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Article

Toward a Collaborative, Transformative Model of Non-Profit Leadership: Some Conceptual Building Blocks

Bramwell Osula¹ and Eddie C. W. Ng^{2,*}

¹ School of Business and Leadership, Regent University, 1333 Regent University Drive, Suite 102, Virginia Beach, VA 23464, USA; E-Mail: bramosu@regent.edu

² Department of Applied Social Science, The Hong Kong Polytechnic University, Hung Hom, Hong Kong

* Author to whom correspondence should be addressed; E-Mail: chiwai.ng@live.vu.edu.au; Tel./Fax: +852-27667736.

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Abstract: In this paper, the authors propose extending the construct of non-profit leadership to accommodate collaborative and transformational themes. The suggestion is that the resultant broader definition accords with the modern context within which non-profits now operate and feeds into a more resilient model of non-profit leadership. The paper begins with a review of emergent trends in leadership theory and the changing context of the non-profit sector. The argument is made that the extraordinary challenges facing the sector signal the need for fresh new perspectives in leadership. The authors then proceed to examine the significance of a nascent non-profit culture point to a re-alignment of the sector that is informed by transformational principles and a values-orientation. The result is said to be a new model of non-profit and public sector leadership that raises important methodological questions which the authors maintain can inform future analyses of the structure, role, and responsibilities of non-profit leadership. Finally, a world of new possibilities is envisioned, one in which non-profit organizations are strategically repositioned to take advantage of a new values-based ethic that is rooted in principles of integrity, increased self-awareness, a collaborative agenda, intentionality, emphasis of followership, cultural competence, and orientation toward the future.

Keywords: transformational leadership; collaborative leadership; value-based leadership; non-profit; public sector; culture; followers

1. The Changing Trend of Leadership Theory

Leadership is an important dimension of community capacity and organizational functioning [1–3], which is critical to social change.

Earlier theories of leadership paid more attention to the personal characteristics of leaders (e.g., intelligence, motivation, charisma, communication skills, *etc.*), the most significant of these being the Trait theories. The underlying assumption of this approach is that effective leaders possess some unique and special attributes or personality traits that make them stand out in the crowd. Height, physical appearance, intelligence, self-confidence, and charisma are some of the attributes characterizing a potential leader. Nevertheless, as reported by Barling *et al.*, little consistent empirical findings were found across time, setting, and studies [4].

More modern theories of leadership have tended to focus more on the interaction between leaders and followers, as well as the situational context. For example, Fiedler's contingency theory [5] suggests the success of a leader depends on three situation favorability. The first of these is leader-member relations, which suggest that situations are more favorable for leaders when they get along well with subordinates. The second is the task structure, which says that when task structure is high, leaders benefit because they spend less time having to clarify tasks or supervise. The third determinant of situation favorability is the position power/formal authority of the leader, which suggests that when leader have the real power and authority over their subordinates, they will have a relatively easy life as the follower will be more likely to follow.

While Fiedler emphasizes the situation, Hersey's situational leadership [6] focused more on the relationship between the leaders and the followers. According to Fielder, leadership style can be understood in terms of the amount of task behavior and relationship behavior leaders provide their followers. It could be categorized into four types. The type of leadership style chosen is closely dependent on the followers' level of competence and motivation. For example:

Telling style is characterized by one-way communication in which the leader defines the roles of the individual or group and provides the what, how, why, when, and where to do the task.

Selling/Coaching style occurs when the follower has motivation, but only limited competence. So telling the follower what to do may demotivate the individual, which is why the leader may need to coach or suggest another way of doing things.

Participating style—Here the follower is competent, but may not have strong motivation. In this case, the key thing a leader needs to do is not so much providing direction on the task but, rather, maintaining the relationship and getting buy-in to task completion.

Lastly, the delegating style occurs when followers are competent and motivated. This means the leader can basically leave the job to the individual and only play a distant monitoring role.

A more recent approach to leadership is the notion of authentic leadership proposed by Avolio and his colleagues [7]. According to Avolio, authentic leaders are “those individuals who are deeply aware of how they think and behave and perceived by others as being aware of their own and others’

values/moral perspective, knowledge and strengths; aware of the context in which they operate; and who are confident, hopeful, optimistic, resilient, and high on moral character” [7] (pp. 802–804).

What is worth noting in Avolio’s analysis is that leaders should be aware of their thoughts as well as the thoughts of others in the immediate and broader context. In other words, leadership is about the dynamic interplay between leaders and followers, taking into account the prior, current, and emerging context.

