



# RESEARCH

## Leadership Perspectives

*Interviews with leaders of Canada's charities and nonprofit organizations*

Fataneh Zarinpoush

Michael H. Hall

Imagine  Canada

## About Imagine Canada

Imagine Canada is a national charitable organization that looks into and out for Canada's charities and nonprofit organizations. Our research and public policy facilitate increased philanthropy and public engagement; our tools and resources strengthen the sector. Together, they contribute to social progress and vibrant communities. For more information, visit [www.imaginecanada.ca](http://www.imaginecanada.ca).

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Imagine Canada  
2 Carlton Street, Suite 600  
Toronto, Ontario  
M5B 1J3  
Tel.: (416) 597-2293  
Tel.: 1-800-863-1178

Imagine Canada, **Ottawa**  
1705 – 130 Albert Street  
Ottawa, Ontario  
K1P 5G4  
Tel.: (613) 238-7555  
Tel.: 1-800-821-8814

Imagine Canada, **Calgary**  
1800 855 2<sup>nd</sup> St. SW,  
East Tower, Bankers Hall  
Calgary, Alberta  
T2P 2S5  
Tel.: (403) 645-3086

**[www.imaginecanada.ca](http://www.imaginecanada.ca)**

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## Foreword

What is on the minds of Canada's nonprofit leaders? What do they think is working and what isn't? We asked 32 leaders a series of questions designed to reveal top-of-mind perspectives on their roles, the impact of their work and its challenges, now and into the future. The group of leaders we selected reflects the breadth of the nonprofit sector in Canada. It represents a broad range of sub-sectors, from the arts to social enterprise and from sports to the environment and health. And it includes both large and small organizations.

Despite this diversity the results of our study show a striking similarity in the perspectives of these individuals. We also found that two key themes emerged that deserve highlighting.

Seventy percent of the interviewees identified finding skilled staff to be their biggest challenge. This topic – identified broadly in our study as Human Capital – underlines the broader demographic trend of retiring baby boomers. Who will replace our existing leaders? And are they equipped for the job?

The need for effective collaboration ran across the study results. It presented itself in 80% who identified concerns regarding partnerships between government and the sector. Respondents spoke to both the lack of a policy framework and an investment strategy that matches the needs and realities of the sector. At the same time, our findings indicate that business is a key partner moving forward, and that these relationships develop in a way that is supportive of the sector. Study participants spoke to the emerging trend of businesses establishing their own charitable arms rather than working within the existing framework by partnering with nonprofits to achieve community objectives. This notion of competition was also reflected in the leaders' concerns around a skill vacuum. But with our inherent budget limitations and other resource challenges, how can we as a sector strengthen our value proposition to prospective employees, young leaders included?

Overall, what was identified as a challenge for some was equally identified as a strength by others. While not surprising this does suggest that the answers to many of the sector's challenges are within our midst. This report sheds light on some of these solutions.

We hope these findings will stimulate further dialogue and plant seeds for new research and program initiatives. And, most importantly, we see this as the beginning of an ongoing dialogue among sector leaders. We can and must work together – and in partnership with key stakeholders like government and business – to strengthen communities across the country. Our sector is the backbone of quality of life in Canada and our success lies in our collective hands.

Don McCreesh, Chair, Board of Directors, Imagine Canada  
Georgina Steinsky-Schwartz, President & CEO

## Executive Summary

We know little about the perspectives that leaders of Canada's charitable and nonprofit organizations have about their organizations and their work, despite the importance of these organizations in Canadian life. This report presents the results of a qualitative study that explored the views that these leaders have about their organizations, their accomplishments and the challenges they face. The study reveals a striking commonality of views among the leaders of Canadian charities and nonprofit organizations.

Leaders are defined as individuals who have influence and impact in the sector. This definition recognizes that many individuals are leaders in the sector by "authority" and not just by "action"; they can be leaders because they express their visions and put this vision into action.

