

By Arty R. Coppes, MA, CEC and Mario Siciliano

# Making a Difference

Executive coaching in nonprofit organizations

**Globally, the nonprofit** sector employs close to one of every 20 workers and provides one of every eight service sector jobs. According to *Volunteering in America: State Trends and Rankings* (June 2006), America's 65.4 million volunteers donate the economic equivalent of almost 150 billion dollars in services each year. In Canada alone, the total economic activity in the nonprofit sector is over 90 billion dollars. Clearly, executive coaches should not ignore the nonprofit sector as a source of clients.

From a business and management perspective, nonprofit organizations face very similar challenges as for-profit companies. One of the greatest challenges relates to attracting and retaining talented employees, whether frontline workers or more senior managers.

*"I just lost my Fund Development Director to one of my sponsors where they offered to double her salary. So without venturing out to look for jobs, my employ-*

*ees are slowly being poached by government or the corporate sector. It sounds like I'm not alone, as many of my colleagues are in a similar situation."* (Sharon Moore, Executive Director, Calgary Big Brothers Big Sisters).

A recent study (*Daring to Lead*, Meyer Foundation and CompassPoint Non-profit Services, 2006) indicates that according to a survey taken of 2000 nonprofit Executive Directors (EDs), 75 percent will leave their positions within the next five years. Around 15 percent are retiring baby boomers. The other 60 percent will leave because of:

- Dissatisfaction with the board/executive relationship
- Salary and benefits
- Stress and burn-out
- Lack of leadership skills
- Lack of peer support/network.

Consequently, we believe that executive coaching could be used as an effective strategy to support and retain leadership talent in the nonprofit sector. Is this a profitable proposition? The return on investment of coaching for senior

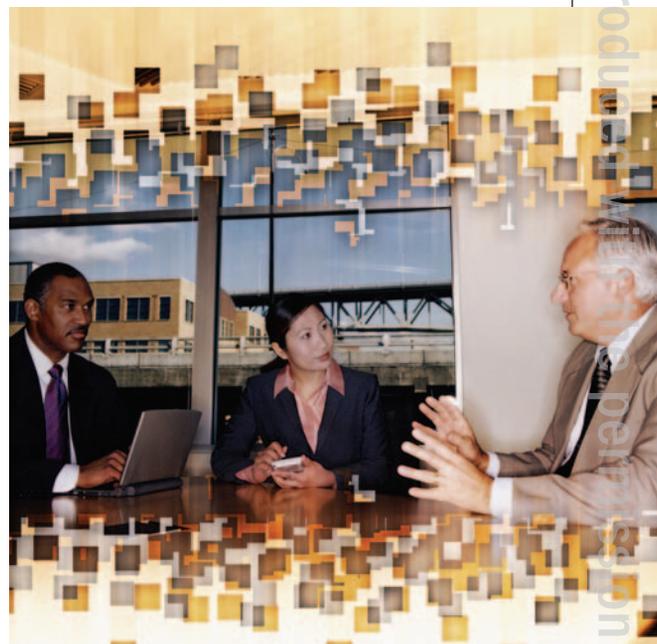
**"The return on investment of coaching for senior managers...in nonprofit organizations is substantial."**

managers (in particular EDs) in nonprofit organizations is substantial. Typically, the cost of replacing a senior manager can run as high as half the yearly salary of an ED. In addition, replacing EDs results in

loss of continuity, often requiring major time investments to re-establish relations with donors and government agencies. We propose that effective coaching, at an estimated cost of one tenth of the yearly salary of an ED in the nonprofit sector, is not only a sound investment, but in the short and long term, financially more attractive.

*There are challenges of course:*

- The complex and often delicate relationship between EDs and their Board of Directors. Coaches are often hired by the Board of Directors for their EDs.
- Perceived time constraint; most EDs feel they are so busy that there is no time to work with a coach.
- Finance. Although some nonprofits pro-actively budget for coaching, most such organizations have to identify funds for professional development through third parties such as community, government or corporate funders.



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As a coach there are different ways to approach this. You could present a coaching proposal to the ED of a nonprofit that could be funded in any of the ways discussed above. You could also suggest to your corporate clients to sponsor your coaching contract with the ED of a nonprofit as a charitable donation.

*Let reality speak for itself*

Consider the results of a one-year study where 24 EDs of US nonprofit organizations received 40 hours of one-on-one coaching. Each ED was matched with one of 12 coaches pre-screened by CompassPoint in San Francisco.<sup>1</sup> Each ED chose their

- Greater confidence to deal with financial instability
- Improved effectiveness at balancing demands of personal and professional life
- Reduced stress and burnout
- Increased commitment to the nonprofit sector.

Another pilot project is taking place in Calgary, Alberta. A group of 15 EDs has committed to meet with a coach once a month and to meet as a group one day a month to discuss common issues and be trained in skills identified by the group. This project is supported by the United Way and there is a participation fee for the EDs. The participants have

**“Executive coaching could be used as an effective strategy to support and retain leadership talent in the nonprofit sector.”**

coach after interviewing at least two coaches. The EDs also participated in three peer learning round-tables to enrich their coaching experience.

Coaching led the EDs to consistently report:

- Significantly higher impact in specific management areas
- Stronger leadership skills
- More hopefulness and confidence that they could create a sustainable job for themselves.

During their debriefing, EDs described:

- Improved ability to connect with the organization’s vision
- Increased confidence in leading their organization towards the fulfillment of this vision.

They also reported significant improvements in organizational processes and structure:

enrolled in the program for two years and they have committed to the two main objectives: to build confidence and to build competence. The program itself is a blend of coaching, training, peer coaching and networking.

