.

- **Leadership Shortage.** According to the Annie E. Casey Foundation executive transitions 2002 update, “In the U.S. today, there is a shortage of prepared applicants ready to assume significant leadership positions in the communities where leadership is most needed” to support and development to reach their potential as leaders.
- **Developing leadership.** Most (between 65 and 70 percent) of the current CBO EDs are first-time executives. Many need significant support and development to reach their potential as leaders.
- **Succession.** Passing the torch internally serves a great many purposes: it can ensure continuity of culture and authentic representation of the community, while inspiring others in the organization to strive toward promotions.
- **Need for diversity.** At the executive level, CBOs do not represent, in terms of race and ethnicity, the people they serve. (The number of non-Caucasian EDs ranges from 9 to 37 percent.)

An Annie E. Casey Foundation analysis of these studies suggests that “the executive directors of CBOs often do not reflect the racial or ethnic diversity of the community their organization serves. Developing and recruiting leaders who better represent the communities a CBO serves can contribute to the reduction of the inequitable conditions that face many minority children and families in the United States.”

The CompassPoint 2000 national survey of 1,072 executive directors yielded a wealth of information on EDs in nonprofit. Figure 3 summarizes a few of the major findings of the survey:⁷

Figure 3. Foundation CEOs as of 2002



Source: CompassPoint Nonprofit Services

- EDs are likely to be women (“In most regions they make up 60 percent or more of the population.”) and White. Seventy-five percent of executive directors surveyed were European/White.
- Foundation heads are predominantly White (95 percent).
- Most EDs are hired externally. Almost two-thirds (64 percent) of executives were recruited from outside their agencies.
- Most EDs are first-time EDs (nearly two-thirds).
- Women earn less. Female executives are paid less than male counterparts for the same jobs. The differential is especially acute among large agencies.
- Men are likely to lead the larger organizations.
- Fewer than half of current EDs plan to take on another ED role.
- EDs rely on their peers for information and support.
- Supportive boards make a difference. “Boards have impact on executive tenure and satisfaction and on agency success” (Fernandopulle, Masaoka, and Parsa 2002, 3). Help with board development was requested by 23 percent, the second most-requested service.

WOMEN EXECUTIVE DIRECTORS OF COLOR

CompassPoint also surveyed 125 women executive directors of color (WEDOCs) in the San Francisco Bay Area and summarized its findings with a composite of the written surveys of these leaders in “On the Rise: A Profile of Women of Color in Leadership.” We have further summarized the findings in Table 2.

Table 2. Women Executive Directors of Color: Summary of a Survey

“On the Rise: A Profile of Women of Color in Leadership”	WEDOCs of Organizations Serving Primarily People of Color	WEDOCs of Organizations Without a Specific Focus on People of Color
Percent hired from within	43%	45%
Tenure on current job, average	7 years	5 years
Staff size, average	52	27
Percent of staff that are people of color, average	62%	50%
Percent of board members that are women of color, average	45%	37%

The survey concluded that a “... profile of a composite woman executive director of color would show her to be a first-time executive director, on the job almost four years, and running an organization with a budget of between \$1 million and \$5 million with a median of 12 staff. This organization is a health or human service organization serving primarily people of color, and approximately half the staff and half the board members are women of color. She has a master’s degree, has been in the nonprofit sector 14 years, and has one year of management experience in a for-profit company. She is between 40 and 49 years old, is married, and has two grown children. There is a significant possibility that she is an immigrant (24 percent). She values her ability to connect with constituents served by her organization as well as advantages that may accrue in the mainstream from being a rarity. At the same time, she lacks access to people in power, and often has to work against stereotypes related to her race, ethnicity, gender, or age. She looks forward to being active in a network of women executive directors of color, and wants to see the network develop an advocacy agenda for working with government and philanthropy.”

COMMUNITY DEVELOPMENT

The community economic development field reflects many of the same challenges evident in the nonprofit sector as a whole. Unfortunately, despite the overriding concern with human capital development within the capacity-building agenda of com-

munity development, very little empirical data exists that profiles the community development leadership. This prompted the Milano Graduate School to initiate a national study of executive directors of CDCs in 2003. Nonetheless, a review of the limited data that exist on community development, along with some extrapolation from the nonprofit sector trends, enables us to put together the following profile of leadership in community development organizations.

We begin with the Robert J. Milano Graduate School of Management and Urban Policy’s initial groundlaying study conducted by Avis Vidal in 1992, *Rebuilding Communities: A National Study of Urban Community Development Corporations*. The three censuses from the National Congress for Community Economic Development (NCCED) provide information about production numbers, but offer less information about human capital concerns such as training, education, job satisfaction, leadership demographics, and the like, though their next census will include information on executive directors’ race and ethnicity.⁸ (Table 3 is from NCCED’s latest census.)