In sum, one’s capacity to become a leader depends not only on personal attributes (although these are important), but also on the types of followers and the broader or immediate context within which the leadership occurs. Thus, when we talk about leaders of nonprofit organizations, we need to understand the context of NGOs and explore what is required for leaders working in this distinctive context?

2. The Changing Context of the Nonprofit Sector and the Implication for Nonprofit Leadership

While there are variety of definitions of nonprofit organizations (NPOs or NGOs) and debate around its terminology, the core essence of nonprofit sector are around its not-for-profit, if not charitable nature [8]. Furthermore, their private and self-governing natures are the foundation of associational life and civil society as they serve collective and public purposes [9]. In addition, its voluntary nature also highlights the critical role played by the volunteers. Nevertheless, as Dicke argued, giving a definition of NGOs with consistency is challenging because it can describe “a small, loose association of people with like-minded goals” to “a large, formally incorporated structure with hundreds of volunteers and paid employees” [10] (p. 36). Although there is overlap and similarity between the management and leadership practice between nonprofit and for-profit organization, what differentiates the two is whether the organization develops their product or service out of the idea of money making or to attain some social value [9]. This will have a distinct impact on the management practice of the organizational leaders. Renz highlights that because of their broader social and charitable purposes, the nonprofit organization could secure special privileges, such as tax-exempt status. In addition, because of its social role, nonprofit are normally owned by a community sector/governing board (rather than a businessman), as a result leading to diffusion of control and accountability. Furthermore, the multiple stakeholders will bring diverse or even competing expectation to the organization. Last but not least, instead of facing the for profit market, nonprofit organization ground their work in diverse and various sources of funding and various mix of clients and markets. As a result Renz argues, these diverse sources of funding and performance expectation create both opportunities and complications for nonprofit management [10] (p. 800), particularly in the contemporary rapidly changing context of the nonprofit sector.

Salamon identified several significant challenges that today’s NGOs (particularly in the US) have to face in the broader changing context, namely fiscal challenge, competition challenge, effectiveness and technology challenge [11]. First, due to the economic downturn or other cause (such as increased military spending), the cutbacks in the government support and the private donations hit the nonprofit sector hard. Second, in addition to the amount, the government also changed the form of support it provides to the nonprofit sector, from direct grants to consumers of service (such as vouchers or tax expenditures). While the change maximizes consumer choice in the marketplace, it forces NGOs to follow the course of the private sector market. As a result, NGOs may be adept at “marketing” their

service to potential customers. In some areas (e.g., family service, elderly service, day care), the nonprofit sector has to compete with the private sector for funding and survival. Third, with the increasing competition and demand for accountability, the nonprofit sector is under pressure to demonstrate its effectiveness by reference to a broad range of performance metrics in the human service sector where most services performance take time before they become visible and measurable. Last, and arguably most importantly, pressure from the for-profit sector imposes demands on the nonprofit sector to incorporate new technology into its operation. Not only the capital requirement arising from the challenge of technology investment, but also the potential perils and effective use of new technology are formidable issues facing the nonprofit sector.

In view of this, NGOs today face extraordinary challenges that require them to transform if they are to accomplish their goals or to survive. The challenge is huge as it affects not only the operation of the organization, but also raises questions about their performance and existence [11]. Salamon recognizes some far reaching implications for nonprofit leaders because of the rapid challenge and change in the broader context of the nonprofit sector [11]. First, as noted above, since the nonprofit sector needs to balance the tension between the market and services (financial and competition challenge), it leaves the nonprofit leaders “little room for conscious pursuit of social goals” [11] (p. 94). In the era of new public management the nonprofit leaders can maintain the organizational viability through various adaptive strategies, such as strategic expansion of services, increased use of business techniques, creating an image of effectiveness applauded by funders (see [12]), but forgetting their core social function. Second, as a result of the challenges associated with the demand for greater accountability and need to compete, the leaders of NGOs nowadays need to meet the sometimes competing expectations, arising from different funding sources or sectors. In particular, the nonprofit leaders not only need to manage more complicated jobs and tasks within the organization (internally), but also have to deal with expectation arising from the broader context (including the private markets and socio-political realm). Thus, the preponderance of work focusing on accountability may easily divert the leaders’ attention, especially when the value and mission of the leaders is not clear enough. It also requires the creativity of the leaders who can successfully blend the personal aspiration, organizational purpose with the public trust and community resources towards the same direction. This also led the nonprofit leaders to rely on the technology use, which may facilitate the accountability documentation and enable the organization to manage money, daily operation, and people (such as volunteers). Nevertheless, the ongoing demands associated with changing technology require nonprofit leaders with a developed awareness of the impact of technology on business processes, all of which demands a commitment to effective strategic planning. The alternative to this is an organization finds itself either in peril in peril, struggling with the threat of obsolescence, or buying devices that do not do the job as promised [13].

