

# *ONTARIO ARTS SERVICE ORGANIZATIONS: One Size Does Not Fit All*

## PASO Coalition Leadership Study

Prepared for the PASO Coalition  
(Provincial Arts Service Organizations)

By

Gerald Smith  
GM, FIRST STAGE  
Heather Young  
Principal, YOUNG ASSOCIATES  
Anna Mathew  
Sr. Associate, YOUNG ASSOCIATES

"There is no question that we expect an extraordinary amount from our Executive Directors. . . be fundraisers extraordinaire, out every night schmoozing with potential sponsors and donors, government lobbyists, meeting and stroking civic, provincial and federal government funders, labour specialists, negotiating extraordinarily difficult contracts with well-organized unions, capital campaign experts, operations and facilities mavens, not to mention full-time meeting attenders for the dozens of committees of the Board. And, they have to do this for half or a quarter of the sum that would be paid to someone in the private sector world, with half or a quarter of the staff! It's all quite depressing when you think about it and really amazing that anyone survives."<sup>1</sup>

June 2015

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<sup>1</sup> Jocelyn Harvey, [Creative Management in the Arts and Heritage](#): Sustaining and Renewing Professional Management For the 21<sup>st</sup> Century – A proposed action Plan for Creating Winning Conditions, May 21-2, 2003; p. 9.

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## About the PASO Coalition

The PASO Coalition is a voluntary collaboration of 23 arts service organizations across Ontario. We strive to strengthen the environment for these institutions and individuals to continue to create and disseminate arts and culture in a manner that is accessible to all Ontarians.

This PASO leadership project is a research and networking project that brings together 19 partner Ontario-based arts umbrella organizations<sup>2</sup> with broad bases of membership across the province, each tackling the complex challenges of organizational leadership and governance and collaborative advocacy.

Leadership Study Working Group:

Demetra Christakos (OAAG)

Kristian Clarke (CARFAC Ontario)

Rosslyn Jacob Edwards, Dance Ontario

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<sup>2</sup> ASOs invited to participate included: l'Alliance Culturelle, ARCCO, ArtsBuild Ontario, CADA-ON, Canadian League of Composers, CAPACOA, CARFAC Ontario, CCCO, Craft Ontario, Dance Ontario, MANO, OAAG, Ontario Book Publishers, Ontario Presents, Orchestras Canada, PACT, Reseau Ontario, TAPA, Theatre Ontario.

## From the Consultants: Methodology

The PASO Coalition, under the direction of a Working Group and with support from the Cultural Development Fund and the Ontario Arts Council, commissioned Jerry Smith (First Stage) and Heather Young (Heather Young Associates) to carry out research and analysis that would lead to a better understanding of leadership by examining the positions of Executive Director and that of the elected President of the Board of Directors.

In Phase 1, a quota sample<sup>3</sup> of some 19 PASOs was identified by the Working Group, and each was approached by the research team to supply copies of their governance and policy documents (e.g. Articles, By-Laws, Policy Documents/ Handbooks, job/position descriptions); the materials gathered from this sample formed the basis for the initial literature review and analysis. An integral part of this sectoral review included the collection and analysis of financial data from the partner organizations that covered the most recent seven year span (2007 – 2013).

In Phase 2, the consultant team designed and delivered a web-based survey to explore in more depth some of the characteristics and impacts of the leadership model that predominates: two core leadership positions within ASOs in Ontario:

- The senior staff position (often referred to as the **Executive Director**)
- The senior volunteer (**Chairman**, President, Committee Chair)

More than half of those targeted in the survey responded to the online survey; their responses provided additional data to serve as a basis for understanding.

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<sup>3</sup> A non-random selection of the field of potential candidates.

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## PHASE 1: The Nature and Function of ASOs

There to serve the artist and their art practice, as well as the sector - in all their variations - are the Arts Service Organizations (ASOs at all levels, national – NASO; provincial – PASO; municipal – LASO).

ASOs were described in a 2004 report for Canada Council as:<sup>4</sup>

... organizations founded and directed by their members, who are professional creators, interpreters, producers, distributors/disseminators and or conservers in the arts and cultural sector, to serve the collective interests of the membership, the constituency, and the public...

According to Ontario's Ministry of Culture website, ASOs are:

... nonprofit organization(s) serving the people or institutions within the arts community who create, produce, distribute, diffuse, present, and/or conserve the arts. ASOs provide artists in various disciplines and communities with a public voice, opportunities to grow and develop as artists, access to audiences, and a range of support services. They also increase the public's access to the province's cultural resources through a variety of mechanisms including important arts and education initiatives.

Thus, benchmarks for all ASOs include:

- Representative professional bodies
- Membership based
- Serving the interests not only of members, but also the discipline as well as the public
- Paid professional staff
- Office / secretariat

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<sup>4</sup> Policy In Action, A Report on National Arts Service Organizations, February 2004, Prepared for the Canada Council for the Arts by Roy McSkimming Consulting Services, p. 8.



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- Incorporated,<sup>5</sup> reporting to a Board, subject to membership approval at an AGM
- Supported by funders who provide significant operating and project support
- Program deliverers

Notwithstanding this diversity of diversities – discipline, life cycle, scale, budgets, staff complements, language, locations – and the rich mixture of programs and services they deliver, Arts Service Organizations are recognized as responsible for programming that includes some combination of at least:

- Communications and Information
- Networking and peer support
- Policy Development and Advocacy
- Public Awareness and Audience Development
- Professional Development and Training
- Research and Program Delivery

Membership in an Arts Service Organization is voluntary as outlined in the By-law/Policy documents<sup>6</sup> of each ASO (as opposed to unions and labour organizations where membership is obligatory.)

Historically, ASOs have also served as a bridge between a period of professional training (university or college based) and entry into the profession, often reaching out to the educational institutions with awareness and skill-building sessions, as well as offering workshops, publications and services that ease the emerging artists into the realities of their newly chosen professional path.

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<sup>5</sup> Many ASOs have also travelled further down the road by seeking and attaining charitable status within the requirements of the Canadian Revenue Agency under the Income tax Act.

<sup>6</sup> The impending Ontario Not for Profit Corporations Act (ONCA) will require all ASOs on Ontario to reexamine their articles of incorporation, by law and membership structure.

## Market Segmentation: Diversity Amongst ASOs

Arts Service Organizations come in a host of shapes and sizes; some represent individual arts practitioners, others the needs of the organizational entities (companies, organizations) that have formed around a recognized sectoral or discipline need. Arts Service Organizations are as much the step-children of funders as responders to artists' needs; one ED referred to the ASOs as the *Canadarm* of the funders, reaching out into space to assist the Council with its work. Over time, Officers have found it advantageous to be able to deal with a single champion in the channel as a way of seeking input and guidance about a variety of policy issues (e.g. health and safety, granting procedures), while at the same time using them as an effective tool to reach out those individual artists, the various disciplines, as well as the organizational members of the sector, across the entire province, big and small, urban and rural, in both official languages.

Funders have often supported more than a single ASO within an art form, as a reflection of the variety of artistic genres and categories within that art form; thus a visual artist working in different media (painting, performance art and electronic media) may find themselves seeking assistance and support from multiple service organizations – or being invited to join and support several different entities..

Apart from the perceived value in segmenting of a market (more efficient communications and offerings through targeting, potential for increased effectiveness), there are also some challenges; notwithstanding the unique missions/mandates/visions of differing organizations, each ASO still delivers a range of services that are very similar to those delivered by other ASOs. Some enhanced form of collaboration could achieve economies of scale, allowing limited resources to be invested in support for programming & services rather than overhead (rent).

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The not-for-profit sector, in arts, culture and heritage, has long worked at developing a collaborative, as opposed to a directly interventionist or competitive mode; in a recent study, it was recognized that service organizations:

“...are caught in a difficult cycle of small budgets, minimal staff, limited programming, and low fees, resulting in curtailed impact. . . . There is a great, if unrealized potential within Metro Boston’s arts service organizations. But this potential can only be reached if a select few of these agencies choose to combine their assets to create organizations with greater capacity, stronger impact, and higher visibility through mergers, alliances or the sharing of back office operations.”<sup>7</sup>

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<sup>7</sup> Arts Service Organizations: A Study of Impact and Capacity. Understanding Boston, The Boston Foundation, 2005. p. 5.

Environmental Scan

**SWOT Analysis**

**Strengths and Weaknesses: *Variables inside ASOs in the sector, over which they have some direct sway.***

- Overall, stable, knowledgeable, skilled and dedicated executive leadership and support staff in the office; strong, diverse, staff-supportive Boards of Directors; established operational systems (finance, communications, outreach, programming, advocacy);
- Profile and respect for ASOs from funders, members and peer organizations; track record of collaboration/partnership (e.g. PASO Coalition); success of bridge building efforts by ASOs with multi-level agencies /boards/ commissions/ departments, educational institutions, professional and union organizations;
- Both funders and ASOs recognize the relationship is a two-way street, “a conduit for disseminating program information to clients, but should consult them more fully on policy changes and keep them better informed generally: e.g., on the reasons for granting decisions, or on forthcoming changes to the Council’s budget or funding practices for the discipline.”<sup>8</sup>
- Recognition that, without ASOs as an integral partner in the sector’s infrastructure, it could be everyone for themselves;
- Currently, there is in place a narrow range of training resources/programs dedicated to supporting organizational and management effectiveness (capacity building, stabilization, technical assistance, mentoring, consulting – e.g. OAC’s Compass Program);

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<sup>8</sup> McSkimming, op. cit., p. 20.

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- The organizational and operational capacities of ASOs vary depending upon sector/discipline, life span of the organization, budget size (economy of scale), geographic stretch;
- Literature review established that, collectively, ASOs are stable and longstanding (avg. life span 18 years), and the leadership are mature, experienced; a significant share of managers have written job descriptions, hold full time positions, written contracts, documented HR policies, and a formal staff performance review protocol;
- Analysis of ASO literature from the original quota sample (18 organizations) revealed that almost one in ten ASOs operate with budgets under \$99,999 (13%); half have budgets between \$100,000 - \$299,999; almost a quarter (23%) with budgets between \$300,000 - \$499,000; and 13% operate with budgets in excess of \$500,000;
- The potential membership base of some ASOs can be small, geographically disparate and pulled multiple directions; the revenue model is challenging (single funder, few at best), with reliance on direct grants (operating, project; annual, multi-year) and limited earned revenue; leads to Catch-22 need for earned revenue programming (PD, publications, events) thwarted by the cost-benefit realities of small staffs;
- ASOs may have a limited pool of potential Board members – trained, experienced – with the appropriate skill sets available when needed; the pool can be even more narrow when membership is organizations/companies;
- A Board comprised exclusively of practising artists risks a potential shortage of organizational, governance, leadership and operational skills; a Board made up largely of supporters and sponsors risks losing credibility and legitimacy in the eyes of the membership;

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- To ensure that Board and committee structure remain viable, ASOs require more strategic and robust recruitment and development strategies, and support;
- Fundraising is labour intensive; making headway on fundraising for a busy ED can be an uphill battle because s/he is already working more than full time attending to other responsibilities;
- ASOs are often in a more challenging position for raising money than their members; limited public profile tends to hamper fundraising; volunteer Directors may also be staff of member organizations; member services are often provided, on principle, at no cost or a very minimal cost, dramatically reducing the opportunity to develop a stream of earned revenue;
- Being pulled in competing directions (advocacy, programming, resource development, research/networking) contributes to burnout amongst the leadership – hired and appointed;
- The current level of peer interaction amongst EDs is a good basis for more structured collaboration, succession planning; the potential benefits achievable through “economies of scale,” mentorship and succession are significant;
- Board members may feel their first responsibility is to their respective constituencies; this question of securing and allocating human resources to this important work must be the first task of the Board and Executive Director before this plan can be implemented;
- Human Resource Development programs/opportunities are seen as limited, not available in all regions of the Province, or all disciplines, lacking in coordination of availability, and are often seen as expensive and inaccessible;

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- There is no single career path into a leadership position, thus compounding the lack of an external/central mechanism for leadership accreditation or certification;
- Arts Service Organizations serving a membership base of individuals (e.g. visual artists, authors, performers) face a different challenge in pricing fees that those dealing with entities (e.g. galleries, museums, artist run centres, theatres); both segments are price sensitive;
- The next generation of arts leaders is “a smaller cohort of Canadians, one which is highly educated, technologically savvy, and culturally diverse, but burdened by record-high student debt loads and likely to have its pick of jobs.”<sup>9</sup>
- A values-driven leadership cohort is their own worst enemy – accepting unreasonable working conditions, pay and support, thus undermining their own contribution; the opportunity cost of maintaining the health of the organization is often rooted in the gap in learning/development shortfalls.

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<sup>9</sup> Harvey, op. cit., p. 7.

**Opportunities and Threats:** *Variables, outside the ASOs and not under their direct control.*

- The recognition that ASOs serve a valuable role as sources of professional development, outreach, research and advocacy offers a strong platform for capacity building in the sector, and across disciplines;
- Cultural vitality is an asset, one of the four pillars of sustainable development for healthy communities (along with economic prosperity, social equity and environmental sustainability); cultural vitality is also seen as the last one to join the table in discussions about planning and sustainability, and so it has not yet had the time – or resources – to cement its position;
- The implementation of Bill 65 – the Ontario Non Profit Corporations Act (ONCA) opens a window for Boards to strengthen their governance resources, and re-examine their membership structure and bylaws;
- New digital technologies have led to the development of several new arts forms, as well as creative opportunities for artists to collaborate, communicate, showcase, access resources and learn in ways that were never available, with artists from different disciplines or in different geographic locations; governance and operational actions have yet to benefit fully from emerging technologies;
- A growing availability of enhanced entrepreneurial skills, knowledge and abilities to support a strategy of revenue diversification beyond the current narrow alternatives for contributed revenue (single funder support) and earned revenue (memberships, events, services);
- Funders increasingly recognize legitimate admin costs (salaries, professional development) as integral contributors to program and assessment criteria;



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- An increasing awareness by EDs and Presidents of the need to professionalize the sector's HR practices and resources and the growing risk associated with failure (clarity in job descriptions, performance evaluation and feedback); funders increasingly recognizing they are positioned to contribute strategically to healthy and humane HR resources, policies and practices for long-run success;
- The increasing risk of staff, Board and committee “burnout;” the lack of PD resources for incumbent EDs; the lack of strategic development of leadership capacity for the future; structurally, there is far less stability, continuity and career development within ASOs, with the resulting staff burnout and migration of colleagues to more lucrative opportunities further along the food chain;
- Current and ongoing instability undermines strategic planning function;
- The proliferation of discipline/language/geographic membership based service organizations in the sector has contributed to structural competition for resources from funders, potential members, supporters, and the market;
- Fragmentation (geography, discipline, languages) may contribute to a “divide and conquer” risk;
- EDs and their Presidents operate in an increasingly complex legal and regulatory environment (CASL, PIPEDA, CRA, AODA, police checks) in an era of more demanding levels of accountability, transparency and reporting;
- Both senior levels of government are communicating that growth in financial support is not an option – the Ontario Arts Council recently announced a 5% cut to operating grant clients across the board;

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- There is a lack of depth and variety of funding sources, weakened further due to their cyclical limitations; impact of a single funder decision could destabilize an organization or the entire sector;
- The sector falls into the bracket of leisure spending, and is thus more sensitive to economic downturns;
- Private philanthropy, whether personal, corporate or foundation based, feels every economic pinch; further, when the tax base takes a hit, so too does government funding;
- The ASOs and the Arts sector are losing ground to such powerhouse sectors as education (universities, colleges), and health (hospitals, research, diseases);
- Increasing levels of expectations by users, supporters and members around customer service levels and on-line support;
- Limitations/restrictions on internships, mentorships and coaching; diminishing pool of experienced leadership resources.

PHASE 2: Variations on a Theme - Document Review / Sector Profile<sup>10</sup>

The research team and the Working Group targeted some nineteen provincial arts service organizations that has signed on to the funding application, and agreed to support and participate in this study:<sup>11</sup> Of the organizations contacted, 95% responded by supplying complete or significant access to the data and details requested.

**Respondents by Discipline**

At the heart of the data/responses from these 18 responding provincial arts service organizations: *one size does not fit all*. These dozen and a half respondents represent the full range of disciplines across the various sectors across the entire province, including the visual arts (25%), performing arts (21% combined), multidisciplinary (28%) and single discipline (3% Literary Arts):

	#	%
Dance	2	6
Music	2	6
Theatre	1	3
Presenting	2	6
Visual Arts	4	22
Media Artists	1	3
Multidiscipline	5	28
Literary Arts	1	3

<sup>10</sup> See Appendix 1 for summary data.

<sup>11</sup> l'Alliance Culturelle de l'Ontario ; Artist Run Centers and Collectives of Ontario (ARCCO); ArtsBuild Ontario (ABO); Canadian Alliance of Dance Artists – Ontario (CADA-ON); Canadian Arts Presenting Association (CAPACOA); Canadian League of Composers (CLC); CARFAC Ontario; Cultural Career Council Ontario (CCCO); Dance Ontario; Media Artists Network (MANO); Ontario Association of Arts Galleries Ontario (OAAG); Ontario Book Publishers Organization; Ontario Crafts Council (OCC); Ontario Presents; Orchestras Canada (OC); Professional Association of Canadian Theatre (PACT); Reseau Ontario; Toronto Alliance for the Performing Arts (TAPA)

## Cultural Affiliation

Additionally as a reflection of the diversity that typifies Ontario, the membership base of the respondents typifies a variety of cultural affiliations (aboriginal, anglophone, francophone), with a majority reflecting a single category, and some four of ten serving multiple factions:

	#	%
Single	11	61
Multiple	7	39
Aboriginal	2	7
Anglophone	16	59
Francophone	9	33

## Membership Type

Legally, ASOs report to their members; however, for some ASOs, the membership base is comprised solely of individual membership (1 member = 1 individual = 1 vote), and others report to a membership base composed of other organizations (gallery, theatre, etc.). Additionally, some ASOs also include other categories (such as supporters, sponsors) and half of them have opened their membership up to a combination of both:

	#	%
Individuals	2	11
Organizations	7	39
Both	9	50

What is not clear here is if the membership is divided into differing classes, and whether or not all classes have equal rights (voting) and responsibilities (AGM); for many arts organizations/charities, the term membership is also meant to categorize any one (individual or entity) that has paid money, whether it is a true member fee, with rights and responsibilities, or a donation, or some other form of support (in-kind).<sup>12</sup>

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<sup>12</sup> This will become increasingly relevant once the new Ontario Not-for-Profit Act regulations are determined.

## Membership Base

A membership base is a common feature to all ASOs, and the respondents certainly reflect this principle, directly serving nearly 4,000 members, both individual and organizational:

	<b>Total</b>	<b>Individuals</b>	<b>Organizations</b>
Total	3,989	2,516	1,473
Average	222	140	82
High	940	900	235
Low	15	7	6
Median	145 – 153	44 – 138	41 – 100

There is a wide variety of membership base sizes from the small (less than 50 members), to the large (over 500 members):

	<b>#</b>	<b>%</b>
Less than 50	6	33
101 – 200	6	33
201 – 500	4	22
More than 500	2	11

## Corporate Status

As representative bodies working in the sector, all ASOs organizations are not-for-profit corporations, while one third have taken the extra step of becoming registered charities.

## Life Span

The longest running respondent ASO in this sample was founded in 1951 – more than six decades ago - and the ‘new kid on the block’ is barely a half decade old, formed in 2009; the average life span of the respondents is close to two decades (18 years), with a fairly varied distribution that would echo the growth of the arts sector since the 1950s, particularly during the 70s and 80s for more than half of the respondents:

	#	%
1950s	1	6
1960s	2	11
1970s	4	22
1980s	6	33
1990s	2	11
2000s	3	17

It is a testament to their value and contribution to the growth and support of the sector that ASOs have collectively amassed some five centuries of experience, with approximately two thirds of the responding organizations in operation for more than twenty years:

	#	%
Less than 10 years	2	17
10 – 20 years	4	22
20 – 40 years	9	50
More than 40 years	2	11

## Budget Size

Returning to the theme of “one size does not fit all,” budget size is certainly the case; while the total operating budget for these particular ASOs is in excess of seven and a quarter million dollars (\$ 7,270,152), a large budget is the exception. The average budget is approximately \$ 400,000, and the lowest budget is just over \$75,000. It makes more sense to recognize that the median budget is in the \$200,000 - \$ 250,000 range:

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	#	%
Less than \$ 100,000	4	22
\$100,000 - \$250,000	6	33
\$250,000 - \$750,000	6	33
More than \$750,000	2	11

### Staff Size

ASOs by their nature are program developers and service deliverers, and this mixture is created and delivered by staff; across the province, distributed amongst these 18 organizations, the total work force is slightly more than 120 staff. While the largest ASO has some 29 staff, and the smallest is run by 0.4 FTE (one person, two days a week), and the average staffing complement is 7.3 individuals, it is more meaningful to acknowledge that the median point lies between 5 and 5.4 staff:

	#	%
Less than 2 staff	5	28
Between 3 – 5 staff	5	28
Between 6 – 10.5 staff	6	33
More than 10.5 staff	2	11

### Board Size

On the other side of the HR leadership equation, there are a total of some 190 Board members serving as trustees, with the average Board size being 10.6 members. According to current not-for-profit corporate legislation in Ontario<sup>13</sup>, the minimum number of individuals required to constitute a Board is three, the smallest amongst the respondents has 5 members, and the largest tops out at 15. While the average size of a

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<sup>13</sup> Although the Ontario Not-for-Profit Corporations Act (ONCA) was passed by the provincial legislature in 2010, the enabling legislation and the regulatory framework are still pending as of Spring 2015; the best current estimate is late 2015, transition to be completed by 2018.

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board for these respondents is just over 10, and the median is 10, it is more informative to see how the board capacity is distributed:

	#	%
3 – 5 members	2	11
6 – 8 members	5	28
9 – 11 members	3	17
12 – 14 members	5	28
15+ members	3	17

### Non-Board Volunteer Base<sup>14</sup>

The programs and services of ASOs would not be possible were it not also for the generous contribution of time and talent provided by volunteers (above and beyond those on the Boards), with 540 individuals being identified by the 15 respondents who provided these data; while the largest volunteer force was some 158 individuals, and the smallest contribution was a low of 4, the average was 36 (and the median was 20).

Total	560
Average	37.3
High	158
Low	4
Median	20

### Executive Directors

The request to the respondents for supporting materials included a request for several key documents, including:

- By-laws;
- Executive Director's position description;
- President and/or Chair's position description;
- Governance policies and/or board handbook; and,

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<sup>14</sup> No data provided by ABO, MANO, OCC, Theatre Ontario



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- CADAC financial statements and statistics going back at least 5 years to include 12/13, 11/12, 10/11, 09/10, and 08/09.

The level of compliance (95% sent some materials), as well as the variety and the depth of detail made available to the researchers, has provided a solid baseline of data. For example, the vast majority (89%) of responding EDs reported that they had a job description.

There is fairly strong identification apparent in the collected ED job descriptions of what the organization’s criteria for the position of Executive Director, with financial management and advocacy appearing in the top quarter of the responses:

	<b>Rank</b>	<b>#</b>	<b>%</b>
Financial Management	1	14	78
Advocacy	2	14	78

There is also a strong clustering of position criteria identified in the second quartile by respondents around the broad skills of managing people (Board support, HR management, partnerships), programming (membership services, ) proposals (grant writing, communications, partnerships), and the requisite that Executive Directors are also required to be adept at planning and operations:

	<b>Rank</b>	<b>#</b>	<b>%</b>
Grant Writing	3	12	67
Communications		12	67
Board Support	4	11	61
Operations Oversight		11	61
HR Management		11	61
Membership Services		11	61
Strategic Planning	5	10	56
Partnerships	6	9	52

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Although the following skills fell into the lower half, this is more a reflection of the differences amongst the responding organizations, the variations in their capacity due to size, age, discipline, life cycle, geography, language:

	<b>Rank</b>	<b>#</b>	<b>%</b>
Fundraising	7	8	44
Contract Negotiations	8	7	39
Facility Management	9	5	28
Evaluation	10	4	22
Research		4	22
Education/Pro Dev		4	22
Board Recruitment	11	3	17
Awards		3	17
Special Events		3	17
Board Membership	12	2	11
Bookkeeping		2	11
Data Management	13	1	6

### **Board President (Chair)**

An examination of Bylaws and policy manuals provide some insights about the requirements, responsibilities and regulations of the lead volunteer. A major difference between lead staff and lead volunteers is that the Presidents is elected, not hired, and is subject to an established term limit, as opposed to some agreed upon assessment strategy:

	<b>Rank</b>	<b>#</b>	<b>%</b>
Elected	1	16	89

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Chairs at meetings	2	15	83
Term Limits	3	14	78
Removal terms		14	78
Principal/CEO Status	4	13	72

The examination of governance documentation also solidifies how much more the lead volunteer's reality is determined by regulation as opposed to policy:

Job Description	5	12	56
Board Documentation		12	56
Signing Authority		12	56
Voting Rights	6	9	50
Ex Officio Status		9	50
Committee Membership		9	50
Elected: by membership	7	8	44
Elected: by Board		8	44
Removal: 2/3 members	8	7	39
Past Presidency		7	39
Uphold the mandate		7	39
Voting: tie breaker	9	6	33
Removal: Board	10	5	28
Set Meeting Agendas		5	28
Compliance		5	28
Advocacy/Promotion		5	28
Board/Staff Evaluation		5	28
Strategic Planning	11	4	22
Board Orientation	12	3	17
AGM Report	13	2	11
Fundraising		2	11
Board Recruitment	14	2	6
Board Recognition		2	6
Public/Professional status		2	6
Bus. Management Skills		2	6
Previous Board Experience		2	6

## PASO Coalition: Longitudinal Financial Analysis

### Summary<sup>15</sup>

The financial graphs (which are appended to this document (pp. 131-5) illustrate the economic capacity of ASOs individually and as a sectoral group. The consultants have drawn additional insight by segmenting participating organizations by age, size, membership base and other relevant factors.

This component of the research supports a broader evaluation of the strength, stability and resilience of these organizations by providing insight into the degree to which energy and resources are available to sectoral leadership (as financially expressed through programming and services) in contrast to day to day operating needs of the ASOs themselves.

Thinking from a strictly financial viewpoint, mandate-driven organizations can evaluate their success by the degree to which they are able to dedicate resources to their chosen priorities, while at the same time “covering the nut:” paying for rent, insurance, and other general overhead expenses which support the cause without directly furthering it. The essential task is therefore to secure sufficient revenues to fulfill ambitions.

This priority is reflected in the graph on page 49 and the accompanying discussion: 63.6% of EDs and Presidents identified Resource Development as the top priority for EDs, followed by programming, advocacy and government/board relations.

Resource Development is the process of financing – i.e. providing funding for – the costs that you plan to undertake. Of the four areas captured in the graphs (programming, administration, marketing and fundraising – the key headings per CADAC), programming and administration predominate. The aggregate data for all

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<sup>15</sup> See Appendix 2: PASO Graphs – Financial Analysis

participating organizations show programming and administration roughly equal to each other over the study period. Programming averages 47% of total expense, and administration 45%. It is a truism that funders, whether public or private, fund administration only to the extent that it yields activities/deliverables: therefore, although administration needs are substantial, financing initiatives are always framed as pitches on behalf of programs and services. Several commonplaces are worth reviewing in this context:

- ASOs must be highly sensitive to avenues for revenue generation that may be seen as directly competing with the members they exist to serve.
- Securing philanthropic support is typically a challenge for ASOs. Artists have limited capacity to give, and arts organizations – for the most part registered charities – rarely donate to other organizations. As membership associations, ASOs have limited direct contact with the sort of broad audience that entices corporate supporters. Few major individual donors, foundations, or corporations prioritize the type of community-building activity delivered by ASOs.
- The most obvious source of earned revenues is the membership itself, in the form of membership fees plus event registrations, publication sales, and the like – with interested non-members (often other arts organizations and other ASOs) providing a secondary market. Given the constricted resources of the sector, prices are often set with the intent of merely recovering direct costs. Pricing to recover overhead expense – and, beyond that, to generate a surplus/profit – is often deemed too “rich” for the sector. Thus, membership fees are a relative source of revenue for many ASOs, and thus substantial revenue-generating projects are often undertaken only when underwritten by grant support.
- Government grants anchor Canadian ASOs. Most receive operating support for their general program of services and activities and, in addition, seek project funding not only for programs and services but, in some cases, to underwrite a

portion of overhead. It is not uncommon for salaried positions to be supported from a patchwork of operating grants, project funding and earned revenues. The risk of “mission drift” always attends organizations that rely on project funding to pay core costs: staying on point while chasing the money can be challenging.

Before turning to findings, a brief discussion of the data is in order. The graphs cover up to seven years of data, depending on information supplied by participants.<sup>16</sup> CADAC operating grant financials were used as the data source, where available, to support consistency in data collection. The graphs capture key data points in the form of trend lines. The trend lines were categorized as generally trending upward or downward; showing minimal variation; or irregular (i.e. no dominant pattern). This is of course a subjective classification, and it is important to note that any organization over its life may go through periods where trends are positive or negative, stable or in flux. The consultants’ goal was to select the best descriptor for the data over the study period.

Revenues are more easily interpreted than expenses, because the categories are less subjective. (CADAC applicants tend to receive their revenues from the same types of sources, but the sector engages in a wide variety of activities, which CADAC captures in a small number of broad categories.) The expense lines are more subject to individual allocation decisions. In particular, without detailed research, it is impossible to be conclusive about the cause of peaks and valleys in administration and marketing spending, except to say that they likely result from special projects classified here (rather than programming) based on the nature of the project and the preferences of the organization.

A more in-depth investigation would involve separating core commitments from short-term or ad hoc projects. This would enable a more precise analysis of how ASOs are funded: in particular, the extent to which core costs (particularly leases, employment contracts and other long-term commitments) are financed from secure revenues, and the degree to which organizations must chase soft/project revenues to make ends meet.

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<sup>16</sup> Although some ASOs have been around for four decades, some are virtually start-ups.

## Findings

Overall, the analysis indicates that ASO budgets tend to vary in size from year to year depending on success at attracting project funding. The majority of organizations show an up-and-down pattern in both total revenues and total expenses. This effect is visible to some degree in the aggregate graphs, but considerably smoothed out because the fluctuations of individual associations offset each other. The variability confirms the importance ascribed by EDs to resource development: the common scenario is for organizations to bolster their activity base through periodic short- and medium-term projects which augment the revenue base and fuel spending on service delivery.

Among the few organizations whose finances trended consistently upward over the study period, there is no obvious common factor: they are of different sizes and ages, in different disciplines, etc.

## Overall financial health

In terms of accumulated surplus or deficit – an important indicator of health and stability – the news over the study period is mixed.

In 2008, the 15 participating ASOs held accumulated surpluses totalling \$220,000 on aggregate revenues of just over \$4.8 million. That is, taken as a whole, the sample associations' accumulated operating reserve stood at about 5% of their revenues. This would cover somewhat less than a month's spending. (One twelfth of a year would be 8.3%.)

In 2013, accumulated surpluses totalled \$193,000 on aggregate revenues of just over \$6.1 million. Although still a positive result, the operating reserve has shrunk to about 3% – about half a month's spending.

## PASO Coalition Leadership Study

In the intervening years, the high point fell in 2010 and 2011, when the aggregate accumulated surplus for the respondents stood at 7.5% of their total revenue base. Because these organizations can experience considerable financial volatility, we cannot conclude that the decline between 2008 and 2013 necessarily represents financial trouble for the sector.