Table 3. Industry Profile of Community Development Corporations

CDC Industry Profile (projected as of 12/97)
3,600 CDCs
52% serving urban areas
26% serving rural areas
22% serving mixed urban-rural areas
550,000 units of affordable housing
71 million square feet of commercial/industrial space
\$1.9 billion in loans outstanding to 60,000 businesses
247,000 private sector jobs created

Source: NCCED, *Coming of Age*, CDC Census, 1999

In 1995, the U.S. Senate Appropriations Subcommittee for the U.S. Department of Housing and Urban Development, Veterans Affairs, and independent agencies funded a collaboration between the Neighborhood Reinvestment Corporation and the Development Training Institute that culminated in a 5-year comprehensive agenda for enhancing the workforce of CDCs (McNeeley 1995). This document, entitled *Human Capital for the Year 2000*, provided a wealth of information about community development and its relationship (and in some cases, lack thereof) with human capital, but already is 8 years old. While strides have been made as a result of this study and earlier work (including the short-term partnering of 12 national institutions into the Human Resources Consortium), a lack of substantial funding for human capital development has left much of the work undone.

Our limited knowledge about community development and people of color in leadership positions comes from experience, interviews, and extrapolation. According to a noted human capital development specialist in the community development field, “There really isn’t sound and consistent information available on people of color in leadership positions. They certainly don’t exist in large numbers at the national level. We know it’s abysmal, particularly at the intermediary level and the collaborative level. It’s not that they don’t work there. But there aren’t too many at the leadership level. At the community level, at the CDC level, it’s a little better. But we need more people of color and women in CD as a whole. The leadership just isn’t reflective of the communities.” Her comments reflect, in essence, our findings of the last 2 years.

Avis Vidal’s survey of CDCs (Vidal 1992) 10 years ago painted a slightly brighter picture than the Annie E. Casey Foundation study. This corresponds to our results that showed the community development community was losing ground in terms of its directors racially reflecting the communities they serve. Vidal found that leadership within CDCs tended to reflect the makeup of the community served, although the ratio was not as pronounced in communities of color as in White populations.

Given the scant data, plus the knowledge that those same Baby Boomers preparing to retire are among the cohort of visionary founding directors that gave birth to the community development movement in the 1970s, the field has been bracing itself for a field-wide executive transition that CDCs are not prepared to manage.

RECOMMENDATIONS

A quick review of the major findings from the previous sections of the paper shows the following:

- Efforts to identify, develop, and support nonprofit leaders of color are desperately needed.
- Boards will be faced with hiring younger, less-experienced leaders, many with different professional and cultural experiences.
- Women executive directors of color are eager for networking opportunities to increase their influence in policy and advocacy matters. Male executive directors of color might also benefit from similar networks.
- More opportunity must be created for peer-to-peer learning.

ISOLATION OF LEADERS OF COLOR

Acknowledging and tackling the sensitive issue of race in hiring and leadership in community development are critical to building a truly sustainable path to the future for a thriving community development industry. Abundant anecdotal evidence suggests that two of the factors keeping experienced people of color from these senior positions are the isolation of the local CDC communities and the exclusion of people of color from networks of power and influence. We hypothesize that individuals who sit on the boards of directors of major national community development intermediaries, foundations, state-level associations, and large CDCs—the individuals legally responsible for hiring executive directors—share certain characteristics:

- They do not frequently associate with experienced people of color who can serve as strong leaders.
- They have preconceived notions of what it takes to be a chief executive officer of a CDC.
- They are likely to be male and hire individuals like themselves—men with the skills they think made themselves good leaders.

STRATEGIES FOR ACTION

Any effort at ameliorating the leadership crisis of the nonprofit sector or the community development field has to consider that the problem runs through every element of human capital development. The challenge concerns compensation, organizational culture, discrimination, training and development, career ladders, and more. No solution that targets any one single facet of the problem will make much of a dent in this overarching dilemma. The issue must be addressed holistically.

The following recommendations flow directly from the findings of the previous sections:

- **Hiring from within.** Since many CDCs have talented people of color in mid-management positions already, we must begin encouraging and enabling boards of directors and executive directors to look inside their organizations more consistently to find leadership talent. Challenging the institutional hiring models by promoting hiring from within and promoting hiring practices that rely more on skill and experience than on academic credentials will begin to open up alternative pathways to leadership.
- **Scholarship funds** will be a critical tool to increase the education and training, and therefore the potential for advancement, of the local labor pool.

