What Nonprofit CEOs Should Avoid

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Introduction

The FIVE Temptations of a CEO by Patrick Lencioni provides the backdrop for my exploration and gaining some understanding of what tempts CEOs and seizing the opportunity to relate these temptations for chief administrators of nonprofit organizations.

My Reasons

Why is Lencioni's title intriguing? Whenever I cite examples for my graduate students, I consider 3 to be an appropriate number due to the balance a triptych exhibits and represents. But from my perspective, the numerology of 5 goes to a level that reflects deep introspection and thoughtfulness, wide consideration, and significant understanding and synthesis of an issue.

What do my experiences have to do with temptations? During my times of hardship as chief administrator of various nonprofit organizations, I experienced various temptations. I made some very good decisions, I mostly made standard choices, but I also made some very detrimental choices due to temptations that caused problems. I often reflect on the poor choices I made and the direction the choices took me and the organization.

Why do I want to gain insight? I want to understand why I made various choices during my career. Insight is quite a powerful aspect of life – it permits one to make some sense of what, and why, it was done. Sense-making (see Karl Weick) is an important mental course of action by which I can give meaning to my experiences and pass on lessons learned to others.

What would CEOs of nonprofit organizations gain from this translation? I am currently a professor of Nonprofit Management and I believe it provides me a stage from which I can profess and preach. My 'preaching' deals with teaching chief (or nascent) administrators of nonprofit organizations how to remain true to their mission while blending market forces and realities into their actions and eventual understanding. This is where my experiences and insights can be of potential benefit and the translation takes on practicality in the daily realm – it is a stage from which I profess.

What are the 5 Temptations?

Lencioni points out the following 5 temptations that entice CEOs: 1) "the desire to protect the status of their careers", 2) "the desire to be popular", 3) "the need to make "correct" decisions, to achieve certainty", 4) "the desire for harmony", and 5) "the desire for invulnerability".

Exploring Lencioni's Meanings

Exploring the meanings of these temptations is a fruitful exercise for anyone in a leadership, executive, or management position. This exploration also provides the reader with a foundation of how they translate into a nonprofit setting.

Career status protection deals with being "more interested in protecting [one's] career status than … in making sure [one's] company achieves results". This is an issue of organizational accomplishments taking a back seat to individual accomplishments and being driven by ego, image, and personal standing instead of organizational achievements. This may be due to being content with current status than having a focus on the future to avoid reputation damage over accountability.

Popularity deals with "[w]anting to be popular with … direct reports instead of holding them accountable". This is a matter of holding individuals responsible for agreed upon expectations and providing unvarying reminders. Furthermore, this involves CEOs who blur the lines of relationships and valuing popularity.

Achieving certainty deals with "ensuring that [one's] decisions are correct" and "choos[ing] certainty over clarity". This subject deals with being so fearful of being wrong that making decisions is not accomplished until there is absolute certainty. This unrealistic standard potentially leads to being held accountable for unclear things and never achieving clarity.

Harmony deals with efforts to avoid "[d]iscord[,] [d]isagreement[, and] [c]onflict" which prevents extracting "all of the honest opinions out of people efficiently". This is concerned with evading group disagreements and challenges and avoiding the airing of honest opinions and stifling ultimate decision making.

Invulnerability deals with people "who [don't] trust one another [and] … worried about holding back their opinions or their passions". This deals with avoiding susceptibility rather than earning trust due to a belief that credibility will be lost if being challenged becomes too comfortable and routine.

Nonprofit Applications and Translations

Chief administrators (CEOs or Executive Directors) of nonprofit organizations confront similar issues as their corporate counterparts but also face unique challenges due to the distinctive nature of nonprofit organizations. It is important to examine, understand, and incorporate how Lencioni's 5 temptations align and differ.