Within the aggregate, about half of the participating ASOs maintained an accumulated surplus equal to 1 to 3 months of operating costs (that is, 8% to 25% to the good). Another third were carrying net assets running between an accumulated surplus of 8% and an accumulated deficit of 10%: the zone within which arts councils may request a sustainability plan appended to operating grant applications. Of the remainder, only one held an accumulated surplus exceeding 25% of its revenue base, and the rest were in relative trouble, with accumulated deficits greater than 10%.

Considering year over year change, approximately one third remained stable over the study period. Another third were on a positive trend towards a stronger financial position. These were almost all larger organizations with 200 or more members. The remainder were in decline, or showed an irregular pattern of improvements and back-slides. These were mostly smaller organizations with membership bases below 50. However, it is important to note that other organizations with small membership bases were “holding steady” on net assets.

### Revenue mix

The revenue mix tends to be surprisingly consistent through yearly fluctuations: regardless of activity level, earned, fundraised and government tend to stay in roughly the same proportion to each other.

ASOs depend on government funding to a significant degree. Although operating grants provide a consistent base of revenue (for most, flat-lined since 2009), they are



not sufficient to maintain these organizations at their current size and programming level. Project grants are an essential tool for program delivery. They also drive volatility in the financial size of the organizations. On aggregate, operating grants contributed an average of 17% of ASO revenues over the study period, ranging narrowly from a low of 15% in 2008 to a high of 19% in 2012. By contrast, project grants contributed an average of 37%, with a much wider spread. The low of 29% fell in 2013 and the high of 40% occurred in both 2008 and 2011.

Research indicates that project grants tend to drive both earned revenue and philanthropic support: in years of higher government investment, all revenue sources tend to increase. This observation supports the inference that government grants are used as a tool to leverage other forms of revenue – and, conversely, that ASOs have greater success at attracting community support in situations where foundational government support has been secured.

Earned revenues arise from memberships and the sale of professional development events and publications. For two-thirds of participating organizations, membership revenue was essentially flat over the study period. The remaining third are spread evenly amongst increasing and declining membership revenues, with one respondent showing an irregular stream of revenues from this source. Looking at all participating ASOs in aggregate, membership revenues contributed 17% of annual revenues on average, and other earned revenues contributed an additional 17%. (The 2013 aggregate result for earned revenues other than membership fees is considerably higher, at 33%. This sudden jump-up arose because one responding organization amalgamated its reporting with a related entity.)

Fundraising/philanthropic support is a factor for some but not all ASOs. Some do not fundraise; some hold fundraising events. Many seek sponsorship for conferences and other programs. On an aggregate basis, fundraising contributed about 8% of ASO revenues over the study period.

Some organizations have an extraordinary source of non-government revenue that either has, or may have the potential to produce, enough extra funds to stabilize the organization. We termed this a “glass slipper.” The examples that demonstrate the most potential are retail shops and awards programs. ASOs who have found a way to “break the mold” of the typical revenue mix may undertake greater risks, but also stand a better chance of finding financial security.

### Expense mix

As noted, the challenge in defining the expense mix was reasonable interpretation of the allocations. Without a doubt, salaries represent the most significant area of expenditure for ASOs. The CADAC form breaks salaries down by department, but it was easy to aggregate the line items. About half of reporting organizations spend between 33% and 50% on salaries. Another third spend more than half of their budgets in this area. The remaining ASOs spend less than a third of their budgets on salaries. Interestingly, this last group includes the largest and smallest organizations by budget size: that is, they were either too small to support salaried staff, or so large that salaries occupy a proportionally smaller share of their expenditures.

As previously noted, programming (encompassing programming salaries and other costs) consumes an average of 45% of ASO expenditures. Almost all respondents (80%) see their programming outlay vary up and down in tandem with project funding. This relationship was quite apparent from the CADAC figures.

Marketing and communications expenditures for the most part are flat, meaning that they occupy about the same percentage of total spending regardless of that year’s total budget. Note that in some instances there are significant peaks and valleys on this line, which the consultants attributed to the allocation of special projects in the realm of marketing and communications. In aggregate, the study participants spend an average of 7% of their budget in this area.

Most ASOs spend little or nothing on fundraising; in aggregate, the group of respondents spend about 1% of their resources in this area. The common wisdom is that ASOs should not compete with their members for philanthropic support, and that even if they did, with minimal public exposure, ASOs would have a hard time attracting support. The current data set supports this commentary.

For about half of participating ASOs, administration expenditures fluctuate year by year. The other half are divided about equally amongst administration costs increasing, declining and remaining flat as a proportion of total spending. For the entire study group, administration spending ranges from 40% (2011, 2013) to 54% (2008) of the total (on average, 45%). Hypothetically, more detailed research would confirm that consultant fees are typically charged to this area: therefore we are seeing the impact of project-specific costs on the administration line.

### Implications for ASO leadership

Given the significance of government support for the sector, it seems fair to observe that ASOs exist at the behest of the government.

This dependence is magnified for ASOs with few members and/or low membership revenues. (While these two factors may go hand in hand, it is also possible for an organization with few members to charge a high per-member fee. It is also the case that ASOs serving individual artists keep their fees as affordable as possible, and therefore may have proportionally low membership revenues despite a relatively large membership base.) To illustrate, of the organizations with fewer than 50 members, all but one derive 75% or more of their revenue base from government sources. The odd one out produces conferences that drive significant revenues from other sources.

Because government provides targeted funding for the sector; because grant support tends to drive ancillary revenue generation; and because grants tend to bring in large sums for one concentrated effort, they are rightfully seen as both a primary and an

expedient source of financing. However, organizations are well advised to pursue diversification to the extent possible. If the landscape of government arts funding in Canada were to change in a way that disadvantaged ASOs, a major shift in strategy would be required – and weaker organizations might become unsustainable. For example, the recent OAC 5% cut to operating grants was substantial enough to offer a significant challenge to many organizations.

From the viewpoint of diversification, it is interesting to note that there does not seem to be a correlation between achievement at attracting earned and fundraised revenues and either membership size or budget size. Both larger and smaller associations had varied experience in these realms. Organizations that succeeded in creating a “glass slipper” for themselves appeared to have generated the best opportunity to find success in this area.

### PHASE 3: Sector Survey<sup>17</sup>

Building on the Phase 1 document review and analysis, with the able assistance of Ms. Lindsay Earnshaw, a grad student from the Humber College Arts Admin Certificate Program on a field placement with OAAG, a master list / data base was developed that included ASOs at the national, provincial and municipal levels, in both English and French. (The Survey Monkey based survey was translated into French, and distributed in a parallel collection strategy.)

Emails were gathered for the two core leadership positions within ASOs in Ontario, including the senior staff position (most often referred to as the **Executive Director**) and the senior volunteer (**Chairman**, President, or Committee Chair).

With responses that reflected some 52 different ASOs, a total of 97 addresses in English and 21 in French were sent the following series of invitations:

March 30, 2015	Invitation by email from the Working Group
March 31, 2015	Original Invitation by email with Survey Monkey link
April 7, 2015	Reminder by email with Survey Monkey link to participate
April 12, 2015	Final email reminder that survey was to close

Of the 97 links sent to English respondents, 2 potential respondents had previously instructed Survey Monkey not to forward surveys, and 5 were returned as undeliverable to those email address; there were 49 responses, thus a response rate of 54.4 % of the 90 surveys received; of the 21 addresses targeted in French, there were 9 respondents (of which 2 were not completed once begun), a response rate of 42.9 %.

At the conclusion of the survey period, those who responded in French were transcribed into the English data base to provide a total of **58 respondents, representing a 52.3 % response rate of the targeted sample.**

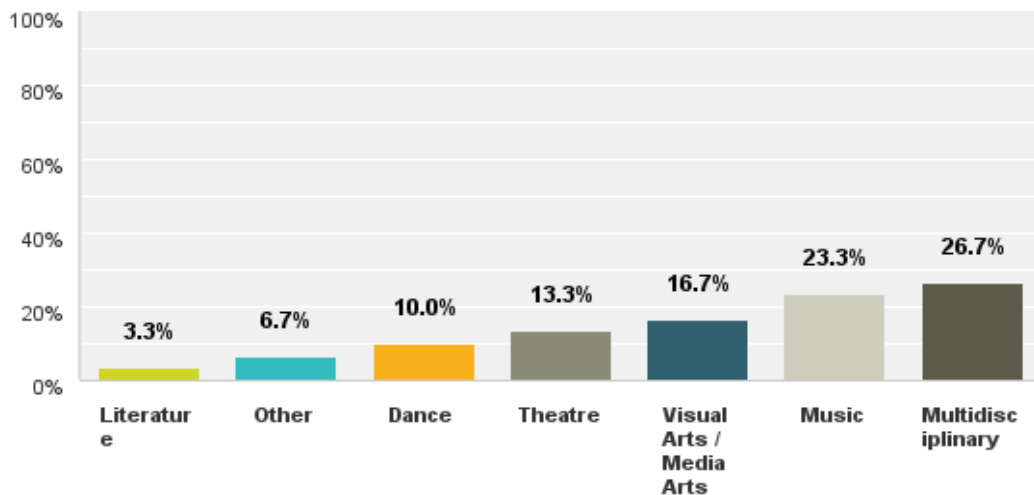
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<sup>17</sup> See Appendix 3: Draft Survey Monkey Survey.

## The Sample Population – A Profile

Just as the arts sector in Ontario is richly served by a variety of discipline-based companies - producers, presenters and supporters - so too their arts service organizations (ASOs); the largest representation (46.6%) comes from the Performing Arts (Dance, Theatre, Music), followed by Multidisciplinary (26.7 %) and Visual/Media Arts (16.7%).

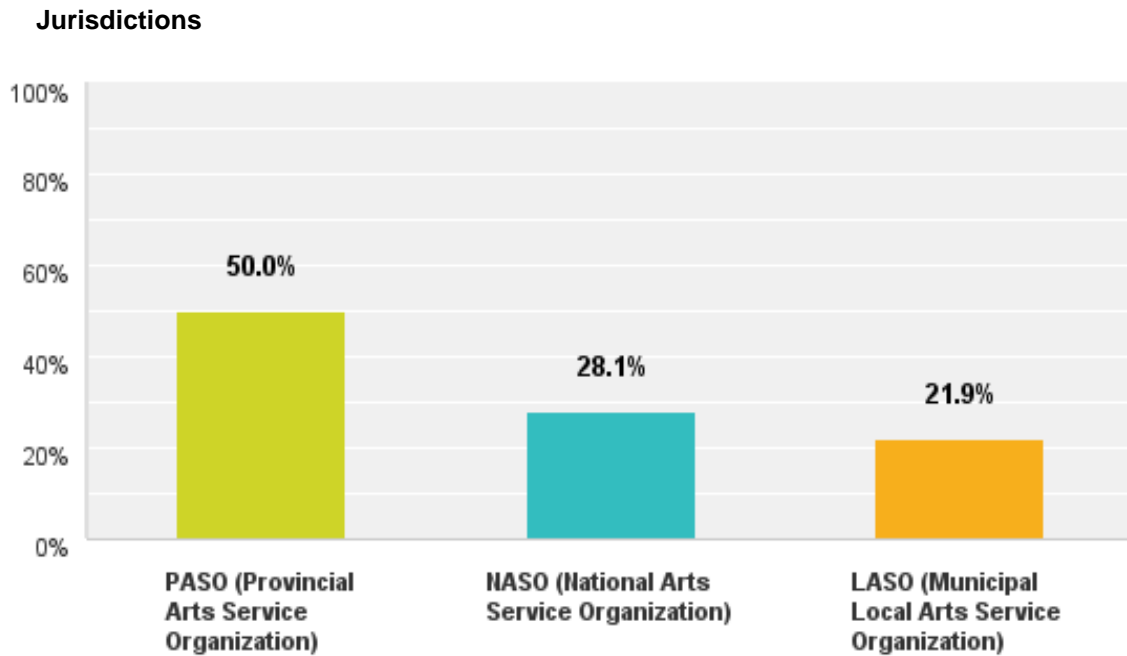
**Disciplines**



ASOs are to be found operating in all three jurisdictions; at the federal level, they are known familiarly as NASOs – National Arts Service Organizations – incorporated federally, often with provincial extensions; at the provincial level, they are recognized as PASOs – Provincial Arts Service Organizations; at the local or municipal level, they have been identified as LASOs (Local Arts Service Organizations) in Toronto, responding to the needs of a geographic community or a sector, such as performing arts.

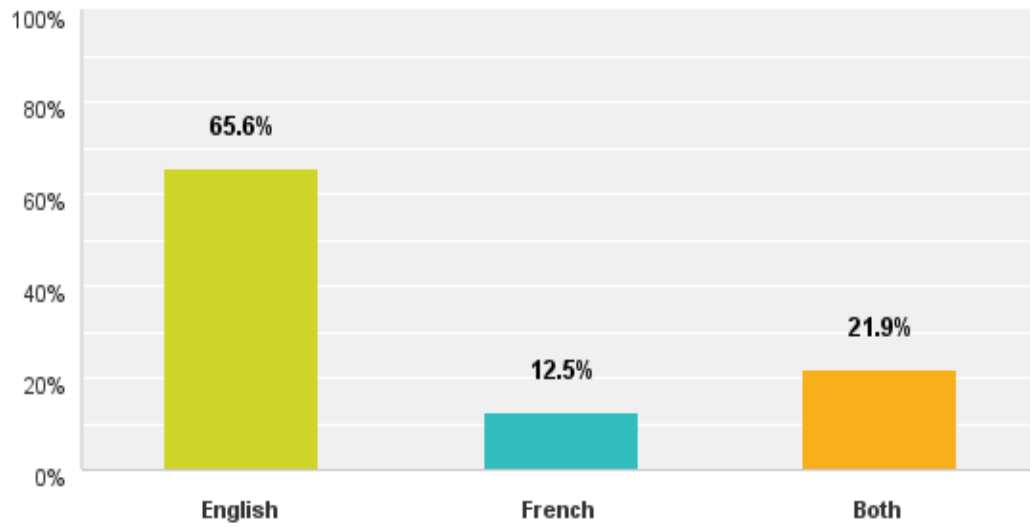
## PASO Coalition Leadership Study

In this sample, half of the respondents are PASOs, more than a quarter are NASOs, and less than a quarter are LASOs:



Given this diversity of jurisdictions, it would be appropriate to acknowledge that this population works in either or both of the national languages:

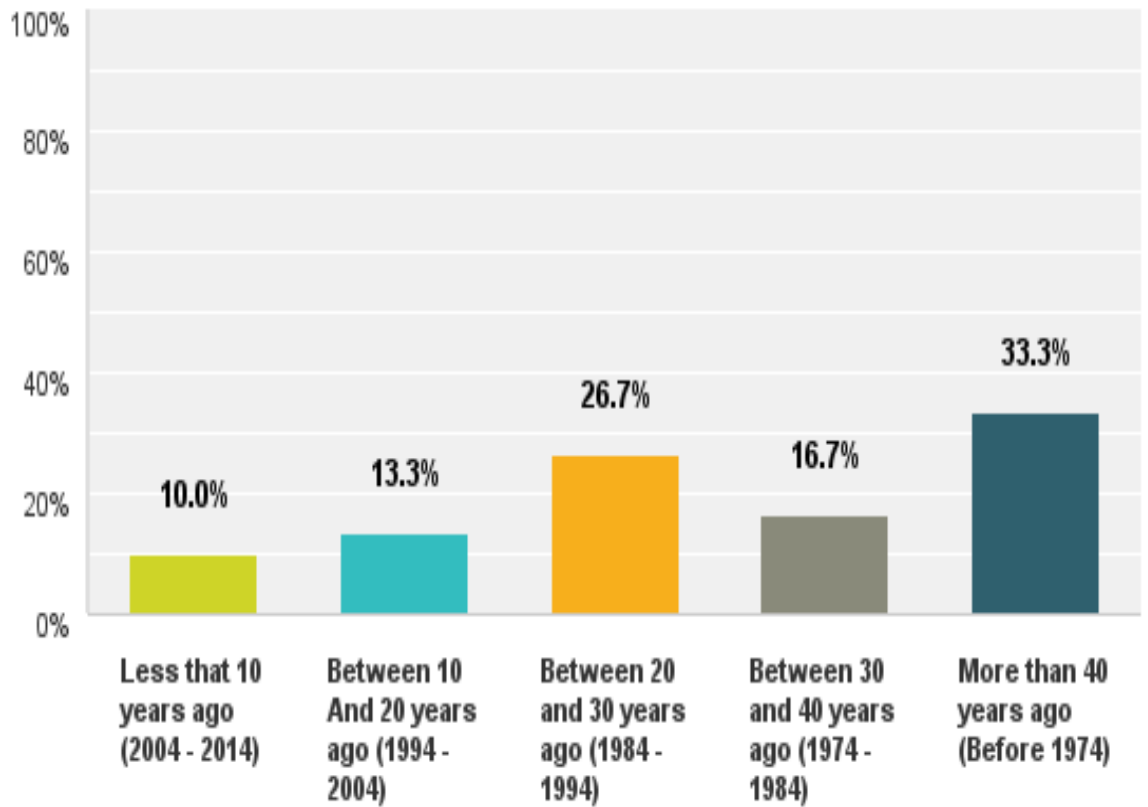
**Language of Operations**



ASOs in Ontario are an integral, long-standing infrastructural element of the cultural sector; one in three have been in operation in excess of four decades, or half of them have been in operation for more than 30 years, and three quarters have existed for more than 20 years:



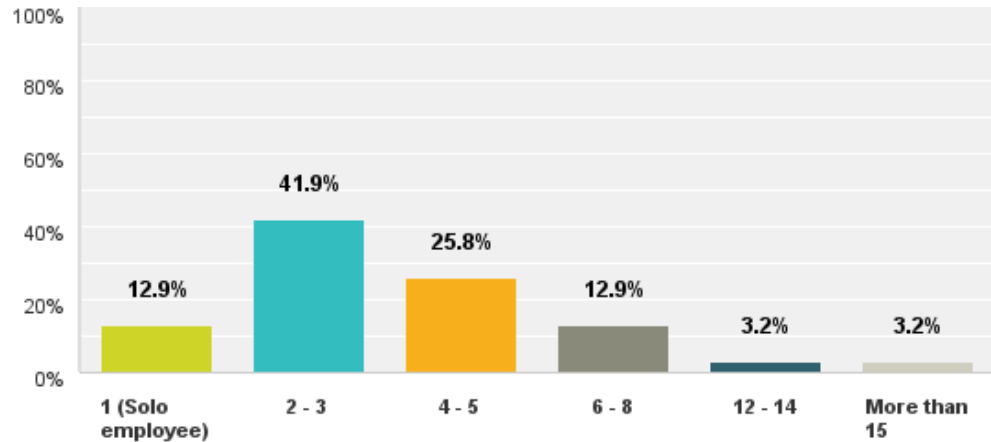
**Length of Operations**



In a membership based structure, where meaningful service and program delivery is the benchmark of stability, more than half (54.8 %) of the respondents accomplish this with a staff of three or less full time equivalents (average is 2.68 staff, and median is 2-3 staff):

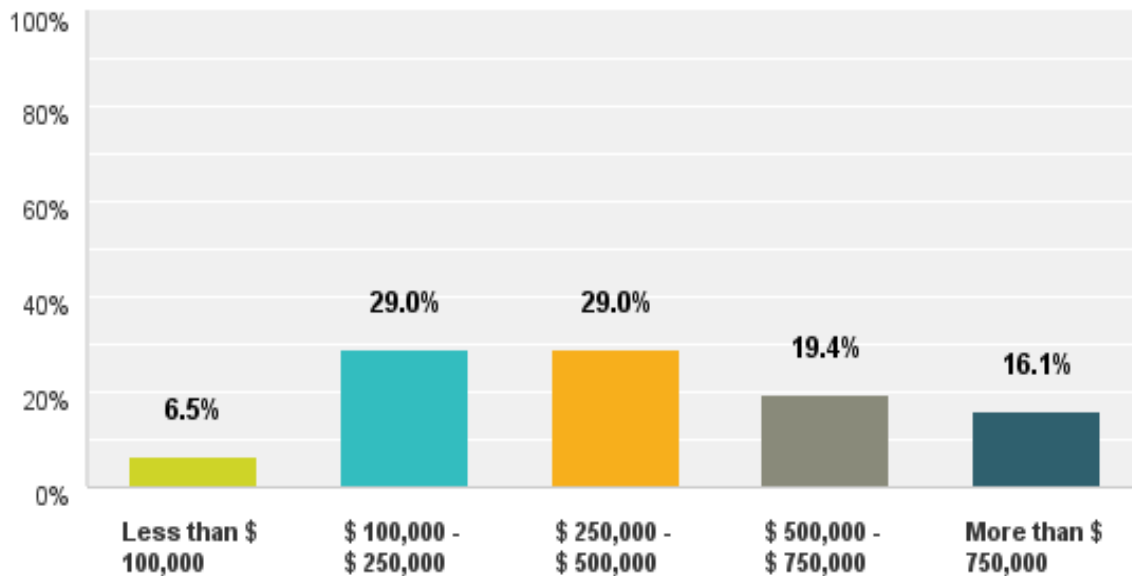
**Staffing**

## PASO Coalition Leadership Study



With this staffing profile<sup>18</sup> – staff costs are often the largest line in a cost structure - it is apparent that the operating budgets of the responding ASOs in Ontario are not high in relative terms; almost two thirds of the ASOs operating under \$500,000 annually:

### Budget Size

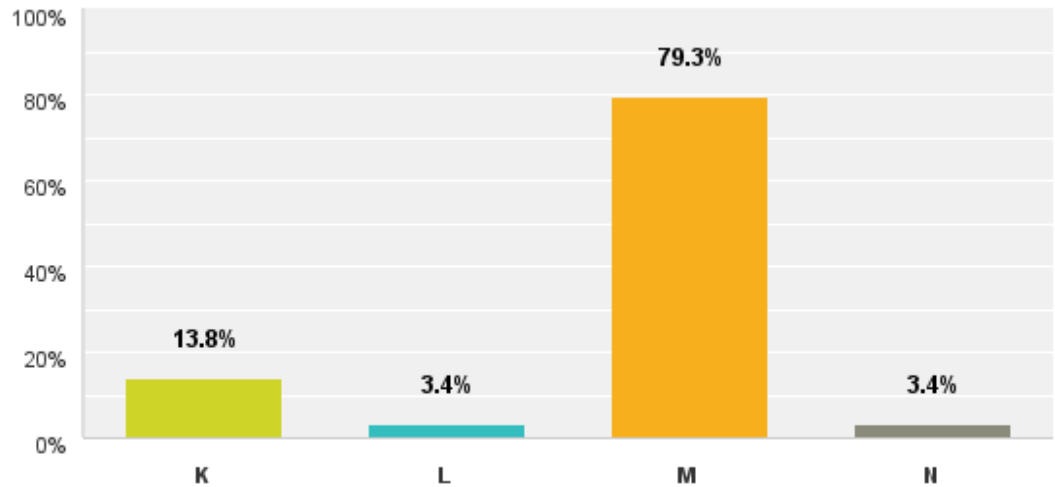


<sup>18</sup> While there have been several recent studies in the Not For Profit Sector in Canada, they are not necessarily effective for making direct comparisons. For example, in a comprehensive study developed by The ONN and The Mowat Centre at U of T: Shaping the Future: Leadership in Ontario's Nonprofit Labour Force, September 2013, the Arts/Culture sector made up 10 % of the sample.

## PASO Coalition Leadership Study

The vast majority of Provincial ASOs are located in the GTA / Metro Toronto area (79.3 %), the seat of provincial government, and a cluster (13.8 %) in Ottawa and region, understandable with the variety of national and/or francophone organizations:.

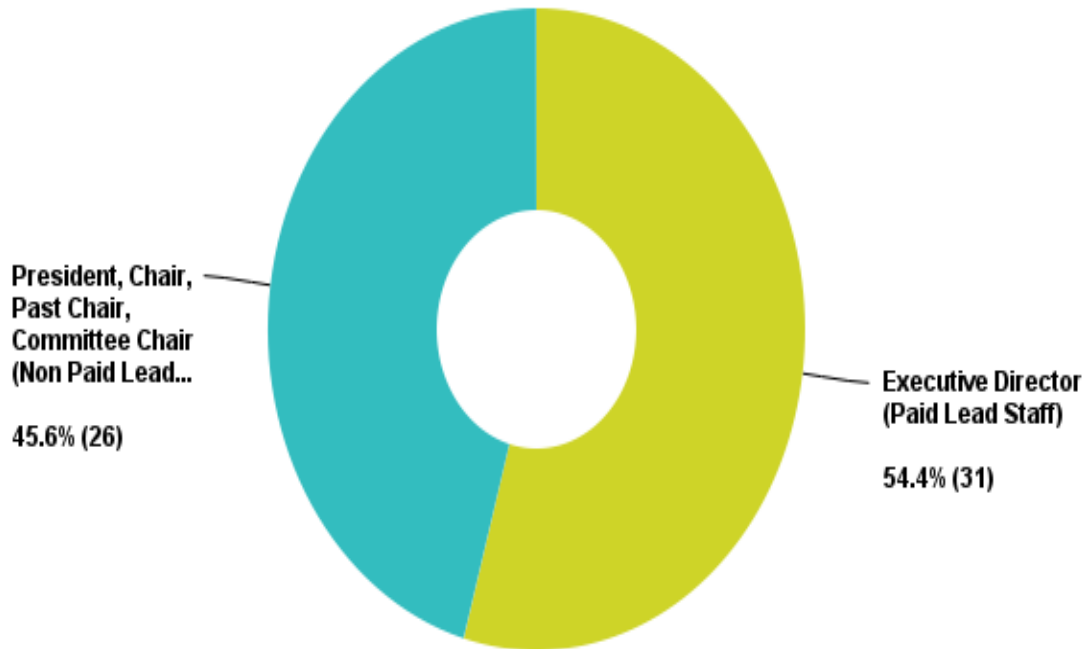
### Geographic Distribution: Forward Postal Sorting Areas



From the data base, invitations were also sent to ASOs based in the Forward Postal Sorting Areas L (Orillia, Peterborough, Kingston) and N (Hamilton, Kitchener, London, Windsor).

### Different Lenses: Executive Director vs. Lead Volunteer

The survey was designed with a bridging question; depending upon how respondents answered determined which questions were revealed to each of the two groups: lead staff (54.4%) as well as lead volunteers (45.6%):

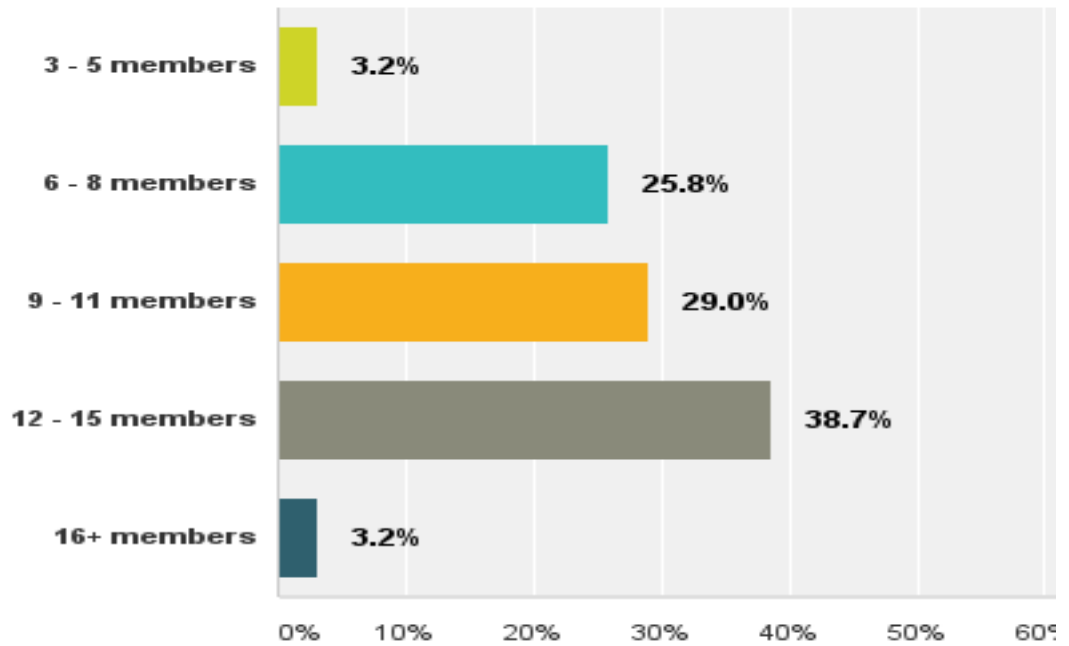


This distinction can be an effective lens to explore the differences in viewpoints dependant on the perspective of the differing positions – paid leadership vs.unpaid.

## The Sample Population: Organizational Structure

Provincial and charity law requires that NFP corporations have a minimum of three volunteer directors (who traditionally held the executive positions of President, Secretary and Treasurer, all of these positions having reporting responsibilities within the legislation); there is no legal maximum when it comes to populating the governance structure of an ASO:

**Board Size**



Amongst the respondents, the Board size strategy seems to be ‘the more, the merrier,’ and more than half have Boards that are comprised of nine or more members. There’s a kind of “push-pull” logic here: the costs associated with supporting the needs of multiple Directors (travel and accommodation for meetings); admin support costs associated with communications (printing, telephone), and the opportunity costs of staff support time can be a major draw on any operating budget.

However, in balance, for these Boards there is also the need to ensure that geographic, discipline and demographic profiles are a reflection of the diversity of an ASOs own membership base, as well as ensuring that a balance of management skills are included; that creates an upward pressure on Board size.

Given this diversity of arts service organizations – staff size, budget, life span, language, geographic distribution and jurisdiction – it should be apparent that *one size ASO does not fit all*. Working from a template that had served OAAG in the past, the survey required all survey respondents to identify which one of four Board models is the most accurate description of how their organization currently operate:

**ADVISORY BOARD:**

The Executive Director (Senior Manager) works independently, without close supervision of the board.

**COOPERATIVE/WORKING BOARD:**

The least hierarchical model, the Executive Director, the Board and committees portion out the decision making, work and responsibilities equitably among their peers.

