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## Mistakes Nonprofits Make When Hiring Leaders:

A Guide to Optimize Your Executive Search



Do you find yourself facing the same set of hiring challenges over and over again at your nonprofit?

You're not alone.



# STAFFING IS A CRITICAL AREA OF NEED

Talent matters most.

That's one of our guiding principles here at DickersonBakker. If there is one thing we've learned in our almost four decades working in the non-profit sector, it's that every nonprofit is only as great as the people who lead it. Your people are your single most valuable asset in achieving the mission of your organization. They are the "difference-makers" who not only make it possible to do what you do, but to do it with excellence. This is particularly true when it comes to fundraising.

We recently conducted two major nationwide surveys to gain insight into the challenges that our industry is facing related to this issue. As expected, that research revealed that turnover is a common problem, especially in fundraising roles. Surprisingly, however, we also learned that turnover is not the biggest problem nonprofit leaders face today. One other issue was far more pressing: We are facing a severe shortage of qualified fundraisers in the marketplace.

Finding 'Leaders that Last,' both in leadership and fundraising roles, is a common problem that nonprofits face, but it's one that can be avoided. This guide will help you navigate through the five most common mistakes that nonprofits make when hiring leaders and fundraisers, written by the experienced team of Executive Search consultants at DickersonBakker.

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# 1 Searching for a Superhero

It's common in the world of retained search professionals like us to hear a laundry list of characteristics our clients want to find in their next hire. Leadership qualities are key, but so are the skills to inspire staff, drive change, and create a healthy culture.

But what about fundraising skills? Managing volunteers? Managing regulations and compliance? Balancing the books?

The desire to find a single individual who embodies the necessary qualities to lead, inspire, and drive change can be particularly tempting in the nonprofit sector due to the high-stakes, mission-driven nature of your organization. However, this approach is not sustainable nor effective for long term success. No single person can possess all the skills necessary for the varying aspects of nonprofit leadership. For instance, the visionary with strong advocacy skills may not be the same person adept at navigating the complex regulatory and compliance landscape of nonprofits. The leader who is exceptional at fundraising might not be the one who can inspire and manage a team of volunteers effectively.

A balanced leadership approach is essential in nonprofit organizations. Assembling a team of leaders with a blend of skills



and expertise allows for more comprehensive and sustainable problem-solving and decision-making. This approach also encourages a culture of shared responsibility, reducing the risk of burnout that can occur when too much rests on the shoulders of one 'superhero' leader.

The most effective leadership model is not finding a 'superhero' leader, but rather creating a balanced leadership team. By harnessing a range of skills and perspectives, and by focusing on alignment around the organization's mission, nonprofits can create a more resilient, effective, and sustainable leadership structure.

## **2 Allowing a disconnect to exist between the board of directors and executive leadership**

The decision-making process is a crucial component of successful leadership hires. Yet, nonprofits often struggle with communication among board members. Facilitating effective communication among your board and leadership helps to create a unified vision and commitment towards your next hire.

The decision-making process, particularly when it comes to leadership hires, is vital and often rests heavily on the board's ability to communicate effectively and commit to a shared vision.

A significant issue we see in our work with nonprofits is the lack of effective communication among their board members. This often leads to disagreements, confusion, and challenges in decision-making.

To foster effective communication among your board and create a unified vision and commitment towards your next hire, it's necessary to understand and engage board members, improve communication practices, and address communication challenges. By implementing these steps, you can create a more effective and efficient decision-making process.

## **3 Failing to Offer A Holistic Compensation Package**

Attracting top-tier talent is critical for the long term success of any nonprofit. However, offering competitive compensation packages can be a daunting task when resources are limited.

Accessibility is a crucial factor to consider when strategizing about recruitment. Nonprofit organizations can employ strategies like reducing commuting times, restructuring work weeks, and shifting starting times away from rush hours to attract talent. While it's crucial to offer competitive financial compensation, remember that a holistic compensation package extends beyond salary. This package can include benefits such as flexible work arrangements,

opportunities for professional development, a positive work culture, and the fulfillment of contributing to a meaningful cause. These aspects can be particularly appealing to individuals who are drawn to the mission-driven nature of nonprofits.

The process of attracting high quality talent to leadership roles in nonprofits requires a different approach compared to regular recruitment. Executive search requires a more tailored and targeted approach, including a thorough understanding of the organization's culture and structure, and a focus on passive candidates who may not be actively looking for a new role but would be open to making a change.

Attracting and retaining top talent requires a unique combination of competitive compensation, a supportive work environment, flexible work arrangements, and opportunities for growth and development.

