

# Philanthropie Aktuell

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## EDITORIAL

Dear Readers,



Leadership in nonprofit organizations is complex due to the differently motivated groups that need to be lead. Volunteers, trustees, paid staff – full time and part time –, mentored collaborators and sometimes even the beneficiaries have to be promoted and prompted depending on their specific motivations, expectations, and abilities.

However, challenging collaborators often falls short in nonprofit organizations. The efforts put into creating a common understanding of the basic values and aims hardly permit struggles over day-to-day issues. Today, nonprofits are no longer «snuggle zones», but the arising discussion on performance measurements and evaluation has fueled the question on the productivity of collaborators. Individual nonprofit organizations respond very differently. Some concentrate on paid staff and reduce the number of volunteers, others take the opposite direction. Decision making is dependent on factors such as purpose, fundraising model, size of the organization etc. The following statement sums up the situation well: «When you have seen one nonprofit organization, you have seen just one nonprofit organization!»

Find out more about leadership in nonprofits in this edition!

Sincerely,  
 Georg von Schnurbein

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## Leadership in NPO

**Leadership in NPO: How executive staff are subject to increased demands and a recommendation for more self-confidence. An article by Prof. Dr. Ruth Simsa from the Vienna University of Economics and Business.**

Some people have the ability to inspire others, they have this certain charisma making it easy for others to follow them. When collaboration comes easy and is a challenging and enriching experience – those leading are actually able to personify leadership.

These days, this ability is increasingly in demand by NPOs. The hope for leadership seems to come as a response to crisis and uncertainty, this said, the quality of leadership actually does make a real difference to people and organizations.

### The need for heroes

For successful leadership in NPOs, heroes are being called for demonstrating the following skills: high energy, stress tolerance, self-confidence and self-control, emotional maturity, integrity, fitness, intelligence, power of judgment, love of risk, honesty, capacity for action and articulation, vision, empathy, aspiration to success, motivation ability, courage, persistence, credibility, flexibility.

Not surprisingly executives are not always comfortable in their role. NPOs are extremely demanding, especially when it comes to handling contradictions. As multi-stakeholder-organizations, NPOs need to hold the balance between the demands of donors, clients, the public as well as those of employees and volunteers. Besides the demands for professionalism and efficiency, they also need to meet the highest standards of ethics.

Owing to the financial crisis, the social climate is becoming less hospitable: private wealth stands in opposition to the

financial strains of public households, while the services of NPOs are ever more needed due to growing social inequality – the pressure is increasing. Apart from the scarcity of resources and financial uncertainty, a lot of executives suffer because of the power difference in face of donors, who fail to acknowledge good performance and much rather ask for economic success rates.

### Professionalization in the NPO sector

So what impact does this have on leadership? In the past few years a significant professionalization has taken place. In spite of the difficult overall conditions, executives in the sector live social responsibility, they create a balance between economic rationality and value orientation to an extent rarely witnessed in private sector enterprises; often a substantial portion of courage is needed for carrying out executive tasks, their visions are distinctive, passionate and they take on responsibility as a rule. Having high social competences and capacities on the content level, they more often than not manage to meet the requirements of demanding employees and other stakeholders.

### The Leadership Diamond

The prominent model of the Leadership Diamond refers to four dimensions, namely to a strong vision, courage, ethics and reality. In brief: These dimensions can be observed in NPOs more than anywhere else. Though there is the exception of a one-sided perception of

reality: executives are often not adequately aware of their quality and power. The leaders as well as the entire sector could act with considerably more strength and self-confidence. There may be fewer stars in the nonprofit than in the profit sector (also the salaries are distinctly lower), but society is hardly ever encumbered with consequences of wrong choices and strategies. The sector is a motor of growth and employment with some excellent impact indicators.

**A stronger voice**

And this can not least be attributed to a leadership that is «lived». A stronger perception of the leader's own qualities could not only lighten the burden, it

could also give the sector and its values and objectives a stronger voice and more impact. This being a necessity.