Unique to this grassroots initiative is that there is no set curriculum to the program. Another unique element is that there is a constant group; no new members are admitted, so a very high level of trust and familiarity develops and the participants discuss deep issues. There are also unintended results like cross fertilization between the different nonprofits that results in strong new projects — instead of competition, there is real and strategic collaboration.

Wayne Stewart, co-founder of Executive Directions, reported that:

**Benefits to your executive coaching practice**

- *Make a difference by having an impact on those who can change society*
- *Support people who are at risk of stress and burn-out*
- *Acquire more hours towards your ICF accreditation*
- *Build up a new area of expertise that you can apply in any city or country*
- *Share your passion for coaching with a larger group of clients.*

“After only six months, the general consensus was that the EDs felt more comfortable in their roles, more confident in their abilities to lead their organization, and were able to solve issues more quickly. There is a greater expectation that they will stay in their ED role since they have found a bigger game in their own organization.” •

*Reference:*

<sup>1</sup> CompassPoint Nonprofit Services (2003). Executive coaching project: Evaluation of findings. Retrieved with permission from [www4.compasspoint.org/cpDir/files/documents/docs\\_research\\_evals/exec\\_coaching.pdf](http://www4.compasspoint.org/cpDir/files/documents/docs_research_evals/exec_coaching.pdf).

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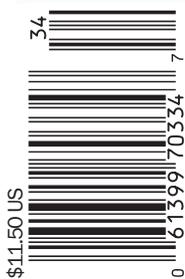
Is coaching meeting your client's needs?



Getting clients you'll love

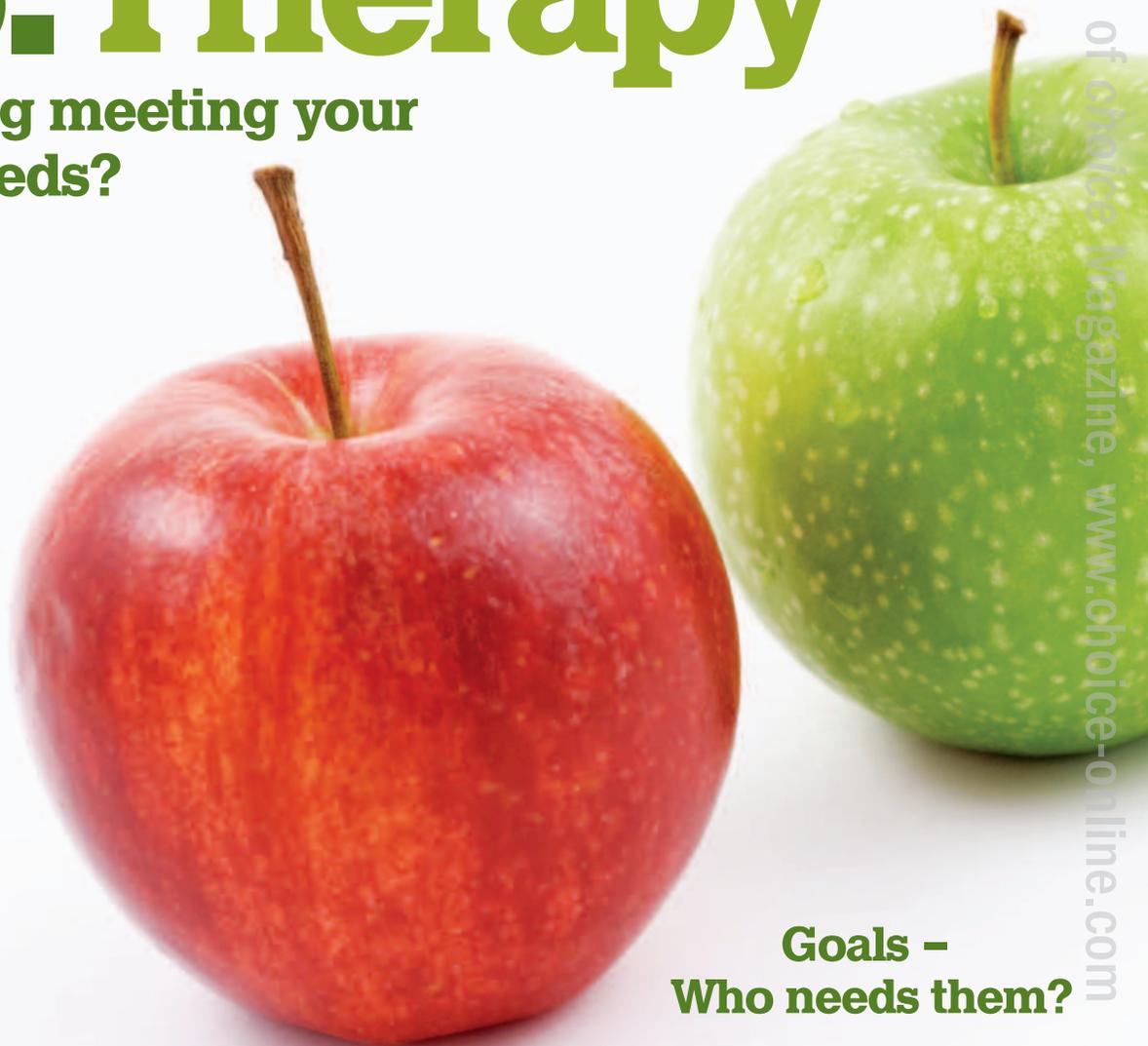
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