Choosing Status Over Results

Career status protection applies to leaders of nonprofit organizations who avoid analyzing how their respective organization's mission meets society's needs and how useful (or useless) any results are in addressing societal issues, problems, concerns, or challenges. Furthermore, this applies to nonprofit CEOs who avoid assessing programs, staff members, organizational structure and other important components for fear that negative results would threaten their status. As Lencioni indicates, "[t]his causes CEOs to make decision that protect their ego or reputation or, worse yet, to avoid making decisions that might damage them. They reward people who contribute to their ego, instead of those who contribute to the results of the company". This is punctuated with "even temporary loss of status is unacceptable to CEOs who do not resist this temptation".

Analysis avoidance could also result in two detrimental conditions for nonprofit organizations. The first is bending to the will of funders' success measures. There are examples of chief administrators of charitable nonprofit organizations who 'chase dollars' by seeking any sort of funding opportunity and accept the goals and expectations of the funding source without consideration of fit. The second (which potentially emanates from the first) is "mission drift" (see Robert Herman and Michal Worth). This is when organizations lose sight of organizational and mission foci and priorities. Michael Worth describes it as a "gradual evolution away from the organization's purpose into ancillary activities that may eventually result in an organization that is very unfocused".

Choosing Popularity Over Accountability

Popularity applies to nonprofit CEOs who ignore evaluation so as not to upset organizational dynamics. This may be a condition of complacent boards of directors or founding leaders due to requesting their family members, friends, and peers to join their boards. This potentially makes it difficult to discern affection from respect for someone and work with both in mind for the sake of accountability. Lencioni explains this as, "[e]ven CEOs who resist the temptation to overfocus on protecting their status sometimes fail. Why? Because they do not hold their direct reports accountable for delivering on the commitments that drive results. This happens because they succumb to … the desire to be popular". This is further muddled by "CEOs becom[ing] friends with their direct reports and commiserat[ing] about the constant needs and shortfalls of employees".

This popularity issue could also result in an unfavorable situation for nonprofit organizations. Once again, the aforementioned issue of 'mission drift' comes into play by CEOs succumbing to 'tweaking' the mission to match new and 'exotic' priorities promoted by funding sources. This brings about unfocused missions that potentially don't fit with an entity's *raison d'etre*. This issue of yielding to popularity can lead to poor stewardship and not being true to the foundational intent of the organization. It must be remembered that stewardship is "hold[ing] something in trust for another" by "presid[ing] over the orderly distribution of power" (see Peter Block).

Choosing Certainty Over Clarity

Certainty over clarity may paralyze nonprofit CEOs who have an unrealistic, and potentially unhealthy, need for over-analysis of stakeholder inputs, approvals, commonalities, and consensus. This may be related to the liberal paradigm that there are many 'right ways' to do something and that all opinions, concerns, and issues are valid and necessary before making a decision. This way of thinking and processing can surely slow down things to the point where opportunities are missed due to time factors.

This is not to say that nonprofit leaders should not consider input from various stakeholders – board members, community members, employed staff members, service volunteers, service recipients and other constituencies – that have a valid stake in the organization. Decisions are made with these various stakeholders' interests in mind and a CEO does not want to be viewed, or come across as, a dictator, but ultimate ineffectual leadership is certainly not the goal. One is reminded by Robert Herman and Dick Heimovics that "executives must sometimes be willing and able to improvise, to take an unexpected path when it presents itself". One also has to be mindful of becoming highly quantitative at the expense of the qualitative aspects of the organization's mission – one cannot over-analyze decision to the point where the 'spirit of the law' is missed by paying too much attention to the 'letter of the law'.

Choosing Harmony Over Productive Content

The choice of harmony deals with the temptation of stifling criticism to protect personal egos. Lencioni views this as CEOs not "feel[ing] comfortable with the decisions they make[,] … because they haven't benefited from the best sources of information that are always available to them: their direct reports". CEOs of nonprofit organizations may have difficulties with guarding against personal attacks due to the internalizing of their organizations into their own personas – they often feel driven to perform as part of their life's mission-driven work and rely on successes to affirm that decision. This particular choice may also involve the acceptance of an organization's status quo and forgetting the advocacy component of the mission.

