A body of literature is evolving globally that describes the scope and content of the leadership and management competencies required of successful executives of non-governmental social welfare organizations. This paper summarizes the discrete competencies, summarizes the unique components of leadership, distinguishes leadership from management; and, identifies the sources of power and authority executives may draw upon for these purposes. The paper goes on to identify the specific skills, knowledge, abilities, cultural competence, focus and roles played by leaders in this sector and explores the challenges they will face in a rapidly changing environment.
Introduction

In many countries throughout the world, nongovernmental organizations (NGOs) dedicated to improving the health and social welfare of their citizens are proliferating. These organizations focus on a broad array of areas including economic well-being, education, healthcare, advocacy for at risk populations, protection of the vulnerable, community development; and, direct social services for children and families among others. The nature of these organizations may vary in form, structure, function, culture, governance and degree of governmental oversight and regulation; yet the competencies required for effective management and leadership of such organizations are universal. This paper identifies and describes each of the various required competencies, the sources of power and authority managers may draw upon to effectively exercise the competencies; the concept of emotional intelligence as a critical ingredient of leadership; cultural and environmental factors and trends that present specific challenges and opportunities.

Essential Leadership and Management Competencies

Underlying all of the competencies necessary to manage human service organizations is the need for a robust array of intellectual, interpersonal and technical skills. For example, intellectual skills provide for a clear perspective of the organization in its environment and are essential to the capacity to think and act strategically; interpersonal skills are necessary to motivate and engage others to achieve an organizational mission and vision; and, technical skills are required to successfully manage organizational functions such as budget and finance, human resources and others.

Leadership

Leadership is one of the competencies listed and defined below, yet the need for leadership in many ways transcends the others. It is the most complex, critical and overarching competency and the one most directly associated with organizational success and sustainability in a rapidly changing and challenging environment. Given this environment and the growing complexity of both organizations and the functions necessary for their management, it becomes less likely that one individual possesses all of the required competencies in sufficient degree. Therefore, the competence most critical to organizational success is the ability of a manager to be self aware of her or his own strengths and limitations and have the skill and self confidence to build an organizational leadership team that has in the aggregate all of the management competencies described below. This is a critical component of leadership and it is the key ingredient of management competency.

A competent leader must have the capacity to create, define, communicate, interpret, support and anchor the vision, mission and values of the organization so that they are infused throughout the organization and provide a guide and framework for all actions and activities. Many successful multinational companies use credos or vision and mission statements to define who they are, what values are important, what they are attempting to achieve and the manner in which they pursue achieving their identified purposes. A clear, well communicated vision, mission and set of values provides organizational clarity and unity of purpose. Leaders must then anchor the vision and infuse the values throughout the organization so that these affect and guide all of the actions taken and decisions made in all spheres of operations.

A leader must be a role model in demonstrating and promoting ethical conduct and building the culture of the organization to embrace the values of professionalism, customer service, employee engagement and empowerment as well as efforts to promote diversity in the workforce, customer base and ideas that drive the organization.

Leaders must have the capacity to effectively influence and motivate organizational employees and the broader groups of stakeholders such as donors, customers, regulators, allied organizations, government officials and others in ways that support the achievement of the organization’s mission and vision. Lewis, Packard and Lewis in Management of Human Services Programs point out the sources of power and authority available to leaders and managers to achieve these ends. Position power, for example, refers to the power and authority conferred by virtue of the position itself. Managers at certain levels may set and implement corporate policy, hire or terminate the services of organizational employees, and are empowered to make key strategic decisions. Within the framework of positional power is the authority to differentially apply rewards and sanctions to employees based upon their performance.

Rewards may be material in nature and involve determining cash compensation levels for employees, bonus payments, promotions, desirable work assignments, educational and training opportunities, promotions and others. Rewards may also be symbolic in nature and include positive feedback on
performance, special recognition, awards and privileges. Both types can be important motivators used by managers. Sanctions may involve an entire range of progressive disciplinary actions from a verbal reprimand to termination. They may also involve the absence of symbolic awards and opportunities.