It is not surprising to find many nonprofit leaders nowadays spend most of their time and effort on fund raising and maintaining internal operation, given the limited community resources. They also have to face multiple, sometimes competing, accountability demands and need to manage relationships with a wide range of stakeholders (including government officials, funders, business sector, participants, and local community). While the current priority for nonprofit leaders is on upward accountability to their patrons and funders, others also argue that they have to pay serious attention to how they might be more accountable to the communities they seek to serve [14]. Goodman *et al.* also

identified several characteristics of the community leaders if they could initiate change in the community: including providing direction and structure for participants, encouraging participation from a diverse network of community participants, focusing on both the task and process details, accepting prudent innovation and risk taking, and connecting to other leaders [1].

As a result, to be able to withstand the various kinds of challenge and be accountable not only to the organizations, but also to the wider community, we can argue that the leaders of nonprofit sectors nowadays required a broader skill set, character, and qualities, particularly in relation to the value/moral vision and collaboration—the capability in working with wide ranges of stakeholders. The emphasis of these two qualities, however, is becoming emerging and imperative.

3. Toward a Transformational Culture

Burns noted, “To transform something is to cause a metamorphosis in form or structure, a change in the very condition or nature of a thing, a change into another substance, a radical change in outward form or inner character” [15]. The twentieth century has experienced an uncharted increase in social transformation. Moving from the predominantly agricultural to the industrial culture, despite the relegation to virtual obscurity some of the periods most prolific and prominent workers, the farmer and servant, who transposed themselves with little resistance into industrial workers? This predominantly peaceful period of opportunity inherent in industrial development became more challenging with the emergence of the knowledge group, and the knowledge society [16].

“Leadership for transformation implies a paradigmatic shift in, a new way of influencing other towards a kind of leadership no longer based on the Newtonian (people as machines) model” [17]. The concept and need for transforming leadership is not new. In 1973 Burns stated “The concept of intellectual leadership brings in the role of conscious purpose drawn from values...intellectual leadership is transforming leadership”. Not implying that this creates a distance from society but rather encourages a response to the need of society. Shils suggested that “even the rudimentary societies have a place for the intellectual functions which are expressed in art and interpretative speculations” [15].

While it was Burns who elaborated on the concept of transformational leaders, as leaders who raise follower moral values through motivation, it was not until 1994 that the inherent components of transformational leadership was identified by Bass and Avolio as idealized influence, inspirational motivations, intellectual stimulation, and individualized consideration [18]. The practical application of transformational leadership, Yukl suggests, would focus on activities where followers are empowered, where independent relationships through delegation of authority, training and skills development, access to information and building a culture of support is encouraged and applauded [19]. Research conducted by Bass Howell and Avolio, Bycio, Hackett, and Allen [20–22] identified components of transformational leadership as “Charismatic, such that the follower seeks to identify with the leaders and emulate them. The leader inspires the follower with challenges and persuasion providing meaning and understanding. The leader is intellectually stimulating, expanding the follower’s use of their abilities. Finally, the leadership is individually considerate, providing the follower with support, mentoring, and coaching” [23]. Adding to the conversation, Yukl suggests the leader in seeking to inspire will:

- Develop and share a vision, not only inspiring but understandable and clear

- Establish and indicate steps to fully achieving the vision and the monitoring process on progress
- Remain optimistic, enthusiastic and confident so as to influence followers positively and lead by example
- In emphasizing key values, use imagery and drama
- Mentor, empower and support followers to achieve the vision [19].

The emphasis of the leader on the needs and aspirations of the follower, and the role the leader assumes in providing the motivation, direction, guidelines and power is noble. The limitation placed on true transformation lies in the focus and power invested in the leader to provide for the follower, creating the assumption and enforcing the perception, that the follower is a spectator rather than an active agent or contributor to fulfilment of the non-profit's mission.

In a word then, the rapid increase and access to technology and the internet with all of its by-products has turned a sit-back-and-be-told culture into a making-and-doing culture over the last decade. Leaders are no longer seen as the custodians of the vision, mission and process of organizational development. Neither are they the historical expert, source of power or final authority on matters. Rather, leaders and leadership has been likened to collaborative associations and ongoing construction of organizational reality, where interdependence, trust and unscripted initiative drive the group, each performing with a conscious awareness of the role the other must assume and how to best facilitate that process, in a manner that focuses on the good of the next person, and the group as a whole.