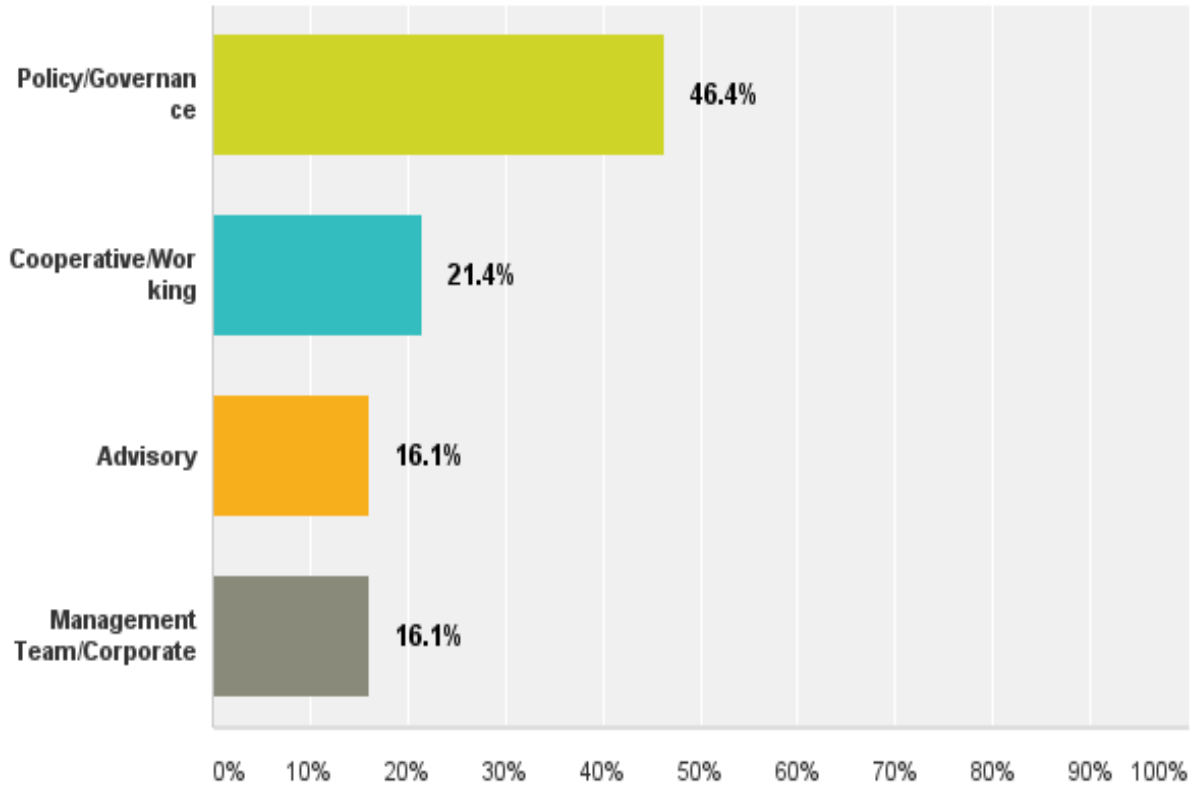
**MANAGEMENT TEAM/CORPORATE BOARD:**

Staff (management and employees) and volunteers (board, committees) organized along functional lines, with committee and staff functions mirroring each other, each reporting through their respective heads - Executive Director and Board Chair/President.

**POLICY GOVERNANCE BOARD:**

The job of the board is to establish the guiding principles and policies for the organization, delegate responsibility and authority for those charged with acting on those principles and policies, and to monitor progress and ensure staff and board are held accountable for their performance.

**Governance Model**



Almost half of the respondents (including staff and board respondents) identified their organization operating under a Policy/ Governance model, a feature one could anticipate in a mature marketplace such as ASOs.

## Leadership: Role Clarity

Other research has helped to establish the recognizable traits of what to expect about the nature, structure and operations of service organizations that are relevant to an ASO,<sup>19</sup>

- Representative professional bodies
- Membership based
- Serving the interests not only of members, but also the discipline as well as the public
- Paid professional staff
- Office / secretariat
- Incorporated, reporting to a Board, subject to membership approval at an AGM
- Supported by funders who provide significant operating and project support
- Programs deliverers

Although there is this overall understanding about the structure, mandate and operations of an ASO, there may not be the same role clarity when it comes to roles played; let us establish some consensus around two key terms:

### **Leadership/Management Priorities**

The role of **Leader**: The ability to direct and mobilize people, their ideas, or resources.

The role of **Manager**: The ability to ensure that the right things are done right at the right time in a consistent and orderly fashion.

In the light of these two working definitions, all respondents were asked to “Select whether or not you see the following actions as Leadership OR Management functions for your current organization:”

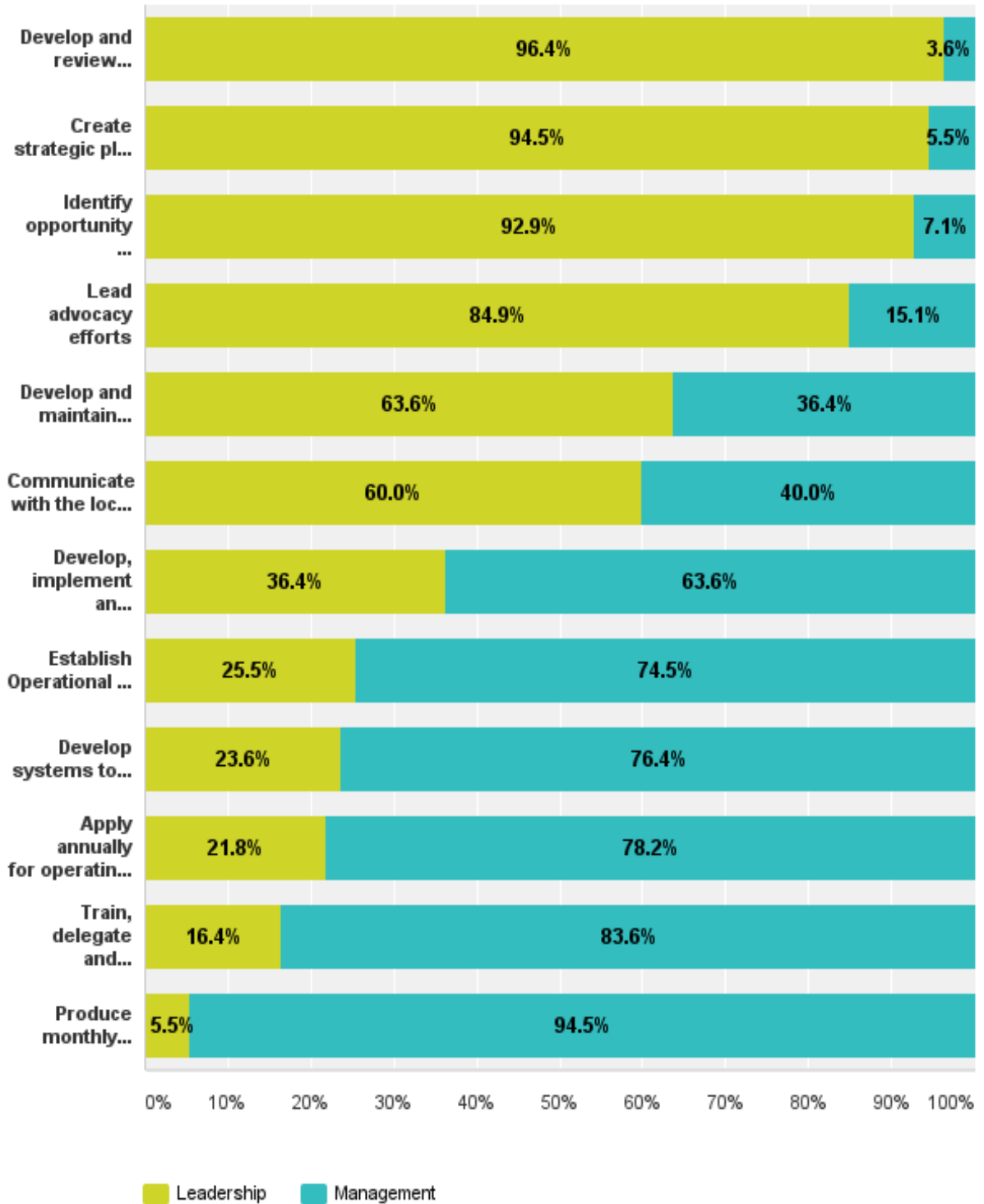
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<sup>19</sup> See Roy MacSkimming; Policy in Action: A Report on National Arts Service Organizations, Canada Council; February 2004.



# PASO Coalition Leadership Study

## Leadership/Management Priorities



**Leadership:** There is a higher degree of consensus amongst all of the survey respondents that the development and review of the organizational vision (96.4 %), creation of a strategic plan and direction (94.5 %), identifying opportunities for change (92.9 %) and leading advocacy efforts (84.9%) are *more clearly leadership responsibilities*.

**Management:** Producing monthly financial statement (94.5 %), training, delegating and scheduling staff (83.6 %), applying annually for operating and project grants (78.2 %), establishing operational and capital budgets (74.5 %) and developing, implementing and evaluating programs (63.6 %) are *more appropriately management responsibilities*.

However, the balance over such responsibilities as developing and maintaining relationships with internal and external stakeholders (63.6 % leadership versus 36.4 % management), communicating with local, regional, provincial sector representatives (60.0 % versus 40.0 %), developing, implementing and evaluating programs (36.4 % versus 63.6 %) and developing systems to promote donations (23.6 % versus 76.4 %) are not as striking; to reiterate, *one size does not fit all*.

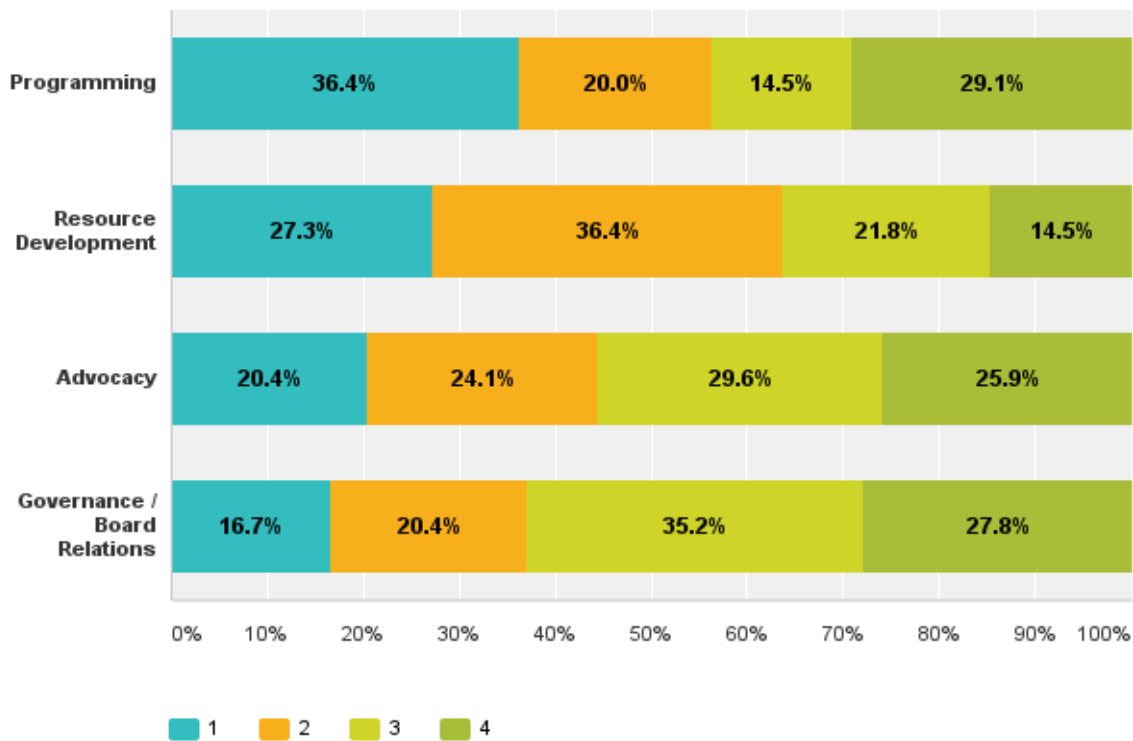
**Core Priorities of Executive Director Position:**

All respondents – EDs and Presidents – were asked to rank the four core priorities that the ED should be paying the most attention to in their position (alphabetically):

1. Advocacy
2. Governance/ Board Relations
3. Programming
4. Resource Development

Asked to rank their preferences about these core priorities of the Executive Director position, it did not produce a high degree of clarity or distinction. Collectively, respondents ranked in first place Programming (36.4 %), followed next by Resource Development (27.3 %), Advocacy (20.4 %) and Governance/Board Relations (16.7 %):

**ED Priorities - 1st Choice**



## PASO Coalition Leadership Study

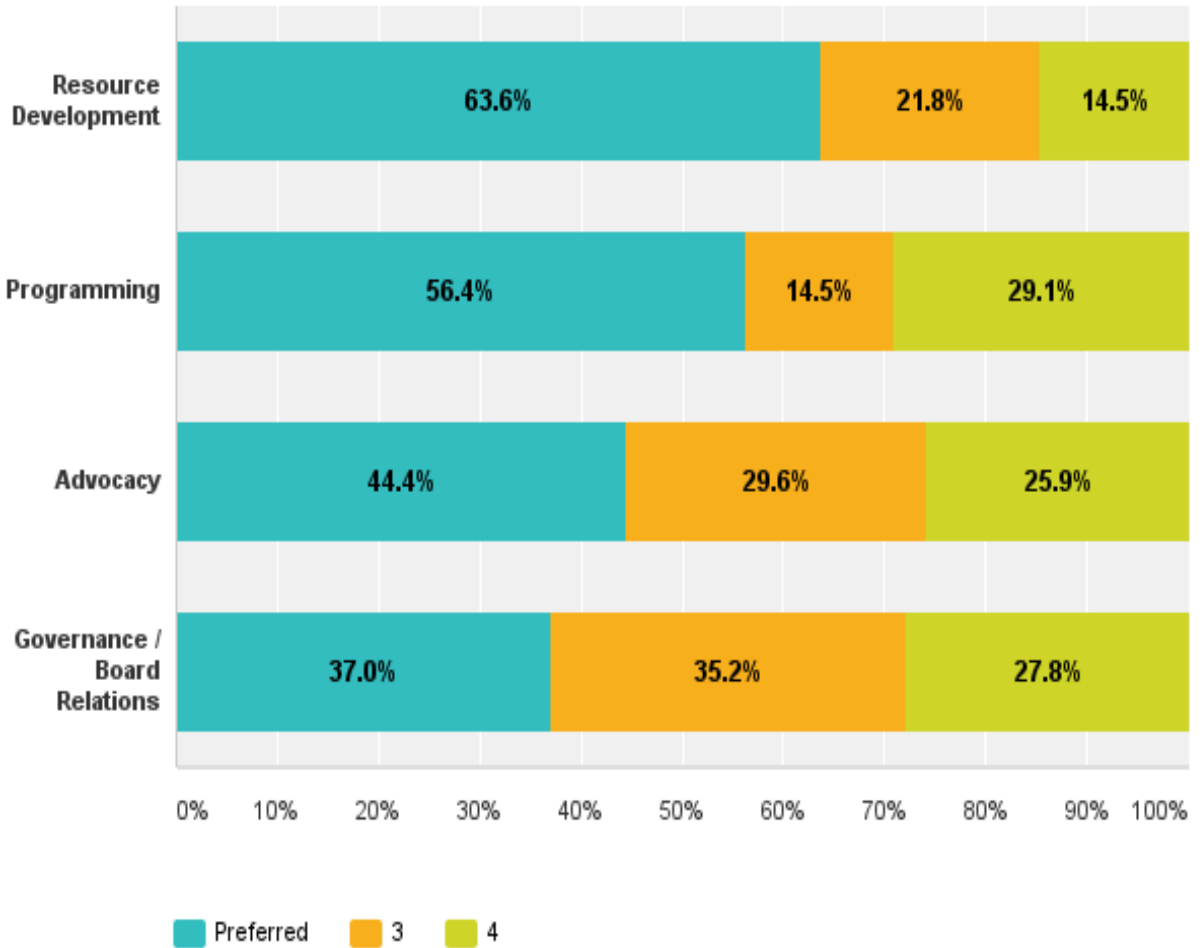
In practise, the distinction between leadership and management is often not that obvious – or consistent – between EDs and Boards as the sector itself has so many variables, including budget, staff size, jurisdiction, longevity of the ASOs, etc.

However, that ranking shifted relatively when first and second choices of respondents were aggregated: Resource Development (63.6 %), then Programming (56.6 %), Advocacy (44.5%) and Government/Board Relations (38.0 %).<sup>20</sup>

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<sup>20</sup> Elsewhere in the report, we examine the difference in perception dependent upon the position held: lead staff or lead volunteer.

**ED Priorities - Preferred**

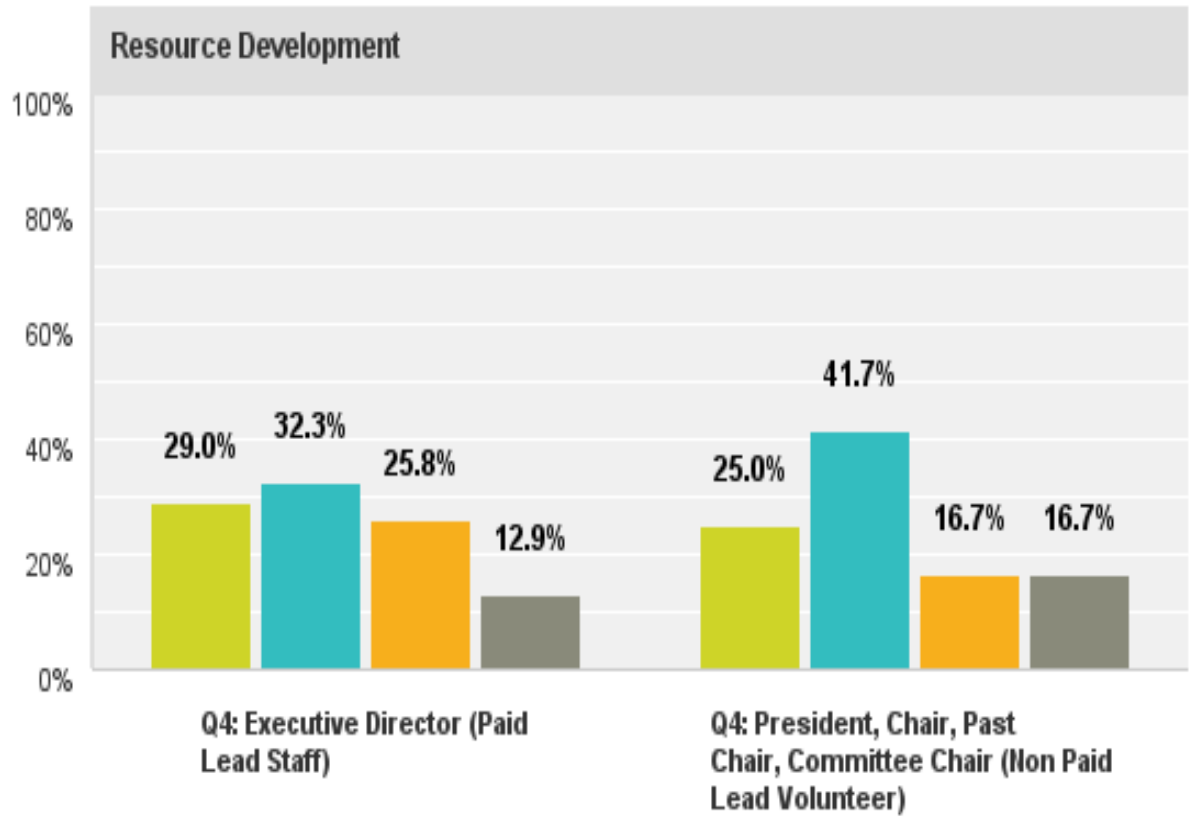


When the data for core responsibilities of the ED role are filtered through the lens of each respondent’s relationship to their organization – lead staff (ED) or lead volunteers (Pres.) - each segment ranks those priorities slightly differently:

**Resource Development**

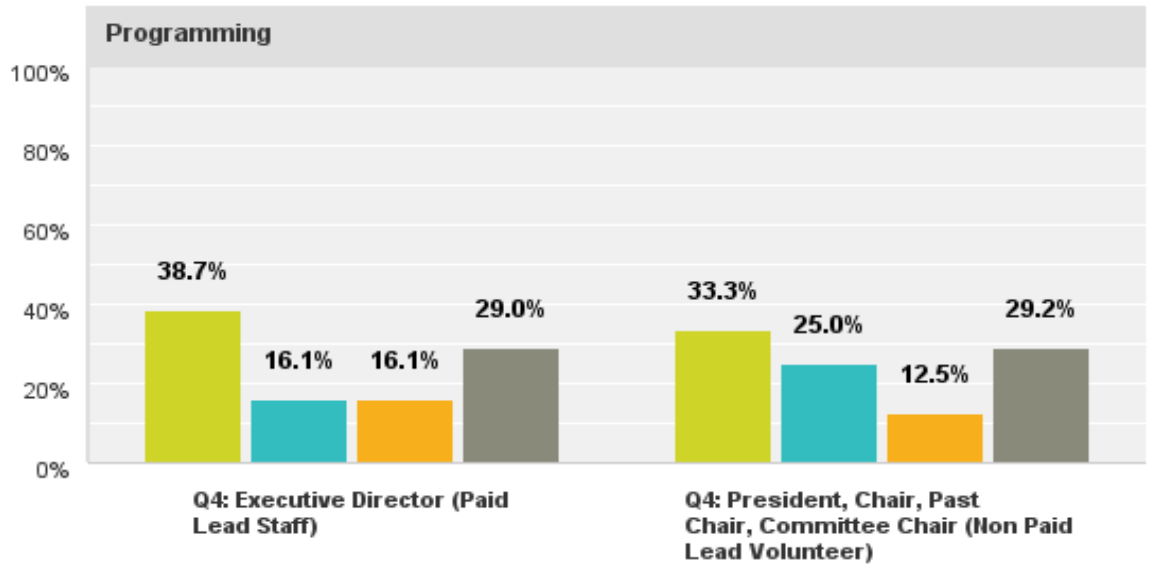
There is a general consensus amongst both EDs and their Board Partners that Resource Development is a core priority for EDs; more than 6 in 10 of the EDs (61.3 %) and Boards (66.7 %) ranked this as either first or second:

PASO Coalition Leadership Study



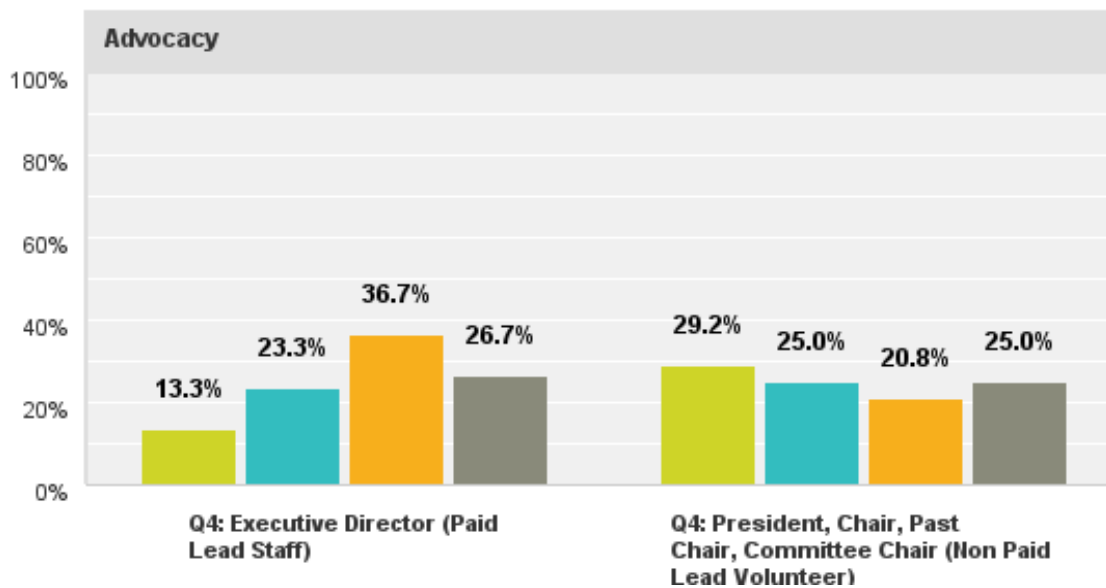
**Programming**

The nature and purpose of ASOs is service development and delivery (i.e. programming). Both the Executive Directors (54.8 %) and their Boards (58.3 %) are in agreement that Programming is a priority as part of the ED's core responsibility:



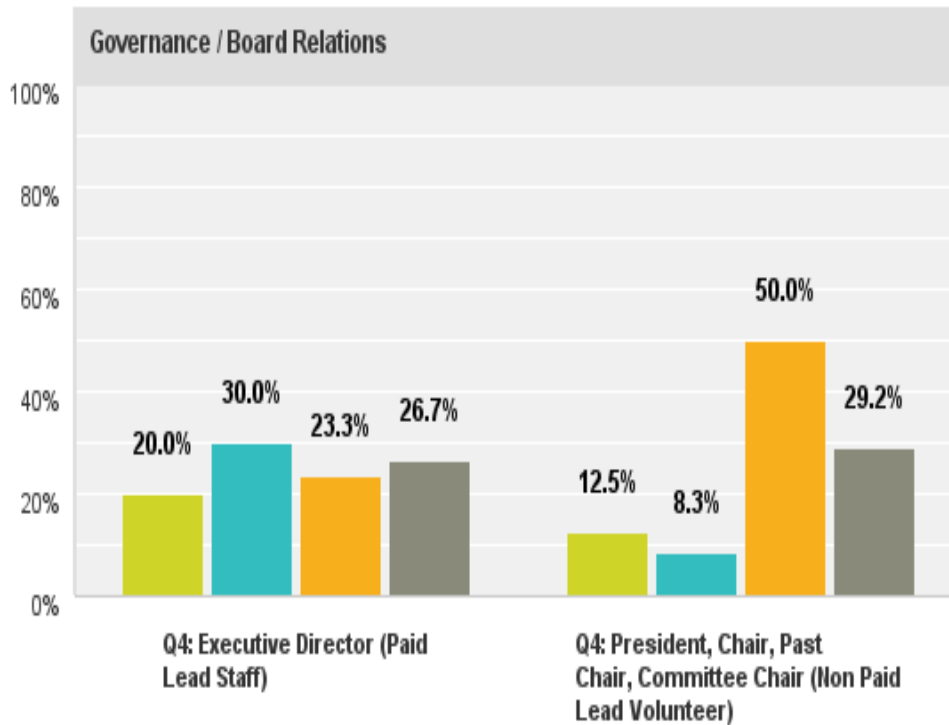
**Advocacy**

Boards are more likely to see Advocacy as a core responsibility of the Executive Director: more than half of lead volunteers (54.2 %) rank it as first or second, while only a third of EDs rank it this high:



### Governance/Board Relations

EDs and their Boards are not so in-sync when it comes to ranking Governance and Board Relations as a priority for the ED: twice as many EDs (50.0 %) ranked it as first or second, compared with the Board (20.8 %), perhaps a reflection of so few of the ASOs having a performance review process for the lead volunteers (President and Boards):





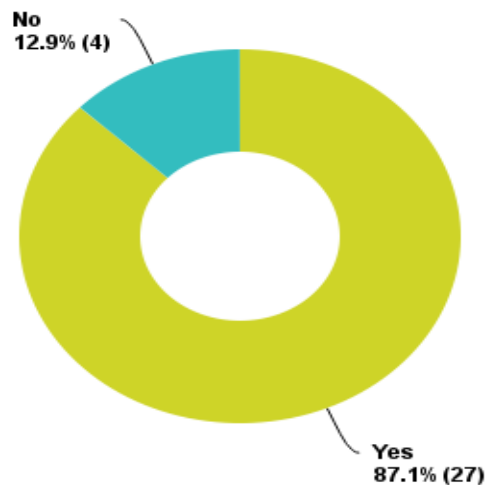
## Lead Staff: Executive Director Profile

### Job Title

There is strong and consistent use of job titles for the position of the top paid staff person in an ASO; the vast majority are titled Executive Director (83.9 %), with Managing Director (9.7 %) as a distant second, and a minority (6.5 %) using some other variant.