The power of position and the related authority to dispense rewards or impose sanctions is conferred by the organization and related to the hierarchical position of the manager. There are other sources to draw upon for exercising power, however, and these are a function of the knowledge, skills and abilities of the individual in a leadership role. The first of these is the power of information and expertise. When an individual within an organization has unique access to a critical body information or extensive expertise or abilities that are essential for organizational success and the success of individuals within that organization, then that individual may exercise power by using those attributes to influence the course of organizational events. The second non-organizationally conferred source of power and authority is that of referent power. This is the power associated with serving as a role model. When members of the organization admire and respect a leader they tend to emulate and adapt the behavior of that leader. Thus the leader leads by example and by so doing uses her or his personal attributes as a source of power to motivate, guide and direct other members of the corporation.

Successful leaders utilize the full range of sources of power and authority creatively in a manner that motivates employees and other stakeholders to pursue and adhere to the mission, vision and values of the nongovernmental organization. A critical quality of successful leaders in this regard is that of emotional intelligence, or EQ (as opposed to IQ) as defined by Daniel Goleman. The author sets forth four domains of emotional intelligence including self awareness, self management, social awareness and social skill; and, defines the components of each. He posits that a creative understanding and use of self, coupled with strong social skills, constitutes a powerful capacity of successful leaders. Emotional intelligence is separate and apart from intellectual capacity and technical skills and defines a dimension of attributes of the most successful leaders. Goleman continues on to describe a variety of leadership styles that encompass a wide group of behavioral attributes or styles of leaders ranging from coercive to authoritative or visionary. His critical point is that the successful leader must have the emotional intelligence to know when and how to use each style effectively.

The concept of adaptive leadership is defined by Heifetz, Grashow, & Linsky in their book entitled The Practice of Adaptive Leadership. They point out that effective leaders enable the organizations they lead to adapt to an ever changing environment. Certainly the economic, technological, demographic and other macro trends evolving rapidly and globally threaten the existence of those organizations that are unable to adapt. Values such as encouraging experimentation and diversity are essential to cope with the social Darwinism prevalent in the organizational environment.

Lewis, Packard and Lewis conceptualize leadership the hub of a wheel with the spokes constituting the other management competencies necessary for organizations to succeed. Three types of competencies or spokes emanate from the hub. Some management competencies have a primary locus inside the organization such as human resource management, budget and finance and the management of information technology. Some competencies are centered outside the boundaries of the organization and include marketing and fundraising along with building professional, organizational and community partnerships. Finally, two of the competencies transcend boundaries and are practiced in the internal and external environments. These latter relate to strategic, program and business planning; and, performance management.
Internal Management Competencies

Human Resource Management – The vast majority of non-governmental organizations are labor intensive as opposed to capital intensive endeavors. The key challenges therefore are to recruit, retain and develop the workforce necessary to achieve the organizational mission and vision. Given the pace of change and the growing competitiveness within the nongovernmental organizational marketplace, effective training and professional development of the workforce is essential. As diversity is a key to successful organizational adaptation, management must focus on maintaining a workforce that is diverse in people, ideas, approaches and styles. This entails creating and sustaining a harassment and discrimination free workplace to give employees the nurturing and supportive environment necessary to maximize creativity and productivity. Sound employee relations practices are also essential to achieve this end. Finally, leadership development and succession planning activities are necessary to assure continuity and stability in the face of inevitable turnover at key organizational levels. A vibrant leadership “pipeline” that results from the latter will help assure organizational success and sustainability.

