

Exploring Career Paths of Nonprofit Executives

A Summary of the Research Study conducted by Amanda J. Stewart and Kerry Kuenzi

The researchers would like to thank the members of the sample who completed a survey as part of this research study. Your willingness to share your career story is much appreciated!

For more information, please contact:

Amanda J. Stewart | North Carolina State University | ajstewa5@ncsu.edu

Kerry Kuenzi | Georgia Southern University | kkuenzi@georgiasouthern.edu

Introduction

The nonprofit sector was once considered the voluntary sector, but nonprofits are now led by paid professionals holding specialized expertise, advanced degrees, and diverse backgrounds. The experience, education, and background of nonprofit executives have evolved to match the changing context of nonprofit management. The study of nonprofit careers is ripe for research, as practice and theory are poorly informed about how executive careers link to performance and potentially shift the sector from its value-driven nature to an instrumental logic (Frumkin 2009).

Career paths are defined as the “evolving sequence of work activities and positions that individuals experience over time” (El-Sabaa 2001, 2). In practical terms, career paths are comprised of a set of milestones or steps that employees assume for the purpose of developing professional competencies and mastering greater responsibilities (Croteau and Wolk 2010). The study of career paths is helpful for understanding the pipeline to leadership, distinguishing career elements such as degrees or prior positions that equip professionals for leadership opportunities (Gates, Guarino, Santibanez, Ghosh-Dastidar, Brown, and Chung 2004). We know very little about the pathway of promotion in nonprofit organizations, and therefore, this study took an initial step towards addressing this gap by asking: *What are the primary pathways to executive positions in nonprofit organizations?*

Data Collection

This study relied on a sample of 150 nonprofit organizations, operating in the top twenty largest U.S. metropolitan statistical areas and in mission markets related to health or human services (Seaman, Wilsker, and Young 2013; Thornton 2006).¹ These parameters help limit the sample to executives overseeing nonprofits with similar missions and in similar sized locales. The nonprofits were identified using their IRS tax form 990 information and were grouped into five revenue categories beginning with under \$500,000 and extending to over \$10 million. For each revenue category the first thirty nonprofits were selected and the current executive as of 2013 was identified for further data collection (n=150).

Data on the career paths of these 150 executives was collected using internet research and a survey method. For the internet research, nonprofit websites, IRS 990 forms accessed through the Foundation Center and Guidestar, and LinkedIn were primarily consulted. Individual year data on the executive's professional position title, employing organization, and educational background were collected. For the survey method, the survey was delivered using both postal mail and email. Questions asked about the respondent's education, demographics, a chronology of professional positions held, professional and civic activities, mentoring activities, and four perception questions about their career path. The survey was distributed beginning in April 2016 and closed after 39 calendar days on June 1, 2016. The overall response rate to the survey was 41% with 63 surveys received. In total, the two data collection initiatives compiled individual career information on 125 individuals.

Findings 1: Descriptive Statistics

A contribution of this research is the descriptive characteristics of nonprofit executive office holders. We summarize select characteristics in table 1 and in the following. Nonprofit executives are primarily male (62, 59.6%) and white (64, 79.48%). They are on average 56.5 years old with larger organizations served by an older executive (Nonprofit revenues between \$5-10 million and over \$10 million) (T-statistics: 1.92, -1.80; p-value: 0.06, 0.07).

¹ Houston is among the top twenty largest metropolitan statistical areas, but no organization in the Houston MSA was included in the sample due to the selection by random number.

Table 1: Select Characteristics of Nonprofit Executives

Gender (n=104) 60% was male 40% was female	Professional Associations (n=63) 68% was currently a member 19% was a member in the past 10% was never a member
Ethnicity (n=78) 80% was white 8% was black or African American 5% was Hispanic or Latino 4% was Asian 1% was Native Hawaiian or Pacific Islander	Civic Association (n=63) 51% was never a member 25% was a member in the past 22% was currently a member
Highest Level of Education (n=94) 72% had a post-graduate degree 25% had a college degree 3% had no college degree	Board Service (n=63) 62% was currently a member 25% was a board member in the past 4.44 average number of boards served

The vast majority of executives are at least college educated with only three in the sample reporting no college degree. Executives most commonly have a post-graduate degree (68, 72%), which is higher than educational attainment reported by other studies (Cornelius, Moyers, and Bell 2011; Suarez 2009).