Thirty two leaders of charities and nonprofit organizations representing a broad range of types and sizes of organizations participated in interviews in July and August, 2007. They were asked about their organizational achievements, strengths and challenges as well as their external concerns and interests. The interviews revealed seven broad themes that were interwoven in the responses to our questions.

**Human Capital and the Search for Talent.** The most frequent theme to emerge in our interviews concerned the people who are at the heart of nonprofit organizational life. Having professional and motivated paid staff was the most frequently identified organizational strength. Conversely, difficulty recruiting and retaining skilled staff was the most frequently identified challenge. The challenge of recruiting staff for senior positions and renewing their organizations with younger staff posed a particular problem. It was recognized that the sector may not be well equipped to deal with generational change, particularly at the leadership level, as baby boomers retire. Board members were seen as an organizational strength when they had diversified skills and experience and as a challenge when they are not prepared for their roles and responsibilities. Volunteers were viewed as a strength by those that had a large volunteer base combined with a large number of paid staff, but were seen as a challenge to manage effectively.

**Responding to Changing or Inadequate Government Policies.** The majority of the leaders we interviewed (80%) reported concerns about government priorities and policies. Those who were financially dependent on public funds expressed concern about the extent of their dependency on government funding and their vulnerability to shifts in government priorities and funding. For these organizations, the biggest concern was maintaining funding. Others were concerned about recent or anticipated restrictions on their activities such as recent federal legislation on advocacy and the possibility that governments (specifically Ontario) may impose limitations on the amount of revenue that organizations can generate. Finally, concerns were expressed about the lack of government policies about issues such as human rights and the support of social enterprises.

**The Value of Collaboration.** The ability to collaborate with others was the second most frequently reported strength and often considered to be one of the organization's most significant achievements. Collaboration was viewed as a strategic approach that enabled organizations to broaden their human and intellectual capital, learn new things, achieve greater leverage, and increase public confidence in their work. Strategic collaborations were identified as useful approaches to dealing with resource limitations. On the other hand, collaboration was also seen to be challenging when partnerships were developed with organizations that were weaker or involved unpredictable government partners.

**Accomplishments in Organizational Development, Strategic Planning and Adaptation.**

Leaders spoke frequently of the dynamic and changing nature of the nonprofit world. They reported an increasing demand for more sophisticated activities, professional staff, business skills, and advanced technology. The interviews revealed a constant search for more creative ways to work as organizational models cease to be as effective as they once were. Many leaders are looking to business for ideas and models in areas such as strategic planning and organizational re-branding.

**Funding.** Funding appears to be a frequent preoccupation of nonprofit leaders. Concerns were expressed about fundraising from individuals and the struggle to retain donors in a highly competitive fundraising environment. Concerns were also expressed about funding from governments and foundations, specifically the lack of financial support for "core" activities and the inability of organizations to fully recover the costs of delivering their services and programs.

**Relationships with Businesses and the Potential Value of Business Models.** Many leaders expressed an interest in having strong, long-term relationships with businesses, learning business skills and adapting business models to their organizations. They also identified a trend towards more collaborative and strategic alliances with businesses and away from simple "cheque book" philanthropy. Participants, however, pointed to the difficulties of building this type of relationship without adequate preparation and understanding of the business community.

**The Lack of Public Understanding of the Sector.** Finally, leaders observed that Canadians continue to have very little appreciation of the value of the nonprofit sector or the contributions it makes to our quality of life. They suggested that efforts should be spent educating donors and the broader public about the role that nonprofits are playing in Canadian life.

This is the first phase of a long term program of research that Imagine Canada will conduct about the leaders of charities and nonprofit organizations. Our goal is to help nonprofit sector leaders learn from their colleagues and peers, and to help Canadians better understand the organizations that provide the social and cultural foundations for our communities.

