5. **We Develop Leaders Across Our Organization Who Model Our Mission and Values.** We demonstrate our commitment to effective stewardship of our staff and board by ensuring representation of and leadership by those served. Leaders throughout our organization understand the unique business model of the organization, meaning how money is raised and spent to fulfill the mission and strategic goals, and make sure that promised results are achieved. We offer competitive staff compensation and benefits and provide systems and infrastructure that staff need to do the work. We invest in staff and board development, mentoring and support, and we intentionally plan for leadership succession to ensure staff and board growth and continuity.

### NONPROFITS
- **Ensure that board and staff represent and partner with the communities served.** Reflect on representation and change culture, policies, and practices to ensure those most affected by work have significant, meaningful leadership roles.
- **Treat the board as an asset;** maximize opportunities for board members to contribute time, talent, treasure, and ties; provide opportunities for board education and evaluation.
- **Raise funds and budget for competitive staff compensation and professional development;** engage in ongoing and annual evaluation and professional development as a commitment to results, stewardship, and growth.
- **Create a leadership succession plan** and update it annually.

### FUNDERS
- **Initiate conversations about leadership roles,** including how those served are represented in leadership, and support organizations investing in strong leadership and performance evaluation for growth and development.
- **Fund proposals and projects for development of staff, leadership, and boards,** understanding that strong leaders seed impactful programs.
- **Encourage budgets that include healthy, competitive salaries and benefits to support people delivering the mission.**
- **Engage in conversations about and fund planning for leadership transitions** for key staff and board, and support organizations with funding during periods of transition.

### BOARD GOVERNANCE:
In discussions, nonprofit leaders and funder representatives identified the importance of, and challenges with, the board understanding its governance role and that it is accountable for the organization’s operations.

“[I] prefer a visionary leader but recognize the need for organization as well as institutional knowledge preservation. There is a need to write things down, to share with people.”—Local funder representative

“Board members...play very significant roles providing guidance to nonprofits by contributing to the organization’s culture, strategic focus, effectiveness, and financial sustainability, as well as serving as ambassadors and advocates.”—National Council of Nonprofits

### MYTH: Grow beyond the myth that there’s not enough money or time to invest in staff, and funders won’t pay for it.

### REALITY: Investment in talent development is a matter of priorities and values that will pay off in staff satisfaction, retention, performance, and effectiveness; help funders who support your work understand the compelling case for prioritizing talent investments. See Fund the People Toolkit: Nonprofit Myths and Realities.

**Learn More**

VISIT 7PRINCIPLES.THECNE.ORG TO ACCESS OUR LIBRARY OF TOOLS AND RESOURCES.
DEVELOP LEADERS: QUESTIONS FOR NONPROFITS

Do the people and communities we serve play a significant and meaningful role in our organization’s leadership and decision-making?

___ YES  ___ NO  ___ NOT SURE  ___ N/A  PRIORITY:  High  Medium  Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Do we organize, plan, and develop the people we need (in staff, board, and volunteer positions) to make progress on our most important work?

___ YES  ___ NO  ___ NOT SURE  ___ N/A  PRIORITY:  High  Medium  Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Do we provide regular education for our board about our business, our sector, and the issues most affecting our mission and the communities we serve?

___ YES    ___ NO    ___ NOT SURE    ___ N/A       PRIORITY:      High       Medium       Low

If so, HOW? If not, WHY?

Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

Does the board understand its unique roles and responsibilities related to governance, oversight, and ambassadorship, and do we maximize their engagement and contributions (make space for open and honest dialogue, ask challenging questions, welcome all voices, invite their specific skills/expertise, etc.)?

___ YES    ___ NO    ___ NOT SURE    ___ N/A       PRIORITY:      High       Medium       Low

If so, HOW? If not, WHY?

Brainstorm: How Do We Improve? Ideas, Learning, Next Steps
Is the board evaluating itself, as individuals and as a group, in relation to previously-set goals and plans?

___ YES  ___ NO  ___ NOT SURE  ___ N/A  PRIORITY:  High  Medium  Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Do staff and board work together to identify and address risks and opportunities for our business model (how we operate and fund programs, annual operations, and long-term growth)?

___ YES  ___ NO  ___ NOT SURE  ___ N/A  PRIORITY:  High  Medium  Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Do we prioritize attracting and retaining staff in growing and developing the organization? Examples include competitive salary and benefits, training and development, systems and support, and career pathways.

___ YES    ___ NO    ___ NOT SURE    ___ N/A    PRIORITY:    High    Medium    Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Do we support and evaluate staff (including evaluation of ED/CEO by board) to improve individual and collective performance in service to our mission and community?

___ YES    ___ NO    ___ NOT SURE    ___ N/A    PRIORITY:    High    Medium    Low

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps

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Have we created clear and transparent paths to promotion within the organization?

___ YES    ___ NO    ___ NOT SURE    ___ N/A

If so, HOW? If not, WHY?

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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps
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Do we plan and prepare for future transitions of key leadership and critical roles at both the staff and board levels?

___ YES    ___ NO    ___ NOT SURE    ___ N/A

If so, HOW? If not, WHY?
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Brainstorm: How Do We Improve? Ideas, Learning, Next Steps
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