### Use of Job Descriptions

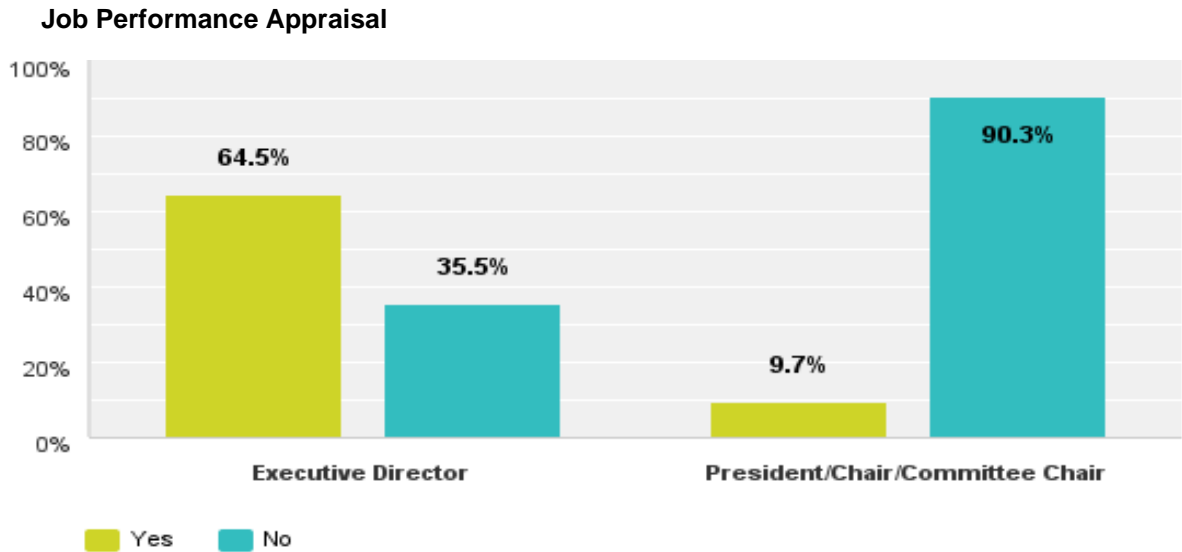
As well, there is a strong and consistent use of formal, written job descriptions for the position of Executive Director:



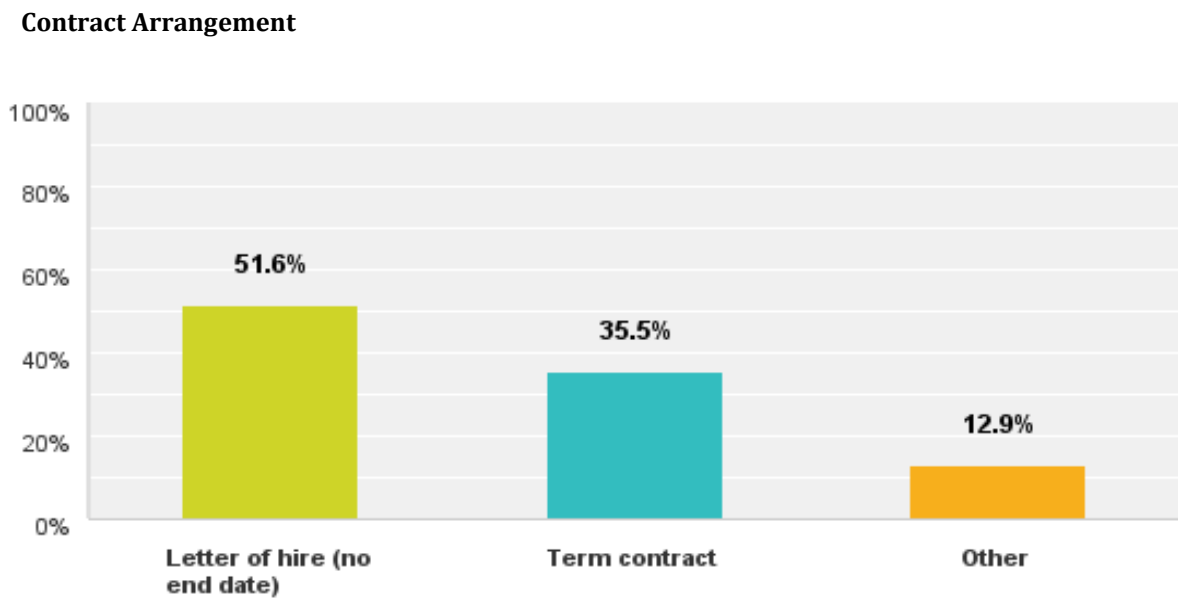
### Job Performance Appraisal & Review

Notwithstanding the high buy-in to establish clarity in terms of the position description of the lead staff – an essential element of being able to assess performance against stated goals - the ASO respondents have not been as rigorous in establishing benchmarking and performance assessment for the ED as opposed to the lead volunteer: almost two thirds of the ASOs do have an annual, formalized appraisal/review process for the ED; *less than one in ten lead volunteers enjoy the same advantage or support.*

# PASO Coalition Leadership Study

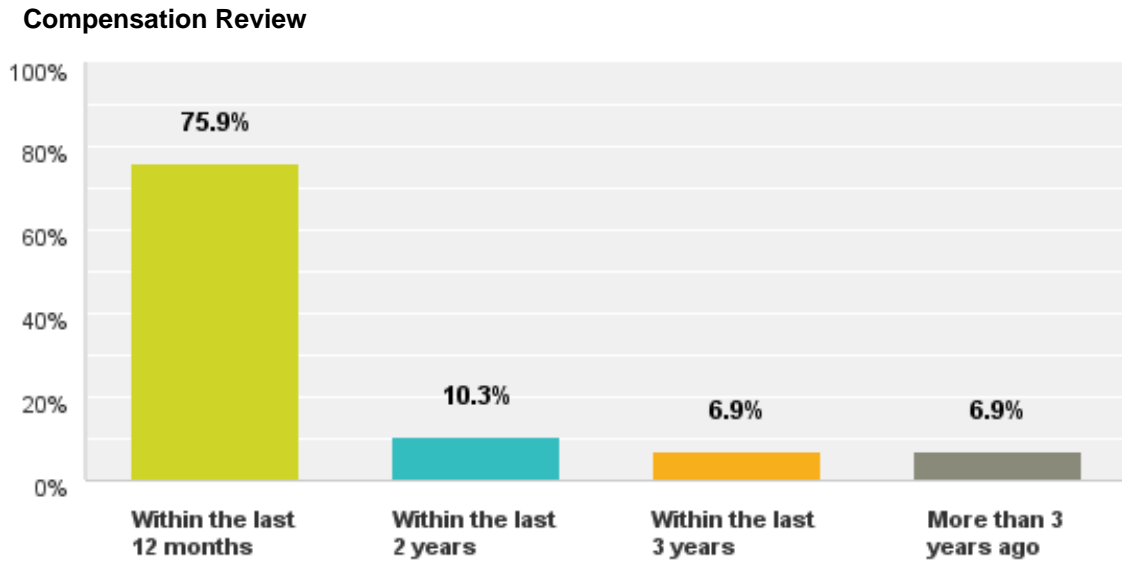


A slim majority of Executive Directors are currently employed under a “letter of hire” (51.6 %), an open ended agreement with the Board that has no fixed term limit; a third are employed under a “term contract” (35.5 %) of some mutually agreed upon period of time:



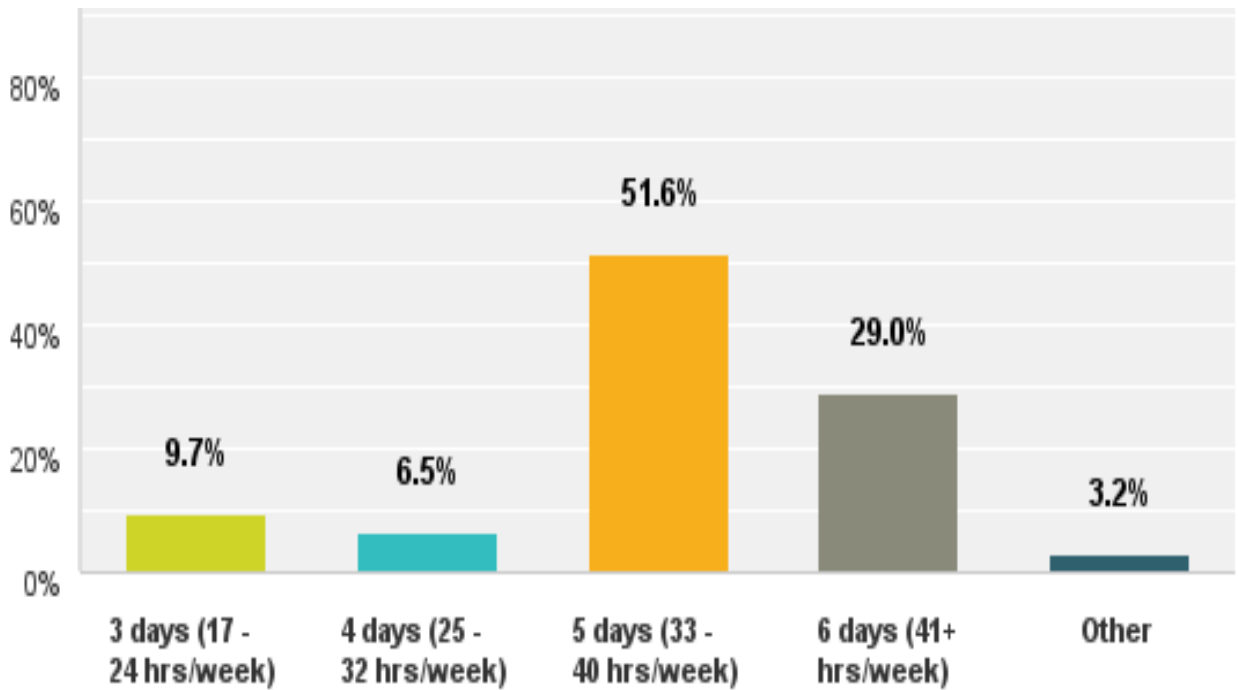
## PASO Coalition Leadership Study

Within this framework of contractual agreements, more than three quarters of respondents revealed that their compensation package (salary and benefits) had been reviewed within the last year, and that it had led to a negotiated increase for more than three quarters of EDs (75.9 %):



## Work Week

Most Executive Directors (80.6 %) reported that *their job description expects them to be full time in their role*, although there is some latitude in how many hours constitutes full time;<sup>21</sup> what needs to be recognized here is that not all ASOs across the province and the disciplines are in fact full time:



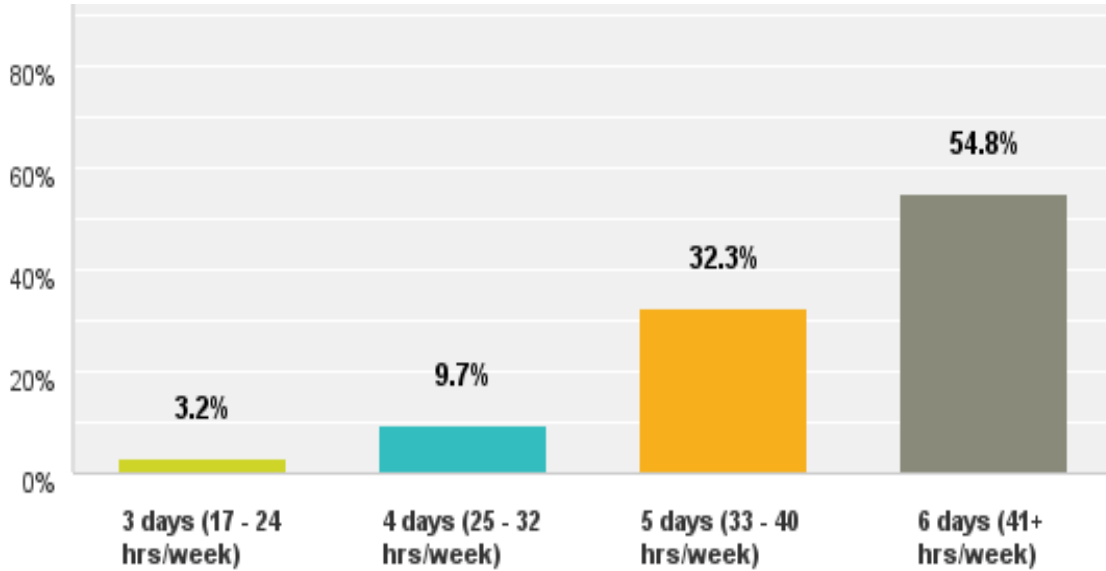
The reality, in practice, is that respondent EDs spend more hours in doing their work than what their job description prescribes, particularly at the higher end of the weekly spectrum: a third of EDs admit to working in excess of 41 hours per week on average, over the preceding six months.

:

<sup>21</sup> Op Cit., Shaping the Future sets full time as anything at 30 hours and above.

# PASO Coalition Leadership Study

## Actual Average Work Week (last 6 months)



As compensation for 'overtime,' two thirds of Executive Directors have exercised the flexibility to schedule *lieu time* (time off in lieu of overtime), while the remaining third have not:

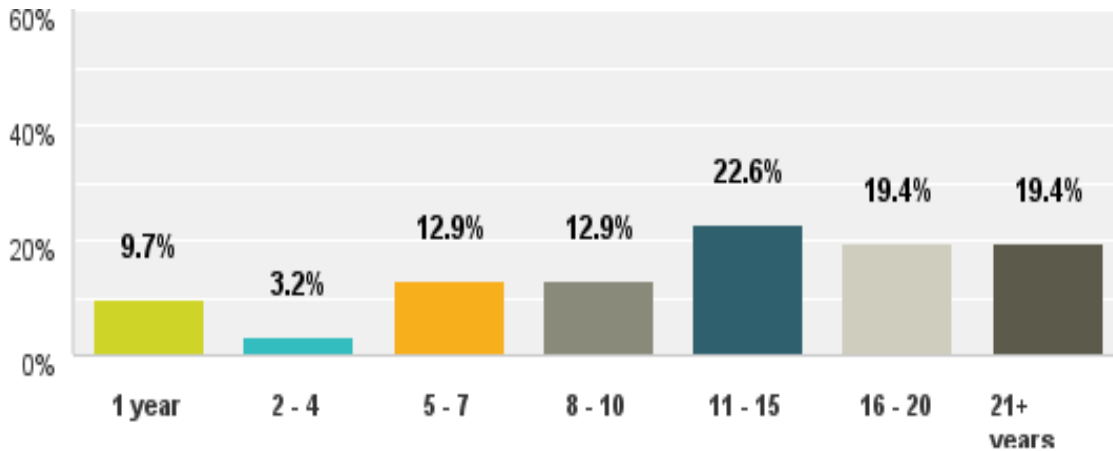
## Access to Lieu Time



## PASO Coalition Leadership Study

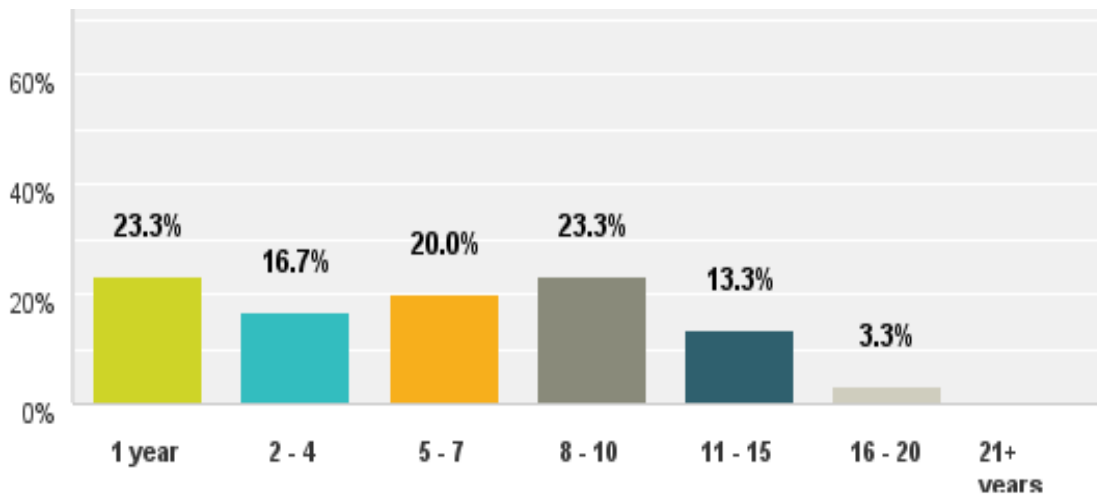
On the paid staff side, there is a wealth of leadership experience amongst those Executive Directors who responded to the survey; working with the median number of years per category, there is a minimum of four centuries of experience amongst the 31 ED respondents, an average of *almost 13 years per individual working in the sector.*

### Leadership Experience in the Sector



Anecdotally, the Working Group has learned that there have been in the most recent period a relatively high number of changes at the position of ED; in confirmation of this, almost one quarter of the respondents (23.3 %) have served *for a year or less in the current position/ organization,* and only one ED has served 16 or more years at their current organization:

### Leadership Experience in Organization

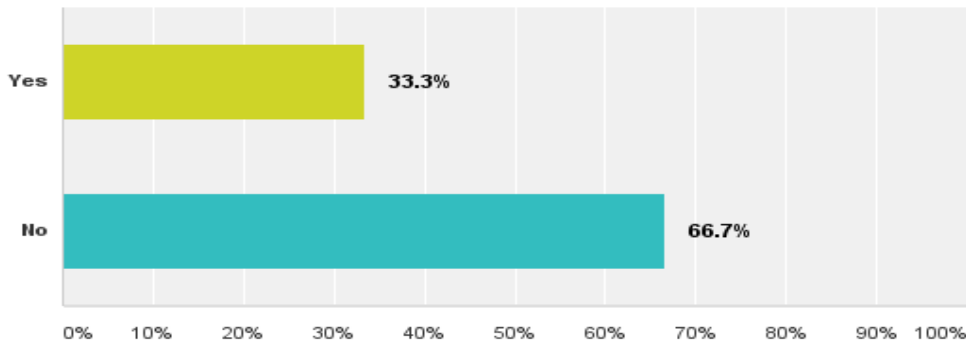


## PASO Coalition Leadership Study

The average span of experience as the leader of this organization falls to approximately 6.57 years, a bit more than 40 % of the overall body of leadership experience (on average, therefore, *ED respondents have been the lead staff of their ASO for nearly half of their leadership experience in the sector.*)

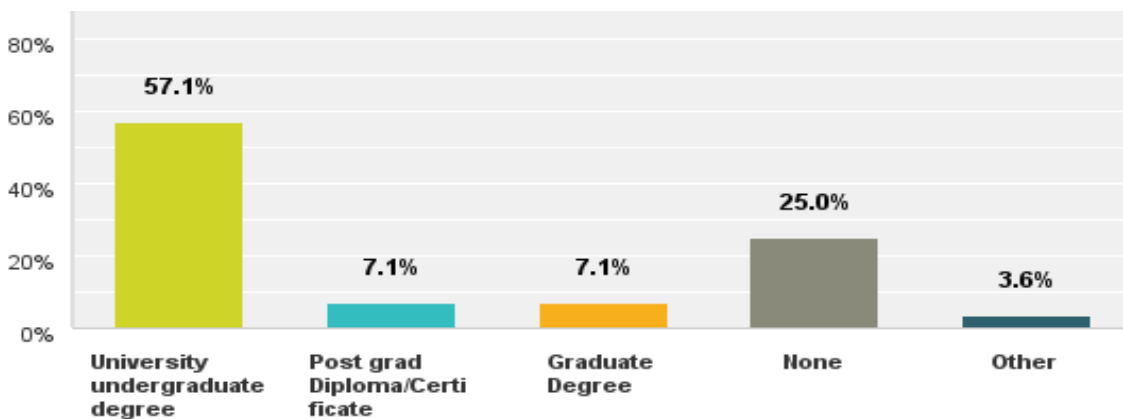
### Job Requirements

Typical of the sector, qualified EDs were expected to possess certain levels of education/training as a prerequisite identified in the position description for the role of Executive Director, and that was the case for two thirds of the responding incumbents when they first were hired for their current position:



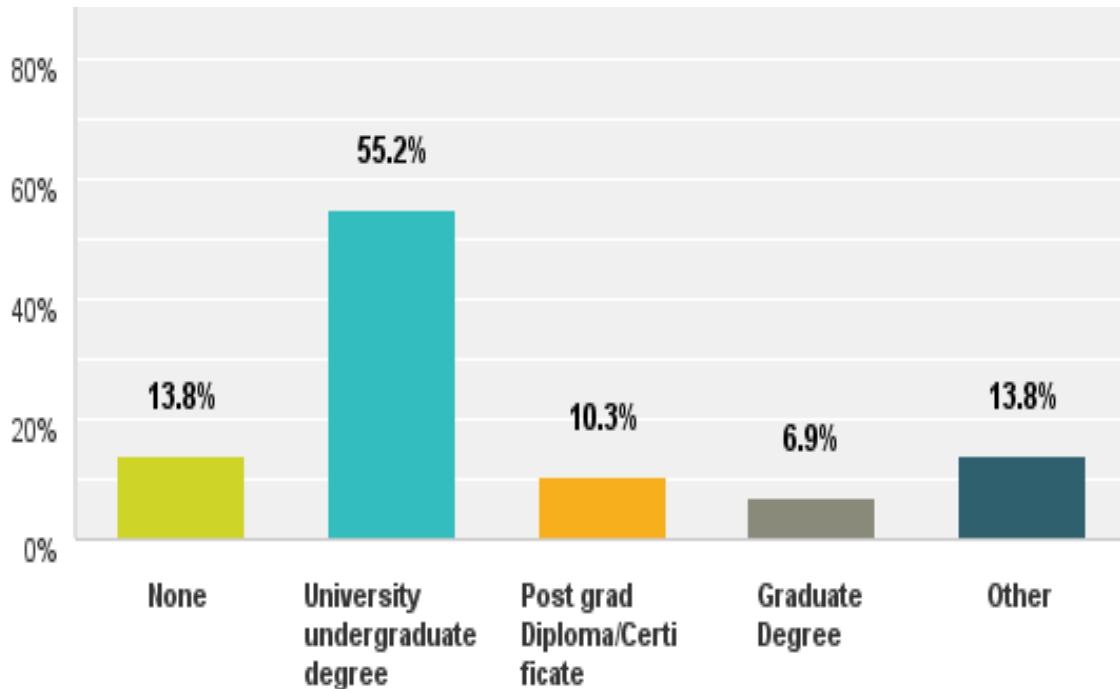
The majority have at least an undergrad degree (57.1 %), and more added either a post grad diploma or certificate (7.1 %) and/or a graduate degree (7.1 %); however, one in four current staff leaders did not require a degree when they were first hired:

### Education Prerequisites



When ED respondents were asked to outline if there *would be* prerequisite education/ training requirements for their successors, it was clear such would be the case as an ongoing feature of the staff leadership profile in the future; an undergraduate degree has become a virtual baseline for all positions now:

**Future Education Requirements**

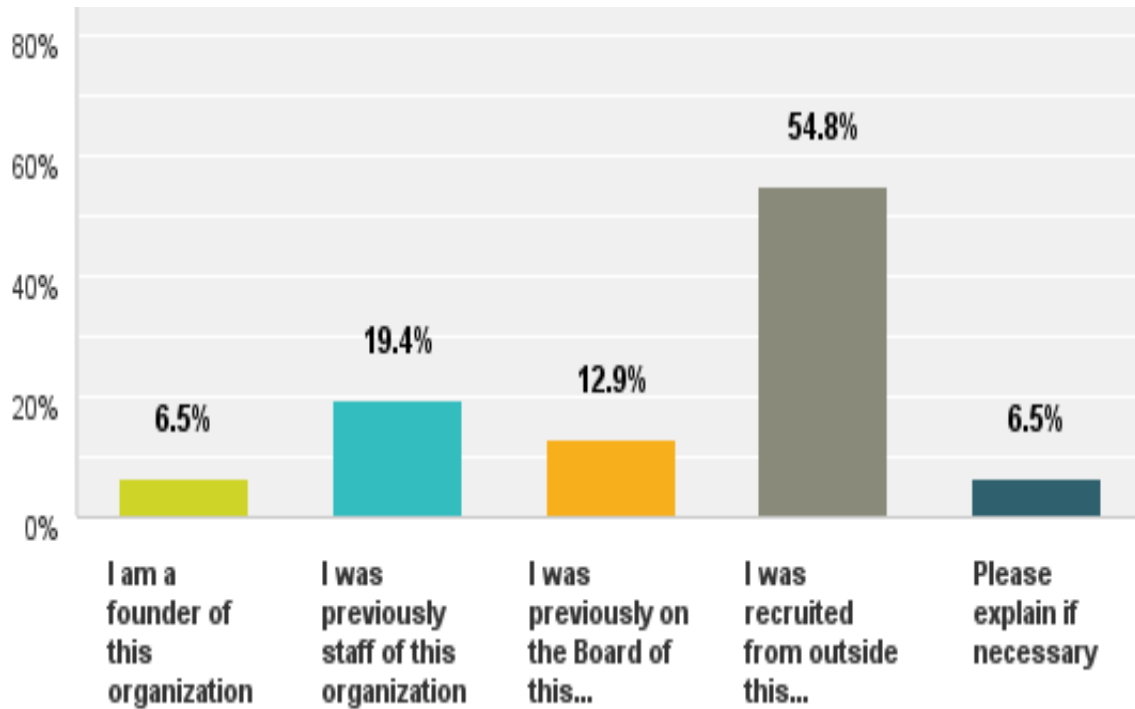


### Recruitment Strategies

Traditionally, HR Specialists often refer to the two most common recruitment strategies when it come to developing leadership as building succession capacity within the organization, or seeking/recruiting future leaders from outside the organization (because of some of the unique factors on the sector would build a tendency that successors from outside the organization would more likely still be within the sector.)



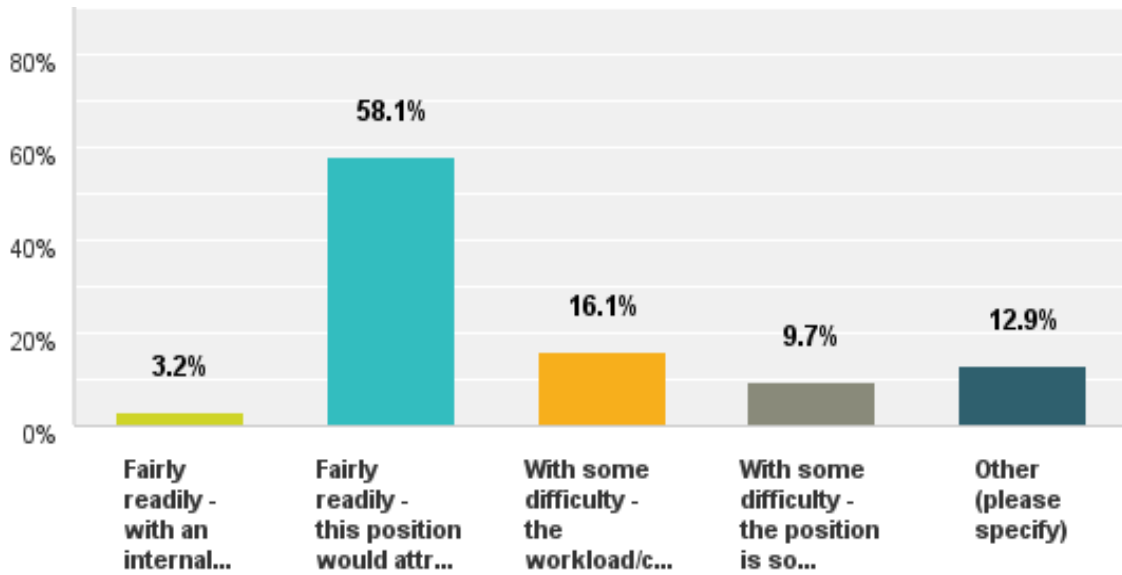
**Recruitment Sources**



Amongst the respondents, there seemed to be a fairly equitable balance between these two: slightly more than half (54.8 %) were recruited from outside the organization, while founders of the organization (6.5 %), those who had sat on the Board as a Director (12.9 %), and previous staff of the organization (19.4 %) also served as a recruitment pipeline. Of those who were recruited from outside their ASO, the greatest portion came from the arts sector (88.9 %), with minor sourcing from the broader not-for-profit sector (5.6 %) as well as the private sector (5.6 %).

Succession potential – the ease with which the current ASO Board could refill the leadership position, in the eyes of the incumbent EDs, is moderately high; nearly two thirds of respondents predict that their organization could fairly readily recruit a replacement for their position if they departed in the next twelve months, either because there is a suitable internal candidate (3.2 %) or the position would attract a wide spectrum of qualified candidates (58.1 %):

**Succession Potential**



Less optimistically, a quarter of the respondents suggested that there would be some difficulty as the workload/compensation balance would be a disincentive (16.1 %), or that there would be some difficulty as the position is so specialized it would have narrow appeal to applicants (9.7 %).

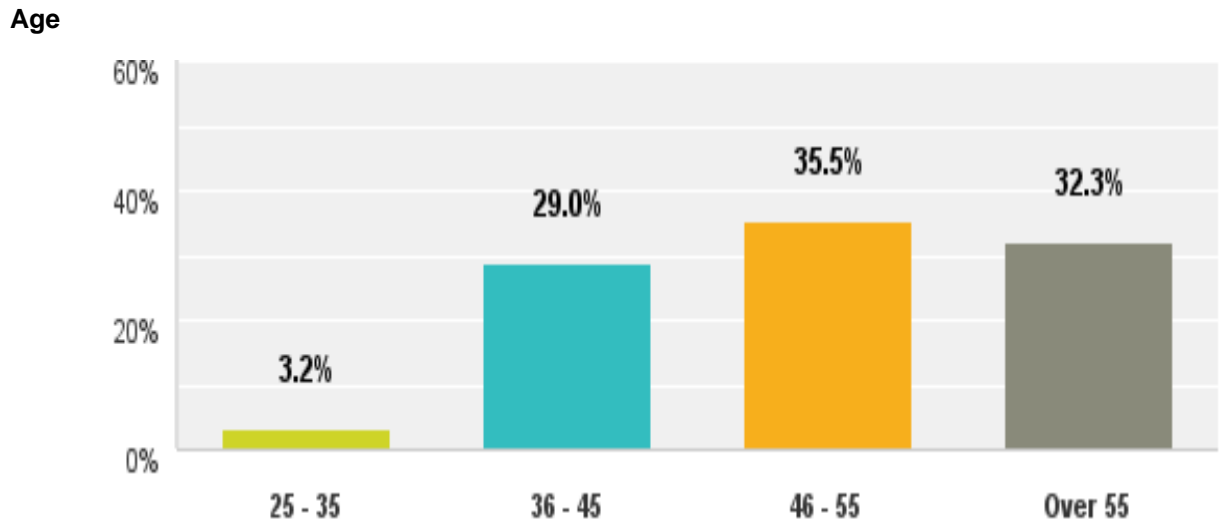
**Demographics**

Amongst respondents to the survey, female EDs outnumber male EDs by a ratio of 2:1:



## PASO Coalition Leadership Study

At the younger end of the age spectrum (25 – 35 years), all of the ED positions are held by males, but there are some variations in the age balance over the older categories; while the full sample has a 2 to 1 split of females to males, that is least likely in the 46 – 55 year old bracket, and slightly less likely amongst those over 55 years:



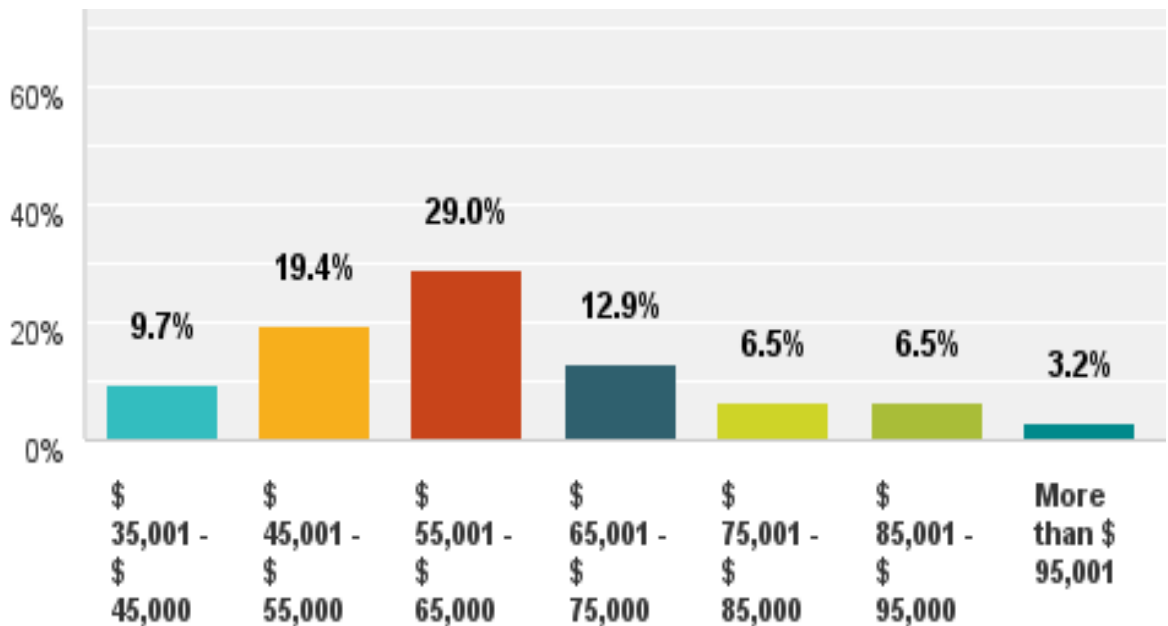
Consistent with the earlier profile of the average number of years in a leadership position in the sector (12.94 years) and in their current organization (6.57 years), it is not unreasonable to anticipate respondents would tend more towards the upper ranges of the age range: more than two thirds of current EDs are over the age of 46 years:

When looked at through the lens of the ASOs budget size, there is a consistency of age (33 %) for those who are between 36 and 45 years working as EDs for organizations with budgets between the range of \$ 100,000 - \$750,000; as well, about two thirds of EDs working at organizations with budgets between \$100,000 - \$ 750,000 are over the age of 46 years.