4. The Importance of Values Based Leadership

The literature on values is diverse and extensive. Boudon highlights the role and level of influence the views of classical theorists like Nietzsche, Freud, and Marx have had on modern authors writing on the subject of values [24]. Cahill draws a link to a Catholic tradition and the struggle that results when critical and liberal reviews interrogate Kantian philosophy [25]. This philosophy considers an ethical system that responds only when an individual's rights are transgressed.

Fayolle, Basso, and Legrain establish the existence of a relationship between the entrepreneurial values of an organization's founder and the value system that eventually develops into an organizational culture [26]. Using a qualitative model, labeled as "entrepreneurial orientation", four entrepreneur values are cited that include: "Innovativeness, risk-taking, autonomy, and proactiveness. Kuczmarski and Kuczmarski" [27] (p. 43) claim that one of the ways values come about is through personal relationships with "important" individuals. An important component of values-based leadership is the essence of leading with character. In the words of Abraham Lincoln, "Nearly all men can stand adversity, but if you want to test a man's character, give him power." (Abraham Lincoln, quoted in [28], p. 40).

Misconduct and highly questionable behavior in both faith-based and secular environments have fostered considerable distrust, cynicism, and antagonism toward leadership of all social institutions, especially business organizations [29] (p. 170). These habitual narratives highlighting leaders' failures underscore the importance of values in both private and public leadership. Character is linked to virtues, which stresses how the good habits or virtues inherent in a person's character give them the propensity to act in ways that promote human flourishing [30] (p. 127).

Servant leadership was proposed by Greenleaf [31] who argues that “service to followers is the primary responsibility of leaders and the essence of ethical leadership” [32]. Bambale, Shamsudin, and Subramaniam believe that the notion of servant leadership is one of the greatest contributions of Greenleaf [33]. By definition, servant leaders are driven by the inner motivation of serving others [33]. They seek to serve their followers humbly and do not expect to be served. Servant leadership is important in that it inspires followers to become servant leaders themselves [32]. In addition, integrity and concern for followers exhibited by servant leaders increase their trust and loyalty to the leaders, which supports the development of better relationship between leaders and subordinates. Based on Spears, Parris, and Peachey report ten general constituents of servant leadership. These are: (a) listening, (b) empathy, (c) healing, (d) awareness, (e) persuasion, (g) conceptualization, (h) foresight, (i) stewardship, (k) commitment to the growth of people, and (l) building community [34].

Yukl reports similar characteristics of servant leadership [32]. When listening to followers, servant leaders learn about their need, which helps identify the aspirations of the group [32,34]. Showing empathy refers to efforts made by the servant leader to accept followers rather than rejecting them [34]. Additionally, leaders who show empathy help their subordinates handle their emotional concerns [32]. Healing describes the process through which the servant leader seeks to make the followers whole [34]. Through awareness, leaders seek to: Strengthen followers and enables them to view situations more clearly [34]. Leaders persuade but do not coerce followers and facilitate the development of followers’ individual confidence and ability [32,34]. Conceptualization refers to the capacity of the servant leader to arouse their followers’ ability to have great dreams [34]. Foresight is shown when servant leaders take into account and explore the lessons from the past, the present realities, and the possible consequence of decisions for the future [34]. Stewardship is exhibited when leaders are committed to first and foremost serve others’ needs [34]. They take into consideration each individual’s needs and facilitate the personal, professional and spiritual- growth of people. Servant leaders are also engaged in building community. They seek for means to build the community among their employees [34].

Leaders, through commendable values and ethical behavior, can demonstrate to others an unnatural commitment to truth and love [35] (p. 10). The idea is that if leaders epitomize such characteristics of integrity, trust, humility, and servanthood, they will set a precedence of commitment and community throughout their organization.

To lead at a higher level, the needs and values that the leader represents must be the noblest needs and values of humankind—not secular, not idiosyncratic, not self-invested, not hegemonic, nor full of hubris—but needs and values that serve each individual by firmly and yet gently establishing and reminding everyone of the obvious responsibility each individual has to the welfare of the whole.

Once a leader has a firm understanding of the origin of their values and has committed to leading with a solid value set—they can take steps to ensure that their organization is walking on the same value path. The first step in this process involves the assessment of individual values with that of the organization’s current value set. Leaders should strive to align individual values with that of the organization. One way that leaders can establish this alignment is by casting employees in the right roles [27] (p. 14). This will bridge individual meaning and purpose with the organization’s mission and vision. The other way alignment is made possible is through gaining employee buy-in through operational norms that drive their desired behavior [36] (p. 449).