Ruth Simsa

Literature:  
Badelt, Ch./ Meyer, M./Simsa, R. (Hg.) (2007): Handbuch der Nonprofit-Organisation. Stuttgart (4. überarbeitete Auflage)

Koestenbaum, P. (2002): Leadership: The Inner Side of Greatness. Jossey-Bass, San Francisco

Meyer, M./Leitner, J. (2006): Keine Gewinne, keine ökonomische Relevanz?, in: Das Recht der Non-Profit-Organisationen, Hg. Studiengesellschaft für Wirtschaft und Recht. Wien

Riggio, R.E./Orr, Sarah (2004): Improving Leadership in Nonprofit Organizations. San Francisco

Sherlock, J. J./Nathan, M. L.(2007): Nonprofit Association CEOs, how their context shapes what, how, and why they learn, Non-profit Management and Leadership, 18(1)

Simsa, R./Patak, M.(2008): Leadership in Nonprofit-Organisationen. Die Kunst der Führung ohne Profitdenken. Wien

**CEPS INSIGHT**

**Strategy Retreat**

The complete CEPS team went on a strategy retreat to Grindelwald on February 2nd and 3rd. We looked back at a successful year and set goals for 2012. The CEPS also passed its new vision statement.

**Advanced study courses by CEPS meet high demand**

The CEPS has successfully established its advanced study programs. The intensive course Foundation Management is booked out again. For the CAS Governance & Leadership only few open places remain. Applications are still open for the intensive course Financial Management of NPO and the CAS Performance & Communication this fall.

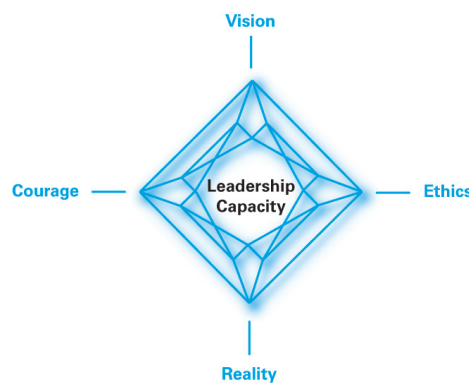
**Participation at Workshop of Mercator Foundation Switzerland**

Georg von Schnurbein held a speech about methods of impact measurement at the workshop «Knowing What Works» of the Mercator Foundation Switzerland on January 20th. Rafael Wyser and the social entrepreneur Markus Gander from infoklick.ch facilitated a session about the evaluation of programs aimed at supporting adolescents. They discussed the challenges in measuring the success of a project that integrates teenage mothers without formal vocational education in the job market.

**FACTBOX**

The Leadership Diamond® was developed by Peter Koestenbaum. He interviewed colleagues and business partners of long term successful leaders and asked them what was important to them in terms of trust in leadership capacity, thus, finding out what triggered their willingness to follow and cooperate. Similarly to a diamond, the value depends on two factors:

- The size – the degree to which the dimensions are present in a person within an organization
- The symmetry – the balance of these dimensions



**Leadership Theories in the Nonprofit Sector**

What makes a good leader is also debated in the scientific literature. In the following three different theories are presented that have a prominent position in the nonprofit sector.

**Servant Leadership**

Servant Leadership can often be observed in faith based organizations. The leader primarily sees him/herself as a servant of the institution and its stakeholders. It is from the conscious decision of wanting to serve that the desire to lead emerges. The well-being of the colleagues is a core element of this leadership style. It is the opposite of an autocratic understanding of leadership. Servant leaders behave in a modest and cooperative way.

Greenleaf, R. (1998): The Power of Servant Leadership, San Francisco, Berrett-Koehler Publishers.

**Transformational Leadership**

Transformational leadership sees the leader of an organization as an ideal role model. Co-workers get inspired by the leader and are motivated by the setting of challenging goals and meaningful work in an environment of confidence. The team spirit is a priority. Colleagues are encouraged to independently and innovatively solve problems, while also being entrusted with challenging tasks. The strengths of the employees are strategically promoted.

Bass, B.M./ Avolio, B.J. (Eds.). (1994): Improving organizational effectiveness through transformational leadership. Thousand Oaks, CA: Sage Publications.

**Shared Leadership**

The principle of shared leadership is based on the belief that no single person can combine all competences and skills for a successful leadership. The leadership responsibility is shared. Employees are given far-reaching decision-making powers. The executive staff works very closely together with the board and both bodies are involved in the strategic planning and governance of the nonprofit organization.

Crutchfield, L./ McLeod Grant, H. (2008): Share Leadership, Forces for Good: The Six Practices of High-Impact Nonprofit, San Francisco, Jossey-Bass.