Given the sampling parameters for health or human service nonprofits, it is interesting to note that only 38% (33) of those with education information have a health or human service related degree, such as nursing or social work. Executives of small to mid-sized nonprofits (Revenues under \$500,000; \$500,000 to \$1 million; and \$1-5 million) were more likely to have a post-graduate degree than executives of the largest nonprofits (T-statistics: -6.0276, 5.0334, -1.7935; p-value: 0.000, 0.000, 0.07).

To understand the career plans of nonprofit executives, the survey inquired about their familial characteristics and retirement planning. Nonprofit executives were most commonly married or partnered (53, 83%) and had no children under 18 years of age at home (40, 63%). Speaking perhaps to the place in their career, executives leading nonprofits in the \$1-5 million range were more likely to be married and have children (T-statistics: -1.70, 2.8; p-value: 0.09, 0.01). Executives had retirement savings comprised most commonly of employer and individual contributions (44, 69%). Perhaps not surprising, executives of smaller nonprofits (revenues between \$500,000-\$1 million) were less likely to have employer funded retirement savings (T-statistic: 2.1224; p-value: 0.037). Further, executives intended to remain employed until age 69 on average, although two expressed no intention to stop working.

The survey also asked a series of questions to understand the engagement of executives beyond their paid employment. Executives reported high levels of activity with professional associations with 68%

(43) currently a member and another 19% (12) reporting past membership. Further of these current and past members, 59% (32) served on a committee or as an officer of a professional association. Similarly, executives were asked about membership with a civic association, and just over half had never been part of a civic association (32, 51%). It is interesting to note that professional connections were more common than civic ones, perhaps reflecting the professionalization of the once-voluntary sector. Only 22% (14) were currently a member of a civic association, and another 25% (16) were a past member. Yet, if they were a member of a civic association, 69% (22) served on a committee or as an officer. The majority were either currently or had been a member in the past of a religious organization (45, 71%), and of these 11% (5) had worked in a paid position as a religious worker. Only one of the respondents had served in the United States military, and three (5%) had run for elected office.

Nonprofit executives were also asked about the volunteering activities, and 70% (44) had volunteered in the past 12 months. Another 22% (14) had volunteered in the past but not in the last twelve months, and further demonstrating their general high level of community engagement, only one reported never volunteering. Most commonly volunteering activities were dedicated to organizations serving missions related to civic and community service (30); religious (18); professional, technical, or trade (17), and educational or youth services (17), and executives had volunteered between 13-49 hours in the past twelve months. Similarly, executives had high levels of informal volunteering with 70% (44) reporting such activities either in the past twelve months or beyond. Executives also commonly served on nonprofit board with 62% (39) as current members, and another 25% (16) serving in the past. On average, executives had served on four boards, and almost all served on committees or as officers of the board (53, 96%). Their board membership included service to philanthropic foundations, demonstrating the network relations of nonprofit executives (17, 31%).

Findings 2: Career Development

Nonprofit executives were also asked several questions to elucidate their career and professional development. Asked about mentoring relationships, the majority had had at least one mentor (49, 77%) and on average had two with a total of 105 mentoring relationships reported by the respondents. The mentors were primarily male (60, 57%) and professional mentors (i.e. former or current co-workers or supervisors). On average the mentoring relationships lasted 10 years.