Budget and Finance – Organizations must develop the ability to effectively manage the material resources they develop or are entrusted with. This means the effective manager must prepare and execute a financial plan or budget for the organization that maximizes the utilization of such resources to achieve organizational goals. This requires the establishment and implementation of a robust set of internal controls that adequately accounts for and safeguards available resources. Given the growth of litigation in the workplace, expanding liability and employee and stakeholder concerns as to safety, managers must learn to manage risk by carefully and consistently refining organizational procedures and securing insurance as may be required. This may be essential to protect all organizational assets including cash, real estate holdings, equipment and other property.

The resources of nongovernmental organizations are subject to the rules and accounting requirement of host nations. This requires the creation and maintenance of adequate financial records that are auditable by a professional third party and meet established governmental standards. Finally, transparency of financial operations is most helpful in maintaining the trust and confidence of stakeholders and gaining their support and understanding when difficult decisions must be made.

Management of Information Technology – Information technology has four specific audiences or venues of use that a competent leader must consider and address. The first is customers, clients or recipients of services from the NGO. Web based or online applications of education, health and human services have proliferated. Many universities now offer degree programs that are fully online, health care is available through the web to individuals residing in remote areas where physicians may not be available; and applications for a variety of NGO services may be made electronically. Effective use of customer based IT applications can enhance organizational services and improve the well-being of the individuals, families and communities served.

A second audience or venue is the workforce of the NGO. Information technology applications are constantly evolving that enhance the productivity and reach of the workforce. Electronic records, new communication modalities and decision support systems among others are examples. A third venue would be the management of the NGO and the emergence of an “executive dashboard” or an information technology based system of real time information as to organizational status, productivity, characteristics and locations of customers served, financial position and emerging trends and needs of those affecting the services of the NGO. Electronic inventory systems, personnel management and purchasing are examples of this approach. A final venue would be the general public including those potentially interested in the services of the NGO, actual and potential donors, potential employees and others. The web and social media have become powerful tools for marketing and fundraising.

A successful manager need not have extensive technical skills in the development of information technology applications to the work of the NGO but must have the imagination and skill to be a catalyst in this regard. A competent manager must also understand how to undertake information technology development in a strategic manner that address the needs of all of the audiences or venues identified above and is able to effectively direct planning, acquisition, support and training of personnel related to the creation, maintenance and evolution of a sound system.

Performance Management - If NGOs are to succeed in achieving their mission, they must establish consequences for performance. Accountability for performance must be infused throughout the organization and be applied to
the governance body, leaders, managers and all employees. It should also guide partnerships, collaborations and joint ventures.

A manager with this competence must have the ability to:

- Establish performance standards for the organization, its programs, and all personnel;
- Develop systems and procedures to systematically monitor, evaluate and enforce standards;
- Devise methods that generate consequences for both positive and negative performance that are uniformly and consistently applied;
- Establish the means and methods to achieve continuous performance improvement; and,
- Work with the organizational governance body and/or a higher level of executive management to establish standards and benchmarks for measuring his/her own performance.

If superior performance is not consistently recognized or rewarded, and if inadequate or poor performance is not consistently addressed and sanctioned, organizations will ultimately fail.

**External Management Competencies**

**Building Professional, Organizational and Community Partnerships** – The vast majority of NGOs need to collaborate, coordinate, and generally work together in partnerships with other organizations, groups, professions, and sectors of the community to achieve organizational goals. Whether the goals relate to community or economic development, health care, education or the delivery of human services, partnerships can leverage the impact of NGO services and outcomes. For example, many individuals or families served have more than a single and exclusive set of needs that fall completely within the purview of a single organization or sector. In the area of human services, many individuals and families may suffer from co-occurring social and health disorders. Child abuse, substance abuse and mental illness may be all affecting a single family that may also struggle with unemployment and poverty. The solution to this family’s problems may involve public sector organizations and several NGOs. The competency here is promote, design and execute the kind of partnership necessary to assure the family receives the services and supports they require to succeed in a coordinated and timely manner.