## Introduction

Charities and nonprofits play an important role in Canadian life, yet we know remarkably little about the perspectives of the leaders of these organizations. While the views of business leaders are readily reported in the media and in academic literature, we seldom read about the views of nonprofit leaders. But, charities and nonprofit organizations touch the lives of virtually every Canadian by delivering education, health and social services or their activities in areas such as arts and culture, sports and recreation, and environmental advocacy and protection. And, they are a critical part of the Canadian economy, twice as big as either our agricultural industry or our automotive industry.<sup>1</sup> So, what is the “view from the top” of charities and nonprofit organizations?

We conducted interviews with 32 nonprofit leaders who represented a broad range of organizations. Our interviews focused on their views about their organizational achievements, strengths, challenges, their external concerns, and their views about the future. From the interviews, we have identified seven main themes or areas that are top of mind for nonprofit leaders today:

1. issues concerning human capital and the search for talent;
2. the challenge of responding to changing or inadequate government policies and priorities;
3. the value of collaborative approaches to addressing community needs and the challenges associated with collaboration;
4. accomplishments in organizational development, strategic planning and adaptation;
5. difficulties obtaining funding to support their work;
6. interests in relationships with businesses and the potential value of business models for their work; and,
7. the lack of public understanding of charities and nonprofit organizations.

Our definition of leaders for this study revolved around two key ideas:

1. Leaders have **influence**. They are called upon for their opinions and insights in areas such as: public policy (a seat at the table); media (a spokesperson); community action/engagement (they are well-networked; participate in committees/networks outside their immediate circle).
2. Leaders make an **impact**. Their efforts are far-reaching, going beyond their personal sphere. They are frontrunners and innovators, sometimes risk-takers, whose actions move agendas forward.

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<sup>1</sup>Hamdad, M., Joyal, S. (2007). Satellite Account of Nonprofit Institutions and Volunteering. Statistics Canada, Catalogue no. 13-015-XIE



This definition recognizes that individuals may be leaders by “authority” or by “action”. In other words, by virtue of one’s role in a leading organization, one can be considered to be a leader in the sector. Leaders, however, do not necessarily have to occupy roles in large organizations; they can be leaders because they have a unique vision and put this vision into action through their work.

Our study is exploratory and because it is based on a small number of interviews, it should not be considered to be a definitive exposition of the views of Canada’s nonprofit sector leaders. However it does provide important insights about the realities of life within charities and nonprofit organizations today.

In this report, before discussing our findings in more detail, we explain the methodology we employed in the study. We then discuss each of the seven themes that emerged from our interviews. Finally, we offer our conclusions and discuss some of the main implications of our findings.

## Methodology

We developed an initial sample of 95 potential interviewees that was designed to be broadly representative in terms of region, size and type of organization (e.g., social services, health, arts and culture). Out of the 95 leaders who were contacted, 32 agreed to be interviewed. Interviews were conducted in July and August 2007. A broad range of respondents from different types and sizes of organizations participated in the study. The majority of participants, however, were in Ontario (see Tables 1 to 3).

The majority (80%) of participants were Executive Directors (13) or Presidents and CEOs (13). Two were Vice Presidents, two were Program Directors, one was a Co-founder/ Partner, and one was a Program Manager.

Each participant was sent a letter of introduction outlining the purpose of the study along with a list of questions prior to participating in the study. We asked participants the following questions:

1. What are the biggest accomplishments the participants’ organizations have achieved in the past year?
2. What are their organization’s greatest strengths?
3. What are the biggest challenges that their organizations face in their efforts to deliver on their mission?
4. What external issues are they most concerned about in the next year? What about five years out?
5. If they were able to ask the advice of their peers or colleagues about any particular issue, what would they ask them?

