Next Generation Governance

Emerging Leaders' Perspectives on Governance in the Nonprofit Sector

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REIMAGINING GOVERNANCE INITIATIVE

This research is part of Reimagining Governance, which is a collaborative initiative designed to advance new approaches to the governance of nonprofit organizations. In response to a changing environment, it aims to help nonprofit leaders to reimagine a more effective way to fulfill organizational governance, including its structures, processes and practices.

COLLABORATORS:

IGNITE NPS is a foundation which supports research, resources and initiatives which help nonprofit leaders to anticipate change and thrive in a complex environment.

LONDON YOUTH ADVISORY COUNCIL is an organization by youth, for youth that strives to ensure young people have decision-making power in public processes. We believe young people's priorities, perspectives and experiences are key in community decision making processes.

ONN'S CONNECT THE SECTOR is a network of emerging nonprofit professionals that seeks to promote intergenerational leadership in the sector by creating spaces for idea-sharing, community building, and public policy engagement.

PILLAR NONPROFIT NETWORK strengthens individuals, organizations and enterprises invested in positive community impact.

SETTING THE STAGE

In recent decades, nonprofit governance has been enhanced by new practices that shift boards away from operations, engage board members more effectively, and better explain its roles and responsibilities. Despite these enhancements, the basic form of nonprofit governance remains fundamentally unchanged even though the environments in which nonprofits operate have been transformed. Factors as varied as new technologies, sophisticated financing models, hybrid organizational structures, and shifting demographics have altered the way organizations engage with each other, conduct their work, and accomplish their missions.

> "Structures of nonprofits and philanthropy that we've built during the last 500 years of capitalism's ascent are bound to change – we are so familiar with these enterprises that we often take their structure for granted."
>
> *Philanthropy and the Social Economy (9)*

A Philanthropist article *Forces of Change* describes the nonprofit environment as one "of great complexity, accelerated change and unprecedented competition for resources [1]". ONN's *Leading our Future* calls the environment "unstable, complex, changing and turbulent.[2]" KCI's *Philanthropic Trends* concludes it is a time of "profound disruption… In many of our lives, attitudes and behaviors are changing and as a result, so too are long held rules and definitions". [3]

In addition to creating operating challenges, the environment creates governance challenges that require leaders to have sophisticated competencies for accessing resources, managing complex accountabilities, and navigating strategically. Finding and retaining the right kind of governance leadership is critical to the vibrancy and sustainability of nonprofit organizations.

> ONN's Shaping the Future argues that the challenges reported by leaders "may be an important indicator of the need to rethink the model of leadership in place and whether current strategies and expectations are sustainable".
>
> *Shaping the Future: Leadership in Ontario's Nonprofit Labour Force (39)*

This challenge is complicated by the significant leadership transition that will occur over the next five to ten years as the baby boom generation exits governance leadership and the smaller Gen X can't replace it.

The convergence of these three trends – a static construct of governance, a profoundly shifting sector, and challenges attracting governance leadership – raises some interesting questions:

- ‣ Will emerging leaders[4] be attracted to the current structures and practices of governance and engaged by its processes?
- ‣ Will there be a leadership gap in governance and if so, what are the implications?
- ‣ How might the values and expectations of emerging leaders shape future governance?

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[1] Mollenhauer, L. (May, 29, 2017). Forces for Change: Reshaping How Nonprofit Organizations are Governed, Managed and Resourced. The Philanthropist. pg. 1
[2] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 13
[3] Spears, M.A., Nakoneshny, N. (Summer 2015). The Change & Adaptation Issue. Philanthropic Trends Quarterly. KCI Ketchum Canada pg. 2
[4] **We don't have a formal definition of 'emerging leaders' but for the purposes of this paper we describe them as the youngest cohort of Gen X (e.g. born 1979 – 1982) and millennials (born between 1980 – 1995) who are currently holding leadership positions.**

This paper explores the trends, some next generation leaders' views about governance, and considers how the next generation of governance could change to meet their needs and expectations. Along with presenting ideas and solutions, the paper explores three themes which emerged in the research :

▸ Attracting governance leadership volunteers

▸ Fulfilling the competency requirements

▸ Responding to new rules of engagement

"Charities must think ahead to be sure they are ready for what the future holds. Every successful organization must be able to create the conditions that will enable future success."