Marketplace competition is such that strong managers need to identify and seize opportunities such as mergers, acquisitions and joint ventures to position the NGO for survival and success in a changing and challenging marketplace. As many governments are exploring the privatization of public human services and are purchasing services for their citizens from NGOs, competent managers need to understand the implications and opportunities of this activity for their organizations. Particularly important is the ability to analyze and respond effectively to the methods by which government provides opportunities for partnership in service delivery including managed care, pay for performance and unit cost arrangements.

Cross sector partnerships that involve public and private entities, NGOs, for profit and faith based organizations are often important vehicles in strengthening civil society as well as meeting specific needs of individuals, families and communities. Competent NGO leadership in this domain can serve as a catalyst to further these efforts.

**Marketing and Fundraising** – In the growing and competitive environment in which NGO’s function, a successful organization must establish a “brand” or a broadly shared reputation of what the NGO stands for or represents that
reflects quality, integrity and professionalism in customer and community service. The brand – which is a key to successful marketing – must be carefully established and disseminated effectively throughout a variety of venues that encompass customers, employees, donors, government regulators, allied organizations and the public at large. Effective use of electronic, video and print media is a critical component of this competency.

It is thus incumbent for the successful manager to be skilled in building, refining, communicating and disseminating the NGO brand so that the organization may be in a position to attract and retain the most desirable employees, customers, donors, partners and others. This is marketing which is inextricably intertwined with fundraising. Donors contribute and government provides resources based upon the relative attractiveness of the brand that has been established.

Effective fundraising must be preceded by effective “friend-raising” or activities to familiarize potential supporters with the NGO including the people and issues to which it is dedicated and the outcomes it strives to achieve. This competence entails building a culture of philanthropy within and surrounding the organization and developing and executing strategies to raise capital and other forms of material support to benefit the NGO. It also requires a “stewardship” in dealing with donors and the funds that are contributed.

**Crosscutting Competencies**

**Strategic, Program and Business Planning** – Effective NGOs cannot survive by simply reacting to the challenges or opportunities presented in their environments. Leaders must carefully position their organization to anticipate and proactively address such changes and select interventions and activities that both comport with the NGO mission and vision and serve a legitimate purpose within the larger context in which they operate. This will often entail guiding, directing and orchestrating an inclusive and organization-wide process that scans both the internal and external environments in which the organization operates; identifies strengths, weaknesses, opportunities and threats; and, devises a broad framework for future action. A business plan is then required to transform broad strategic priorities into a series of sequenced specific actions, identify responsible entities for carrying out each action; and, establish timelines benchmarks to gauge progress.

Managers need the capacity to identify and plan the implementation of evidence-based programs and services. They also require the skills to identify, collect and analyze reliable data to guide their planning efforts. The competency also encompasses the ability to adjust plans and activities as necessary when the environmental factors and projections that formed the basis of the original plan have changed.

**Conflict Resolution** – Leading and managing NGOs as well as other types and forms of organization regularly requires the resolution of inevitable conflicts that occur. These may be internal conflicts over resources, individual or group behavior or performance, organizational authority, policy and practice; or, they may involve external conflicts with other individuals or organizational entities relating to competition for clients, resources or employees. Conflicts may contain the following dimensions:

- The concerns of each party are legitimate but conflict;
- The resolution to the conflict presented may have precedential implications that, depending on the nature of the resolution, may obligate the organization to incur future cost and expense;
- The intensity of the conflict is such that whatever resolution is selected make likely alienate one or both parties; and
- Some conflicts may require the intervention of the legal system for resolution.

Conflicts can be costly in time and resources but, depending on the way in which they are managed and resolved, they also can be organizationally productive, clarify policy, and create solutions to long standing problems and innovations that may drive organizational success.

Managers who are competent in this domain are able to diagnose the root cause of the conflict, select the appropriate means and methods of resolution, convey to each disputant an understanding and appreciation for their concerns, and arrive at resolutions that are efficient (use the minimum amount of resources necessary) and effective (resolve the problem in a way that comports with the organizational mission and values, fully resolves the dispute, and role models effective conflict resolution for others).