**Table 1: Distribution of participants by type of organization**

Type	#
Social Services	6
International	5
Foundation	4
Social Enterprise	4
Grant Making, Fundraising, Volunteerism promotion	3
Arts and Culture	2
Association	2
Sports and Recreation	2
University and Colleges	2
Environment	1
Law, Advocacy and Politics	1
<b>Total</b>	<b>32</b>

**Table 2: Distribution of participants by size of organization**

Number of staff	#
less than 5 staff	5
5 to 10 staff	6
11 to 20 staff	9
21 to 50 staff	3
51 and more staff	9
<b>Total</b>	<b>32</b>

**Table 3: Distribution of participants by region of organization**

Region	#
Atlantic Provinces	2
Quebec	3
Ontario	21
Manitoba/ Saskatchewan/ NWT/ Nunavut	2
Alberta	2
British Columbia/ Yukon	2
<b>Total</b>	<b>32</b>

## Findings

The analysis of our interviews with nonprofit leaders revealed seven main themes that appear to be dominating the thinking of leaders today. These themes seemed to emerge regardless of the questions the participants were asked. For example, when asked about their organization's greatest achievement, many participants focused on the people who are at the heart of their organizations. When asked about their biggest challenge, they pointed again to the difficulty recruiting the people they need in their organizations. We discuss these themes in the order of frequency in which they emerged from our interviews, with the most frequently discussed themes presented first.

### Human Capital

The most prevailing theme in our interviews revolved around the people who enable charities and nonprofit organizations to deliver on their missions. This focus on human capital included paid staff, boards of directors and volunteers, and was revealed in discussions about organizational strengths, challenges and potential solutions to other types of issues that organizations are addressing. Within this broad theme, concerns were expressed about recruiting and retaining appropriately skilled staff, and the transitions that appear to be taking place in the leadership of the sector.

#### *Paid Staff*

Many leaders (38%) focussed on issues concerning paid staff who many considered to be their organization's greatest strength. However, the vast majority of leaders (70%) also considered staffing to be their organization's greatest challenge.

Participants identified the importance of having skilled and experienced staff who are committed to the cause of their organization. Among the skills that leaders identified as being particularly valuable were the ability to: manage a large membership base, serve clients, effectively interact with volunteers, do research, and develop and transfer knowledge.

Turning to the challenges associated with paid staff, many identified difficulties finding staff with special skills such as research, fundraising and business acumen. This challenge was even greater when looking for staff at the senior level. Leaders also pointed to the difficulty of finding motivated staff who understand the sector. Competition for highly qualified staff within the sector, as well as with businesses and government, was often reported. Nonprofits are not seen as the winners here, particularly with respect to compensation.

*“Recruiting and retaining qualified experienced staff is more severe... Even when we have money, we can't find the right person.”*

To tackle staffing challenges, participants suggested that charities and nonprofit organizations should try to improve non-monetary benefits such as offering more vacation

time and flexibility at work. One participant reported that they had created a flat structure within their small organization (i.e., 15 staff) so that all positions had the same salary and responsibility despite their different roles. They reported that this had improved staff satisfaction and employee retention. Some participants suggested looking to non-traditional sources for finding senior staff, such as recruiting senior staff who would like to do something different with their lives away from the for-profit sector.

*“We should target junior seniors (late 50s) from the for-profit sector who would like to do something more meaningful in their lives...targeting baby boomers.”*

Attracting employees from the next generation was also identified as an additional challenge. Participants noted that the nonprofit sector is neither creating opportunities for the younger generation to join their organizations, nor considering the different motivations they may have. Leaders believe that younger Canadians are more business-oriented, risk-inclined and results-oriented than older members of the nonprofit work force.

To tackle the challenge of generational change in the work force, leaders suggested that charities and nonprofit organizations should embrace young people and the vision, values and skills they bring to the sector. They also need to create positions that can keep younger people productive and motivated while putting their knowledge to work. Participants also mentioned the need for staff training programs in order to let younger, less experienced staff grow within the organization.

*“There are young activists who are willing to work in the sector but the opportunities that are being offered to them are so tight.”*

### *Changes in Leadership*

Leaders expect to see a significant shift in the sector’s leadership in the next few years as people retire or exit their organizations for positions outside of the nonprofit sector. Some concerns were voiced that transitions in leadership are not being adequately planned for, and that new younger leaders may not be well-equipped to assume these new roles. This replacement may cause challenges for the sector.