KCI's Philanthropic Trends Quarterly, The Future of Fundraising (2)

A JOURNEY OF DISCOVERY

This paper is based on research that involved an extensive literature review as well as focus groups and telephone interviews with just under 100 thought leaders. These thought leaders – our research participants – include emerging leaders in the nonprofit sector as well as more established leaders who have a deep understanding of governance and the challenges of leadership. Although we drew participants from a readily accessible network, we sought a wide diversity of perspectives. The focus groups and interviews were not formally structured; they were conversations guided by open-ended questions and probing.

THE RESEARCH WAS GUIDED BY FIVE CHALLENGING PARAMETERS:

▸ This was not research on how to attract and retain young leaders to participate on current boards. Rather it was research on what governance could or should look like when emerging leaders are the majority among governance leaders.

▸ Nonprofit organizations vary by size, resources, purpose, geography, and lifecycle. These vast differences impact the nature of their leadership challenges and opportunities. Leadership is complex; there are no simple answers for the challenges facing the sector.

▸ We were mindful of generational stereotyping, recognizing that you can't 'lump an entire generation into a single group'[5] with the same perspectives, attitudes and experience. We also worked to distinguish between generational characteristics that are age-specific and those that might continue throughout adulthood. For example, just because a younger leader is seeking short-term volunteer experiences to build a resume doesn't mean that resume building will be a prime motivation later in life.

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[5] Environics Institute. (2017). Canadian Millennials: Social Values Study. The Environics Institute. pg. 1

- Much has been researched and written about emerging staff leaders in nonprofit organizations but very little about emerging governance leaders. We believe many observations and findings about paid leadership can be applied to volunteer governance leadership.

- It is tough to predict the future of nonprofit governance based on what we know today about emerging leaders. As a result, this paper raises more questions than it answers. However, we believe it is critically important to anticipate where the issues, barriers, and opportunities lie.

- A great deal is at stake given the critical role of governance in driving the effectiveness and sustainability of nonprofit organizations.

Given these parameters, we approached our research and wrote this paper on next generation governance with an eye to challenging the "enchantment and tenacity of the status quo".[6]

NEXT GENERATION GOVERNANCE: CHALLENGES AND OPPORTUNITIES

Our literature review, focus groups, and conversations with thought leaders revealed challenges and opportunities for next-generation governance over the next decade. We highlight these on the following pages and identify things the sector should consider now to succeed later.

I) ATTRACTING GOVERNANCE LEADERSHIP VOLUNTEERS

"While social entrepreneurship is not a new practice, its buzz in the business world overshadows the fact that charities and nonprofits are the original social entrepreneurs…. Reinforcing the fact that (it) is a practice within the nonprofit sector can…help increase awareness."

Setting the Stage for Intergenerational Leadership, The Philanthropist (1)

EMERGENT QUESTIONS

- What are the implications if emerging leaders are drawn to alternative organizational models that achieve social good rather than to traditional charitable organizations?

- Will the transition in governance leadership create a vacuum or generate an opportunity?

- How will emerging leaders' perceptions influence the degree to which they take on governance leadership roles? What should be done to ensure that emerging leaders have positive governance experiences now?

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[6]Spears, M.A., Nakoneshny, N. (2016, Summer). The Innovation Issue. Philanthropic Trends Quarterly. KCI Ketchum Canada. pg. 4

EMERGING LEADERS HAVE ATTRACTIVE ALTERNATIVES TO "DO GOOD"

Emerging leaders who want to do good and create social impact have several options. They can choose a traditional nonprofit organization or a hybrid organization such as a social enterprise or social entrepreneurial venture. These hybrids blur the line between business and social good by creating profit to finance social good in a way that is "innovative and self-sustaining".[7]

Alternatively emerging leaders can choose to work for corporations with strong social responsibility programs or cause-driven initiatives. Even the growth in vibrant, technologically savvy networks and movements creates competition for traditional nonprofit organizations that are trying to recruit high-quality leadership volunteers.