**The Areas of Sustained Focus of Successful Managers**

Upon achieving a position of management within an organization, individuals are often besieged with issues to resolve including demands from governance, concerns of customers, employee issues, budget dilemmas, external conflicts and others. Successful managers must be strategic and discri-
plined in managing their own time, effort and attention. They must be competent in prioritizing the issues they face and determine which ones must be immediately resolved, which may be deferred, which ones relate to issues of vital importance or concern to core constituencies, and which can be delegated or assigned to others to address. The effective manager can sort through the volume of diverse inputs and focus on those that are most relevant to the organization’s success and sustainability. The areas of focus are identified and detailed below:

- The employees of the organization and their representative labor union, if any;
- Donors;
- Government organizations that regulate or fund NGOs;
- Allied professional and service organizations;
- Competitive entities;
- Public officials; and
- Community leaders.

Policy, program and other significant decisions made by the organization should take into consideration the degree of involvement that is appropriate for a specific group in the decision itself, the impact of the decision on each of the entities, the manner in which managers should present such decisions, the likely response or reaction of the affected group to the decision; and, what impact that reaction might have on the NGO.

Understanding, sensitivity and responsiveness to the needs and requirements of stakeholders is essential so that, for example, customers find the NGO services worthwhile and valuable, employees find the NGO a desirable and fulfilling place to work, donors perceive a strong return on investment, and government officials see a regulatory compliant and sound corporate citizen. Developing personal relationships with leaders in these key constituencies that promote trust, understanding and support of the organization and its mission are integral components of this focus area.

Products

A strong manager is clear as to precisely what the product is of the organization, what its key components are, what its niche in the marketplace is, and how it may differ from other similar or competitive products. Products must be modified or adjusted from time to time to correspond with market forces, change in consumer demographics or demand, shifts in funding priorities of government and donors, or adaptations of information technology as well as other marketplace additions. The challenge for successful NGO managers is to be nimble in adjusting the product to accommodate changes without compromising the mission, vision and values of the organization.

Place

An emerging strategic challenge in the delivery of health and social services relates to the physical or virtual place of service delivery. Where customers or clients can receive services bears most significantly on the overarching issue of accessibility. If customers or clients are not aware of the service available, cannot physically get to the location of service delivery, or are otherwise constrained by other barriers such as stigma, cost and cultural factors, the NGO is at risk of failure. The
older thinking of “build it and they will come” is no longer relevant to the health and human services.

Innovations such as programs for assertive community treatment or pact teams reach out to serve seriously mentally ill individuals in community or street settings as opposed to offices or hospitals: family preservation services in child welfare serve families in their own homes for significant periods of time rather than in professional offices. Finally, in remote areas with extremely limited access to mainstream healthcare, psychiatrists and other physicians assess and treat their patients in virtual locations made possible by today’s technology. Leaders must constantly assess, analyze and change the location of service delivery as may be necessary to remain relevant and competitive in a rapidly changing marketplace.

**Price**

The concept of return on advancement has clearly spread from the for-profit sector to the world of NGOs. The investments and returns must be thought of broadly and not just focus on the monetary requirements of producing, distributing and marketing a specific product. One must compare the investment of time, finances and efforts associated with the latter to the outcomes for families, individuals and communities. Choosing to engage in a specific activity, for example, has an “opportunity cost” meaning the possibility of engaging in perhaps more mission related or lucrative future activity might be lost by the commitment to the one at hand.

In any case, effective leaders must constantly manage the costs of all investments and activities to make the very best of what is available and to remain competitive. For example, public procurement processes used by many governments for the acquisition of goods and services from NGOs often use the standard of “lowest cost responsible bidder” to choose among various competitive proposals. Relative quality of products to be delivered and competence of the bidders may be speculative or opaque, whereas actual financial price is clear.

