



7 Core Competencies of Successful Nonprofit Leaders

Because every nonprofit organization is different, a single set of competencies is difficult to articulate. However, there are seven key nonprofit leadership skills that anyone who wants to exercise prudent leadership in the nonprofit sector should seek to build throughout their careers, whether as a professional or as a volunteer board member. These nonprofit core competencies include:

Financial Management: Nonprofit organizations, by nature of their work, have extremely narrow profit margins and are entrusted, in many cases, with public funds and private philanthropy. Guaranteeing to a diverse group of stakeholders that the nonprofit is in good hands with a basic understanding of balancing financial realities with social need is key.

Fundraising: Or as we like to call it, “building nonprofit equity.” A successful leader may not like fundraising, but each knows he or she must have a demonstrated competency in order to attract givers and their giving over a sustainable period of time.

Human Resourcing: Money doesn’t change the world, people do. The nonprofit leader must know how to assign people to tasks and manage those tasks and workers with a sense of fair accountability. The leader is also especially attuned to the diversity of the community and demonstrates a cultural competency that brings out the best in diverse people to work together to do great things. With limited resources, nonprofit organizations are constantly having to change their designs, teams, and ways of doing business. A sense of working with people and understanding accountable people structures is key as nonprofits are the only sector in the economy that includes volunteered human resources as part of their human resource equation.

Program Knowledge: Helping feed the hungry requires some knowledge about the extent of hunger in a community, how hunger impacts a community, and successful programs that have had significant impact. Every nonprofit is seeking to make a difference in a particular area. It is incumbent on the nonprofit leader to have working knowledge of that area.

Governance: Every nonprofit organization must, according to the Internal Revenue Service, have a board of directors. Many problems exist in nonprofits because their leaders have not received formal training on the roles and responsibilities of nonprofit boards.

Planning: Virtually every contributor to a nonprofit wants to know its plan for helping people in efficient and effective ways. They also want to know that the organization is evolving with the community that it serves and is astute about the political, economic and social factors weighing on its future. Social problems will not end on their own. Sustainable arts programs will never be able to reach everyone who can benefit without community involvement and participation. The health needs of people will require a combination of health care institutions, the community and the government. Every nonprofit must have a realistic plan.

Community Relations and Communication: The most effective nonprofit is “in touch” with the community it serves. Nonprofit leaders cannot be afraid to make speeches, meet and greet, network, and be visible in and to the community. Nonprofits by and large are community-based organizations which means each was started by someone in the community to be of benefit to the rest of the community. A nonprofit leader isn't going to get very far if he or she isn't interacting with, communicating with, and advocating the mission to the community.

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