The 2009 *Convergence* report about trends shaping the social sector describes this recruitment challenge as follows:

> Although the nonprofit sector has historically had a monopoly on doing good, nonprofits now must consider public agencies, for - profit corporations, networks, an even informal collections of individuals among their potential competitors and partners. What does it mean for the sector when nonprofits are no longer society's preferred way to accomplish social goals? Some already argue that the best way to address important social causes is with a for-profit, market-based solution.[8]

The 2013 *Giving, Volunteering and Participating* survey found that "more volunteering is being done by less people and those people are more often than not, of the boomer generation and older". In the article, *The Future of Volunteering* (July 2016), Volunteer Canada's Deborah Pike wonders whether "fewer people (are) volunteering or are more people choosing to get involved outside of defined positions within organizations?"[9]

The perceptions that emerging leaders form when they work as interns, contract workers, staff, and volunteers in the non-profit sector may influence their future desire to take on governance leadership roles. Many studies have shown that Gen X and millennials value the sector's work. However, some of the emerging leaders who participated in our research voiced frustration with their volunteer experiences, particularly their experiences serving on boards and being expected to represent their entire generation. They wonder whether emerging leaders who have negative experiences early in their careers will turn to alternative ways to create social impact.

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"Millennials will soon become some of the most powerful economic and social decision-makers. They will not just work more, but lead more. As Dianne Lister noted recently, the 'charitable sector is undergoing the largest transition of leadership ever faced in Canada.'"

Learning How to Do Succession Planning from Younger Leaders (1)

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[7]Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network.pg. 15
[8] Gowdy, H., Hildebrand, A., La Piana, D., & Campos, M. (2009, November). Convergence: How Five Trends Will Reshape the Social Sector. The James Irvine Foundation pg 23
[9]Levy-Ajzenkopf, A. (2016, July 27). The future of volunteering? It's a campus thing. Charity Village

THE TALENT POOL NEEDS TO BE NURTURED

Two converging realities will impact the size of the talent pool for governance leadership.

First, there will be a significant exodus of nonprofit governance leaders as the baby boom generation vacates leadership roles over the next decade. This is concerning given that the Gen X cohort is approximately half the size of the boomer generation[11], the oldest millennials are in their thirties, and the youngest millennials in their early twenties. The shortfall in the governance leadership pool is amplified in rural communities when young people move away for school and work and don't return.[12]

The second reality is that many nonprofit organizations, particularly the resource challenged, struggle with long-term governance succession planning and investing in professional development for emerging leaders. This means the talent pipeline is not being nurtured, a point noted by many of the emerging leaders we interviewed who feel there aren't enough professional development and mentoring opportunities for them to build their confidence and grow as leaders. Even when nonprofit organizations are intentional about recruiting emerging leaders for governance positions, informants felt that members of the older generations – the people doing the recruitment – sometimes struggle to gauge the leadership potential of emerging leaders whose career paths are nonlinear, multi-faceted, and different from their own. One informant said "they don't know how to read my resume". *The Millennial Report* explains the difference as follows:

> "The baby boom grew up in a time where (people) tended to remain at the same job or company and support the same institutions for years. Millennials live in a more "global economy... They travel more, ... change jobs more, obtain more education, develop relationships far differently...than any previous generation".[13]

It is worth noting two other perspectives that appear in the literature. The 2007 report, *Next Shift*, cautions that the "nonprofit sector itself is in crisis and the emphasis only on leadership transition reinforces rather than challenges the prevailing issues facing nonprofit organizations".[14] The authors make the case that for young leaders, the next decades will mean a different type of sector with different kinds of leadership.