Some participants also flagged the issue of diversity as an important challenge for the sector. Of concern here was the view that the next generation of leaders would be “multicultural” while the nonprofit sector itself does not yet reflect the multicultural reality of the country.

*“I see the loss of leadership in the sector, caused by economy growth, retirement, and huge turn-over. [The leadership] may be replaced by people in 20s or 30s and that is a huge gap.”*

Developing training opportunities for incoming leaders was suggested as a way to ease the transition of leadership. Many current training programs were assessed as inadequate because they are short, expensive and do not clearly explain the complexity of the sector and its stakeholders. Consequently, participants said that they struggled to find the necessary time to train and mentor their colleagues.

Altogether, our interviews revealed a great deal of concern about the future of nonprofit leadership in Canada, even though few participants were optimistic about the ability of the sector to respond to this challenge.

*“The scarcest resource in the sector is leadership not donations. Accountability and responsibilities are increasing, liability and legal issues are also on the rise and funding arrangements are complex, so the demand increases and risk increases but there is a small pool from which to draw leadership.”*

### *Board Members*

Boards of directors are another important element in the leadership of charities and nonprofit organizations. For some of our participants board members were considered to be an organizational strength while for others they were viewed as a challenge.

Board members were frequently cited as an organizational strength when they had diversified skills and experience and understood the strategic needs of a nonprofit organization. They were also perceived as a strength when our study participants were able to create a productive and continuous working relationship with them.

*“Our excellent board of directors is a combination of corporate and nonprofit people. They have a good understanding of the importance of having professional staff to grow.”*

However, according to many of the leaders in our study, board members can be obstacles when they are not prepared for their roles and responsibilities in the governance of a nonprofit organization. Some referred to the confusion that their board members have between operational and governance roles, or between the nonprofit organization’s interests and their own personal interests. These difficulties were, at times, attributed to a lack of training, time, or interest among board members.

*“The challenge is to engage the board members beyond the meetings and in broader issues. Also being self-reflective, thinking long-term and seeing themselves as an entity of the organization that has to change in terms of skills and priorities, are some challenges we have with the board members.”*

Participants suggested a number of tactics for creating an effective board of directors such as providing board training, and showing organizational flexibility that gives board members more opportunity to act and play a strategic role. Some also mentioned that strategic planning enabled them to recruit strong board members.

*“Boards need more education around expectations and challenges; a forum or more formal vehicles can help.”*

### *Volunteers*

Volunteers were identified both as an organizational strength and as an organizational challenge (by 22% of participants in both cases). They were identified as a strength most

frequently when their efforts could be combined with a strong staff complement, and when organizations had a large volunteer base.

Managing volunteers, however, was reported to be a challenge for charities and nonprofit organizations that cannot manage their volunteers effectively and integrate this work force into their programs. The challenge was more extensive for organizations that looked for particular skills (e.g., proposal writing) for a defined time. Participants also pointed to the costly process of volunteer screening and training.

### **Changing or Inadequate Government Priorities and Policies**

The vast majority (80%) of the leaders we interviewed expressed concerns about government priorities and policies. Their three main areas of concern were: government changes in providing financial support, the complexity of existing policies, and the lack of new policies that address sector needs.

Reductions in government support and shifts in priorities were a bigger concern for those whose organizations depend upon government and those that were not confident about finding other funders in order to diversify their funding.<sup>2</sup> There were concerns that unexpected changes in government priorities and decisions would make organizations vulnerable and undermine their long-term viability. For these organizations, the biggest concern was about maintaining government support and finding a way to deal with the restrictions that accompanies government funding.