Once a CEO loses the will to advocate for the organization, the spirit and life of the organization needs to be passed on to the 'new blood'. It is a noted issue that "[o]ne of most important yet most overlooked areas in staff planning in the nonprofit sector remains succession planning" (see Mary Watson & Rikki Abzug). Moving on in the nonprofit sector is, at times, a hard 'pill to swallow'. The acceptance that passing the baton to another person because the 'fire in the belly' is no longer there, is quite a difficult and trying situation.

Choosing Invulnerability Over Trust

Lencioni informs us that the fifth temptation of choosing invulnerability over trust deals with the issue of leaders who "mistakenly believe that they lose credibility if their people feel too comfortable challenging their ideas". Nonprofit leaders tend to openly discuss their organizations and solicit opinions from others very broadly so they may have additional insight from others' perspectives or networks of colleagues that may be useful. According to Robert Herman and Dick Heimovics, this is based on extensive reliance on external environments and the significance of 'networking' in acquiring an appreciation and understanding of environmental changes. Very plainly, CEOs of nonprofits don't always have the solution to challenges and problems. They should be open to, as circumstances permit and are appropriate, showing the 'chink in their armor'.

What are Lencioni's Simple Advices and How Do These Translate?

"[M]ake results the most important measure for personal success". CEOs of nonprofit organizations should be aware of 'mission drift' and the potentially hazardous path down which it can lead. The foundational mission of an organization is the penultimate guide for nonprofit leaders, but it must be balanced with market realities.

"[W]ork for the long-term respect of your direct reports, not for their affection". Nonprofit CEOs should understand that employees are important to mission fulfillment which can be accomplished based on employee reverence to leadership and purpose, not employees' partiality and fondness to an individual. Furthermore, CEOs should remain mission focused and avoid bending to 'exotic' priorities that don't fit. The issue of fit is quite important for keeping one at even keel.

"[M]ake clarity more important than accuracy". CEOs of nonprofits must not forget the qualitative aspects of an organization's purpose by only concentrating on the quantitative aspects. The qualitative aspects (descriptive, observable) in addition to the quantitative aspects (numbers, measurements) must be kept in mind for mission fulfillment.

"[T]olerate discord. Encourage your direct reports to air their ideological differences, and with passion". CEOs of nonprofit organizations must not avoid being advocates for their purpose and mission. Advocacy is at the heart of nonprofit organizations – they are developed with a mission in mind, a mission that needs promotion and champions (who are quite often the direct service line staff).

"[A]ctively encourage your people to challenge your ideas. Trust them with your reputation and your ego". Nonprofit leaders (CEOs, board members, administrators) usually start with grand ideals which must be held on to, and not permit the encroachment of ego into their management style. If there is a belief in the mission of the organization, one's reputation and ego cannot be trampled and destroyed by challenges, they can only be emboldened by these challenges.

I believe that Lencioni said it best at the end of his leadership fable: "CEOs who focus on results more than status, accountability more than popularity, clarity more than certainty, productive conflicts more than harmony, and trust more than invulnerability can still fail, but only if they are thwarted by competitive and market pressures that are largely out of their control".

On one hand, nonprofit organization leaders cannot control all their environmental situations and circumstances, market conditions and peculiarities, and competitive pressures and surroundings; but, on the other hand, they can be good stewards and advocates for an organization's mission, be open to inputs from various constituencies and stakeholders as decision are being made, and be faithful and open to honesty, productive conflict, trust, and accountability.

What does all this mean for CEOs of nonprofit organizations? It all boils down to 5 simple pillars of good management: 1) Be true to your mission, 2) Be attentive to environmental fit, 3) Be accountable via openness and transparency, 4) Be advocates for your cause, and 5) Be good stewards of your resources. These 5 pillars are simple prescriptions to avoiding the 5 temptations.