Another perspective is that we may need fewer governance leaders in the future if the trend of nonprofit mergers, consolidations, and adoption of shared platforms continues. ONN's *Leading the Future* reinforced this view:

> The more turbulent environment with increased competition for limited resources favours the 'bigger', better resourced players or the smaller, innovative and nimble organizations. Some think that this will lead to a rationalization and consolidation within the nonprofit sector and a phase of restructuring, mergers and amalgamations.[15]

[11] There are currently 80 million baby boomers and 42 million Gen X in the U.S. The same approximate difference is true in Canada. From an interview with David Hutchinson, President, Cause Leadership Inc.
[12] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network pg. 14
[13] Achieve. (2016, November). Cause, Influence and The Workplace - The Millennial Impact Report Retrospective: Fives Years of Trends. Achieve. pg. 1
[14] Kunreuther, F., Corvington, P.A. (2007). Next Shift: Beyond the Nonprofit Leadership Crisis. Annie E. Casey Foundation.pg. 1
[15] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 24

PERCEPTIONS ABOUT GOVERNANCE CAN BE A DETERRENT

Emerging leaders' perceptions about governance may influence their future willingness to actively engage as leadership volunteers. Many of our research participants view governance as "daunting" and "demanding" and describe the work as "fulfilling onerous accountability requirements" in a climate of "chronic underfunding" and without the "ability to innovate".

Some research participants talked about the "heavy lifting" required in organizations that have no or few staff and wondered if it is possible for governance volunteers to make a meaningful impact if their work is consumed by fiduciary and operational issues. Participants also questioned whether emerging leaders will be willing to assume governance roles if the perceptions and realities of governance work don't change.

> "The best way to teach proper board roles and transmit board culture is for great board members to model the behavior."
>
> *A research participant*

II) FULFILLING COMPETENCY REQUIREMENTS

EMERGENT QUESTIONS

▸ Is it reasonable to assume that all of the competencies required for effective governance can be met by board members? What are the implications if the answer is no? Are there other ways nonprofits can acquire these competencies?

▸ Given there is no shortage of committed and talented people, what can we do to ensure that emerging leaders are developing the competencies they will need to become strong governance leaders?

▸ What are the implications for effective governance if the sector struggles to recruit and retain the competent managers needed to support complex board work?

▸ How can inclusion be imbedded into organizational cultures so that nonprofit organizations can not only recruit from a more diverse pool of governance leaders but also ensure that such recruits feel included?

> "Younger leaders wondered if the fact that they actually looked different by race and/or gender made it hard for older leaders… to see them as serious candidates….each generation may have differing experiences with race and gender and hold differing views of how these constructs operate within organizations."
>
> *Next Shift: Beyond the Leadership Crisis (9)*

GOVERNANCE IS COMPLEX AND REQUIRES SOPHISTICATED, SKILLED LEADERS

To operate effectively in increasingly complex and competitive environments, nonprofit organizations need governance volunteers who have sophisticated and multifaceted skills, knowledge, and experience. Research participants are concerned about the capacity of future leaders to meet these requirements.

From conversations with the people who participated in our research and publications like ONN's *Leading Our Future*, we identified several competencies essential for governance leadership: the capacity to manage complex data sets, maneuver through diverse eco-systems, access and steward sophisticated financing models, and create strategy in a constantly changing environment. Governance leaders must be comfortable innovating while also managing demand and risk. In addition, governors must be open, empathetic, agile, engaging, and reflective people who can thrive in complexity.

One participant said that "governance leaders need super hero skills to do it all". Another commented that "the increase in venture philanthropy and similar kinds of funding requires a high degree of trust in leadership competencies. It won't be good enough to say we can't find those competencies and attract them to our organization."

While there is growing recognition about the complexity of governance, there has not been a corresponding investment in developing governance leadership. Many research participants believe that emerging volunteer leaders are not given the opportunity to learn about governance and hone their skills.

They also wonder whether nonprofits will be able to attract and retain managers with the ability to provide governance volunteers with the support they need to do the complex work of governance. (The literature makes the case that there is a correlation between strong management and effective governance.) One participant observed that "if we aren't working now to ensure that quality staff is in place, then it will have implications for the future of governance". Through its *Decent Work* movement, ONN is working with sector leaders to address barriers to recruitment and retention of staff leadership such as non-competitive wages, precarious work, and unrealistic work expectations.