- **Executive coaching services** may be necessary for the newly appointed executive director who has never before been an executive. These services may also help prepare a middle manager to assume a new leadership position.
- **Interim executive directors** may be required if a commitment to finding executive directors that reflect the community requires a longer search and therefore a longer period without an executive director.
- **Interventions must be realistic** and engaging enough to warrant the busy executive director's precious time.
- **Information-gathering efforts** need continued funding. Research that monitors changes and challenges in the community development field is needed to continue to define effective program strategies.
- **Access to networks of power** will be critical for leaders of color to be effective and to be in a position to support the advancement of other talented people of color.
- **Peer-networking opportunities** provide leaders with a forum to exchange best practices, offer peer coaching, and create their own circles of influence.

A LEADERSHIP MODEL FOR THE NEW CENTURY

The only way to overcome these barriers would be to create new networks of peer associations—new spheres of influence that would be home to and reflect the sensibilities of people of color. These new networks would be composed of people of color with strong leadership experience or potential, and top leadership from other sectors and national- and state-level community development organizations. In addition, these peer networks would help break the isolation that many people of color feel and provide them with connections and experience outside their own sphere of influence. In other words, recruitment and retention of a diverse pool of leaders depends on creating interlocking networks of peer associations that lead to trust and influential information exchanges.

Leadership learning networks have cropped up in various sectors and are becoming a best practice in melding learning, networking, information sharing, building critical thinking across fields and sectors, and breaking the isolation of various fields.

Specifically, these leadership roundtables could address the field's needs in the following ways:

- Grooming a deputy into an executive director through networking and training.
- Serving as a source of interim executive directors.
- Providing executive coaching services to its members as well as serving as a source of such services to the community.
- Promoting a network of forward-thinking community development leaders to quickly become a bloc of influence and power as the network spreads and the alumni circle grows and expands geometrically to create a louder, more potent voice for advocacy and policy discussions.
- Redressing the inequity in access to leadership and influence.

CONCLUSION

America is always growing new communities. With every decade, the census reports tell us that our so-called melting pot has accepted new people and we have woven into our society whole new communities as they transport themselves from one shore to another. The government, nonprofit, and community development fields have maintained a three-way partnership since the 1970s to serve as instruments for these communities to thrive and achieve their own desires and wishes.

The fundamental tool of those community organizations is people. This finely guarded resource, unfortunately, often becomes undervalued, underutilized, and squandered away. Sometimes just the right amount of support in the most critical area can make the difference between making employees want to come to work and making them lose morale. As yesterday's pioneers begin to make way for a new generation of leaders from different backgrounds, offering different skills, the community development field has an opportunity to greet the 21st century with new ideas and practices for identifying, developing and retaining community leaders.

NOTES

¹We use the following definitions of community development and community development corporations (CDCs): "Community development is the economic, physical, and social revitalization of a community, led by the people who live in that community." "CDCs are neighborhood-based organizations that usually originate from and are controlled by residents determined to turn their neighborhoods

into healthy, thriving communities.” Paul C. Brophy and Alice Shabecoff, *A Guide to Careers in Community Development* (Washington, DC: Island Press, 2001), 2, 5.

²Two years ago, the Robert J. Milano Graduate School of Management and Urban Policy was given a planning grant by Living Cities (formerly the National Community Development Initiative) to explore human capital development capacity issues in community development and arrive at some creative solutions to the problems identified. We were charged with combing the field, interviewing experts, reviewing data (what little existed) and compiling any existing research to delineate a field in its adolescence and its relationship with its own human capital development. A year later we were funded to implement our suggestions for strengthening human capital.

³The two figures in the “Nonprofits” column are taken from Weitzman and Jalandoni (2002, 8, 19).

⁴The two figures in the “Community Development Organizations” column come from NCCED (1999, 5, 7). These NCCED numbers were projected as of December 1997. More recent research suggests that the total number of organizations is now significantly higher than when NCCED collected numbers for its last census.

⁵This average was derived by dividing the total of 11.6 million paid employees of nonprofits in United States by the 1.6 million nonprofits in the United States (Weitzman and Jalandoni 2002).

⁶Neighborhood Reinvestment study as cited by LISC in “Resources on Executive Director Transitions,” compiled by LISC’s Organizational Development Initiative: “An extensive study by Neighborhood Reinvestment revealed that...inadequate compensation and poor Executive Director/Board relationships are among the frequently cited reasons for departures” (1).

⁷Data collected in the fall of 2000 (representation from the San Francisco Bay Area/Silicon Valley, Fresno, Dallas, Washington D.C., and Hawaii).

⁸NCCED has issued three census reports to date: *Coming of Age: Trends and Achievements of Community-based Development Organizations*, 1999; *Tying it all Together: The Comprehensive Achievements of Community-based Development Organizations*, 1995; *Changing the Odds: The Achievements of Community-based Development Organizations*, 1991.

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