## Passion for supporting adolescents

The Job Factory Ltd. is a successful company in the areas of production, service and commerce. However, in addition to their normal business activities, they also offer internships for unemployed adolescents without a formal vocational education. The affiliated foundation Job Training accompanies the youths in getting the qualifications required to enter the job market. The CEPS speaks with Robert Roth, founder and director of the Job Factory.

**CEPS:** You dedicated yourself to the topic of youth unemployment early on. How come?

**R.R.:** When I visited a squatted house in Basel during the youth uprisal in the 70s, I realized that the precarious life situation of young people is often caused by a lack of perspectives and orientation. This lack of perspectives for the young deeply moved and disturbed me. Also today, 35 years later, I still feel the same consternation when I look at the situation of adolescents all over Europe – and this motivates me to be actively engaged.

As a society in Europe we cannot afford to not accompany the youth along their way. They need to be offered the chance to make their contribution, they need to be included in the playing field. For me as an entrepreneur, the playing field is the job market.

### Robert Roth



Robert Roth was named «Social Entrepreneur of the Year 2005» of the Schwab Foundation. The founder and director of the Job Factory is devoted to support adolescents in their professional development. Already in 1976 he founded Weizenkorn, which is now the largest employer in Switzerland of young people suffering from psychological problems.

**CEPS:** As the director of a large enterprise and a foundation you are faced with many challenges. How do they impact on your leadership?

**R.R.:** The Job Factory is a social business. We have two goals: performing successful economic activities in our 15 business areas and the engagement for adolescents of the region and their successful entry into a professional life. The biggest challenge for our enterprise, for the leadership, is to combine the social and economic goals. In our work, we have to and want to strike a balance in this conflict.

**CEPS:** Where do you see differences in leadership of a for profit and a nonprofit organization?

**R.R.:** In a for profit enterprise, profit maximization is the first and often the only goal. For nonprofits, the aims are linked to social or environmental issues. The Job Factory, being a social business, combines these two dimensions. In addition to our successful business activities, we actively fight against youth unemployment in the region. Without being profitable we could not provide the adolescents with career entry points nor could we qualify them for the job market. Succeeding in the social goal is dependent on achieving the economic goal. For the strategic leadership on the one hand, this means building up a company structure and leading the employees in a way that the company can face the toughness of the market. The business areas are selected and designed accordingly. On the other hand, the untrained adolescents need to be integrated into our business areas. In addition to technical knowledge and skills, our employees have to bring along a passion for motivating and supporting their young colleagues. Another difference is that as a social business, we do not have the same resources at our disposal as for profits do. We are forced to use our resources even more efficiently and effectively.

**CEPS:** Is there a special leadership style in dealing with the adolescents in the Job Factory?

**R.R.:** Yes there is. The leadership style with our adolescents is along the lines of market economy. It is demanding, but also supportive. The adolescents work in our teams and contribute to selling our products and services as well as keeping our customers satisfied.

**CEPS:** How do you manage to give the youths in your company a perspective for the future?

**R.R.:** Through an internship we enable the adolescents to directly enter into a profession. They can gain essential work experience and get qualified for the labor

market. The internship increases their chances for an apprenticeship position. In our business, their help is needed and they can participate in the work environment – take part in a joint product, a common assignment and contribute to making things happen. This gives them a perspective. We help them identify with the team, with the company and with the product to convey a joy in working and in being part of it. At the same time, we coach them individually and give them well-defined spaces of freedom that allow for a maximum of personal self development.

**CEPS:** Thank you!

## NEWS

### HEIDELBERG Master program «Non-profit Management & Governance»

The Centre for Social Investment and Innovation in Heidelberg is currently offering its master program the fifth year in a row. The degree course is organized as a combination of classroom teachings and e-learning moduls. The program therefore can be followed while working full time.

[www.csi.uni-heidelberg.de/master.htm](http://www.csi.uni-heidelberg.de/master.htm)

### BERN 2<sup>nd</sup> Edition of «Praxisleitfaden für Leistungsverträge» published

Service contracts regulate the terms of collaboration between the government and nonprofit organizations amongst others. The revised edition of the handbook by Andreas Dvorak and Regula Ruffin helps NPO in the preparation, negotiation, implementation and monitoring of service contracts signed with the state.

Dvorak, A./Ruffin, R. (2011): Der Leistungsvertrag, Bern: Haupt Verlag

### ZURICH SwissRe and Ashoka Switzerland form partnership to strengthen Indian health system

The three year partnership between the reinsurance company and Ashoka aims to support social entrepreneurs in India that have developed innovative solutions for strengthening rural health services.