> "They (nonprofits) are still thinking of people in terms of the identities they represent rather than their experiences."
>
> *A research participant*

DIVERSITY AND INCLUSION ARE IMPERATIVES FOR STRONG GOVERNANCE

Research shows that diverse perspectives create more informed and rich decisions. While most nonprofit board members understand this and believe that diversity improves governance, most nonprofit boards do not include a wide range of identities, backgrounds, and characteristics such as age, ethnicity, life experience, and perspective. Most of the people we talked with see this as a glaring shortcoming and view board diversity and inclusion as urgent, strategic imperatives. In the words of one participant, "organizations that don't put a

high value on governance diversity and inclusion will be left behind".

In 2010, Ryerson University's DiverseCity Counts research project found that only 12% of volunteer board members in the Greater Toronto Area were visible minorities while 50% of the GTA's population were visible minorities.[16]

In the 2014 report, *Diversity and Inclusion*, Mowat NFP, draws the following conclusion:

Based on recent survey findings, the not-for-profit sector in Ontario does not appear to be diverse in its leadership, or to have a strong commitment to diversity and inclusion at the organizational level. For many in the sector, this is not news. Although many organizations in the sector may have a strong ethos around equity and inclusion, this does not necessarily translate into organizational practice.[17]

Much of the literature, and many of the people who participated in our interviews and focus groups, stress that it will not be enough for governance leadership to look more diverse. Governance cultures and structures will have to change to support and enable genuine inclusion and equity so that one group does not have the power to include or exclude another. Deep organizational commitment to inclusion will need to replace what our research participants described as "tick the box" exercises, which lead to tokenism.

As Allyson Hewitt and Miranda Hassell say in *Empowering the Next Generation Requires a Sector Wide Culture Check* "...diversity alone is not inclusion – it is the mix, and inclusion is getting the mix to work well together". They believe it is crucial for leaders to have the "humility to surrender power and examine their own biases, as well as the courage to leverage their position of leadership to make change.[18]

III) RESPONDING TO NEW RULES OF ENGAGEMENT

EMERGENT QUESTIONS

▸ If emerging leaders expect participatory, agile, creative and collaborative workplaces that provide a fluid work and life experience, then they will likely expect the same from their nonprofit governance experiences. What does this mean for the way governance work is done? Does it mean that boards should not sit on top of the organizational chart?

▸ Technology supports new ways to participate, collaborate, create, and engage. How does this change the way that leaders of the future should conduct governance?

[16] DiverseCity Counts 2, A Snapshot of Diverse Leadership in the GTA. (2010). DiverseCity: The Greater Toronto Leadership Project. The Diversity Institute, Ryerson University. pg. 13

[17] McIsaac, E., Moody, C. (2014, February). Diversity & Inclusion: Valuing the Opportunity. Mowat NFP. pg. 1

[18] Hassell, M., Hewitt, A. (2018, May 28). Empowering the Next Generation Requires a Sector Wide Culture Check. The Philanthropist. pg. 1

- How can we enable new leadership styles that fit with emerging governance leaders' values and interests?

- How will governance roles, governance responsibilities, and recruitment strategies need to change so that Gen X and millennials will see their contributions as creating measurable impact addressing issues?

EMERGING LEADERS SEEKING NEW APPROACHES TO GOVERNANCE

Emerging leaders want to be a part of participatory, open, innovative, interactive, and engaging organizational structures and decision-making processes. While the literature focuses mostly on changing workplace expectations, our research participants agree that these same characteristics should be present in governance culture and work. As one key informant said, 'board work can't be an exclusive space with decisions made behind closed doors'.

Research participants believe that an organization's operating structures, practices, and culture will be mirrored in its governance. In other words, if staff work in a hierarchical, closed structure with rigid protocols, it's likely that leadership volunteers will govern in a similar environment.

