

The challenges of leading a third-sector organisation

Leading a third-sector (voluntary/non-profit/charitable) organisation has many similarities to that of other organisations:

- Clear objectives
- Control resources
- Work in teams
- Professional development
- Praise and criticism

But also some clear differences – managers/leaders from private/public sector often struggle with unexpected differences when they transfer to third sector.

Specific challenges faced by leaders/managers in third-sector organisations

What are you there for?

1. Easy to have vague objectives

Social, educational, spiritual objectives are hard to measure

Different constituencies in an organisation often have different objectives

2. Impact is hard to measure

How effective is our church-planting/pastoral/counselling/social care ministry?

If success is hard to measure, it is also hard to celebrate

Who has a say in what you do?

3. Accountability to many stakeholders

Trustees, donors, beneficiaries/service users, church members, churches, missionaries.

All have different views, different goals, different styles, different motives.

4. Management structures can be complex

The need to consult and balance the views of different stakeholders can make it difficult to take decisions quickly

5. Voluntarism is a key ingredient

Unpaid boards of trustees, self-funded missionaries, and volunteers giving their time and energy for free; all this means that you need to motivate people without using financial incentives. In return for their voluntary commitment, people often expect to have their views listened to

Purpose and values are key

6. "Purpose" is a key driver

This becomes a key means of uniting people, but it can also shape the culture of an organisation – missionaries are often independent self-starters ("herding cats" comes to mind); pastorally-minded people are often reluctant to confront or take difficult decisions

7. Values have to be upheld

Third-sector organisations are most effective when people share common values. Ignoring these can easily demotivate.

8. The financial 'bottom line' is not the key driver of priorities

Bills do have to be paid, but profit is not the priority. The allocation of finances is often the result of complex negotiations among stakeholders.