The second step in formulating an organization's value system is clearly communicating the desired organizational values. This can be accomplished by incorporating values in vision statements, corporate policies/handbooks, and in training programs. For example, a set of prioritized values as part of the vision statement can provide guidelines for how the organization's purpose will be carried out [37]. Most people want to be part of an organization that does meaningful work. Vision statements that do not resonate with the values of employees will garner very little motivation and energy [37] (p. 38). A solid understanding of values and the ability to communicate them are imperative to leading effectively.

The last step in the incorporation of a value system is ensuring that follower and leadership behavior is monitored and evaluated to ensure they are in alignment and reflect the declared mission and vision of the organization. Erstwhile moral leaders can easily become complacent and begin to operate from a place of self-interest, vainglory, and a for-profit motive [35] (p. 8) that ignores their established corporate value system.

5. The Importance of Collaborative Leadership

Archer and Cameron call to attention that we are now living in an interconnected world and they argue the success of the organizations lies in their ability to work together with organizations from different backgrounds and culture [38]. They explained that organizations nowadays are becoming atomized. Instead of controlling everything, they now tend to focus on what they did best and outsource the parts that are not. Furthermore, as the technology flattened the world, collaboration across the globe becomes feasible. Most importantly, because of the scale and complexity of certain problems, no one party has the sole or overall ownership. As a result, collaboration is no longer an option but a necessity. To be able to collaborate well, leaders need to attend to following several aspects:

- (1). Archer and Cameron argue that the most fruitful partnership lies on respecting and valuing the difference between partners, but smoothing out those differences in the interests of making those relationships work more efficiently. With the innovative and tactful balancing act, the partnership could create something that goes beyond the individual players' capabilities [38].
- (2). However, Archer and Cameron also understand that partnership is a big investment, in term of time and effort. Thus, competent collaborative leaders have to put their effort wisely into building collaboration that is able to get the best return. In other words, different approaches and levels of collaboration are required in different relationship. Archer and Cameron suggest, for example, for working with partners who are fully capable, a more contractual relationship (such as a clear contract) may be more useful. However, in situations where the product being delivered is highly dependent on contribution from different parties, then a high level of collaboration will be more important and beneficial. In nonprofit organizations, volunteer management is a crucial business and may require adaptation of more traditional hierarchical approaches toward teamwork and collaboration [10].
- (3). Furthermore, to manage well the collaborative process, Thomson and Perry suggests that leaders have to attend to the following five key dimensions [39]:
 - (a). *Governance dimension*. The leaders need to create a structure for the groups to reach agreement on collaborative activities and goals through shared power arrangements. They also need to

understand the way to jointly make decisions about the rules that will govern their behavior and relationships.

- (b). *Administrative dimension*. In the collaborative process, the leaders need to set boundaries and assign clear roles and responsibilities to every stakeholder. Furthermore, the presence of concrete achievable goals and good communication is indispensable.
- (c). *Autonomy dimension*. The leaders need to balance the self-interests *versus* collective interests of the different people in the groups.
- (d). *Mutuality dimension*. The leaders also have to acknowledge that collaboration is not just about sharing information, but deeply roots in their interdependence and experiencing mutually beneficiary.
- (e). *Trust and reciprocity dimension*. Last but not the least, the healthy and supportive interpersonal relationship is the foundation for a good collaborative process.

Jason observed that exemplary social change agents (such as Mother Teresa, Florence Nightingale, Mahatma Gandhi, Martin Luther King) are common in several aspects: “they focused on abuses of power, mobilized community groups and coalitions, had the patience to stay committed for extended periods of time, and constantly assessed their strategies” [40] (p. 37). These qualities further support the idea that character and a range of soft skills (including emotional intelligence (EQ) extend the technical competencies usually associated with leadership of non-profit organizations.

6. Toward a New Model of Non-Profit and Public Sector Leadership

Like all organizations, non-profit businesses vary in terms of mission, size, mode of operation and impact. Many nonprofit organizations operate under the notion of doing more with less. Such organizations tend to have limited access to resources including personnel and funding streams. Due to harsh economic climates, many non-profit organizations are facing greater uncertainty, particularly in the financial field as current resources are becoming more and more limited and funds typically received by the government are being reduced or cut altogether.