*“We had a long-term fee for service in agreement with the government... we tried to deliver on it as much as possible but the government changed and cancelled it and we had no protection for that contract.”*

*“75% of our operating budget is coming from contracts with government. These contracts have not been reviewed in terms of inflation and other increased costs.”*

Some participants mentioned that governments impose policies that make it difficult for them to deliver on their mission. For example, some noted that they needed to advocate with government for support, but that lobbying is restricted so that it can only comprise 10% of their organizations' activities. Some also mentioned that governments<sup>3</sup> may impose limitations on the revenue the sector can generate.

Finally, some participants were concerned that the Canadian government is not developing policies on issues such as human rights or social enterprise, a sub-sector that was seen to be growing globally. Participants from social enterprises spoke to the lack of a regulatory framework or even relevant funding or program categories that guide or support this type of organization.

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<sup>2</sup> These were mainly Arts and Culture and Social Service organizations.

<sup>3</sup> The Government of Ontario government was named in this regard.

## Collaboration

Collaboration was the second-most frequently reported strength of nonprofit organizations. Participants identified a variety of collaborative efforts with government and other nonprofit organizations when they explained their achievements. They also frequently pointed to the potential value of collaborating with businesses and other nonprofit organizations. However, collaboration with government was more often identified as an area of concern or challenge.

The leaders in our study described how collaboration lets them assume leadership roles, expand their work, and create new opportunities for their organizations. They mentioned that their ability to collaborate with other nonprofit organizations at the national or international level allows them to bring better talent to their work, improve their learning and increase awareness of and confidence in what they do.

*“Collaboration with other universities or research institutes gives more depth to our work.”*

*“As an achievement, we are leading a collaborative work between government and communities. The two main areas are income support and individualized funded services.”*

One participant highlighted the importance of having good partners to strengthen their organization. Another mentioned the organization’s focus on creating meaningful relationships as a real strength, since these relationships are lasting and help organizations to learn and grow. Strategic collaboration was also discussed as a solution to some challenges such as financing.

*“As a sector we are maturing. Now, we know the basics about fundraising, marketing, strategic planning, government relations, but we need to stretch to understand how to articulate relationships with strategic partners.”*

A number of the leaders, however, described the challenges of collaboration. Collaborating with weak organizations was seen to impede efforts, while collaboration with government can lead to unpredictability.

*“We are working with other organizations across Canada that are not healthy, they are small, with no financial stability, and limited capacity to do effective work.”*

*“We rely on a contribution agreement with government for 60% of our revenues...it is very difficult to understand what the government may do with [the cause] in their agenda.”*

## Organizational Development and Adaptation

The leaders in our study frequently noted that the nature and structure of their work was undergoing change. They discussed the increasing demand for more

sophisticated activities, more professional staff, improved business skills, and more advanced technology. Organizational adaptation consistently emerged as a response to these realities.

*“Direct marketing, etc. is declining and it is saturated and frustrating. We should find other ways and use changing trends and technology.”*

*“We are constantly reinventing a model to engage the public or find new ways to do our work.”*

*“We feel that we need to be creative and at the cutting edge to be financially sustainable.”*

Many participants reported that they no longer rely on traditional methods and look for more creative and innovative ways to do their work. In their opinion, many of the current models for nonprofit initiatives have ceased to be effective. For example, they predicted that common approaches to fundraising today will become increasingly less effective in attracting donors particularly when these traditional approaches deal with the next generation. New and more sophisticated models of fundraising will need to replace the ones that are used today.

A number of participants commented on the changing role of technology in people’s lives and observed that charities and nonprofit organizations need to respond to these changes. In their view, organizations need to enhance their technological capacities in order to stay current, meet the expectations of their clients, and get the knowledge they need to be effective in their work.

A number of leaders focused on the need to adapt their approaches to organizational management. They pointed out the value of adopting business models within nonprofit organizations, particularly the development of business planning and marketing skills. Adopting business models was seen by some as a way of demonstrating the sophistication of their organization and improving support from business and the public.