[www.switzerland.ashoka.org](http://www.switzerland.ashoka.org)

**Philanthropy for the 21st Century**

The challenges philanthropy is facing in the 21<sup>st</sup> century were the topic of debate at a Ditchley Foundation conference. Georg von Schnurbein reports about the outcomes of the meeting.

Some 40 representatives coming from different backgrounds were invited by the Ditchley Foundation to discuss the future developments of global philanthropy on February 16<sup>th</sup>-18<sup>th</sup>. The debate centered around topics related to the culture of giving, the influence of new technologies, as well as the relationships between different actors (philanthropists, foundations, nonprofits, government, businesses, etc.).

In face of climate change or global migration, philanthropy is able to contribute more than monetary means through its independent, altruistic and credible nature. Foundations can offer solutions to multidimensional problems by either being honest brokers acting in the interest of beneficiaries or as by being watchdogs overseeing stakeholder processes. At the same time, philanthropy – especially foundations – will have to take a stronger stand to be perceived as an independent voice.

The participants agreed on the fact that aspects of legitimacy and reputation of philanthropy will become more relevant. This calls for a clear commitment to open communication and transparency.

If nothing changes, the existing absence of data and information will lead to tightened regulations as current discussions in Canada or the U.K. show. The lively and stimulating discussions revealed the global dynamic towards an ever growing interest in the philanthropic sector.

The Ditchley Foundation was established in 1958 to advance international learning and to bring experts together to discuss international issues. Around 11 conferences a year are organised at Ditchley Park near Oxford.

[www.ditchley.co.uk](http://www.ditchley.co.uk)

**Did you know?**

**160**

In 2011 the term «Philanthropie» was mentioned 160 times in headlines of Swiss newspapers. A positive trend can be observed. In 2001 only 40 articles took up the term.

SOURCE: Swissdox.ch

**English Version**

An abridged version of the Swiss Foundation Code 2009 is now available in English.



The «Swiss Foundation Code 2009» takes up and completes the first European Good Governance Code for grant-making foundations, published in 2005. It contains practical governance guidelines regarding the establishment, organization, management and monitoring of grant-making foundations as well as making due reference to support activities, financial and investment policies.

The Swiss Foundation Code 2009 provides an important framework for the solving of complex tax and management issues within organizations. It delivers to grant-making foundations, a modern approach towards foundations management and thus contributes to reinforcing the sustainable and international reputation of the Swiss foundation sector.

The abridged English version of the «Swiss Foundation Code 2009» contains 3 principles and 26 recommendations – but not the extensive commentary parts. A full English version will be published within a few years with the third revised and expanded edition.

Sprecher, Thomas / Egger, Philipp / Janssen, Martin: Principles and Recommendations for the Establishment and Management of Grant-Making Foundations, abridged version, adapted English translation by Judith Safford, Foundation Governance, Vol. 9, Basel 2011

**CALENDER**

**CEPS ADVANCED STUDIES**

[Enroll now!](#)

**CAS Governance & Leadership**

Modul 1: Strategic Management  
May 7. - 10., 2012, Sigriswil  
Modul 2: Leadership  
June 4. - 6., 2012, WWZ, Uni Basel  
Modul 3: Organization  
June 25. - 28., 2012, WWZ, Uni Basel

**CAS Performance & Communication**

Modul 1: Communication  
September 10. - 13., 2012, Oberhofen  
Modul 2: Monitoring  
October 22. - 24., 2012, WWZ, Uni Basel  
Modul 3: Performance  
November 12. - 15., 2012, WWZ, Uni Basel

**Intensive-Course  
Financial Management in NPO**

October 8. - 12., 2012, Kloster Kappel

**OTHER DATES**

**German Fundraising Association  
German Fundraising Congress**  
April 18. - 20., 2012, Berlin, Germany

**SwissFundraising  
SwissFundraisingDay**  
June 8., 2012, Kursaal, Bern

**Bundesverband Deutscher Stiftungen  
German Foundation Conference**  
June 20. - 22., 2012, Erfurt

**ISTR Conference  
Democratization, Marketization, and  
the Third Sector**  
July 10. - 13., 2012, Siena, Italy

**University of Birmingham  
4th International Social Innovation  
Research Conference**  
September 12.-14., 2012, Birmingham, UK

**LEGAL NOTICE**

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