## Compensation

Compensation (salary and benefits) is also a key element of the ED's profile (a minority of respondents chose not to respond to this question – 12.9 %). The median salary range for Executive Directors is between \$ 55,001 - \$ 65,000, while the average salary falls more often between \$ 65,001 - \$ 75,000: <sup>22</sup>

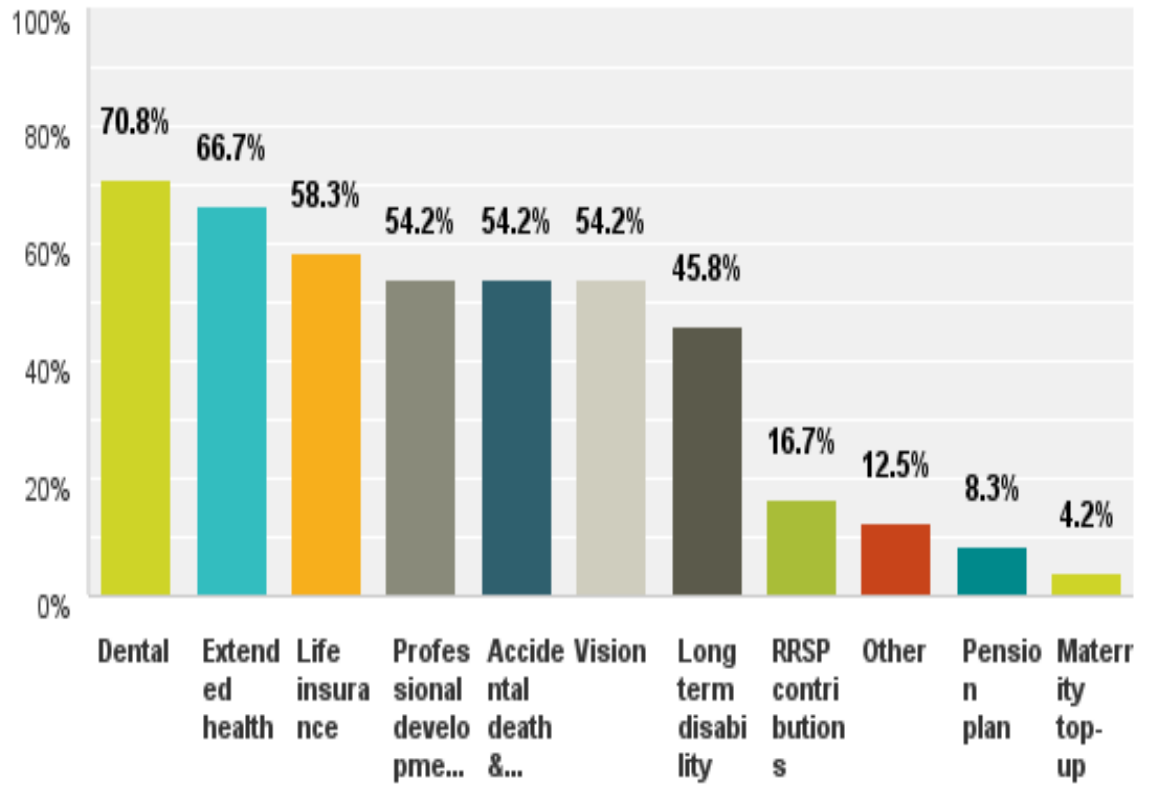
Salary



Benefits available as part of the ED compensation package are varied; of the most popular, dental services (70.8 %), extended health (66.7%) and life insurance (58.3 %) lead the way, with professional development, accidental death coverage, vision and long term disability comprise a second cluster for at least half of the respondents:

<sup>22</sup> While there is no capacity to carry out a sector wide comparison in this study, and there are a few resources available that would provide such a profile that is sector wide and/or up to date, the best available are The National Compensation Study – 2009 Update, Deloitte & Touche, March 2009, and Shaping the Future: Leadership on Ontario's NonProfit Workforce, ONN & Mowat Centre, U of T, September 2013.

**Benefits**

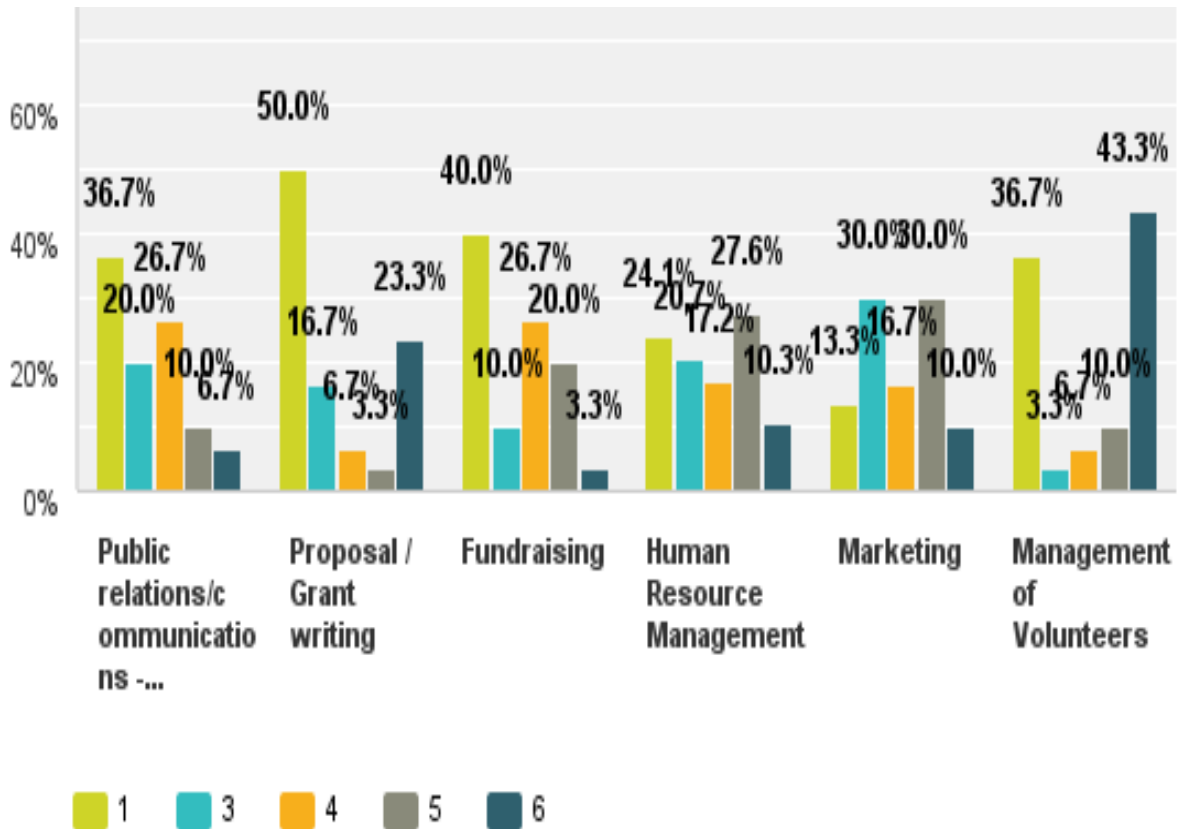


## Perceptions of Organizational Core Responsibilities

While all respondents ranked their preferred core responsibilities for the ED as Resource Development (63.6 %) <sup>23</sup>, followed by Programming (56.4 %) and Advocacy (44.5 %), with Governance/Board Relations (38.0 %) following last, there are some material variations when each of these core responsibilities is looked at through the eyes of just the ED and *what strategic activities make up the core responsibility.*

### 1. Resource Development

Given that *all* respondents identified Resource Development as a core responsibility, it is interesting to see what the EDs take on this is; the highest skills sets in the viewpoint of the EDs includes proposal/grant writing (50.0 %) and fundraising (40.0 %):



<sup>23</sup> See pp. 48 - 52

PASO Coalition Leadership Study

Including the rankings by EDs only over the strategic skills<sup>24</sup> that contribute to Resource Development, the outcome changes and the Score for Public Relations/ Communications with external stakeholder creeps to the top overall (3.70),<sup>25</sup> followed closely by Proposal/Grant Writing (3.67), Fundraising (3.63), Human Resource Management (3.21), Marketing (3.07) and Management of Volunteers (2.80) filling out the skill set to support Resource Development:

**Resource Development: Strategic Activities**

	1	3	4	5	6	Total	Score
Public relations/communications - External	36.7% 11	20.0% 6	26.7% 8	10.0% 3	6.7% 2	30	3.70
Proposal / Grant writing	50.0% 15	16.7% 5	6.7% 2	3.3% 1	23.3% 7	30	3.67
Fundraising	40.0% 12	10.0% 3	26.7% 8	20.0% 6	3.3% 1	30	3.63
Human Resource Management	24.1% 7	20.7% 6	17.2% 5	27.6% 8	10.3% 3	29	3.21
Marketing	13.3% 4	30.0% 9	16.7% 5	30.0% 9	10.0% 3	30	3.07
Management of Volunteers	36.7% 11	3.3% 1	6.7% 2	10.0% 3	43.3% 13	30	2.80

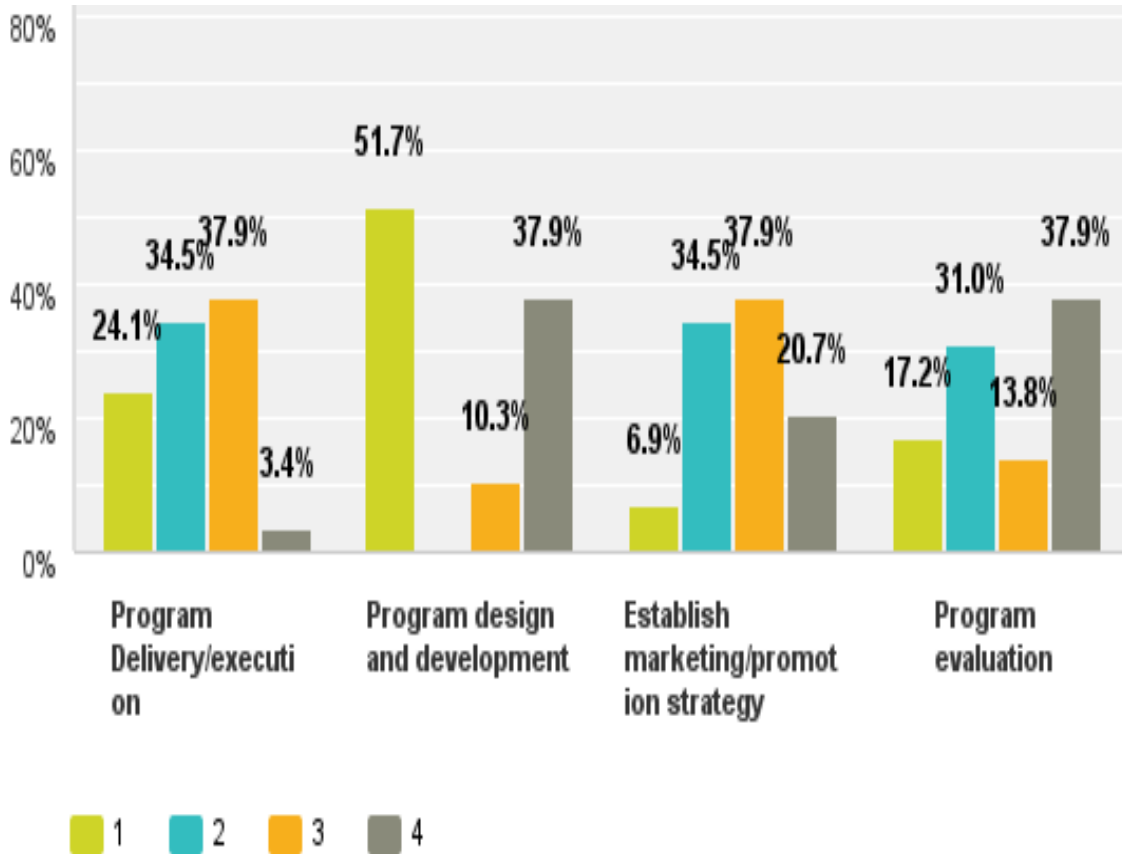
<sup>24</sup> Although the GOAL of the EDs performance is Resource Development, the STRATEGIC SKILLS that will enable the ED to achieve it are Public Relations/ Communications with external stakeholder , Proposal/ Grant Writing, Fundraising, Human Resource Management, Marketing, Management of Volunteers and Resource Development .

<sup>25</sup> This ranking score is a measure that includes all of the choices, one through four, and provides a weighted result that leads to a common identifier – 3.70 out of 4.00.

## 2. Programming

Often, the orchestration of the program mix is to be found at the centre of the Executive Director’s responsibilities, and is certainly an essential and valued element used in determining the success of an ED’s performance over a year:

**Programming: Strategic Activities**



All told, the closeness of importance between the ranking Score of Program Delivery/ execution (2.79) and Program Design and Development (2.66) readily captures the recognized importance of services and programs to an ASO, as does the additional skills of Program Evaluation (2.28) and Marketing Support (2.28):



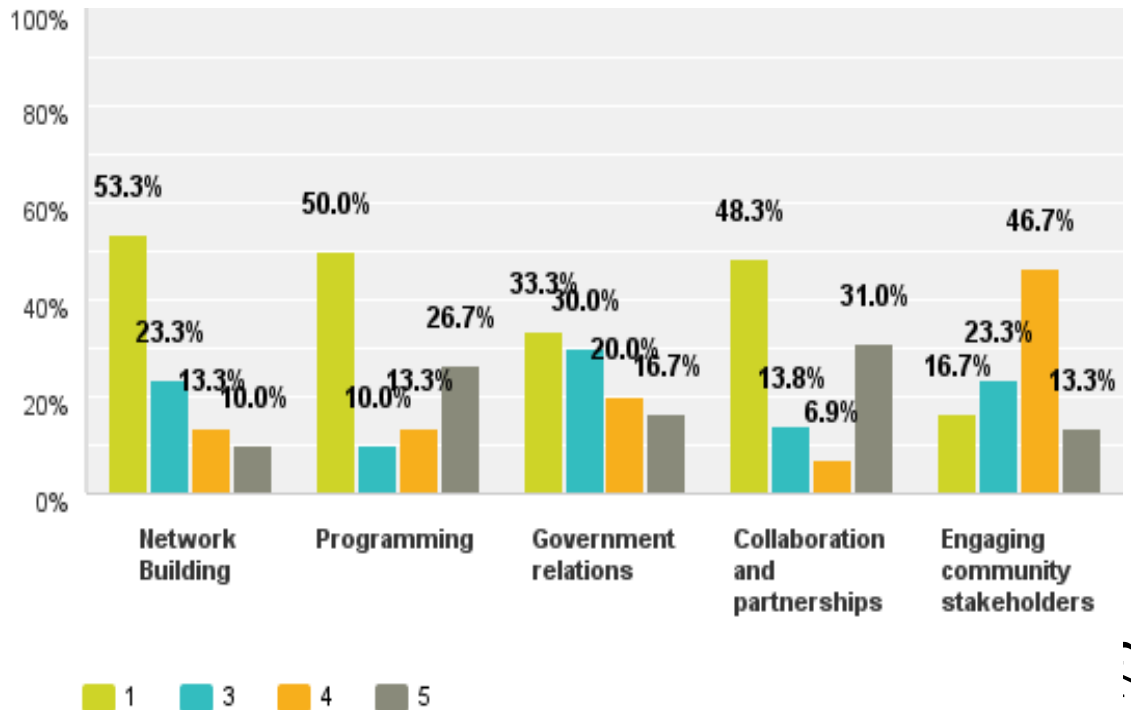
## PASO Coalition Leadership Study

	1	2	3	4	Total	Score
Program Delivery/execution	24.1% 7	34.5% 10	37.9% 11	3.4% 1	29	2.79
Program design and development	51.7% 15	0.0% 0	10.3% 3	37.9% 11	29	2.66
Establish marketing/promotion strategy	6.9% 2	34.5% 10	37.9% 11	20.7% 6	29	2.28
Program evaluation	17.2% 5	31.0% 9	13.8% 4	37.9% 11	29	2.28

### 3. Advocacy

Collectively, this indicates that EDs see Network Building (53.3 %) ranked as the most important element of Advocacy – it has the highest share of 1<sup>st</sup> and 2<sup>nd</sup> choices; in fact, overall, Network Building is ranked above the other choices at Score of 3.20.

**Advocacy: Strategic Activities**



## PASO Coalition Leadership Study

As the following chart indicates, the second Score ranked strategic activity (skill/set) to support Advocacy is Programming (2.83) - not a surprise, as it has long been recognized within the sector that the soul of an ASO is most readily identified through its program and service offerings.<sup>26</sup>

	1	3	4	5	Total	Score
Network Building	53.3% 16	23.3% 7	13.3% 4	10.0% 3	30	3.20
Programming	50.0% 15	10.0% 3	13.3% 4	26.7% 8	30	2.83
Government relations	33.3% 10	30.0% 9	20.0% 6	16.7% 5	30	2.80
Collaboration and partnerships	48.3% 14	13.8% 4	6.9% 2	31.0% 9	29	2.79
Engaging community stakeholders	16.7% 5	23.3% 7	46.7% 14	13.3% 4	30	2.43

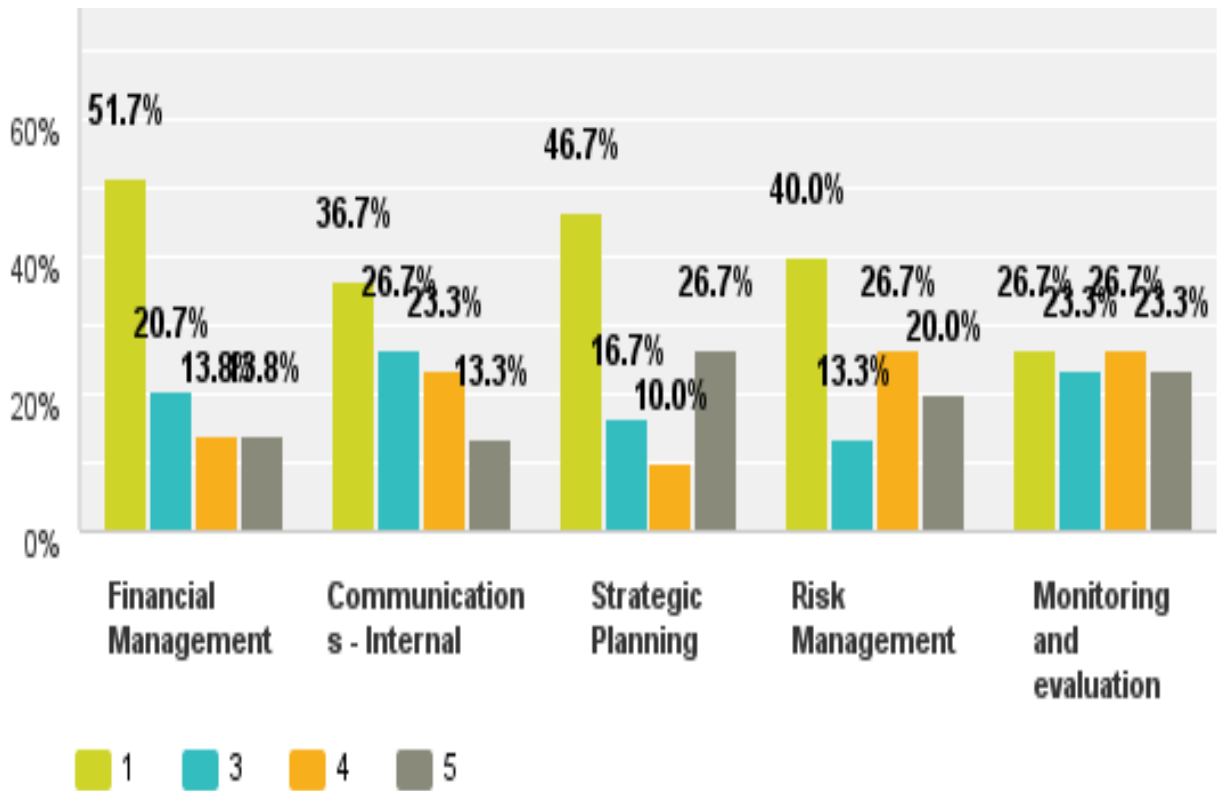
Government relations (2.80), collaboration and partnerships (2.79) and engaging community stakeholders (2.43) are a strong cluster of tactical approaches to support Advocacy:

<sup>26</sup> As was often said of the CBC, programming is the heart and “. . . all the rest is housekeeping.”

**4. Governance/Board Relations**

Although it may rank fourth overall, Governance/Board Relations still remains as a core responsibility that requires a specific skill set, where financial management and strategic planning would appear to be of a higher order amongst EDs (first and second choice combined):

**Governance: Strategic Skills**



However, when all of the rankings are included, then the emphasis shifts somewhat with the results that EDs recognize that the Score for Financial Management Skills (3.10) lead the requirements for effective Governance, closely followed by the cluster of Communications – Internal (2.87), Strategic Planning (2.83), Risk Management (2.73) and monitoring and Evaluation (2.53).

## PASO Coalition Leadership Study

	1	3	4	5	Total	Score
Financial Management	51.7% 15	20.7% 6	13.8% 4	13.8% 4	29	3.10
Communications - Internal	36.7% 11	26.7% 8	23.3% 7	13.3% 4	30	2.87
Strategic Planning	46.7% 14	16.7% 5	10.0% 3	26.7% 8	30	2.83
Risk Management	40.0% 12	13.3% 4	26.7% 8	20.0% 6	30	2.73
Monitoring and evaluation	26.7% 8	23.3% 7	26.7% 8	23.3% 7	30	2.53

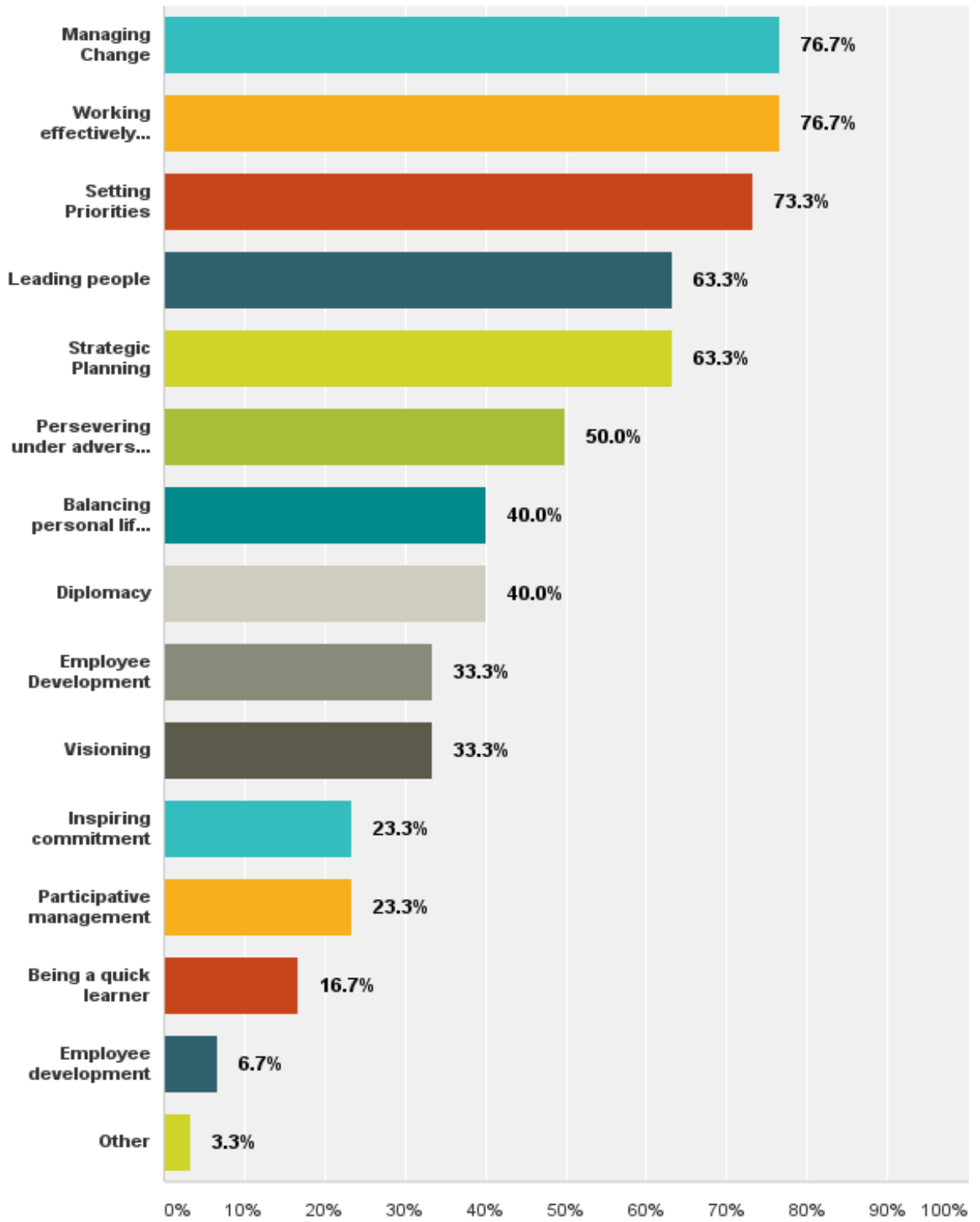
### Skill Sets for Executive Directors

Success and longevity as an Executive Director is a function of the capacity of the incumbent to handle an astounding variety and complexity of tasks; when the ED respondents were asked to highlight six such skills, there was a pattern of consensus:

The three skill sets most highly regarded by EDs for addressing the challenges they face in the sector today included Managing Change (76.7 %), Working effectively with Board and staff (76.7 %), and Setting Priorities (73.3 %).

# PASO Coalition Leadership Study

## ED Skill Sets



## PASO Coalition Leadership Study

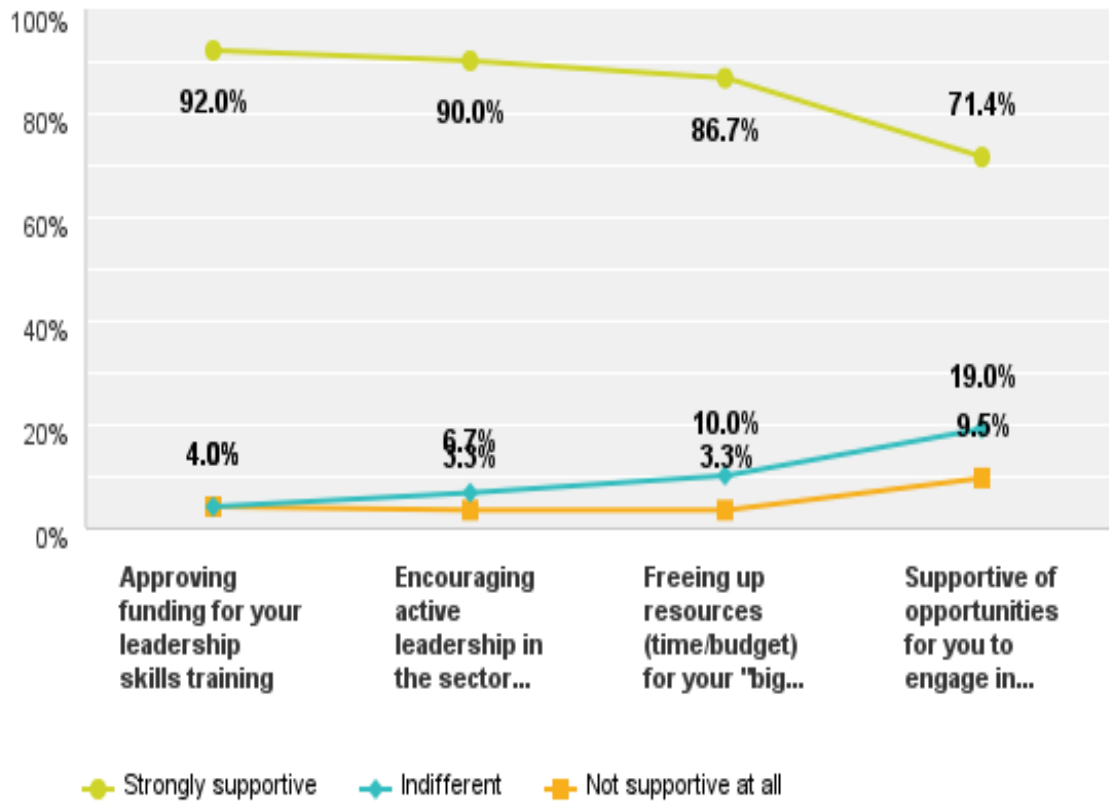
The second order skills identified by EDs as essential include those of Leading People (63.3 %), Strategic Planning (63.3 %) and Persevering under adverse conditions (50.0 %), whereas less than half see Balancing personal life/work (40.0 %) and Diplomacy (40.0 %) as complementary skills. Employee Development (33.3 %), Visioning (33.3 %), and Inspiring Commitment (33.3 %) are slightly behind, and Participative Management (23.3 %), Being a quick learner (16.7 %) and Employee Development bring up the rear.

Answer Choices	Responses	
Managing Change	<b>76.7%</b>	23
Working effectively with Board and staff	<b>76.7%</b>	23
Setting Priorities	<b>73.3%</b>	22
Leading people	<b>63.3%</b>	19
Strategic Planning	<b>63.3%</b>	19
Persevering under adverse conditions	<b>50.0%</b>	15
Balancing personal life and work	<b>40.0%</b>	12
Diplomacy	<b>40.0%</b>	12
Employee Development	<b>33.3%</b>	10
Visioning	<b>33.3%</b>	10
Inspiring commitment	<b>23.3%</b>	7
Participative management	<b>23.3%</b>	7
Being a quick learner	<b>16.7%</b>	5
Employee development	<b>6.7%</b>	2
Other	<b>3.3%</b>	1
<b>Total Respondents: 30</b>		

## Professional Development

The opportunity to enhance or expand on these skills can often be a function of the value that a Board of Directors or the ED who drafts the annual budget, wisely including professional development dollars for themselves and their staff, ascribes to supporting their development through some form of opportunity cost – budget resources, time allocation and priority setting. Overall, a significant majority of ED respondents acknowledged that they do in fact enjoy high levels of Board support when it comes to allocating support for professional development activities:

**Professional Development Strategies**



In the light of earlier revelations about the average length of the work week, the hours of lieu time that accrue, and the challenges facing EDs – working in a dynamic setting where the demands of managing change, setting priorities – it is still a challenge as to when, where and what EDs can pursue in terms of skill development.

## PASO Coalition Leadership Study

At the head of the professional development list for EDs is their active participation in professional association / peer networks (80.0 %) and registration in topical skill development workshops, conferences and seminars (70.0 %):

Answer Choices	Responses	
Active participation in professional association / peer networks	<b>80.0%</b>	24
Topical skill development workshops, conferences, webinars and seminars	<b>70.0%</b>	21
Being mentored by another leader from inside the sector	<b>53.3%</b>	16
Being mentored by another leader from outside the sector	<b>33.3%</b>	10
Leadership development training	<b>33.3%</b>	10
Executive coaching	<b>20.0%</b>	6
Other	<b>3.3%</b>	1
<b>Total Respondents: 30</b>		

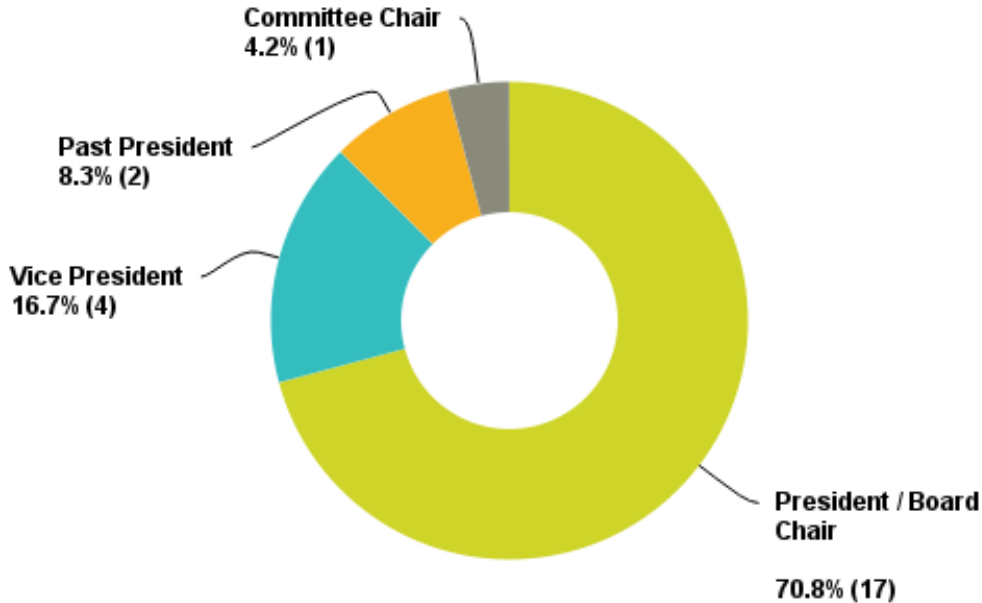
Mentorship, as well, is highly regarded by EDs as a very strong source of professional development, whether it comes from inside the sector (53.3 %) or outside the sector (33.3 %). Rounding out the alternatives are those occasions when EDs have time and budget to invest in some form of one-on-one leadership development training (33.3 %) or executive coaching (20.0 %).