*“Leaders in the corporate world ... can see you as an organization that they can attach to and have a win-win relationship with.”*

Many leaders report being involved in a variety of organizational development activities to enhance their ability to deliver on their mission. These included activities such as strategic planning, organizational restructuring, branding, redesigning of programs and websites, and the creation of new programs or events.

*“We re-positioned our organization with a strategic plan and now we see the results of it such as having new initiatives and programs, keeping ourselves current and relevant, and receiving more attention for our research.”*



## Funding

In our conversations with nonprofit sector leaders issues of funding were frequently mentioned, although few identified this as an area of strength. Funding challenges were presented from two perspectives. One perspective was the challenge of fundraising in general, and the other perspective was the challenge of securing core funding. The latter was discussed more frequently.

With respect to fundraising, a number of participants pointed to the challenge of finding ongoing support as well as the need to increase the number of repeat donors. They noted that attracting and retaining donors is directly related to donor understanding of and belief in their cause. From their perspective, the fundraising challenge is to convince donors that their organizations' causes are still important and relevant.

Some participants spoke to the challenge of competing for donor dollars because some causes are seen to be more essential than others. This group said that education, health, and sports and recreation organizations could attract donations easier than some other organizations, such as social services.

Funder policies were also identified as an obstacle to raising money for core activities. As our leaders noted, financial support does not address full cost recovery. Additionally, funders are seen to be attracted to low-risk programs, and to employ an approach that scatters their support across organizations, thereby limiting impact. Fundraising for core activities was mentioned to be particularly hard for small organizations, because they have no leeway to be flexible in their budgeting.

*“If funders continue to fracture their funding no organization can be successful. If they pick a handful of nonprofit organizations and fully fund them and resource them, at least they can have some impact and success.”*

To address this challenge, participants referenced the need for new methods of financing and fundraising. They suggested that the sector needs to be creative and find new ways to ensure financial sustainability. Enhanced value propositions for donors, businesses and the general public are required. They also suggested that educational materials would help funders better understand the needs of charities and nonprofit organizations.

*“We need enhanced value propositions. We have only one value proposition now which is the tax receipt. This is a real strain for social ambitions in this country.”*

## Relationships with Business<sup>4</sup>

Many of the leaders we interviewed were interested in not only creating a strong and lasting relationship with businesses but also in acquiring skills from them and adapting business models to their organization. This topic emerged mostly when participants

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<sup>4</sup> Although this topic could relate to “organizational development and remodelling” or “collaboration”, we report it separately due to the high volume of discussions.

expressed their thoughts about the role of external factors or the future of the sector. They predicted that the relationship between nonprofit organizations and businesses will evolve to be more collaborative over time. It was suggested that the old models of one-way flows of donations will change to models that involve the development of strategic alliances between the business and nonprofits.

*“There is not direct philanthropy with businesses any more. They come to the table as strategic alliances.”*

However, the challenges associated with building relationships with businesses were noted. Some participants mentioned that it takes mutual effort to build these relationships, and that businesses need to understand how nonprofit organizations differ from their own operations. One participant noted that their corporate partners were committed to providing support but were unaware of the issues that their organization dealt with.

Participants suggested that nonprofit organizations need to be better prepared for connecting with businesses and that they need to embrace these connections. For example, frameworks for working with businesses should be developed, businesses should be adequately researched before an approach, and that shared values should be a factor in identifying an appropriate business partner. Some participants shared their experiences around how they promoted their corporate partner and the nature of their collaboration.

Interestingly, similar views were presented by business representatives in Imagine Canada’s qualitative study *Business Contributions to Canadian Communities*.<sup>5</sup> Many business participants in the roundtable discussions across Canada indicated that their support for nonprofit organizations was part of their business strategy. They also said that they look at their partnerships with nonprofit organizations as opportunities to share their practices. Learning about nonprofit and charitable organizations was among the benefits that businesses said they expect to receive from their community investments.