**Promotion**

Leaders need to promote or market their organization and the goods and services they provide by exercising the marketing competency described above. They must carefully assess strategies and venues to promote, shape and disseminate the brand of their NGO and the specific goods and services it provides. Promotion takes time and incurs costs so that decisions must be carefully made to delimit the audiences one promotes to the ones most relevant, determine the specific message that best conveys the brand, and choose the venues for promotion. Websites, media, printed materials, meetings, conferences, open houses and etc. can all be used but must be adjusted to the audience.

Experience in promotion reveals that one of the most effective health and human services marketing strategies is to personalize or humanize the brand. The effective leader must constantly strive to “put a human face” to the NGO and the services it provides thus graphically demonstrating the value added to the quality of life of those that are affected. Outcomes are stressed rather than means or methods. The smiling face of a child often conveys a far more powerful and attractive NGO brand than technical descriptions of strategies, methods, or means.

**Performance**

The competency in management of this function as described above must also be a sustained area of focus for the executive of the NGO. Building an “electronic dashboard” or devising effective ways to judge the performance of the organization up to the moment in real time is essential. Noting trends in performance, quickly diagnosing and redressing barriers and identifying and expanding effective methods are essential in order for an NGO to remain competitive. In order to drive employee performance, leaders must be skilled in motivating personnel, setting clear expectations, and bringing to bear all the power and authority granted by the organization as well as the competencies of the leader.

Performance may be gauged by measuring certain specified organizational outputs or products and comparing these to quantified benchmarks that are established or required for such performance. Recent U.S. federal social welfare legislation has specified such performance levels for States in their operation of a variety of programs such as public welfare (Temporary Assistance to Needy Families), child welfare (The Adoption and Safe Families Act) and others. Another approach is to establish standards for national accreditation and measuring the performance of organizations seeking such accreditation against the established standard. Receipt of such accreditation implies superior service and enhances the organization’s competitiveness for customers, superior employees and outside funding. In the U.S., the Joint Commission on the Accreditation of Health Care Organizations accredits healthcare providers, the Commission on Accreditation accredits organizations serving children and families, and the Council on the Accreditation of Rehabilitation facili-
ties accredits organizations serving individuals with disabilities.

The successful executive not only focuses on the performance of the NGO she or he leads, but also that of competitor organizations as well as vendors, subcontractors and partners. She or he must be prepared to expeditiously take corrective actions to assure performance meets expected benchmarks and standards.

The Imperative for Cultural Competence

The globalization of the economy, immigration and diversity also affect NGOs providing health and social services in very significant ways. These organizations must develop the cultural and linguistic competence to serve the growing diversity of individuals seeking assistance and provide services and products in a manner that is both accessible and acceptable to such individuals. Well intended and thoughtful employees and services may be perceived as offensive or stigmatizing unless this issue is understood and addressed.

Cultural competence thus extends beyond simple respect and sensitivity to cultures different from those traditionally engaged. It requires an understanding of the culture and language of applicants and recipients of products and services so these may be best positioned for acceptance and use. The need for cultural competence is driven by the need to serve new immigrant groups and also to address the needs of underserved minorities whose access has been historically blocked by cultural factors.

There are a variety of ways for leaders and managers to enhance the cultural competence of the organizations they direct. These could include the provision of systematic training to employees within their workforce so that the barriers of language and culture are minimized or eliminated in the delivery of service. Sound training and development might also lead to the tailoring of specific products and services so that they are more understandable and attractive to diverse groups. This might also lead to enhanced marketing strategies to promote the services to targeted populations.

Finally, organizations may choose to reach out to engage minority groups and begin a dialogue with the express intent of finding common ground, defining mutual requirements and tailoring services and communications services in a mutually beneficial manner.

The Ecology of Leadership and Management

In order to be successful over time and build a sustainable organization that is mission and vision driven, leaders and managers must understand the dynamic forces in the environment that affect their organizations and have the ability to position the organization to adapt to and harness these forces. Change is constant, advances geometrically at times, and those unable to adapt will likely fail. Some of the particular forces affecting NGOs are listed below.