## Lead Volunteers: A Profile

As noted earlier, the survey was designed to reveal which of the two groups that respondents were part of: lead staff (54.4%) or lead volunteers (45.6%). A significant majority of the lead volunteer respondents identified themselves as holding down the position of President/Board Chair (70.8 %),<sup>27</sup> while smaller numbers are either currently in the line for succession as Vice President (16.7 %), or have already served in the lead role as Past President (8.3 %):

### Lead Volunteers: Roles



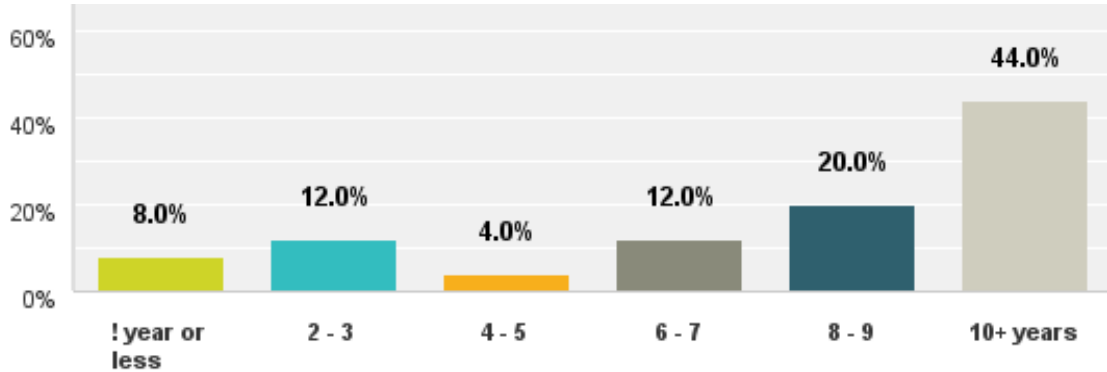
The volunteer respondents have also brought a wealth of leadership experience to their roles – Board and Committees - including their contributions across the arts sector, as well as with the current organization and in the particular leadership role of their current organization, as Chair/President, Vice President, Committee Chair.

<sup>27</sup> Frequently the position titles of Board Chair and President identify the same person; the governance responsibilities are most often ascribed to the role of Chair, at the head of the Board, and the operational responsibilities ascribed to the President, as the head of the Executive committee. There is no constitutional or regulatory requirement that these roles be handled by one or two individuals.

## PASO Coalition Leadership Study

Almost two thirds of the volunteer leaders have served in *leadership positions in the sector* for approximately 8 years (median: 8 – 9 years; average 7.44 years):

### Volunteer Leadership in the Sector

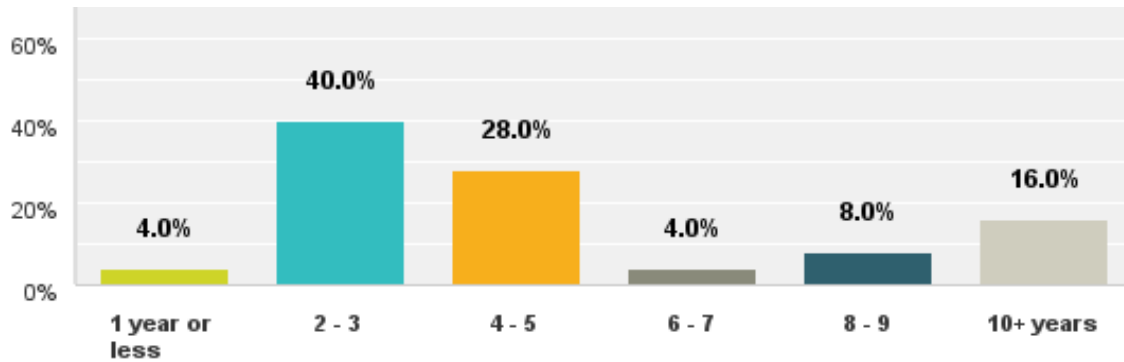


Bringing that diversity of lead volunteer experience from across the sector, respondents have served for an *extended period of time on the Board of their particular organization*; almost a quarter have been in a leadership role on this Board for eight or more years (24.0 %); the median term on their board has been between 4 – 5 years, while the average is 5.04 years:<sup>28</sup>

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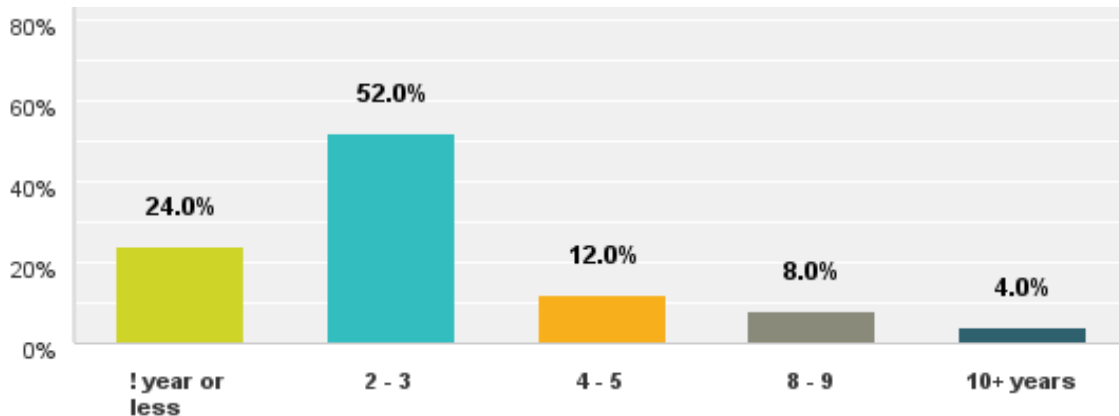
<sup>28</sup> Earlier research has confirmed that the Governance structure of Boards required a minimum of three Directors, no maximum, and the possibility of establishing a range. Most By-laws will identify the term of office for a board member – some establish terms of 1 year, others 2, 3 and 4 years. Some Bylaws also specify a maximum number of years or successive terms in order to generate fresh viewpoints on the Board. A few Boards have no such mechanism, so it is possible that an individual could hold the same Board position perpetually. Therefore, it is reasonable to see most staff leadership positions are shorter than most Board positions, which are most often less than the total experience of the volunteer leader in the sector.

**Leadership in their Current Organization**



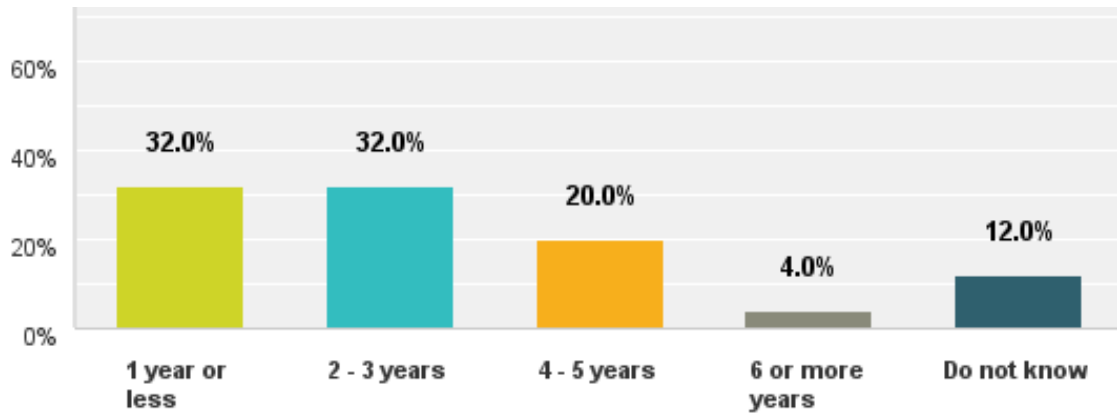
The majority of respondents have spent less than 2 – 3 years in the role as volunteer leader of this particular organization (76 %), probably a function of the traditional strategic succession planning of healthy ASOs, and the impact of fixed terms for executive positions on the Board; the median length in the top position is between 2 – 3 years, with the average term of 3.16 years:

**Executive Leader in their Organization**



With a robust succession strategy in place for the Board and its leadership, the majority of survey respondents have indicated that they do not intend to abandon ship in haste: almost a quarter plan to remain at least another 4 – 5 years, another third plan for 2 – 3 years, and the remaining third will remain for a year or less (32 %):

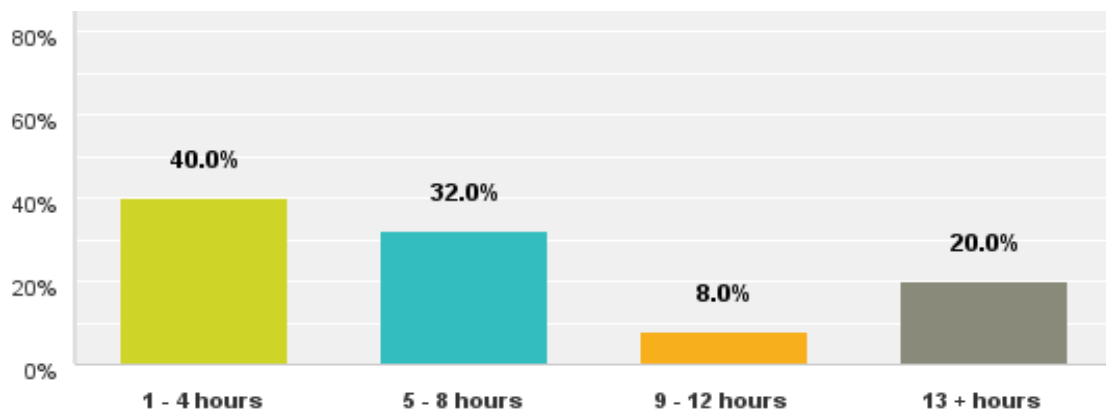
### Intention to Stay as Executive



### Volunteer Leader Work Load

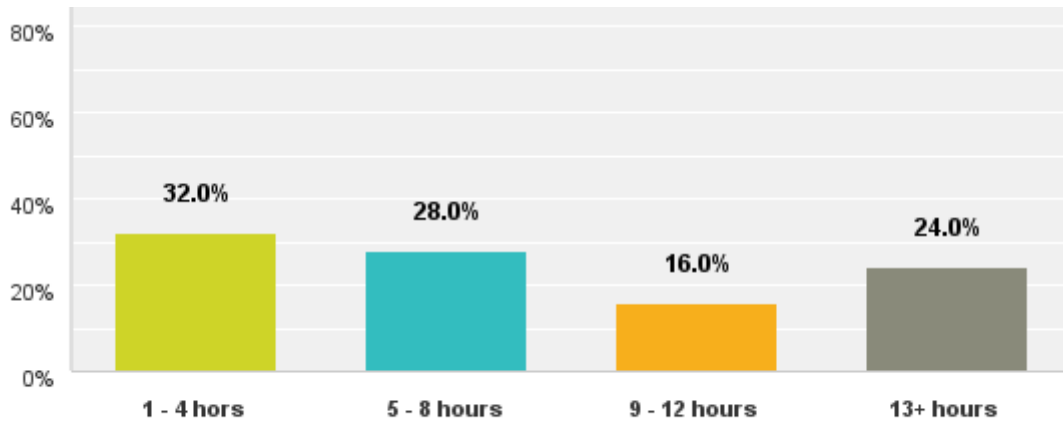
The greatest contributions that lead volunteers make to their organizations are time and talent. In a leadership role, a great deal of time can be demanded by the work of the ASO on a monthly basis; some of that time contribution is *direct* – chairing, attending meetings, serving as the spokesperson of the organization. This sample of respondents spent an average of 6.27 hours per month directly on direct duties:

### Direct Time Commitment



Often, the time commitment is *indirectly* associated with the governance role (attending events, supporting other Board and committee members, being available as a resource to staff); respondents spend an average of some 7.42 hours each month in being supporters and champions indirectly:

**Indirect Time Commitment**



**Organizational Succession Strategy**

The greater majority of Boards have defined terms for their members (i.e. a maximum number of years before one must step off):<sup>29</sup>

**Defined Terms as Board Members**

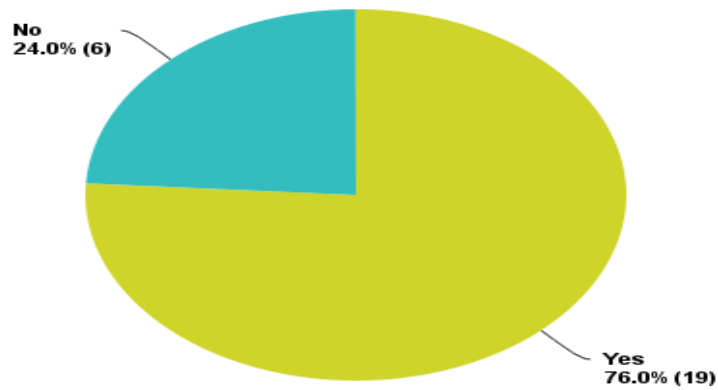


Another element of a robust governance structure is a formal committee structure; like the “farm team” franchises of the professional sports sector, committees in the not

<sup>29</sup> There is general consensus that best practices for a healthy Board includes the use of term appointments amongst its volunteer leaders, most often between 2 and 3 years, in order to foster a refreshing of the leadership energy; it is also common to see governance structures that include a Vice President – expressly to step up into the Chair position – and a Past President as a reservoir of experience to mentor those who follow.

for profit sector should be the future source of high calibre, trained and experienced talent ready to step in when they are ready, or needed:

**Formal Committee Structure in Place**

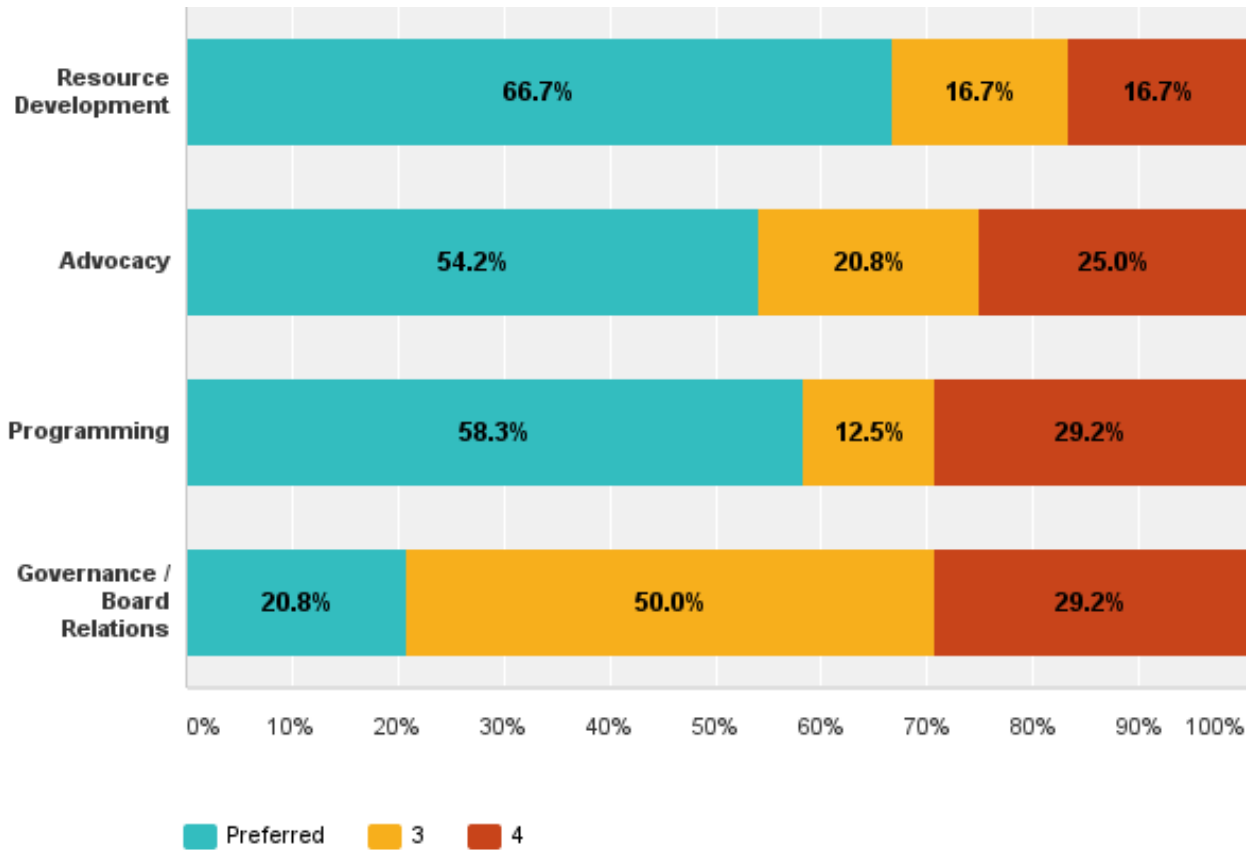


**Leadership: Role Clarity for Lead Volunteers**

As looked at earlier, when all respondents were asked about setting priorities for the core responsibilities for the ED position, there was a degree of consensus, and that ranking shifted relatively when first and second choice were aggregated: Resource Development, Programming, Advocacy, and Government/Board Relations:.

## PASO Coalition Leadership Study

### Volunteer Core Priorities for ED as seen by Lead Volunteers



Looked at through the lens of either the lead volunteer position – Chair/President, Vice President, Committee Chair or the lead staff – Executive Director, as opposed to the sum of these two groups, there are some variations about priorities that are insightful:

### Core responsibilities of Executive Director

	All Respondents %	Lead Staff %	Lead Volunteers %
Resource Development	63.6	61.3	66.7
Programming	56.6	54.8	58.0

ONTARIO ARTS SERVICE ORGANIZATIONS:  
One Size Does Not Fit All.

## PASO Coalition Leadership Study

Advocacy	44.5	36.6	54.2
Governance/ Board Relations	38.0	50.0	20.8

All respondents are pretty much in agreement that the top two core responsibilities for EDs are Resource Development (63.6 %) as well as Programming (56.6 %); however, the EDs would rank their work of managing Governance and Board Relations next (50.0 %), while their volunteer counterparts place Advocacy (54.2 %) above that:

### 1. Resource Development: Strategic Skills

In agreement with their EDs that Resource Development is also at the top of their list of priorities, the Lead Volunteers have specific ideas as to what strategies they should employ in attracting resources to their ASO. Since the ED is the spokesperson appointed by the Board, and is the first amongst staff, then they will serve as the public face of their ASO, through Public Relations and Communications to the external stakeholders and supporters (Scored as 4.75 out of 6). Second most valued skill of an Executive Director is their ability to write grant applications and proposals (4.20). Management of Human Resources (Staff) is an essential skill set (3.75). Although about 1 in 8 EDs is a solo manager (12.9 %), the vast majority have some staff reporting to them, even if it's only one or two others (41.9 %), three or four others (25.8 %) or five to seven others (12.9 %). Fewer than one in sixteen EDs is responsible for staffing levels in excess of nine or more.



PASO Coalition Leadership Study

	1	2	3	4	5	6	Total	Score
Public relations/Communications - External	25.0% 5	40.0% 8	25.0% 5	5.0% 1	5.0% 1	0.0% 0	20	4.75
Proposal/Grant Writing	45.0% 9	10.0% 2	5.0% 1	20.0% 4	0.0% 0	20.0% 4	20	4.20
Human Resource Management	10.0% 2	35.0% 7	15.0% 3	10.0% 2	20.0% 4	10.0% 2	20	3.75
Marketing	5.3% 1	5.3% 1	36.8% 7	15.8% 3	36.8% 7	0.0% 0	19	3.26
Fundraising	10.0% 2	0.0% 0	15.0% 3	35.0% 7	30.0% 6	10.0% 2	20	2.95
Management of Volunteers	5.3% 1	10.5% 2	5.3% 1	15.8% 3	10.5% 2	52.6% 10	19	2.26

While Marketing (3.26) and Fundraising (2.95) are also regarded by Lead Volunteers as strategic skills for their ED, these two skills sets are often also possessed by the second or third hire in an ASO; thus, in an evolving ASO, a mixture of position titles often focus on or include some or all of these duties, including skills of Development/ Marketing/ Communications/ Operations in positions as Administrator/ Coordinator/ Manager. The lesser regarded skill set for an Executive Director is Management of Volunteers, maybe because all staff as well as volunteers often supervise, and are supervised, by others.

**2. Advocacy: Strategic Skills**

Advocacy as a core responsibility of the Executive Director has long been regarded as important and valued across the sector.<sup>30</sup> The hallmark of the last decade has been the degree to which all players in arts/culture have evolved from the old “transaction based” approach to a much more “relationship building” strategy that reflects a heightened awareness that marketing has spread across the sector, and this is recognized across the sector (See *Arts Day on/at*. . . the Hill, Queens Park, City Hall).

<sup>30</sup> To date, organizations in the arts and culture sector have not experienced the “advocacy chill” that sectors such as the environment have.

Thus, Lead Volunteers have ranked the strategic use of Collaboration and Partnerships (2.94), Network Building (2.71) and Engaging Community Stakeholders (2.65) as keys to success for an ED’s Advocacy efforts; Government Relations (1.71) fills out the Advocacy vocabulary:

	1	2	3	4	Total	Score
Collaboration and partnerships	47.1% 8	11.8% 2	29.4% 5	11.8% 2	17	2.94
Engaging community stakeholders	23.5% 4	35.3% 6	23.5% 4	17.6% 3	17	2.65
Government relations	0.0% 0	23.5% 4	23.5% 4	52.9% 9	17	1.71
Network Building	29.4% 5	29.4% 5	23.5% 4	17.6% 3	17	2.71

### 3. Governance/Board Relations

The fact that Governance is ranked as fourth in order of priorities by both EDs as well as Lead volunteers may be a recognition that the Governance function is all pervasive on both sides of the conversation – EDs and Lead Volunteers – and is continuous, unconscious. When it comes to the skills required by Executive Directors to ensure the stability and capacity of the ASO, Lead Volunteers are positively lined up in support of a balanced mixture of Financial Management (3.60) and Strategic Planning (3.26), well supported by Internal Communications (2.95), Monitoring and Evaluation (2.90) and Risk Management (2.40):

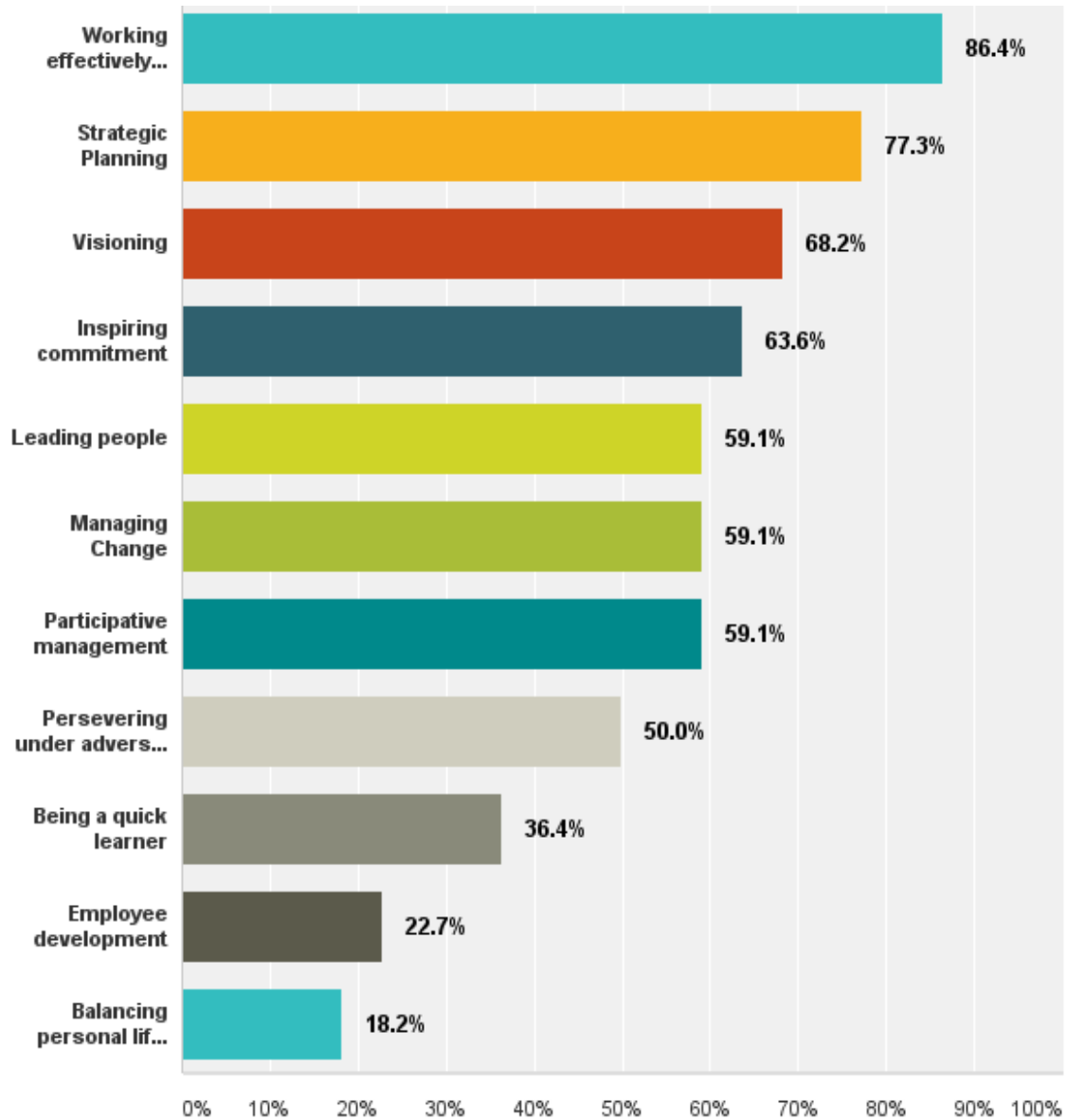
PASO Coalition Leadership Study

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>	<b>Score</b>
Financial Management	<b>45.0%</b> 9	<b>15.0%</b> 3	<b>5.0%</b> 1	<b>25.0%</b> 5	<b>10.0%</b> 2	20	3.60
Strategic Planning	<b>26.3%</b> 5	<b>31.6%</b> 6	<b>10.5%</b> 2	<b>5.3%</b> 1	<b>26.3%</b> 5	19	3.26
Communications - Internal	<b>20.0%</b> 4	<b>15.0%</b> 3	<b>30.0%</b> 6	<b>10.0%</b> 2	<b>25.0%</b> 5	20	2.95
Monitoring and Evaluation	<b>5.0%</b> 1	<b>25.0%</b> 5	<b>30.0%</b> 6	<b>35.0%</b> 7	<b>5.0%</b> 1	20	2.90
Risk Management	<b>5.0%</b> 1	<b>15.0%</b> 3	<b>25.0%</b> 5	<b>25.0%</b> 5	<b>30.0%</b> 6	20	2.40

## Top Six Competencies for EDs According to Volunteer Leadership

In order for their Executive Director to best serve these core priorities – Revenue Development, Programming, Advocacy and Governance –the Lead Volunteer respondents were asked to identify the top six competencies (knowledge, skills, abilities) required to meet the challenges and opportunities in the sector today:

Top 6 Skills for EDs



## PASO Coalition Leadership Study

At the top of the wish list, Lead Volunteers identified Working Effectively with Board and Staff (86.4 %), Strategic Planning (77.3 %) and Visioning (68.2 %) as essential. Not far behind was a set of softer skills deemed as valued, including Inspiring Commitment (63.6 %), and a cluster of equally regarded skills covering Managing Change, Leading People and Participative Management (59.1 % each). Being able to Persevere under Adverse Conditions (50.0 %) and Being a Quick Learner (36.4 %) are seen as essential to accomplish the above, while Employee Development (22.7 %) and Balancing Personal Life and Work (18.2 %) round out the wish list.

Answer Choices	Responses	
Working effectively with Board and staff	<b>86.4%</b>	19
Strategic Planning	<b>77.3%</b>	17
Visioning	<b>68.2%</b>	15
Inspiring commitment	<b>63.6%</b>	14
Leading people	<b>59.1%</b>	13
Managing Change	<b>59.1%</b>	13
Participative management	<b>59.1%</b>	13
Persevering under adverse conditions	<b>50.0%</b>	11
Being a quick learner	<b>36.4%</b>	8
Employee development	<b>22.7%</b>	5
Balancing personal life and work	<b>18.2%</b>	4
<b>Total Respondents: 22</b>		

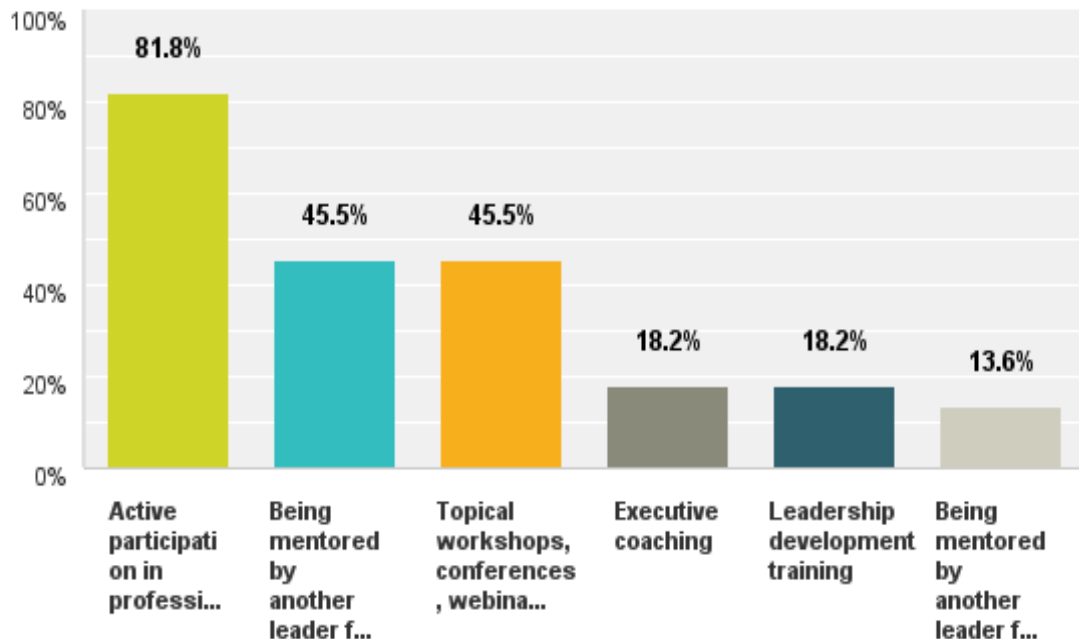
## PASO Coalition Leadership Study

In the eyes of the elected leadership, Working Effectively with Board and staff (86.4 %), Strategic Planning (77.3 %) Visioning (68.2 %) and Inspiring Commitment (63.6 %) are the most essential skills (whereas EDs ranked Managing Change, Working Effectively with Board and Staff, Setting Priorities and Leading People as their top four). Lead Volunteers then ranked Leading People, Managing Change and Participative Management (59.1 %) as equally important.