Most acknowledge that leadership is a key factor in the success of any business. According to Ciulla, leadership is not a person or a position, but it is a complex or moral relationship between people, based on trust, obligation, commitment, emotion, and a shared vision of the good [25]. Leaders must think more strategically, given the impact of their decisions and relationships within and outside of the organization. Each leader has the potential to create a workplace (organization) that serves the best interest of followers and constituencies. In order to do this, leaders must identify and be willing to take the necessary actions to move forward for the sake of others and the success of the organization. O’Toole explains that leadership is about ideas and values and it’s about creating a values-based umbrella large enough to accommodate the various interest of the followers, but focused enough to direct all their energies in pursuit of a common good [41].

Research seems to point out that leaders can often take organizational culture for granted. As cited by Jaskyte, a number of authors also point to organizational culture as an effective way of motivating and directing the solution of unstructured problems, and argue that culture, not just structure, is a critical component to the success of the organization [42].

“Organizational culture” refers to a system of shared values, understandings and perspectives which are held in common by the organization’s members and which distinguishes it from other organizations. It is comprised of the patterns of collective behavior which determine which things get done, how they get done, and by whom” [43].

Values on the other hand, are another way of helping to shape behavior throughout the organization. Behavior is an integral part of driving performance and business results [44]. The Culture of the organization has the ability to enhance commitment throughout the workplace as well as the ability to increase the consistency of member behavior and can be valuable in that it informs members how things are done and what is important.

Non-profit organizations are required to deliver tailored and high-quality services in order to overcome environmental complexity and scarcity of resources [45]. Non-profit organizations on the whole, notwithstanding the need to be business oriented, still tend to be managed differently than organizations with easier access to revenue and other resources. Due to external and internal constraints, according to [45], non-profit organizations are being called to focus and redesign their core processes and organizational models. Because most nonprofits operate on the idea of “doing more with less”, it is imperative that leaders within these types of organizations examine the organizational culture in efforts to retain its workers. Budget limitations are common with nonprofit organizations and as a result, such organizations tend to focus on bottom-line results, which can cause a disconnection between the stated and demonstrated values of the organizations and have an adverse impact upon subordinates.

Values are present in the core existence of nonprofit organizations, and are the base of the construction and management of the organizational culture [46]. In the article “Managing nonprofit organizations towards a new approach”, Anheier [47] states:

“In the case of non-profit organizations, we find a complex picture: some parts of the organizational task environment are best centralized, such as controlling or fund-raising; other parts of the organizational task environment could be either decentralized or decentralize, depending on managerial preferences or the prevailing organizational culture; other parts, typically those involving greater uncertainty and ambiguity are best organized in a decentralized way” [47].

According to Daft, culture can play an important role in creating an organizational climate that enables learning and innovative response to challenges, competitive threats, or new opportunities [48]. In order for a leader to be successful in his organization, he/she has to understand the corporate culture. When business leaders lack valid information about their corporate cultures, they don’t really understand their business [49]. It is important for leadership to understand and to be sensitive to the culture of their organizations however, it can be challenging. The culture of most organizations is often taken for granted by members who have a difficult time identifying or describing it, let alone consciously changing it. Cultural awareness can help strengthen relationships among employees. It can also lead to positive changes within an organization and present unique opportunities for self-examination by leadership [50].

The more an organization’s core values are intensely held and widely shared, the stronger the culture of an organization is and the more an organization’s life is marked by vagueness, ambiguity and inconsistency, the weaker its culture is [43]. As research explains, shared values strengthen the culture of the organization, but why aren’t more leaders focusing on the culture and values of an

organization as a strategic initiative? There are underlying attributes, including the management style, strategic plans, and climate, leadership, and basic values of the organization. Changing the culture then requires that these various elements of culture be identified and altered. Hesselbein and Cohen emphasize that a culture of values is the foundation that supports your tent that keeps the trapeze artists (employees) moving in the right direction [51].

The assertion is that leaders who ascribe more value based leadership appear more willing to make personal investments required to overcome opposition (resistance) and they are more likely to achieve the goal they seek. To some, values-based leadership may appear “naïve”, but it is not. Leaders must learn how to build an alternative system of belief and allow others to adopt it as their own. This is the essence of value-based leadership. O’Toole explains that that in practical, business sense, values-based leadership provides for internal, strategic unity while at the same time encouraging independent entrepreneurial initiative [41].