The Political and Policy Environment

Within each country, the thinking relative to the role and functions of NGO, the types of health and social services that should be funded and provided, the social welfare policies to be pursued, what forms of income transfer might be used to effectuate selected policies and related issues shift over
time. Anticipating and adjusting to such shifts in a proactive rather than reactive manner assures the continued relevance and success of the organization. The goal here is not to change the organizational mission, vision or values to comport with such changes – but rather to adjust means and methods to do so. A key change here is the move internationally to engage NGOs in a broader array of what traditionally had been government services.

The Social Service Marketplace

The marketplace for health and social services involving governmental, for-profit and NGO organizations has become far more competitive in both developed and developing countries. In many instances traditional monopolies of one sector or one organization controlling specific services have been broken up. Organizations compete vigorously for resources, employees and customers. Government procurement processes drive competitiveness by awarding contracts to organizations based on price, capacity and anticipated quality of services to be delivered. Further, governments and foundations, especially in the U.S., now employ new means to organize and finance services. Grants have evolved from simple awards for general purposes and activities to highly structured contractual agreements in which defined products or deliverables are specified in return for a set sum of compensation.

Competition in the marketplace has been furthered by the issuance by governments of vouchers to eligible recipients for specific services. Consumers may than choose which specific organization to select to obtain the service. Vouchers, which have a fixed monetary value, are then redeemed by the providing organization. Consumer choice in this instance vastly enhances competition. Another form of provision is the utilization of a managed care approach. This applies to situations in which the government or other purchaser wishes to procure a broad array of related services, such as healthcare, for a defined population. A contract is negotiated with an insurance company or allied entity which defines the scope and array of services, eligible recipients, standards of care and methods and levels of reimbursement. The goal here is to enhance quality and accessibility of services while controlling costs at the same time. Lead organizations must assure that recipients receive the services they require in a coordinated manner and that costs are controlled by the avoidance of unnecessary and inefficient or ineffective care. Providers may be granted a flat or capped rate of payment for every recipient, unrelated to what care the recipient does or does not receive. Thus, providers are at financial risk if the aggregate cost of the care provided to those enrolled exceeds the amount actually received. Conversely, a profit may be experienced if the reimbursement payments exceed the costs.

Finally, in some instances, payment is made only when specified levels of performance or outcomes are achieved by the organization providing the healthcare or social service. Real costs incurred to appropriately achieve the specified purposes may not be reimbursed if the performance or outcome is not achieved. For example, workforce development service providers may only be paid when participants become employed – not just because they received training and supports.

The Economy

The economy continues to have an enormous impact on NGOs engaged in the delivery of social and healthcare services. The most obvious and profound effects relate to diminished governmental economic capacity to underwrite NGO services along with the corresponding diminished capacity of the private philanthropic sector in this same regard. For many NGOs, outside financial support has stagnated or declined, leaving behind the hard choices of “doing the same or more with less” or, more realistically, reducing organizational services. At the same time, demand for many services has dramatically escalated as other economic factors such as persistent unemployment, the collapse of the housing bubble and changes in the global marketplace have all created a class of newly needy citizens turning to NGOs for assistance.

In the U.S., health and pension costs, for example, are often born by the employer. The growing costs of these latter items has escalated at a far great-
er rate than organizational revenues causing NGOs to modify, reduce or even eliminate their coverage of these items for their employees. Excessive costs in this area detract from the competitiveness of goods and services in a global economy. Finally, the economy has limited turnover of employees and caused many senior workers to defer their retirements. This has inhibited efforts to conduct succession planning to identify and cultivate future managers and leaders in an orderly manner. It has also constrained efforts of organizations to enhance the diversity of their workforces to meet the changing demographics of the individuals, families and communities that are served.