Finally, it is not a surprise that Lead Volunteers Scored Persevering under Adverse Conditions (50.0 %), Being a Quick Learner (36.4 %), Employee Development (22.7 %), and Balancing Personal Life and Work (18.2 %) as the lesser important skills – they have more to do with the personal needs of the ED as opposed to the organizational needs that contribute most to corporate effectiveness.

When Volunteer Lead respondents were asked to identify what professional development strategies had been, in their experience, effective in contributing to the performance of the Executive Director, their responses effectively echoed those provided by the EDs:

### Professional Development Options for EDs



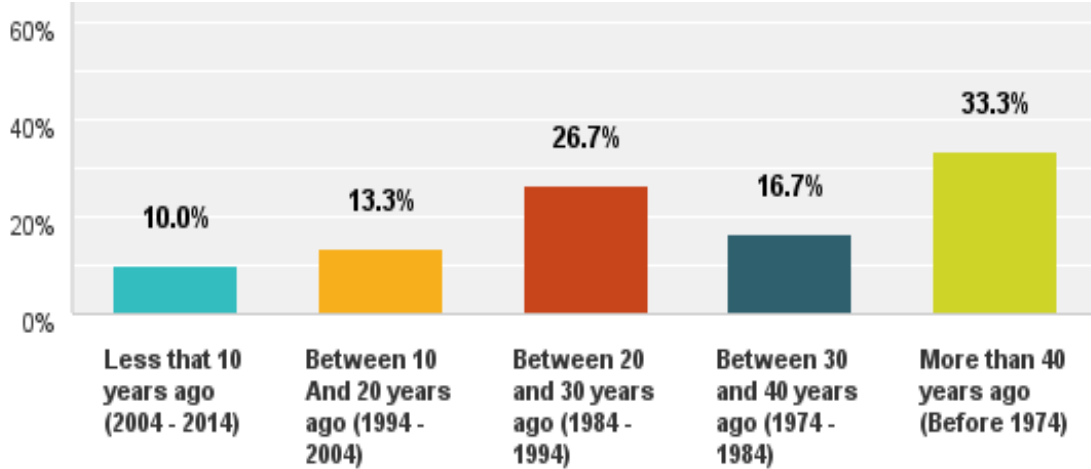
## Sub Profiles

Through additional statistical analysis with the data set of some 58 respondents, it is possible to further subdivide the data set to see if there are any recognizable, let alone significant, patterns that would add insights into the character of the Arts Service Organizations operating in Ontario.<sup>31</sup>

## ORGANIZATIONAL LIFE SPAN

Respondents<sup>32</sup> were able to slot the age of their organizations into one of five categories:

1. Less than 10 years (2004 – 2014)
2. Between 10 and 20 years ago (1994 – 2004)
3. Between 20 and 30 years ago (1984 – 1994)
4. Between 30 and 40 years ago (1974 – 1984)
5. More than 40 years ago (before 1974)



<sup>31</sup> Statistically, these tendencies offer no mathematical certainty; in order to carry out meaningful multivariate analysis of any cell (responses where two or more respondents had shared some characteristic, feature or answer in common), best practice would want to see some 25 respondents sharing the different variables (answers). This is not feasible with a population of only 58 respondents.

<sup>32</sup> Only EDs were asked this question.

### Founded Less than 20 years ago (1994 - 2014)

The youngest of the ASOs (7 respondents) is much more likely to have an Advisory style board, represent the Multimedia sector, and operate in English. These newest members of the fraternity are slightly more likely to serve in the provincial jurisdiction (57%), although they are also to be found in all the age categories. Budget size could also be a corollary of organizational life cycle, with the under 20's more likely to be operating with budgets in the lower range (over half under \$250,000, and another 43% between \$250 - \$500,000). These newest organizations are located in the GTA, and operate with a somewhat smaller board (over half have less than 8 members).

Consistent with a start-up and growing phase, these organizations have a very small staff complement (86% less than 3 employees), are somewhat more likely to be operating less than a full week (30 hours), and less likely to receive lieu time to compensate for overtime.

There is a greater likelihood that their ED will not have a formal/written job description as ED, somewhat less likely to have a formalized performance appraisal process for the ED and definitely lacks this process for the Chair/President position. Although the majority of EDs underwent a compensation package review in the most recent twelve months (67%), it led to a raise for only half of them.

Newer ASOs are more apt to have EDs who have fewer years of experience in the sector, and the majority (72%) have less than four years experience in their role as ED of their organization and were much more likely recruited to the current ED position from outside the organization (57%). If a successor were needed in the next year, they feel they would readily find a replacement from a spectrum of qualified applicants (75%)

Currently, these newer ASOs are led by females (71%), and all are over the age of 36 (88% are over the age of 46).



## Founded Between 20 and 30 years ago (1984 - 1994)

The ASOs that have been in operation for some 20 to 30 years (7 respondents) are much more likely to operate under a Policy/Governance style board, in a wide variety of disciplines, and could operate in English or in French. Although they are present in all three jurisdictions, these ASOs are somewhat more often provincial; not the smallest, according to their budgets, but are more often to be found in the \$500 - \$750,000 range (25%) and more than \$750,000 (38%).

Geographically, these ASOs are clustered around both the provincial capital (67%) and the national capital (33%), and work under the direction of smaller boards (63% under 8 members).

Although this cohort of ASOs also has small, solo managed organizations, there is a greater likelihood that their staff complement has some depth and variety (25% have 2 – 3 staff, and 50% operate with 4 – 5), more likely to be operating full time (38% between 33 - 40 hours, 63% 41+ hours per week) as well as have access to lieu time.

More likely to have a formal job description and a review process for the EDs performance, but again less likely to have a review process for the lead volunteer, these evolving organizations are operationally quite stable.

EDs at these evolving organizations bring some depth of experience in the sector, with more than a third possessing between 2 and 7 years, and another third having between 8 and 15 years background; concurrently, almost half have been the ED of their current organization for between 2 and 7 years, and another third have been the ED of their organization for between 8 and 15 years. Almost two thirds were recruited to their position from outside the organization, and are feeling very confident that they could be readily replaced in the next 12 months, either because there is a strong internal candidate (13%) or the position would attract a wide spectrum of qualified candidates (75%).

The majority of this cohort had their compensation package reviewed within the last 12 months (88%), and many of them (75%) were awarded an increase. ASOs in this category are more often managed by women on a 2 to 1 basis, and they are, overall, a mature group: more than a third are between 46 and 55, and another half are over the age of 55.

### **Founded Between 30 and 40 years ago (1974 - 1984)**

From the sample population, organizations formed between 1974 and 1984 (5 respondents) are somewhat more likely to be operating as Cooperative/Working Board, engaged with the multidisciplinary organizations (40%), and a balanced mixture of Theatre (20%), Dance (20%) and Visual/Media Arts (20%), and to be operating completely in English.

Jurisdictionally, they are twice as likely to be provincial or municipal (40%) than federal (20%), with middling budgets (between \$100 - \$250,000 , and \$250 - \$500,000, both at 40%). All of these mid-size ASOs operate geographically from a GTA base.

Boards for these mature organizations are somewhat larger - none smaller than 9 – 11 members (40%), and none larger than 12 – 15 members (60%). Likewise, their staff complement stretches across several sizes: solo manager (20%), 2 – 3 staff (20%), 4 – 6 staff (60%), and tapering off at 6 – 8 staff (20%). With such a critical mass of staff, and meeting their HR needs, it is no surprise that all of the EDs have a formal/written job description, and their organization has formalized performance review appraisal for the ED in place (but not the Board leadership).

As mature, substantial service organizations, many of these ASOs are accustomed to running full time, and often more – a 5 day week (33 - 40 hr/week) is standard for the majority (80%); in reality, more than half (60%) of the EDs in this segment worked 6 days (41+ hrs/week) on average over the last six months, being thankful that a significant share received lieu time off to compensate for extended hours (80%).

The EDs of this mature cohort bring a wealth of experience in the sector to their current position: 40% had no less than 8 – 10 years, and 60% had over 16 years in the sector. Notwithstanding this, almost half (40%) of this group were new to the ED position in their organization; the greater part had been in their position for varying lengthy periods: 5 – 7 years (20%), 8 – 10 years (20%), and 11 – 15 years (20%).

Succession planning for these ASOs is a topic these Boards should become better prepared to address – strategically; more than half of the EDs responding drew attention to their concern about the difficulty they foresaw if they tried to replace them in the next year, and more than half identified this as a difficulty as the workload/compensation balance would be a disincentive (40%), or the position is so specialized it would have narrow appeal to applicants (20%).

This cohort of EDs has had less success in getting a compensation package review in the most recent 12 months (40%); those who did were more likely to achieve an increase (80%). These ASOs are more likely to be led by women (80%); with no EDs younger than 36 years of age, the balance of leadership here tends to be more mature (40% between 46 and 55, and another 40% over the age of 55.)

### **Founded More than 40 years ago (before 1974)**

The oldest ASOs (10 respondents) are more often likely to be operated under a Management Team/Corporate model representing various disciplines within the performing arts envelope; half are based in music (50%) and a third in theatre (38%), as well as visual arts/media (13%). Jurisdictionally, half of these ASOs are provincial, while less than half (40%) are national. With this balance, it is not surprising to see that almost half work in both languages, with less than half operating in English and the remainder in French (10%).

## PASO Coalition Leadership Study

These most senior ASOs are some of the largest – with budgets between \$250 - \$500,000 (30%), \$500 - \$750,000 (30%), and in excess of \$750,000 (20%). The staffing profile for these organizations also demonstrates this polarity; senior ASOs have both the largest staffing quotient – more than 15 staff (10%), as well as between 12 – 14 staff (10%), while one fifth have only a solo manager (20%), or a very lean operation (2 -3 staff (30%), as well as 4 – 5 staff (10%).

With decades of experience behind them, all of these mature ASOs have in place a formal/written job description for their ED, a performance review process for the ED position (100%), but not for the President (10%)!

Longevity as an ASO would seem to correlate with not only the length of time – 40+ years – but also of the amount of time they are open; the vast majority of EDs are expected to work full time, either 5 days (33 – 40 hrs/week for 60%) as well as 6 days (41+ hours/week for another 30%); in practise, on average over the last 6 months, these EDs did in fact work extended hours (30% at 5 days, and 70% at 6 days), with the majority (70%) receive lieu time to compensate.

Amongst these senior ASOs, the more experienced EDs in fact brings a wealth of sectoral kudos: some 70% had worked in the sector for more than a decade before taking on the top position, and a smaller set of EDs were fairly fresh to the field (10%). This bipolar profile is also visible for the EDs in the leadership position of their current ASO: fully a third (33%) of EDs in these senior organizations were brand new, less than a year, and almost half had been in place for 8 – 10 years (33%), or 11 – 18 years (11%).

The majority – this mix of newbies who have just experienced the succession process and old-timers who are stable and comfortable – are optimistic that, if circumstances required it, they could find a replacement because they see the position would attract a wide spectrum of qualified candidates (70%).

## PASO Coalition Leadership Study

A significant portion of the respondents had undergone a compensation package review within the last 12 months (90%), and two thirds of them were successful in achieving an increase.

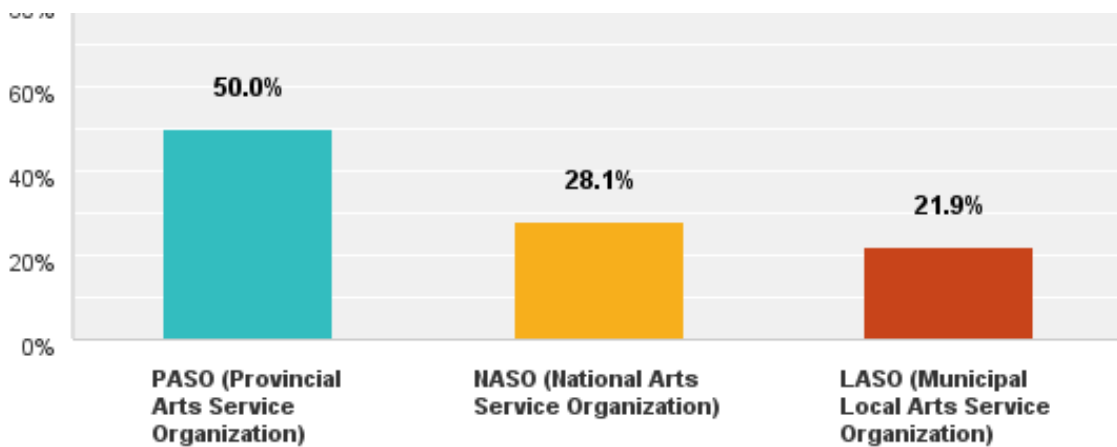
These senior ASOs have come closer to a gender balance, with 40% of the ED positions held by men. Age-wise, these senior ASOs are managed by a mature cohort of EDs; while there are some younger EDs, probably new to their position who are under 35 (10%, or between 36 and 45 years (20%), the greater balance are recognizable more mature – 70% over the age of 46 (40% between 46 – 55, and 30% over 55.)

## Jurisdiction

Arts Service organizations operate at all three levels of jurisdiction in Ontario:

1. NASO – National Arts Service Organization      Federal
2. PASO – Provincial Arts Service Organization      Provincial
3. LASO – Local Arts Service Organization      Municipal

Half of the respondents are registered provincially, slightly more than a quarter are federal, and more than a fifth are municipal:



## PASOs

Half of the Provincial ASOs (16 respondents) operate under a Cooperative/ Working Board model (least hierarchical, with authority and responsibility portioned out equitable amongst peers), predominantly in the Visual Arts/Media Arts (33 %) and Multidisciplinary (20 %), and largely in English (75 %). While these provincial bodies have existed over the entire age span of some four decades, almost half of them were founded between 1984 and 2004 (47 %).

PASOs are neither the smallest nor largest operating budgets or staff; four of ten operate under \$ 250,000, almost half have budgets between \$250 - \$ 750,000 (47 %), and one in seven have budgets above \$750,000; two thirds (66 %) have staff complements between 2 and 5 employees (FTEs).

## PASO Coalition Leadership Study

As well, PASOs are neither the smallest nor largest when it comes to their Boards of Directors; most (94 %) are governed by 6 – 15 members, and are to be found most often in the provincial capital (64 %) and the national capital (21 %).

In contrast to the other two jurisdictions, these provincial service organizations are somewhat less likely to have an annual formalized review process in place for the Executive Director (47 %), or the Lead Volunteer (7 %).

According to their job description, there are two cohorts; one quarter are in operations less than full time (27 % for 4 days or less), and two thirds expect their ED to be on the job 5 days/33 – 40 hours (33 %) or 6 days/41+ hours (33%). In practice, the part timers work to expectations, while the full timers often exceed that expectation, working a 5 day week (20%) or a 6 day week (53.3 %); EDs at this level often may have access to lieu time (60 %).

One in five PASO EDs is a bit light on sector experience (7 % have less than a year, and 13 % 2 – 4 years), but four in ten have between 8 and 15 years leadership experience in the sector, and one third have in excess of 16 years; yes, there is a cohort that is relatively fresh to the position (14 % as brand new within the year, and 21 % for 2 – 4 years), but there is also a significant share of PASO EDs who have held their current position for 5 – 10 years (43 %), as well as one fifth with more than a decade leadership (14 % for 11 – 15 years), and 7 % for 16 or more years. Much of that stability arises from the fact that four tenths of the EDs were either a founding ED (13 %) or previously on staff (27 %), but doesn't necessarily carry on through to optimism for their succession: less than half (47 %) feel that a replacement was readily available, and more admitted that it would be with some difficulty because the workload/compensation would be a disincentive (33 %) or the position is so specialized (6 %).

PASOs have historically been restrictive in their educational prerequisite (43 %), more often requiring an undergrad degree (77 %); it would be equally rigorous for their successors (67 % undergrad, and 7 % Post Grad Diploma/Certificate.)

Slightly fewer PASO EDs had their compensation package reviewed within the year, leading to an increase for two thirds of them.

While EDs at PASOs are mature (all over the age of 35), there is a good balance in all segments: 40 % are between 36 and 45, 33 % are between 46 and 55, and 27 % are over the age of 55. These provincial associations come closest to a gender balance in the leadership position, female/male (53 % / 47 %).

## NASOs

National Arts Service organizations (16 respondents) are more evenly distributed in terms of their operational model, with two thirds as either Cooperative Working Boards or Policy/Governance Boards (both 33 %), as well as Advisory Boards (22 %) and Management/Team models (11 %), all to be found in the Performing Arts disciplines (Music 56 %, Theatre 22 %, and Dance 22 %). NASOs are amongst the more mature organizations, with half of them established over four decades ago (before 1974), and the other half between 1974-84 (13 %), 1984 – 94 (25 %) and between 1994 – 2004 (13 %).

NASO budgets cover the spectrum evenly, with one third operating under \$250,000, one third between \$250 - \$750,000 and one third in excess of \$750,000. In contrast to its provincial and municipal peers, most NASOs are not staff heavy; more than three quarters of NASOs work with 2 – 5 employees (78 %).

Given the national<sup>33</sup> (geographic) demands, NASOs tend to work with boards that are a little larger than their counterparts; the smallest NASO has a board of 9 – 11 members (44 %), with an equal share working with boards of 12 – 15 members (44 %), and the rest in excess of 16 members (11 %). The greater portion of these national organizations works out of the Greater Toronto Area (88 %).

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<sup>33</sup> Many NASOs work collaboratively, but independently, with provincial counterparts (e. g. CARFAC National, CARFAC Ontario).



## PASO Coalition Leadership Study

NASOs are most apt to have a formal/written job description for the ED position (100 %), and thusly a formalized performance review process in place for their Executive Director (89 %), but not of the President.

All of the NASOs EDs have full time expectations of their EDs, with two thirds on a 5 day week (67 %) and a fifth on a 6 day week; in practice, the majority have worked 5 days in the last six months (56 %), and the rest a 6 day week (44 %), with most of them having an option for lieu time (89 %).

While approximately half of EDs have held leadership positions in the arts sector for more than 16 years (44 %), there have been some who have risen quickly; one in ten had less than a year's experience in the sector, one in three had 5 – 7 years, and another tenth between 8 and 10 years. However, none of the current EDs have held that position for more than a decade; one in three have led their ASO for 8 – 10 years, and another two of ten for 5 to 7 years; almost half have been the senior staff of their NASO for less than a year. One fifth came from within their NASO, and one third originated on the Board of Directors, but the larger group was recruited from outside the NASO (44 %). Two thirds anticipate that succession would happen fairly readily if the incumbent left within the year, with one in ten identifying they had an internal candidate, and more than half thought the position would attract a wide spectrum of qualified candidates.

At the national level, there were fewer education prerequisites when the incumbent was hired (22 %), but there is a sense that the prerequisites for a successor would be much more stringent (44 % with an undergraduate degree, 22 % with a postgraduate Diploma/Certificate, and 22 % a Graduate degree).

Three quarters of NASO EDs have had their compensation package reviewed within the last year, and it led to an increase for two thirds of them.

In the light of the larger share of EDs who are newer to their position, the over all age profile is marginally younger; one third are under the age of 45, one third between 46 and 55, and a third are over the age of 55. Two thirds of these EDs are female.

## LASOs

Local Arts Service Organizations (7 respondents) are unique to the City of Toronto; all but one of them serves a specific geographic community (with roots leading back to the municipalities that existed before amalgamation); as a result, most of them characterize their mandate as multidisciplinary (83 %).

More LASOs work within a Policy/Governance model (43 %), followed by an Advisory Model (29 %), and all of them operate in English for day to day operations.

At the municipal level, ASOs tend to be middle aged; although a quarter of them have been founded within the last decade (29 %), another quarter has been in operation for 20 - 30 years, and another quarter around for 30 – 40 years. Even the newest of the LASOs operates with budgets over \$100,00; less than half of the LASOs exist on a budget between \$250 - \$500,000 (43 %), and another quarter operate between \$500, - \$750,000. Within this framework, the youngest LASOs manage with a staff complement of 2 – 3 individuals (probably closer to 2 – an ED and an Assistant), while seven in ten are somewhat larger (29 % have 4 – 5 staff, and 43 % have 6 – 8 on payroll.)

Board sizes for LASOs can be quite varied; while none of them are small (under 5 members), so too none of them are large (over 16). For the most part, LASOs have a range of mid-size boards: 6 – 8 members (43 %), 9 – 11 members (14 %) and 12 – 15 members (43 %). As elements of their governance, all LASOs have formal/written job descriptions for their EDs, and the majority do have in place a formalized process of evaluation of the ED (71 %), but not the President.

All LASOs expect their ED to operate full time, with almost three quarters on a 5 day week (71 %), and a quarter on a 6 day week (29 %); in practise, these expectations are exceeded, with a quarter on a 5 day week and three quarters on a 6 day schedule. LASO EDs have the lowest level of lieu time of all three jurisdictions (57 %); it appears, the closer you are geographically to your membership, the more accessible you need be.

## PASO Coalition Leadership Study

As with all three jurisdictions, LASOs are managed by a cadre of individuals who have extensive leadership experience in the sector; more than three quarters of EDs have more than a decade of experience in the field, with almost three in ten having 21+ years (29 %). From that foundation of sectoral experience, there is a group that are relatively new to their position (14 % a year or less, 29 % have 2 – 4 years), the greater portion have held the ED post for some time (29 % between 5 – 10 years, 29 % between 11 – 15.). Somewhat different from the federal and provincial counterparts, even though some were recruited from the board room to the ED office (14 %), the majority were recruited from outside the ASO, but largely from the arts sector (80 %). There is overall a high level of comfort with finding a successor because the position would attract a wide spectrum of qualified candidates (86 %).

Most incumbent EDs at LASOs had a compensation package review within the last year (86 %), and all such reviews led to an increase.

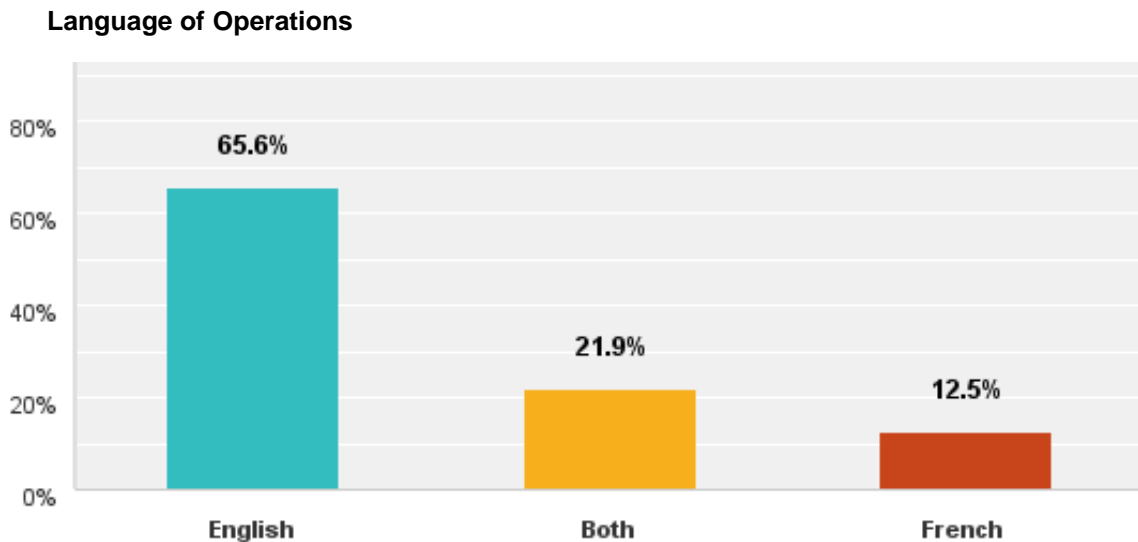
The leadership position across the three jurisdictions is held by a mature group, with the LASOs EDs being somewhat older than the other two jurisdictions – 86 % over the age of 46.

## Language of Operations

Arts Service organizations in Ontario work in a variety of languages:

1. English
2. Both (English and French)
3. French

Two thirds of the responding Arts Service Organizations operate in the English language, one fifth carry on their daily business in both languages, and one eighth operate in French:



### English

ASOs working in English (21 respondents) do not noticeably employ one Board Model over another, and include a mixture of Policy/Governance (38 %) and Advisory (24 %). From a discipline point of view, Multidisciplinary (40 %) and Media Arts/Visual Arts (25 %) are more prevalent. Although there has been a steady stream of English speaking ASOs over the entire span of four decades, half of them were founded before 1984, with some others opening within the last decade, two decades, and three decades – all at 15 %).

## PASO Coalition Leadership Study

Even though the smallest budget ASO under \$100,000 (5 %) and the largest over \$750,000 (5 %) are English speaking, the balance of English speaking ASOs is evenly shared across all the organizations (90 % have budgets between \$100,000 and \$750,000. English speaking arts service organizations could be characterized as either small staffs (under 3 FTE staff 60 %) and mid-size (40 % between 4 and 8 staff).

Amongst those ASOs for whom English is the operational language, their board sizes are neither smallest nor largest, but more apt to be midsize (30% with 6 – 8 members, 25 % with 9 – 11 and 40 % between 12 and 15). Almost nine of ten ASOs speaking English are based in Toronto (90 %), with a single example in each of the K and L Forward Sorting Postal Areas.

Amongst this group of respondent organizations, most of the EDs are contracted to work full time (55 % on a 5 day work load, 20 % on a six day cycle); in practice, however, as with many management staff in the sector, a majority (55 %) actually worked a six day week, and another 25 % a five day week. Although overtime doesn't exist for a leadership position in this sector, only a small majority (60 %) were able to claim lieu time as compensation.

The leadership cohort employed by English speaking ASOs have brought a wealth of leadership experience in the sector to their position; almost two thirds have been there for more than a decade: 25 % between 11 – 15 years, 15 % between 16 and 20 years, and 25 % for more than 21 years. At the time of the survey (Spring 2015), EDs of anglophone operations ran the gamut of seniority in the leadership position of their organizations with a fairly even distribution of experience, from brand new (20 %), through experienced (15 % between 2 – 4 years, 20 % each between 5 -7, 8 – 10 and 11 – 15 years). For this cohort, half of the current EDs came from inside the organization (25 % from the board table, 25 % from staff), and half were recruited from outside. While more than half expressed confidence in finding a successor (60 % feel the position would be attractive), a quarter were somewhat more hesitant.

## PASO Coalition Leadership Study

When the EDs of these ASOs were first contracted, only a minority had to meet an education/ training requirement (26 %); that has changed. Next EDs in English speaking offices would be expected to possess at least an undergrad degree (56 %), or a post grad Diploma/Certificate (11 %).

Most of the EDs of these ASOs have had a conversation about their compensation package in the last 12 months (72 %), and it led to an increase for most of them (78 %).

The Leadership of English speaking ASOs is mature, all over the age of 36; less than a third (33 %) under 45, four of ten are between 46 – 55, and almost a third over 55. Three quarters of English speaking organizations are managed by women (75 %).

### French

Amongst the ASOs who were identified as operating primarily in French (4 respondents), three quarters fall within the Policy/Governance Board model, and the remaining quarter operate as Advisory Boards, with half in the music sector, a quarter in theatre and a quarter in Literature. Three quarters of French speaking ASOs are provincial in their jurisdiction, and the remaining quarter operates nationally. There have been no new franco-ASO respondents established in the last two decades; three quarters were founded between 1984 – 1994, and the remaining quarter have been in operation for more than four decades.

From a budget perspective, French speaking respondents are somewhat larger (50 % operate on budgets between \$500 - \$750,000, and a quarter over \$750,000.) While one quarter of this quartet of ASOs is led by a solo manager, half operate with a staffing complement of 4 – 6 FTE, and a quarter have between 6 – 8 employees. Consistent with this profile, French operating ASOs have either mid size boards (three quarters between 6 and 11 members), and the remaining quarter with a board of 16 or more. All of these are to be found in the Ottawa area.

## PASO Coalition Leadership Study

Francophone respondents are consistently in the forefront, with 100 % compliance for having an annual, formalized performance appraisal process in place for their ED, and a formal/written job description for the ED.

Although three quarters of EDs here are contracted to work full time (75 % a 5 day week), and a quarter part time (25 %) on a 4 day contract, the practice is different; over the last six months, half of the EDs worked a 5 day week, and half a 6 day week, with three quarters at least having lieu time.

Amongst these French speaking ASOs, there is a significant body of leadership experience in the sector; half of them have been so occupied for more than a decade (11 – 15 years), while the other half have had leadership experience between 2 – 4 years (25 %) or 5 – 7 years (25 %). However, the depth of that pool of leadership experience as EDs of their own ASO is not as deep, with a third serving in the role for just 2 – 4 years, and the rest between 5 – 7 years. Half of this cohort of EDs came to their leadership position from within their organization (equally sourced from either the Board or the Staff), while half were recruited from outside the ASO, but from the sector. While half of the respondents are confident they could readily be replaced (25 % have an internal candidate, 25 % feel the position would attract a good pool of applicants), half are not so optimistic (25 % believe the workload/compensation would not be attractive, and 25 % think the position is specialized and thus would have a narrow appeal).

Previous, current and potential leadership candidates would have to meet a basic education/training requirement; incumbents currently have either an undergraduate degree (67 %) or a graduate degree (33 %), and their successors would need at least a first degree (75 %) or higher (25 %).

All of the current EDs within the franco ASOs have had a compensation/salary review in the last twelve months, and this led to an increase for half of them.

Half of the EDs of the French speaking ASO EDs are between the ages of 36 and 45, a quarter between 46 and 55, and a quarter over the age of 55. There is a gender balance in the leadership position of French speaking ASOs.

## Both

Amongst those ASOs who responded that they work in both English and French (7 respondents), a plurality (43%) operate under a Policy/Governance structure, as well as Advisory (29 %) or Management Team/Corporate Board (29 %), largely within the disciplines of Music (67 %) and Dance (33 %) as well as within a national jurisdiction (86 %). ASOs operating in both languages have been around on average longer than their unilingual counterparts, with two thirds of them for more than four decades, and the remaining third being founded between 1984 and 2004.

While a third of these bilingual ASOs operate with budgets under \$250,000, they also represent some of the largest ASOs in the sector (43 % with budgets over \$750,000.) Similarly, the bilingual ASOs include some of the smallest staffs (14 % have a solo manager and 43 % work with 2 – 3 staff), they also include some of the larger staff complements as well (14 % employ 12 – 14 staff, and 14 % run with staffs of more than 15).

All of the largest Boards of Directors are to be found at these bilingual service organizations (43 % have boards of 12 – 15 members, 57 % have boards of 16 or more); and the bulk of them are located in the Greater Toronto Area (86 %), with the remainder working out of Ottawa (14 %).

That these ASOs working in both English and French are full time is in no doubt (71 % are contracted for a 5 day week, 29 % are running on a 6 day week); in practice, these EDs have worked longer than their requirement over the last six months (43 % for a 5 day week, 57 % for a 6 day week). Most of these EDs (86 %) were able to take lieu time as compensation. A majority of the ASOs working in both languages (71 %) have an annual formalized performance appraisal of the ED position, and all have a written job description for them.