Finally, while few of the leaders we interviewed expressed concerns about this new and evolving business-oriented paradigm for nonprofit organizations, some did raise concerns that businesses were creating their own foundations instead of working with existing nonprofits.

### **Public Understanding of the Value of the Sector**

One-third of the leaders in our study believe that the public does not have a good understanding of their work or the contributions that the nonprofit sector makes to the quality of life in Canada. Participants said this lack of understanding even exists within the sector as some nonprofit organizations have not internalized the value of

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<sup>5</sup> Hall, M. Easwaramoorthy, M., Sandler, W. (2007). *Business Contributions to Canadian Communities: Findings from a qualitative study of current practices*.

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their work. Consequently, they suggested that significant resources should be spent on public education.

*“Nonprofits don’t know the value of what we are holding. We are like a gorilla with a diamond ring in hand.”*

Participants also pointed to a new phenomenon that adds to public confusion. They explained that some for-profit organizations provide the same services (e.g., human resources) or support the same causes (e.g., environment) as nonprofit organizations but their commitment is short-term or sporadic. The challenge for nonprofits is to differentiate themselves from these for-profit organizations and demonstrate their added value.

## Conclusion and Recommendations

This exploratory study suggests that there is a substantial commonality of views, interests, and concerns among the leaders of Canadian charities and nonprofit organizations. The leaders we interviewed are grappling with and adapting to a complex and changing environment, focussing on the need for a skilled and motivated workforce, looking for ways to expand their impact through collaboration, and working to improve their revenues through innovation and advocacy with their funders. They appear to be looking to the possibility of building new relationships with business and wary of their relationships with governments. And, finally, they are looking for ways to get the recognition from the public that they feel their organizations, staff and volunteers deserve.

In Canada, we seldom have the opportunity to learn what the views and perspectives of our nonprofit sector leaders are. Embedded in our conversations with leaders is a sense of guarded optimism and a realistic appraisal of the many challenges charities and nonprofit organizations are facing in Canada. The results of this study confirm the value of tapping the well of experience that nonprofit leaders offer.

Clearly, many nonprofit leaders are experiencing the same issues. What works as a strength for some organizations poses challenges to others. The opportunities to build and sustain individual organizations – as well as the sector as a whole – appear to reside within our organizations. The question is how can we improve the ability of leaders to share their perspectives, their challenges and, perhaps most importantly, the solutions they have developed to meeting these challenges. The generosity of the interviewees in this study reveals an openness to sharing knowledge about what one another knows; what's upcoming, what works and what doesn't.

Although the results of the study should not be regarded as conclusive, they suggest a number of areas where further investment in research, knowledge transfer, training and organizational development could assist charities and nonprofit organizations to deliver on their missions. The suggested areas are:

- **Leadership:** identify strategies for leadership renewal and improve the exchange of knowledge among nonprofit leaders.
- **Staffing:** identify staffing needs and create strategies for recruitment and retention
- **Boards of directors:** determine requisite skills and characteristics, improve board training and orientation programs.
- **Collaboration:** identify and evaluate models for collaboration, particularly with respect to government.
- **Organizational development, strategic planning and adaptation:** identify and evaluate promising operational frameworks and practices for fundamental aspects of charities and nonprofit organizations.
- **Fundraising:** identify and evaluate the innovative models of fundraising that will stimulate the next generation to contribute and create ongoing giving behaviour.

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- ***Relationship with business:*** identify the factors that facilitate and constrain such relationships.
  - ***Public understanding:*** improve knowledge about how the public perceives charities and nonprofit organizations and develop strategies to improve public understanding.

This study is the first phase in a long term program of research that Imagine Canada will conduct about the leaders of charities and nonprofit organizations. Our efforts are stimulated by the belief that mechanisms and processes that enable these leaders to share their views and perspectives with one another will help them tackle the many challenges their organizations are facing. Moreover, we believe that Canadians will benefit from a better understanding of the perspectives that nonprofit sector leaders have about the many organizations that provide the social and cultural foundations of our communities.