**Changing Demographics**

Immigration and the focus on cultural groups that have traditionally been underserved as noted above drives the demand for cultural competence for organizations to stay relevant to their communities. Another profound change experienced globally at differing levels is the growth in individual longevity coupled with the decline or stabilization of birth rates resulting in a larger percentage of elderly in the general population. This change undercuts the actuarial assumptions underlying many nations’ social safety net programs – especially those dealing with healthcare and retirement benefits. This demographic is inextricably intertwined with economic stability. Also, the demand to buttress core safety net programs will likely detract from what might be available to NGOs serving other populations.

A final demographic factor relates to the change in families. The vast preponderance of families in most nations consists of either single parents or households in which both parents are employed. Parents may likely commute further distances to work, work longer hours; and, due to wage stagnation in a number of nations, must save more to purchase major items such as homes, automobiles and higher education. Thus NGOs may encounter families more affected by stress, economic instability and limited choices.

**Workforce Issues**

Labor markets have changed significantly and the workforce of NGOs and other entities has evolved considerably. One is more likely to encounter women, minorities, individuals with disabilities and other groups represented in considerably greater numbers in NGO employment situations. Further, generational changes in attitudes and values towards work among employees are also emerging. Baby boomers, for example, think very differently about loyalty, commitment, career and balance of work and family life than do younger employees.

The challenge for leaders is to create a work environment that is nurturing and accepting of the differences and is able to harness the energy and creativity of workers with significantly different backgrounds and life experience. Extra effort is required to foster a harassment and discrimination workplace that supports and values diversity along with organizational and individual learning.

**Service Trends**

A universal value for many NGOs is to design and deliver services that empower recipients and provide choice and self direction in the selection and utilization of services. In addition, many nations have adopted the concept of serving individuals in the least restrictive and most appropriate environment. For many, the thrust is to reduce reliance on institutional care for such populations as the elderly, mentally ill, developmentally disabled and emotionally disturbed youth in favor of supported care in a community setting. Further, the trend has been to individualize services through a concept referred to as case management. The idea here is for one trained professional individual to work with a service recipient to craft an individually tailored service plan that fits the unique needs of a particular individual or family. Finally, government and other funders now are more likely to consult the research literature before deciding to finance a particular service or intervention to be sure there is a basis of evidence that documents its efficacy in addressing the targeted problem or issue.

**Applications of Information Technology**

There perhaps is no greater transformative force affecting the nature and content of services provided by NGOs than adaptations of information technology (IT) to the delivery of services. As noted above, IT applications have enormous potential in serving clients, supporting workers and aiding management. Today, in many venues, access to services is through the internet; healthcare is provided remotely through fiber optic cable; individuals with disabilities and others use “smart cards” with microchips that contain important service records and information; managers utilize biometric imaging and artificial intelligence to assure program integrity and prevent fraud and abuse; workers use decision support systems to organize and analyze case material in a manner that guides superior case outcomes; and, leaders and managers use “executive dashboards” or systems that provide real time only data as to various as-
pects of organizational performance and status. This clearly is only the beginning.

Summary

It is clear that NGOs dedicated to the provision of health and human services are proliferating in many nations throughout the world. This phenomenon is driven in some countries by the desire to privatize services previously provided by government or to address unmet needs of citizens. The specific role, structure, regulation, governance and function of NGOs vary from country to country; however, all require sound management and leadership to survive and thrive in a rapidly changing and challenging environment. Individuals charged with these functions must develop the necessary competencies as detailed in this paper and which are required by their organization and the environment in which it operates.

Management and leadership needs of organizations vary over time. A different mix of competencies may be required in organizations that are just starting up as compared to those required by organizations that are either foundering and need extensive remediation, or are simply moving along smoothly in a stable environment. Organizations need to plan for continuity of leadership and sound management by engaging in succession planning to develop future leaders and offer training to permit employee growth and development.

The leadership and management competencies interconnected in the wheel depicted in this report are essential to support NGOs in moving forward to achieve their mission and vision.

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