



## The Center for Public & Nonprofit Leadership

### AUTHENTIC LEADERSHIP AND THE ROLE OF THE NONPROFIT SECTOR

**Audrey R. Alvarado**  
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This talk was delivered by Audrey R. Alvarado, Ph.D., Executive Director of the National Council of Nonprofit Associations, on January 29, 2005 for the Georgetown University Nonprofit Management Certificate Program graduation ceremony.

*Educating Leaders Who Change the World*  
THE CENTER FOR PUBLIC & NONPROFIT LEADERSHIP  
3240 Prospect Street, NW Lower Level  
Washington, D.C. 20007-3214  
Phone: 202-687-0500 Fax: 202-687-0580  
E-mail: [cpnl@georgetown.edu](mailto:cpnl@georgetown.edu) <http://cpnl.georgetown.edu>



Thank you for your hospitality and invitation to speak at this special event. I understand from Kathy that you are an extremely talented group of individuals. A group that we know will make an imprint on the nonprofit sector in this region as well as across the country.

I was in charge of a nonprofit certificate program in my previous job in Colorado. So it is wonderful to be back amongst those of you who have decided to place your interest, skills, and time in the nonprofit sector. Besides, we need you! The more time I spend with our emerging leaders the more I recognize the tremendous need we have for you to hang in there and accept the baton that we pass on to you. Not with the expectation, nor hope, that you will do it as we have done it but in your own ways – challenging us all to be better and providing the necessary leadership that transforms and evolves the sector for our future.

I cannot help but be reminded of the many eager faces I encountered counseling young professionals who were seeking information about the program I managed in Colorado. They were planning to or had left their jobs in the for-profit or public sector. There was a consistent theme in their reasoning, often presented as a personal struggle: they wanted to do more with their lives – to make a difference, to find purpose in their work, and to reach out in ways that were about more than themselves and their material possessions. They wanted to look in the mirror at the end of their time on earth and ask how did I live my life. Was my life one of meaning and purpose? Did I leave this place better and make the difference I sought to make? These are age-old questions that many of us struggle with and for some we find that the nonprofit sector is the place that challenges us to continually ask these questions of ourselves. For if anything represents the people of the sector; it is their desire to make a difference and leave the world a better place through their direct and active engagement.

## **Leadership Today**

I have been asked today to speak (briefly) about the aspect of leadership that I think is worth discussing. It was not hard for me to identify the core and fundamental aspect that I have found to be important– authenticity. Being real and honest with yourself about why you do what you do, keeping yourself true to those reasons, and holding on to your convictions regardless of the external pressures and distractions. I say this because if we were to look at all of the criticisms, areas of disappointment, and betrayals by those in our sector in regards to our core values – it was that many did not speak up, looked the other way when questionable actions were taken, and silenced their nagging inner voice asking “is this right?”

I find that I cringe as I open the daily paper to read about yet another scandal or questionable practice by those in my sector.

The growth and increased media coverage about the nonprofit sector has brought noticeable attention to and questions about the sector. Again today’s Washington Post has front page negative stories about Boy Scouts in Alabama and nonprofit hospitals.

Some of you may be aware of new calls for oversight, enforcement, and regulatory changes as proposed by the Senate Finance Committee. The questions are important and the proposed

actions will have long-term implications to the sector. Questions such as: Are nonprofits accountable to their constituencies and the public? Are they operating efficiently? Do they have sufficient government oversight and enforcement? Questionable practices, such as trustee fees and what expenses should be counted towards the foundation payout requirement, have brought even more attention to the entire nonprofit sector. High profile media stories coupled with recent reports revealing a demonstrable decline in the public's confidence in charitable organizations should be of grave concern to those who believe in the value, necessity, and impact of charities across the country. Accountability is the important issue of the day and tends to focus on the how we do our work but we ought not to lose sight, which I fear we may be doing, to the why we do what we do.

What can we do to turn this terribly troubling trend around?

One of the books I read last year was written by Peter Block (*The Answer to How is Yes*, 2002). I was captured by the first paragraph of the book, which states:

There is something in the persistent question of *How?* that expresses each person's struggle between having confidence in their capacity to live a life of purpose and yielding to the daily demands of being practical. It is entirely possible to spend our days engaged in activities that work well for us and achieve our objectives, and still wonder whether we are really making a difference in the world. My premise is that this culture and we as members of it have yielded too easily to what is doable and practical and popular. In the process we have sacrificed the pursuit of what is in our hearts. We find ourselves giving in to our doubts, and settling for what we know how to do, or can soon learn how to do, instead of **pursuing what most matters to us** and living with the adventure and anxiety that this requires (pg. 1).

The words speak true to me as I watch us all struggle to respond to criticism and concerns about the growing lack of confidence in the nonprofit sector – our practices, our transparency, our spending, our compensation, our focus on organizations as opposed to our constituents, and so on. In this type of critical environment we rush to “do” things differently - suggesting and instituting new practices or adopting new policies or regulations to keep us in line - as opposed to doing what Block suggests – “pursuing what most matters to us”.