Never underestimate the importance of retaining the talent you already have. Incentives such as career advancement opportunities, recognition, and a healthy culture can go a long way in keeping your top performers committed to your organization.

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# 4 Addressing the Wrong Conversation

When a leadership role opens up, it's common for the internal conversation to focus exclusively on filling the position. Instead, nonprofits should focus on understanding the reasons behind the turnover and what can be done differently to prevent it in the future. Asking the right questions and holding effective discussions about your future hires is a crucial step in the process.

Why did the previous leader leave? Was it due to burnout, conflicts, a mismatch in expectations, or something else? These are important questions that can help identify systemic issues in the organization. For example, if leaders consistently leave due to burnout, then it may indicate an issue with the organizational structure or work culture. Perhaps the responsibilities are too burdensome for a single individual. By not addressing these issues during the hiring process, nonprofits risk repeating the cycle of turnover.

By shifting the focus from merely filling the position to understanding and addressing the root causes of turnover, nonprofits can make more informed decisions in their executive search.

# 5 Overlooking Elements of Fit

When hiring, there are three key areas where a candidate needs to demonstrate a fit for the role:

- Professional acumen
- Mission alignment
- Culture fit

Successful hires are the ones who check off these three boxes.

But what happens when organizations compromise on one or more of these areas?

Many organizations often make what we call 'aspirational hires.' These are situations where a candidate might lack in one area, but the organization hires them in the hope that they will learn and grow into the role.

This isn't a strategy that pays off often.

Leaders, especially high-level ones, need to have specific experience in the job they're being hired to do. It's not just about their natural talent, personality, or intelligence. They need to know how to do the job from day one. Sure, they might be quick learners and highly adaptable, but that's not always enough.



# Why?

Because organizations, especially nonprofits, don't always have the capacity or resources to train and develop these leaders. They don't often have the luxury of 6-12 months to get someone up to speed. Most nonprofits need someone who can hit the ground running and start making an impact immediately.

Mission alignment is usually non-negotiable. If someone doesn't believe in what the organization is doing, they're not going to be a good fit, no matter how skilled they are.

But culture? That's where organizations often compromise.

But here's the thing - ignoring cultural fit can lead to a lot of problems down the line. A new leader who doesn't mesh well with the culture can disrupt team dynamics, decrease morale, and ultimately impact the organization's effectiveness. And it's not just about fitting in with the existing culture. It's also about whether they're capable of enhancing and evolving it. A great leader doesn't just adapt to the culture; they find ways to make it even better.

While it's tempting to make compromises in the hiring process, especially when you're desperate to fill a role, it's rarely a good idea. It's better to hold out for the right fit - someone who aligns with your mission, fits into your culture, and has the professional skills and experience to get the job done.

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# You know.....

Many nonprofits don't see the true value in this process until they partner with a guide, like us, a hands-on executive search firm. No matter the end game, it often takes an outsider to step in and shine a light on what needs to be done to dodge hiring mistakes. This advising role we play, the one that nudges the organizational culture a bit, is often a welcome surprise to our clients.

How do we hold a mirror to the client when it's time to hire?

Nonprofits usually start off thinking the search is the main thing, but they quickly notice along the way that it's not just about filling a vacancy. It's about bringing in someone who's going to ask tough, important questions.

Our search consultants give coaching on how to keep the organization healthy, which is critical for nonprofit leadership, organizational culture, and employee retention.

There's so much more to our role than just finding the right person for a job. It's about making sure the organization is in good health, that everyone's on the same page, and that they're ready for whatever comes next. This all ties back to strategic planning in nonprofits, which is all about pinpointing the best ways for the organization to move its mission forward.



## Amber Christoferson

Group Vice President, Executive Search



“I was a director of development with United Way for about five years, and then I worked for a small nonprofit in Atlanta. I have been in the shoes of many of our clients, and I know what they face. So that helps me lean in more and be able to talk with them at their level. They know that they don't have to articulate those challenges because I've lived in them. It's an advantage because we can head some of those things off with our process and how we work with our clients.”

-Amber Christoferson

If you're feeling the burden of staffing challenges, our team can help.  
We have an entire division of our company focused on talent solutions.

Reach out to us today to start a conversation about how our team of experienced professionals can help you find and recruit the right talent for key fundraising and executive leadership roles at your organization.

Founded in 1985, DickersonBakker has an unbroken track record of providing consulting services to nonprofit clients for nearly 40 years. The firm has helped thousands of organizations raise billions of dollars through capital campaigns and provides a number of other consulting services, including fund development, executive search, and grant services. With corporate offices in both North Carolina and Texas and consulting team offices across the country, DickersonBakker partners with nonprofit groups throughout the United States as well as in Canada and overseas.

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