The Future of Nonprofit Leadership states that "Young leaders are more interested in flattened hierarchies, networked organizations and participatory approaches. Though one model has not taken hold, younger leaders are searching for structures that would free people to make informed decisions and act quickly on the best ideas wherever they exist in the organization". [19]

ONN's *Leading Our Futures* concurs. "Leaders will need to develop more flexible and connected organizational models based on diversity that support shared-decision-making and exchange of information and ideas."[20] It goes on to say that "Formally structured nonprofit organizations will be reinvented…Work will be done differently and processes and protocols that define organizations will be less important…Only organizations that are best able to adapt will grow and survive."[21]

> "The environment in which nonprofits operate are quite different than when the baby boom generation entered the sector… many organizations continue to operate in similar ways for the past 30 years. Younger leaders are not attracted to traditional models and are trying to find new ways to organize and structure work ranging from entrepreneurial models to shared leadership and broader participatory structures."
>
> *Next Shift: Beyond the Leadership Crisis (2)*

> "We are more outspoken and are natural activists. I'm not interested in just showing up."
>
> *A research participant*

[19] Mont, S. (2017, March 31). The Future of Nonprofit Leadership: Worker Self-directed Organizations. Nonprofit Quarterly. pg. 1
[20] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 17
[21] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 25

New forms of leadership – shared, distributed, and collective – enable more open, transparent, and collaborative ways of working. Whereas traditional leadership involves "individuals with formal positions atop hierarchies whose direction people follow", shared leadership "happens when we maximize everyone's ability to step into, at the right time, to the leadership they are most suited for while coordinating our activity to achieve an impact larger than the sum of the parts…. The *Ready to Lead?* study shows us that very few people want the first kind of leadership because it is unsustainable and unfulfilling.[22]

Shared leadership models require different attitudes and behaviours. In her review of the book *New Power*, which appears in the September 2018 issue of *The Philanthropist*, Hilary Pearson writes that the authors:

> assert a boldly-stated belief that human mindsets and behaviors are themselves being transformed by what the authors call 'ubiquitous connectivity'….This arises from the ever-widening adoption of the digital technologies that link us…that enable us to communicate broadly, rapidly and yet intimately……Technology gives us all (or all that can assess it) ways to participate, to collaborate, to create, and to engage in new forms of community.[23]

Emerging leaders grew up with digital technology and ubiquitous connectivity and will expect nonprofits to implement strategies that invite and integrate multiple voices in governance decision-making.

> "I don't think these emerging leaders will tolerate a lot of red tape and jumping through twenty hoops to become leadership volunteers."
>
> *A research participant*

Research participants told us that governance work needs to be engaging. While this should be true for all generations, it is a "deal breaker" for emerging leaders. This is a problem for the nonprofit sector given that participants describe the onerous tasks of compliance as "boring, mundane, and tedious". As one pointed out, board work has to be more than just a mechanism for fulfilling accountability: "If legal compliance is all that we're doing, then three people could do that work".

Research participants recognize the importance of fiduciary responsibilities but believe there are better, more efficient ways to fulfill them. For example, technology could be used to get procedural work "off the table" so that in-person meetings can be used for strategic and generative conversations. Participants also talked about the importance of finding the middle ground or "sweet spot" between rigid rules and protocols and more creative, open and agile processes. A number of participants referenced *Robert's Rules of Order* as an example of an unnecessarily rigid approach to meetings.

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[22] Mont, S. (2017, March 31). The Future of Nonprofit Leadership: Worker Self-directed Organizations. Nonprofit Quarterly. pg. 1
[23] Pearson, H. (2018). Book Review: New Power: How Power Works in the Our Hyperconnected World – and How to Make it Work for You. The Philanthropist, September 3, 2018. pg. 1

EMERGING LEADERS ARE LOOKING FOR IMPACT

While volunteer leaders from any generation want to have a clear sense of purpose and do meaningful work, emerging governance leaders are more adamant about wanting to directly contribute to impact and in particular to "move the needle" on entrenched social issues. Whatever governance role or responsibility they fulfill, they want a direct link to organizational outcomes.

The article, *Show Me the Impact*, describes how this plays out in emerging leaders' philanthropy.