In a study conducted by Buchko, the role of organization leaders, particularly top managers, in building support for and developing behaviors that are consistent with values-based management, was examined in an effort to provide empirical assessment of the effect of an organization’s senior leadership on the values-based management process [52]. The results indicated that the leader’s values behaviors were significantly related to the values behaviors of subordinates. What the study conducted by Buchko also suggest is that the behaviors demonstrated by leaders are critical in determining the outcomes of values-based management techniques and subordinates may take cues from their leaders and model their values-based behaviors after those of the organization’s leadership [48]. In a chaotic world where people feel pressured to compromise ethics and cut corners in order to get results or cover up mistakes, strong values serve as a moral compass [53].

Organizational values set acceptable norms or bound of behavior for subordinates. Leaders fail when they have an inappropriate attitude and philosophy about the relationship between themselves and their followers [41]. Great leaders understand that it is their duty to shape values and educate through vivid, living, personal example that ultimately directs the course of a firm [53].

In organizations with a strong set of values leaders have more confidence to let go of power and authority [53]. A strong value system creates boundaries and it helps to establish a unified front and foster teamwork [53]. Values guide your decisions and actions, they strengthen your ability to influence, and values also create clarity [54]. Values play a significant role within organizations and can play a crucial part in the success of the organization. In a globalizing world, meaningful values can, for example, instill a sense of identity and purpose in organizations; add spirit to the workplace; align and unify people; promote employee ownership; attract newcomers; create consistency; simplify decision making; energize endeavors; raise efficiency; hearten client trust, loyalty, and forgiveness for mistakes; build resilience to shocks; and contribute to society at large [55]. According to Bell, the lack of organizational values can result in subordinate following their own individual values, which can ultimately lead to values being misaligned [56]. Creating a corporate culture that aligns with the values of all stakeholders, employees, is *the* critical issue for business in the 21st century and cultural capital is rapidly becoming the new frontier of competitive advantage [57]. All non-profit organizations have values, regardless of their legal nature or their activity field or the fact the values are expressed or not [56]. It is the responsibility of leadership within nonprofit organizations to ensure that the values expressed align with the stated values of the organization.

A component of being an effective leader is having the ability to be an effective change agent. Individual behaviors must be guided by strong institutional values that enjoy broad support throughout the organization particularly through the words or deed of the organization's leadership [58]. It is important for leaders to use language that people can understand and in which they can place credibility [59]. As referenced by John P. Kotter and James L. Heskett companies with strong adaptive cultures based on shared values outperformed other companies by a significant margin.

While it may seem intuitive, organizations must keep in mind that creating a sense of "shared values starts with leadership. When followers understand and accept that the values are genuine, they align their attitudes and behavior to the values of the organization. Leaders within organizations, particularly nonprofits must constantly assess the values of the organization to ensure that misalignment does not occur.

Given the day-to-day challenges of nonprofits organizations, leadership responsibilities, one's speech, conduct, interactions with others, as well as the quality of his or her personal life can impact the perception of employees. If one is lacking, it compromises the individual's influence upon its followers (employees). Having all aspects of the organization clear about and focused on the same values and sharing the same assumptions simply eliminates many of the complications, disconnects, and obstacles that can get in the way of effective performance

Therefore, emerging and present leaders of nonprofit organizations must constantly assess the values of the organization as well as the values of their members. Each organization must determine for itself the degree of cultural strength required to be successful in its environment. Effective leadership requires a significant investment of honesty, integrity and empathy towards followers.

In nonprofit organizations, it is important for leaders to serve as a good role model to develop trusting and mutually supportive relationships. Having all aspects of the organization clear about and focused on the same values and sharing the same assumptions reduces many of the complications, disconnects, and obstacles that can get in the way of effective performance. The presence of cultural incongruence in organization often stimulates an awareness of a need for change. It creates enough discomfort in the organization that members often complain about the ambiguity, lack of integration, or absence of fit they experience, or they bemoan the hypocrisy that they observe when organizational behaviors seem to be incompatible with what they perceive to be espoused values.

It is important for leaders within nonprofit organizations to maintain a positive attitude, offer their followers coaching, have clear expectations, and ensure followers have the tools they need to succeed. It is also vital to clarify the organizations goals and objectives and identify specific measures of success.

From the preceding discussion, we begin to get the idea that qualifications needed by a leader to positively lead a non-profit organization in the 21st century include being (1) Ethical or Values-Driven, (2) Involved, (3) Purposeful, (4) Self Aware, (5) Follower-Centered, (6) Culturally Competent and, (7) Future Oriented.