Nonprofit executives also responded to opinion statements using a Likert scale from strongly disagree (1) to strongly agree (10) about their career development. On average executives had mixed feeling about their path to the executive office being based on intentional career decisions (rating: 6.37). For example, respondent 2 elaborated, “Early in my career, I set a goal to become an Executive Director and sought positions that would allow me to acquire the necessary skills. Often, that meant changing jobs and/or relocating because small, community based organizations were where my interests were, but don't offer much in the way of advancement opportunities.” The respondents had more agreement about choosing to work in a nonprofit organization to reflect their mission-related values (rating: 7.79). Executives did agree, though not strongly, that their recruitment to the executive offices was based on their professional skills and experience more so than their mission-related skills and experience (rating: 7.03).

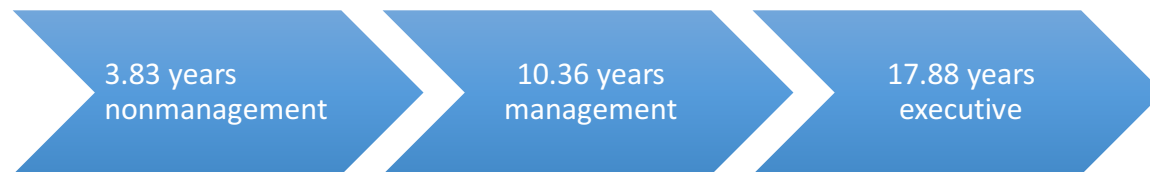
Findings 3: Career Paths

Executives reported on how they found out about professional positions, and described most commonly using their personal or professional networks (54, 42%), followed by professional associations (27, 21%), job websites (16, 12%), and the newspaper (16, 12%). Most executives (35, 50%) found their current position through their personal and professional network or as an internal promotion (11, 16%). These responses elucidate that recruitment to the executive position is based on network connections rather than traditional job search mechanisms. On average nonprofit executives had held 4.63 positions over the course of their careers (range of 1 to 11 positions), which spanned 36.18 years on average (range of 4 to 52 years). Primarily, executives had held only nonprofit positions over their careers (35, 39.3%), but 15.7% (14) had held positions in all three sectors or a combination of nonprofit and public (18, 20.2%) or nonprofit and for-profit sectors (22, 24.7%).

Most commonly, executives stayed in positions between three to ten years (57, 64%). Others moved more frequently with average position tenure less than three years (3, 3.4%) or stayed longer with tenure longer than 10 years per position (29, 33%). Describing promotional paths, nonprofit executives had spent only 3.83 years in non-management positions on average, and management-level positions were held 10 years on average. Further, they worked 15.04 years before achieving an executive level (highest paid) position and once in that type of position had held them nearly 17.88 years. Nearly 40% of executives in the sample had received at least one internal promotion (35), and 89% of these

executives receiving an internal promotion had had at least one while working for a nonprofit organization. This rate of internal promotion speaks to the leadership develop pipeline of the nonprofit sector, and while not the only path of promotion, it was encouraging to note that upward career movement is occurring in nonprofit organizations.

Figure 1: The Path to the Nonprofit Executive Office



Conclusions and Next Steps

Career paths are commonly depicted on resumes, and herein these complex sequences were distilled into a concise data set capable of statistical analysis. From the findings emerging, appreciation must be given for career paths as individualized stories and layering of experience, credentials, and characteristics that are challenging to disentangle and make sense of in a systematic way. These individual stories of promotion and career intentions hold great explanatory power in understanding the leadership of the nonprofit sector – both in looking back retrospectively at what were the sequential paths that led people to the top positions, but also for looking prospectively and intentionally developing future nonprofit leaders.

This study is a stepping stone for future research. We are currently preparing a manuscript for academic publication that examines how the career paths identified from this sample fit with the career typologies developed by prior research. We are also pairing career background information of nonprofit executives with the financial performance of the organizations they lead to understand how executive's backgrounds prepare them for their financial leadership responsibilities. And finally, we plan to contact the executives of this research study who expressed a willingness to participate in a follow up interview. These interviews will focus more broadly on their career plans and influences. Separately, we are using this research protocol with a new study examining the career paths of nonprofit association executives. This research is being implemented with the support of the ASAE Foundation.

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