> They want to be hands-on in leveraging their money, time and talent to achieve measurable results, particularly related to perennial issues and root causes. The top reasons for giving aren't to gain social status or participate in the right social circles or giving out of obligation, they want to move the needle fundamentally and substantially on an issue; they want proof of impact. [24]

This drive for impact influences the way emerging leaders, particularly millennials, engage with the sector:

▸ millennials "do not respond to the 'ladders of engagement' model long used by nonprofit organizations, wherein the cause's needs supersede the audience preferences" [25]

▸ "organizations must inspire millennials to work through and with their cause, rather than for their organization. Millennials will constantly challenge an organization's relevance… Ultimately, they want to lend their knowledge, expertise, and time to help the people or issues the organization touches – not necessarily the organization itself." [26]

Emerging leaders' desire for impact and their experience with social media and other technologies enables them to readily see the value of working collaboratively through networks and across systems to address entrenched social issues that can't be solved by single organizations working in isolation. For millenials and Gen X, networked action is a natural go-to strategy.

Emerging leaders' acceptance of networked action fits with what an article in the *Stanford Social Innovation Review* describes as a shift in mindset from "organization-level goals to networked-level impacts". According to the authors, "unlike traditional nonprofit leaders who think of their organizations as hubs and their partners as spokes, networked nonprofit leaders think of their organizations as nodes within a broad constellation that revolves around their progress toward mission". [27]

Emerging leaders will need to fulfil organization-level governance responsibilities while also participating in system-level governance with multiple organizations that cross sector boundaries.

[24] Goldseker, S., Moody, M. (2017, November 13). Show Me the Impact. Stanford Social Innovation Review. pg. 1
[25] Achieve. (2016, November). Cause, Influence and The Workplace - The Millennial Impact Report Retrospective: Five Years of Trends. Achieve and. The Case Foundation.pg. 12
[26] Feldmann, D., Yu, E. (2014, June 18). Millennials and the Social Sector: What's next? Stanford Social Innovation Review.pg. 3
[27] Marciano, S. Wei-Skillern, J. (2008) The Networked Nonprofit. Stanford Social innovation Review. pg. 2

IDEAS AND SOLUTIONS

Based on our literature review and conversations, we have identified ideas and solutions that can help ensure that in the future, governance leadership will be well populated and have the right competencies to navigate in a complex environment. We have framed these ideas and solutions as actions that cluster into two categories: system-level and organization-level.

SYSTEM-LEVEL ACTIONS

▸ Support the ONN and sector leaders' work building Decent Workplaces to attract and retain next generation leadership as paid employees. This is important because effective next-generation governance will need support from strong next-generation managers.

▸ Ensure emerging leaders' experiences with the nonprofit sector – as interns, contract workers and volunteers – create positive impressions that draw them to volunteer leadership positions.

▸ Examine the broader system and sector culture to identify opportunities and barriers to creating innovative ways of fulfilling governance responsibilities.

▸ Develop a narrative about governance work that aligns with emerging leaders' interests, values, and motivations. Ensure that the value proposition describes what nonprofit organizations can achieve that cannot be achieved, or done as well, by hybrid organizations and corporate social responsibility programs. Make sure the narrative about governance aligns with reality.

▸ Ensure that emerging leaders are always included in conversations about organizational and systems change and new governance approaches.

ORGANIZATION-LEVEL ACTIONS

▸ Find ways to make the work of governance more engaging and agile, including using technology as appropriate.

▸ Create opportunities for innovation and social entrepreneurialism and develop participatory, open, and interactive organizational structures and shared-decision-making processes that draw emerging leaders.

▸ Demonstrate the impact your organization is achieving and the difference it is making on big, entrenched issues.

▸ Invest in your organization's long-term governance succession planning – look beyond the immediate recruits to next generation leaders. Make more space available for young and emerging leaders to participate effectively in governance.

▸ Grow emerging leaders' capacity to be strong and capable governance leaders by offering professional development programs, formal mentoring, and other learning opportunities. Appreciate that many emerging leaders are time-crunched.

▸ Examine your organization's governance culture to ensure it allows for new leadership styles to emerge and new ways to conduct governance.

▸ Build an inclusive governance culture so the board can attract and retain members of what is becoming an increasingly diverse pool of leaders.

▸ Create and nurture intergenerational connections and conversations about next generation governance to increase understanding about generational differences and similarities.

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