I was reminded of this struggle while sitting on a dissertation committee of a student who was interested in executive director turnover. One of the central findings was that executives often leave their positions because they have lost the passion for what turned them onto the nonprofit sector in the first place. I would surmise that with the focus on *how* we do our work provides precious little time to understand *why* we do our work. This was further confirmed during a conversation with a long-time executive director of a local DC nonprofit. She has been in her position for twenty-five years! She is a rare bird indeed in the circle of nonprofit executives. She noted that whenever the thought of leaving her position enters her mind she goes down stairs to where the youth are – bustling with activity, energy and enthusiasm – and gets renewed. She is reminded of why she does what she does and sees the direct connection between her actions and keeping her agency's programs alive. It is necessary to pay attention to the *how* of our work

for we should maintain vigilance to assure that we are operating with best practices throughout our operations. What we often find is that our focus on administrative work easily distracts us from grappling with harder issues that require leadership and commitment – matters of the heart that tap our compassion and inspire collective change. We have a duty and an obligation to raise the prestige of the charitable sector by honoring the public privileges granted to nonprofit organizations. To forget the purpose of our work and the reason for our existence will only contribute to the public’s growing cynicism as well as our own.

So what is the purpose of our work?

## **Role and Function of the Nonprofit Sector**

Today, nonprofits represent -

- half of the country’s hospitals
- nearly half of its colleges and universities
- 80 percent of its individual and family services agencies
- 70 percent of its vocational rehabilitation facilities
- 90 percent of its symphony orchestras and operas and countless civic organizations.

Not to mention literally thousands of daycare centers, clinics, soup kitchens, hospital complexes, homeless shelters, and research institution make up this diverse and complex sector.

As important a role that the service aspect plays in our identity the role we play in fostering democracy and civil society is just as important. The most comprehensive study of the sector, the 1974 Filer Commission Report, defined and distinguished the differences between the sectors and presented one of the first helpful descriptions of the basic societal functions met primarily by the nonprofit sector.

The Filer Commission **identified nine distinct functions** of the sector which include:

1. Initiating New Ideas and Processes
2. Developing Public Policy
3. Supporting Minority or Local Interests
4. Providing Services that the Government is Constitutionally Barred from Providing
5. Overseeing Government
6. Overseeing the Market Place
7. Bringing the Sectors Together
8. Giving Aid Abroad
9. Furthering Active Citizenship and Altruism

I draw your attention to the fact that seven of the nine functions relate to our distinct role as promoters of democracy. It is that role that we must continue to nurture and fulfill and not get lost and distracted.

My organization, NCNA, believes that a strong democracy is one that assures that there is a balance of power between those that govern and those that are governed, and that the two perspectives ought not to be too far apart from one another. When ideally realized, democracy provides the space for voices in the minority to be heard, recognized, and addressed, and to hold our government accountable as was identified by the Filer Commission. The image that we hold for the sector is that it is the essential and fundamental body that keeps our system of democracy working. We have much to lose if this balance is off or if the sector is not effectively playing out this role.

The renewal of democracy in action may well be in the hands of the nonprofit sector. More recently, Peter Block wrote:

The nonprofit sector is also our best hope for a strong democracy. This is where civic engagement and social capital is created. Democracy is an experiment in volunteerism and association and no one breathes these qualities more deeply than those committing their lives to the public benefit. *Nonprofit Quarterly* (Fall 2002, pg. 23)

And of course, John Gardner, a strong proponent of the value of the sector, has said:

The [nonprofit] sector is a significant source of renewal. An idea that is controversial, unpopular or strange has little chance in either the commercial or the political marketplace...The sector comfortably harbors innovators, maverick movements, groups which feel they must fight for their place in the sun, and critics and dissenters of both liberal and conservative persuasion. And it is from just such individuals and groups that one may expect emergence of the ideas that will dominate our society and our world a century hence. (John Gardner, *Self Renewal*, 1981)

In Gardner's own writings he addresses a role of the nonprofit sector that is often overlooked — the space for new leadership and ideas to emerge. Studies of leaders in the nonprofit sector reveal a distinctive quality and character. Nonprofit executives and managers have been known to possess tremendous creativity, commitment, and wisdom. Nonprofit executives are often challenged with diametrical opposing demands that require them to be flexible, persistent, eternally optimistic, and resourceful. They must balance the nonprofit organization's fiscal needs while maintaining its public service goals. At their best, nonprofit executives are committed to public good through their active civic engagement and their intentionality of applying their skills for the betterment of their communities and society as a whole – the public benefit. Those exact skills you have been exposed to during your time in the Executive Management Program. At our worst we have lost our way and focused not on community building and public service but on personal, individual, or organizational enrichment, often to the detriment to the image and ultimately the purpose and impact of the sector. I have advised that those who fall in this category reconsider their purpose, confess that they are not for the public good, and reclassify themselves out of the charitable sector category.

## **In Closing**

I leave you with this question – how do you plan to remain authentic and true to your convictions? It is my hope that during your time in this program you have taken time to reflect on your own values and answer the question as to why you have chosen or in some cases been chosen to place your interests, skills and time in the nonprofit sector. Your leadership coupled with a strong sense of convictions and principles matched by actions is sorely needed.

Thank you for your attention and congratulations to you all.