We have discussed the demands of values-based leadership at some length. Gilbert Lenssen [60] indicated that recently there has been a renewed interest in virtue ethics and practical wisdom within business ethics and in moral philosophy. As far as the need to be involved or connected, the reality is leaders do not act in isolation. The very best leaders are linked to others to whom they become accountable. This accountability provides opportunities for discipline and mutual edification.

According to Miller, “A great leader is never a Lone Ranger. Every leader knows that leadership is team stuff! All those who follow must lead from time to time. This cooperative team playing comprises the network”, Miller also notes, “Quality in leadership demands that you build a circle of loyal friends who will compose the network out of which (and upon which) your leadership can each for excellence” [61] (p. 46).

In the same way that leaders must be networked or plugged into members within their organization as well as to happenings outside, so too must they be purposeful or intentional about their beliefs and actions. Covey, alluding to vision that transforms, opines:

When we talk about “the passion of vision”, we’re talking about a deep, sustained energy that comes from a comprehensive, principle-based, need based, endowment-based *seeing* that goes beyond chronos and even kairos. It deals with an *aeon* concept of time, from the Greek *aion*, meaning an age, a lifetime or more. It taps into the deep core of who we are and what we are about. It is fueled by the realization of the unique contribution we have the capacity to make—the legacy we can leave. It clarifies purpose, gives direction, and empowers us to perform beyond our resources [62] (p. 105).

Leadership is a long-term process of building relationships with those you lead and demands a passion of purpose that translates into a high level of commitment and dedication to duty and to one’s followers.

The need for Self-Awareness perhaps addresses the modern quest for authenticity in leadership. Keupers found that the way leaders interacted with followers had an impact on the relationship between followers and their peers, organizational moral and perceived quality of life [63]. When leaders publicly criticized followers, there was a sense of humiliation and perceived favoritism for those not criticized. With collaboration among leaders and followers, there is an appreciation for the way the leader and followers produce for the benefit of their customers and fulfillment in life. Good leaders use their status for positive effect.

According to Kemavuthanon and Duberley, leadership cannot be separated from context [64]. In Thai society, leaders impact their followers by developing themselves. This development enables leaders to look beyond themselves to the interests of followers, family and the community. Being examples for their followers, the followers then develop themselves to look to the interest of those outside the organization (family and community) resulting in mutual benefit for all.

To be able to effectively lead, one must seek to appreciate the gifts, talents and abilities of the follower. This is the essence of what it means to be follower focused. The non-profit leader must also be cognizant of the follower’s deficit and see these as opportunities to encourage, mentor, and generally inspire the individual to higher levels of service by investing resources and encouraging the individual to be the best they can be. One takeaway from this is that the best non-profit organizations are also what Senge called “learning organizations” [65]. Leaders are responsible for building organizations where people continually expand their capabilities. “When leaders care enough about their followers to take the time to enhance their skills they gain much more than increased performance; they gain a follower who will be more committed to the organization and a follower who will develop into a fellow leader and teacher.” The best leaders invest in the success of their followers, which is at the heart of the transformational mandate.

Cultural competence is part of what it means to be connected, aware, and contributing to a learning organization. In the complex cultural environments now inhabited by most non-profit organizations, leaders can no longer take anything for granted, least of all the diversity of their members or stakeholders. Cultural competency in the global realm extends to a deep awareness of the world beyond; a world that is increasingly shrinking as globalization becomes the “new norm”. Every leader needs to embrace the reality that in the transaction of non-profit business, culture matters greatly. Leaders and organizational members therefore need to develop cultural competency, which bridges awareness of cultural diversity, acquisition of linguistic skills, knowledge of other people groups, and an ability to cope with the uncertainties brought on by a multidimensional cultural reality.

7. Conclusions

Envisioning a world of new possibilities means finding synergies, forging partnerships, and occasionally venturing into the unknown. As an unknown author said, the future belongs to those who show up for it. Non-profit leaders cannot afford to assume or take it for granted that either they [as leaders] or their organizations will survive. In this sense, the future really will be possessed by those who show up for it. Whether non-profits survive in the new cultural environment will depend on the extent to which leaders and followers within these organizations, working in collaboration with each other and partner agencies that include key funders are able to agree core foundational principles, lead with an integrity that comes from a core set of values, and attend to the increasingly urgent demand to be self-aware, connected, purposeful, follower-focused, culturally competent, and future oriented.

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Both authors were involved in the conceptualization, design and writing of the paper. Interests were conjoined with overlapping research in the areas of leadership, values, non-governmental and voluntary organizations. Finally, both authors were involved in reading and approving the final manuscript.

Conflicts of Interest

The authors declare no conflict of interest.

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