## PASO Coalition Leadership Study

As with the entire sector, there is a depth of leadership experience in the sector amongst these EDs, especially at the upper range: 43 % had leadership positions in the sector for 16 – 20 years, and 14 % more than 21 years of sector wide experience.

In contrast to the two other language configurations, this bilingual ED group is overall characterized as “young in the position:” 43 % have held the ED post for less than a year, and 14 % for 2 – 4 years; the remaining EDs have been in place for the preceding 8 – 10 years. Since approximately half of the EDs for these bilingual ASOs came to the ED position from either having held a staff position (14 %) or from sitting as a board member (29 %), it would suggest a certain capability for the ED to come up to speed fairly quickly and have a (near) seamless transition; the balance (57 %) came from the sector. In the light of the above succession moves, it is reasonable to understand why these EDs express some level of comfort if they had to replace themselves in the next year: 71 % think fairly readily because they think the position would attract a wide spectrum of qualified candidates, whereas only 14 % see their position as so specialized that it would have narrow appeal to applicants.

While most of the EDs (86 %) did not have an education prerequisite when they were hired, that is no longer the case; half of these current leaders' position descriptions require at least an undergraduate degree, and another third require also either a Post grad Diploma or Certificate, or a graduate degree (17 %), and would be required of their successors.

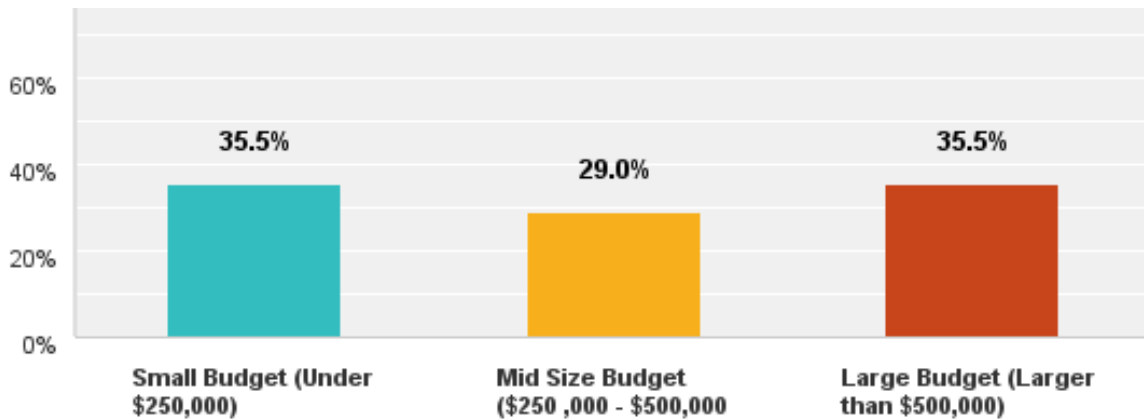
More than two thirds of EDs from multilingual ASOs have had a compensation package review within the last 12 months (71 %), and it led to an increase for half of them (57 %).

The distribution of ages amongst the EDs of ASOs that work in both languages is fairly balanced over the spectrum with more than a quarter under the age of 45 (28 %), a quarter between 46 and 55 (27 %), and almost half over 55 (43 %). More women hold the ED position at bilingual ASOs than men (57 % versus 43 %).

## Budget

Sometimes, size matters; budget size serves as an informative lens through which to examine the behavior of an organization over a variety of elements. For purposes of categorization, the budgets of these respondents have been characterized as:

1. Small Budget: less than \$100,00 + \$100,000 - \$250,000
2. Mid Size Budget: between \$250,000 and \$500,000
3. Large Budget: \$500,000 - \$750,000 + above \$750,000



### Small Budget (Less than \$250,000)

Those ASOs with a small budget (11 respondents) are more likely to operate under a Cooperative/Working Board model (46 %) or an Advisory Board (36 %) across a wide range of arts disciplines, including Music (27 %), Visual Arts/Media (27 %), Multidisciplinary (18 %) and Dance (18 %). This diversity of art forms is also an echo of the life cycle of these small budget ASOs: 30 % started up in the most recent decade, another 10 % between 1994 – 2004, and another 20 % each for those launched 20 – 30 years ago, 30 – 40 years ago and those founded four decades in the past.

Almost two thirds of the smaller budget ASOs work exclusively in English, a quarter operate in both languages (27 %), and the remainder (9 %) manage in French only.

## PASO Coalition Leadership Study

Half of the smaller budget ASOs are provincial in their jurisdiction, a quarter are national, and the remainder (18 %) are local/municipal arts service organizations (LASOs). The bulk of these smaller ASOs are to be found in the GTA (90 %), with one located in eastern Ontario.

Consistent with the image of a smaller budget and a Cooperative or an Advisory style Board of Directors, these smaller budget ASOs tend to have fewer members on their Boards; a quarter are comprised of 12 – 15 members (27 %), another third have between 9 – 11 volunteers (36 %), a quarter have 6 – 8 elected members, and the remainder (9 %) are managed by a compact Board of 3 – 5 members.

The smaller the budget resources, the smaller the staffing; a third are managed by a solo manager (36 %), and two thirds have between 2 and 3 employees. In the light of these identifiers, only a quarter (27 %) have a formalized performance review process for the ED, and less than one in ten have a review process for the President. Notwithstanding its smaller size, a significant proportion of small budget ASOs do have a formal/written job description for the Executive Director.

There is a share of this segment that are operating on less than a full time basis, with less than 10 % committed to a 3 day week, and another 10 % are able to operate 4 days. More than half (55 %) work a 5 day week, and an additional fifth (18 %) are scheduled to have the ED operational on a 6 day week. While the 3 and 4 day ASOs have operated at that specified level in the preceding six months, the 5 day operations (64 %) and 6 day have exceeded what their job description required (18 %). Fortunately, about three quarters (73 %) have been able to access lieu time as a partial solution.

The range of previous leadership experience in the sector still offers a wealth to draw upon, but the pool is slightly more shallow in contrast to those who have more financial resources; while more than a quarter have less than 7 years previous experience (27 %), another quarter have between 8 – 10 years, another quarter between 11 – 15 years, and a fifth have been engaged as leaders in the sector for 16 – 20 years (18 %).

Leadership experience as ED in their current position, however, is much thinner: a fifth appointed within the year (18 %), a third have held the leadership position for less than 4 years (36 %), and another third have been the ED for 5 – 10 years (36 %). Although their leadership for these small budget ASOs has not been in place as long as others, the transition would have been smoother because almost half of them came from inside the ASO, either as a founder or as a board member (45 %); they all came from the sector. This profile of sourcing may also explain why more than half (55 %) believe that their successor could be readily found within the year if needed.

Although only a third of the respondents had to meet a prerequisite level of education/training when they were hired, the current job description has raised that bar to at least an undergrad degree (70 %), or a Post grad Certificate/Diploma (10 %), and the next ED would have to meet those higher expectations as well (55 % Degree, 9 % Post Grad, and 9 % Graduate degree.)

A significant portion of the small budget EDs (70 %) have had a compensation package review within in the year, and most enjoyed an increase (80 %).

Overall, the age profile of EDs for the smaller budget ASOs tends to be younger: 10 % under 35, a third between 36 and 45, and half over 46 (55 %); about two thirds of these EDs are women.

### **Mid Size Budget (\$250,000 - \$500,000)**

Those ASOs with a mid size budget (9 respondents) are equally apt to operate under a Policy/Governance structure. (33 %) or a Management Team/Corporate model (33 %), although an Advisory Board model (22 %) is also an option.

Mid-size ASOs work predominately in English, and are somewhat more likely to be provincial (44 %) or municipal in their jurisdiction (33 %), and have been founded over the full span of the timeline: 33 % between 1994 and 2004, 11 % between 1984 and 1994, 22 % between 1974 and 1984, and 33 % over four decades ago.

## PASO Coalition Leadership Study

While two thirds of the mid sized ASOs are centered in the GTA, they are to be found across the province in the K, L and N Forward Postal Sorting Areas as well.

Board size for these mid sized ASOs tend not towards the smaller end of the spectrum; three quarters have boards that are between 9 – 11 members (44 %) or 12 – 15 members (33 %).

Moderate in budget, board size, also in staff: 44 % have between 2 -3 staff, 44 % have 4 – 5 and 11 % employ 6 – 8 individuals. Additionally, two thirds of these organizations have a formalized performance review process in place for the ED, and even more (90 %) have a formal written job description for their Executive Director.

The majority of mid size budget ASOs have an expectation that the ED is full time, either 33 – 40 hours per week (44 %), or 41+ hours (33 %), with a smaller cohort operating in the 17 – 24 hours per week slot (22 %); in practise, most EDs exceeded those expectations over the last 6 months, with two thirds for the 41+ hours mandate, one tenth working 33 – 40 hrs/wk, and one fifth working between 25 and 32 hrs/wk. Only about half (56 %) were able to use lieu time to compensate.

There is an abundance of ED leadership experience available to these ASOs, with more than three quarters having more than a decade under their belt: 22 % worked between 11 and 15 years, 33 % between 16 and 20 years, and 22 % for more than two decades. Although one fifth of these EDs are new to their current position (22 %), more than three quarters have been at the helm of their ASO for more than 5 years: one fifth (22 %) for 5 – 7 years, one fifth (22 %) for 8 – 10 years, and another third (33 %) for 11 – 15 years. Again, almost half came to the leadership role from inside the ASO (11 % as founder, 11 % as staff, and 22 % from the Board); of the half (55 %) who came from outside the organization, all of them originated from the sector.

While few of the EDs had to meet training/educational requirements when they were hired, that has changed; currently, a plurality now have an undergrad degree requirement (41 %) in their job description, and more require a post diploma certificate (11 %) or a graduate degree (11 %). For their successors, this is even more the case.

Two thirds of EDs working for mid size budget ASOs have had a compensation review within the most recent year, and two thirds received an increase.

Executive Directors of this cohort are slightly older over all, relative to small budget orgs, and somewhat younger than the large budget respondents; mid size ASOs are predominantly led by women (88 %).

### **Large Budget (Greater than \$500,000)<sup>34</sup>**

Those ASOs with a larger budget (11 respondents) are predominantly more likely to operate in a Policy/Governance structure (73 %), and are governed by somewhat larger Boards to accommodate the geographic and interests needs: one third operate with boards of 6 to 11 members, and two thirds have boards between 12 to 15 (55 %) or more (9 %).

These ASOs more often represent the performing arts disciplines (Theatre 33 %, Music 33 %, Dance 11 %), or Multidisciplinary (22 %), and have done so for a long time: founded between 1984 and 1994 (46 %), between 1974 – 1984 (9 %), and more than four decades ago (46 %). They operate within a national (46 %) or a provincial jurisdiction (36 %); compared with the smaller and mid size ASOs, there is an increased possibility also that they operate in French (27 %) or both languages (27 %); consistent with the language and jurisdictional pattern, the bulk of them are located within the GTA (80 %), and the balance in Ottawa (20 %).

The largest staffing cohorts are to be found within these ASOs: both the largest examples (9% staff of 15+, and 9 % with staff of 12 – 14 ), as well as the larger examples (27 % with staff of 6 – 8, and 36 % with staff of 4 – 5). While only half of the big companies have a formal review process for the ED (55 %), most do have a formal job description of the ED position.

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<sup>34</sup> Larger ASOs include both \$500 - \$750,000 (55 %) and over \$750,000 (45 %).

## PASO Coalition Leadership Study

Virtually all of the larger budget ASOs have an expectation that the ED position is full time, whether it is 33 – 40 hours (55 %) or a 41+ hour commitment (36%); typically, the actual average weekly contribution over the most recent six months has been higher, with one fifth at 33 – 40 hrs (18 %), or the 41+ hour reality (82 %). Almost three quarters of these EDs had access to lieu time.

The current leaders of the larger budget ASOs came to their position with much previous leadership experience within the sector, slightly more so than the mid size and smaller peers; a quarter had between 2 – 7 years, another quarter between 8 – 15 years, and almost half had more than 16 years experience. In contrast, the EDs currently serving as the leaders of the bigger organizations are somewhat newer to the leadership role in their own ASOs: 30 % are brand new within this year, 10 % have held their post for 2 – 4 years, and another 30 % have served for 5 – 7 years; the rest have been in place for 8 – 10 years (20 %), or 11 – 15 years (10 %). Similar to the smaller ASOs, the succession was probably smoothed because they came from inside the circle: from the Board (55 %), they were the founder (27 %), or had been staff (18 %). Thus, nearly three quarters foresee an easy transition should they leave in the next year as 9 % identified they have an internal candidate, and 64 % feel that the workload/compensation would attract a wide spectrum of suitable candidates; of the remaining quarter, some felt the workload/compensation offer would be a barrier, and 18 % responded that the specialized nature of the job would make it difficult to fill.

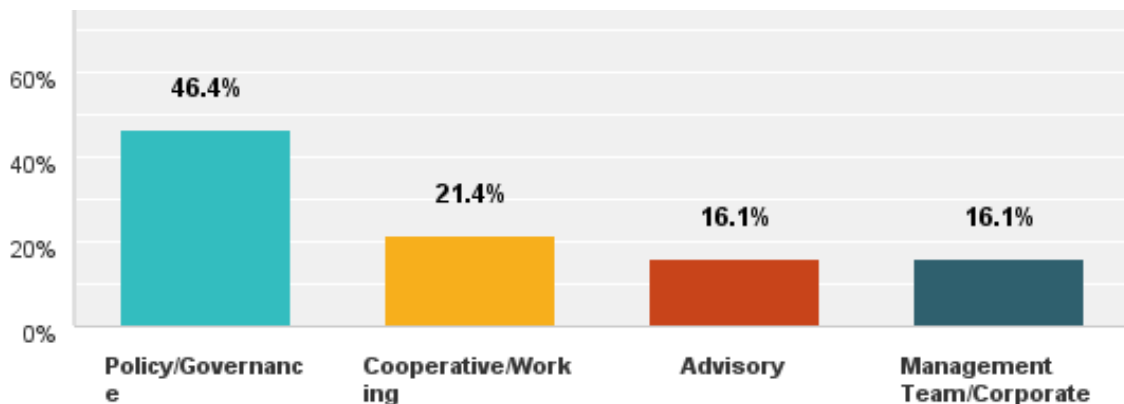
While half of the current EDs had no education/training prerequisite when they were hired (55 %), that is no longer the case; half of the current versions of their job descriptions require a degree (56 %), and another would require a Graduate degree. This increase would translate into prerequisites for their successors. While the larger budget ASOs were most likely to have had a compensation review within the last twelve months (90 %), they were the least successful in achieving an increase (60 %).

Leadership here is more mature than their counterparts; more than half of these EDs are over the age of 55 (55 %), a quarter are between 46 – 55, and the rest between 36 and 45 (18 %). There is close to gender balance in the office (55 % male).

## Organization/Board Style<sup>35</sup>

Boards can be organized in a number of ways; to establish a common base, four models were suggested:

1. **POLICY GOVERNANCE BOARD:** the board establishes principles and policies, delegates responsibility and authority, and monitors progress, ensuring accountability.
2. **COOPERATIVE/WORKING BOARD:** ED, Board and committees portion out the decision making, work and responsibilities equitably.
3. **ADVISORY BOARD:** ED works independently, without close supervision by board.
4. **MANAGEMENT TEAM/CORPORATE BOARD:** committee and staff functions mirroring each other, each reporting through their respective heads.



### Policy/Governance Board Model

Those (26 respondents) who see their ASOs as being a Policy/ Governance Board model are to be found across multiple disciplines, but more likely to represent Music (33 %) or Visual Arts/Media organizations, working in English (57 %) at the provincial jurisdiction (57 %) rather than national or municipal (21 % each). They are located in the GTA (73 %) or Ottawa (27 %).

<sup>35</sup> Respondents to these queries come from both sides of the leadership desk, and include individuals who are either the lead staff who are paid (Executive Directors), as well as the unpaid leadership (president, Vice President, Past President, Chairs).



## PASO Coalition Leadership Study

Founded between 1974 and 1984 (50 %), their operating budgets cover the entire range, but more so amongst the larger ASOs (84 %) have budgets larger than \$250,000, if not \$500,000 - \$750,000 (31 %) or over \$750,000 (31 %). As a reflection of the mature life cycle that speaks to this model, Boards are larger on average (46 % have 12 – 15 members) and expect their staffing complement to be larger; although this category does include the biggest staff complements (8 % between 12 – 14 and 8 % over 15), over half have 4 – 5 employees (31 %) or 6 – 8 staff (23 %).

As we have seen typical through each of the sub group profiles, most of Policy/Governance oriented ASOs have a formal review process for the ED (85 %), but not the Lead staff member (25 %), as well as a written job description for their ED position (85 %)..

While most of these respondents expect their ED to be a full time position, either 5 days (31 %) or 6 days (46 %), there is still a small number that are less than full time; over the previous 6 months, EDs have in fact be at the job longer than their job description requires, either 5 day (57 %) or 6 day (43 %), but have had access to lieu time (77 %)

More than likely (85 %), these organizations have attracted ED applicants who brought wide and varied leadership from the sector: 31 % worked in the sector more than 21 years, 23 % have 16 – 20 years, and 31 % have 11 – 15 years. There is a core of EDs who have led their own ASO for an extended period (33 % between 5 – 7 years, and 25 % have led for 8 – 10 years.)

That half of the current EDs were recruited from outside their organization (54 %) may have contributed to a degree of optimism if they had to replace themselves within the next years (8 % internal candidate, 54 % believe the work/compensation mix would be attractive).

Respondents of Policy Governance organizations are by far the most mature (some 62 % over 55, 23 % between 46 and 55). Women lead close to two thirds of these ASOs.

## Cooperative/Working Board Model

Those (21 respondents) who identified their organization as working within the Cooperative/Working Board model are to be found working across most of the disciplines (14 – 21 % in each case), in English (57 %) at both the national and provincial jurisdictions (43 %), with head offices in Toronto or Ottawa.

Half of them were founded between 30 and 40 years ago, and tend to operate with smaller budgets (71 %) and smaller staffs (29 % are run by a solo manager, 43 % have a complement of 2 - 3 staff.) Without a budget to bring in staff, there is a greater likelihood that these ASOs have bigger boards as a source of labour (86 % with boards between 9 and 15 members).

Most of these ASOs expect their ED is full time (85 % set the bar at 5 or 6 days), and over the most recent six months, their EDs have exceeded the requirement (100 %); not all of them (71 %) have an option to use lieu time to compensate for the lack of overtime. Although most EDs have had a salary review within this year (86 %), only half (57 %) were successful in garnering an increase

While these respondents have a variety of previous leadership experience in the sector by their EDs to draw from, spread across all the time frames, the experience in the position as ED of their organization is somewhat more lopsided; 43 % are brand new to their role as ED, and 29 % have held the position for 8 – 10 years. The greatest portion of these incumbent EDs (86%) were recruited from outside their ASO, but all came from the sector; the majority of current EDs feel confident that they could be replaced fairly readily within the year should they depart (57 %), while the remainder have some concerns over compensation (29 %) or specialization (14 %).

Although a quarter are between the ages of 36 – 45, over half are between 46 – 55, and the remainder over 55; almost three quarters of this subset are led by female Executive Directors.

## Advisory Board Model

ASOs working within the context of an Advisory Model (9 respondents) are more likely to represent in the Multidisciplinary area, although every discipline does have an example of this format; similarly, although there is a plurality of Advisory model organizations at the provincial jurisdiction (43 %), they also operate at both the federal and municipal levels, more so in English (71 %) or in both official languages (29 %).

ASOs working in this Advisory format are recent additions to the family, founded within the most recent decade (53 %), or between 1994 – 2004 (29 %). Consistent with this life cycle, more than half are small budget organizations (29 % under \$100,000 and between \$100 - \$250,000), and another quarter are mid size (29 % between \$250 - \$500,000), with small staff complements (14 % are solo managed, 71 % have between 2 – 3 staff).

Although some Advisory style ASOs do not expect their ED is full time (29 %), the majority do have expectations that their ED is on the job full time (43 % for 5 day week, 29 % for 6 day cycle); overall, the last six months bears this out. Additionally, while the previous leadership experience in the sector for EDs is varied, with almost three quarters having 8 years or more, these organizations are under newer leadership - over two thirds are either brand new within the year (29 %), or in place less than 4 years (43 %). Many of these EDs came from inside the organization, and the balance (43 %) from outside. Not quite three quarters anticipate no major succession problems within the next year (71 %) if required.

More than half of the current EDs are between the ages of 36 – 45 and are women (57 % for both variables.)

## Management Team/Corporate Board Model

A management Team approach – parallel worlds, each reporting to their head – was identified by some EDs and Lead Volunteers (9 respondents), more often in theatre (50 %), as well as Visual Arts/Media Arts (25 %) and Multidisciplinary (25 %). Half of them operate provincially (50 %), the rest federally (25 %) or municipally (25 %). All of them operate in English. This style is more suited to ASOs that are mature, founded 30 years ago (25 %), or 40myears ago (75 %).

Both mid size budget organizations (75 % between \$250 - \$500,000) and large budget (25 % between \$500 - \$750,000) ASOs are structured in this fashion, operate with fairly lean staffing (50 % have 2 – 3, 50 % have 4 -5), and have larger Boards – half with 9 – 11 members, and half with 12 - 15. All of them are located in the GTA.

All Boards of this Team/Corporate style have expectations that their EDs will be full time (33 – 40 hours); in practise they exceed that (three quarters in fact operate over 41 hours per week), but only half of the EDs receive lieu time.

The experience levels in leadership positions in the sector before arriving at the EDs desk cover the entire range for these organizations (25 % less than a year, 25 % between 5 – 7 years, 25 % 11 – 15 years and 25 % over 21 years), half have held this leadership position in their ASO for 11 – 15 years, a quarter for 5 – 7 years, and a quarter are brand new to the fold. Succession was more likely to be from internal sources (half were staff previously, a quarter were on the Board, and the remaining quarter were recruited from the arts sector, and if the need arose to replace the incumbent within the year, three quarters were comfortable that they would attract a qualified candidate.

Three quarters of these Management Team/Corporate Board ASOs are led by women between the ages of 45 – 55 (75 %) or 36 – 45 (25 %).

## The Context for Ongoing Discussions

The cultural sector has been fortunate over the span of some 40+ years of active, vital history of Arts Service Organizations (ASOs) across the disciplines that so much has been expected of so few – and they have delivered: years of experience, in the sector, and in the leadership position of their ASO; countless hours of contribution (lieu time for the staff and volunteer time for their supporters)

Leadership and Management in an Arts Service Organization in Ontario is seen by the practitioners – both Lead Staff (Executive Directors) and lead Volunteers (Chair, President, VP, Past President) - as a collaboration, a joint venture. Increasingly, however, the ASO leadership is also aware of some harsh truths as glimpsed through the lens of this research; both EDs and their Presidents are being called upon to stretch outside their traditional comfort zone; they are being challenged to pivot 180 degrees from looking over their shoulders to ensure that the sector (members, artists/performers, funders, supporters) know that the books have been balanced, audits completed, reported to Revenue Canada, that grant deadlines (applications AND reports) are met; now, they must become even more mindful of the future they want to create. Building on a history of accomplishment in terms of compliance and oversight, they need to look forward.

The leadership needs to heighten their profile as ambassadors, harbingers of good things on the horizon, so that decision makers (elected and appointed) are constantly aware of the value proposition; EDs and President need to move beyond the office and board room.

The following recommendations/benchmarks/actions have been suggested as a map for all who travel in the ASO leadership highway; however, a map can provide only so much topographical detail.

## Best Practice – Next Steps

Although *one size does not fit all*, there are numerous strategic and tactical actions that ASOs – their Boards, committees, staff, volunteers, funders, supporters - could be addressing as an ongoing and essential part of nurturing success. Those at the front of the front lines – leadership, both lead staff (EDs) and lead volunteers (Presidents/ Chairs) - are best positioned to tailor and harmonize the most effective balance of actions to accomplish this. Over a decade ago (2003), the then CCA highlighted the “importance of human capital in the life-cycle of organizations and actively encourages the development of healthy and humane workplaces capable of attracting and maintaining healthy committed workers.”<sup>36</sup> Progress has been barely incremental.

## ASOs- Mission

Arts Service Organizations, by definition, exist to respond to the needs of not only their members, but also the artists (creators, presenters), their supporters, and stakeholders to deliver a mixture of programs and services that include communications, promotion, networking, policy development, advocacy, outreach and training. For these reasons, the sector needs to change the frame on their mission, from one of delivery to one of impact: creative, social, and economical.

- Make a case for PASO – as *uber umbrella* – that identifies the value equation for infrastructure as opposed to programming, and so addresses the imbalance between mission/programming and infrastructure/systems;
- PASO coalition facilitate a conversation amongst the ASOs that addresses the value of strategic alliances; collaboration is not about “if”, it is about “when and how;” collaboration is not the same thing as amalgamation; integration is better than segmentation;
- Start a conversation about a shared service agreement that speaks to ASO development as sectoral capacity building, not just organizational capacity building;

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<sup>36</sup> Jocelyn Harvey, A Proposed Action plan for Creating Winning Conditions, p. 24.

- Change the frame from reporting – an admin task focussed on accountability – to evaluation – a strategic process focussed on improvement; find a balance between compliance and oversight – looking backwards - with strategic outreach, advocacy and managing change.

## Governance

The objects/articles/bylaw/constitution/policies of Arts Service Organizations in Ontario are the *rules of engagement*, laying out in greater or lesser detail the HOW of an ASO's response to the mission-vision-mandate-values of the organization; like collective agreements, they offer direction as to a baseline (not an optimum) of the ways things best get done.

## Structure

- The impending Ontario Not for Profit Corporations Act (ONCA – projected 2016, compliance by 2019) offers a window of opportunity to re-examine:
  - Board size
  - Board composition (diversity of diversities – age, gender, cultural, income, education, skills)
  - Length of Board terms, maximum number of terms, total number of years
  - Removal of a Director, policies re attendance
  - Quorum for Board, committees and AGMs;
- Ongoing inventory/gap analysis of strategic skills as part of strategic succession planning;
- ED engaged proactively and contractually in Board recruitment cycle (e.g. *ex officio* on Nominations Committee) of BOTH Board members as well as officers (with particular sensitivity to the VP role);
- Establish annual (at least bi-annual) performance assessment protocol for the ED, the President, the Board and committees (individually and collectively);
- Establish clarity around the distinction of different roles a Board member plays: at the Board table, collectively, policies are created; at the committee table, all participants are equal, and recommendations go up to the board table for consideration and decision; as a volunteer, everyone is a “*voluntold*” and does as directed to accomplish a task;

## PASO Coalition Leadership Study

- Ensure that succession planning – mindful leadership – is a reality for BOTH the Boards and the Executive Directors (especially those ASOs founded between 1984 – 1994 where half predicted difficulty in replacing themselves);
- Determine a “right size” strategy for Boards, recognizing that all the resources (talent) do not have to reside only at the board table, but also within the committee, taskforce and advisory structure.

### Strategy

- Clarity that differentiates between governance and management that is appropriate to the individual ASO context (board composition, board life cycle, budget and staff scale, etc.); “management manages; boards govern;”
- Boards periodically review core policies (Conflict of Interest, Whistleblower, Privacy), Bylaw, D & O Insurance);
- Seek a partnership (Foundation, corporate, granting) to establish a “recognition/development program” for ASO Board and Committee members;
- Annual cycle of *pre-scheduled* meetings at Board and committee levels;
- The leadership should never call an important vote they haven’t already counted;
- Budget for ED and Board travel and training;
- Boards of ASOs who are registered charities should review the annual T3010 Registered Charity Information Return prepared for Revenue Canada.



## Boards

- Understanding and commitment to the Mission/Vision/Values of an ASO is so fundamental, Boards must ensure that recruitment process starts there, identifies, nurtures and celebrates and supports it; there is a hierarchy of needs:
  - Passion for the mission
  - Community connections
  - Required skills (Marketing, Client Service, Development, Financial, etc.)
  - Demographics (diversity)
  - Ability to “give AND get” resources
  - Knowledge of the sector;
- At least bi-annually, Boards (including key stakeholders) have a strategic/ planning/ board meeting/retreat;
- Meetings (board, committee, staff) need to be more productive through planning and preparation: notice; attendance; advance materials; participation/ engagement; virtual (digital) meetings; consent agendas (minor, administrative, repetitive items clustered); dashboards (digital information management tools to track performance, outcomes, impact).

## Committees

If committees are not part of the solution, then they are definitely part of the problem; committee work is often seen as a burden, an add-on to a board member’s responsibilities - they don’t get to make decisions, they make reports. Best practices develops a committee structure that is lean, strategic and fluid.

- Establish a “farm team” committee strategy as effective part of succession planning for Boards; it is best when it is continuous and proactive, attracting particular skill sets to address specific anticipated needs;
- Develop a rationale for committee structure and their work: standing committees (e.g. executive/nominations/governance, finance); functional committees (volunteer, development); task forces (capital campaign, issue, event management);
- Clarity about the role, scope and function of committees is essential; they require coordination, communications support; they are not meant to be independent mini-boards (particularly the case for Executive Committee);

- Make Governance/Nominations Committee a regulated part of committee structure to meet the HR demands of the Board, its committees and members; this function is best served when it is strategic, continuous and proactive.

## Leadership

The shared leadership model of ASOs (EDs appointed and Presidents elected) needs to be able to operate like the two halves of the brain; although each side has its particular skills and strengths, it takes a balanced combination of the two to be able to function effectively and efficiently.

## Collaborative

- Executive Director and Chair/President collaborate on developing and fostering a sense of collegiality, teamwork, and a full understanding of the organization's impact on its communities;
- ED and Chair develop meeting agendas collaboratively, in advance;
- ED and Chair establish a positive board culture by example:
  - Supportive listening skills
  - Engage all participants – not hitchhikers at meetings
  - Delegate topic or issue leadership to others
  - Environment dedicated to trust, mutual respect, shared responsibilities and accountability
  - Encourage strategic thinking, the long game
- ED and Chair develop a support strategy for other committee chairs;
- ED and Chair are essential contributors to the Board's Governance/ Executive/ Nominations Committee.

## Executive Director

- As an integral part of an ASOs Bylaw, Executive Directors should be *ex officio*, non voting members of their boards, a participant in all board meetings

## President/Chair

- As integral part of the Bylaw, clarify that the lead volunteer is not ‘unpaid staff,’ with specific duties and not constantly in operational mode.

## Assessment

Duty of Care responsibility for Board members requires that their obligations centre on strategic direction, compliance/oversight, and resource attraction. While Boards are mission supportive, and more effective at such technical tasks as bylaw management, financial reporting and compliance, they also need major work on adaptive work (more complex, competing solutions, strategic).

- PASO Coalition could establish a temporary “creative trust” as one means to gather resources, create tools to measure status quo, set objectives for improvement work with specialists to achieve improvement, possibly establishing an incentives approach for meeting objectives.

## Financial & Statistical Management: Accountability and Oversight

Not only are ASOs required by law and regulation to comply over various legislated, regulated and mandated issues; they should also be exemplary in ensuring that they are seen to do so.

- PASO Coalition seek collaboration with Imagine Canada’s Standards Program of Canada’s Charities and Nonprofits in the community outreach to the arts, culture and heritage sector (board governance, financial accountability & transparency, fundraising, staff management, and volunteer involvement);
- PASO Coalition engages its members to assume a more effective, consistent, proactive strategy of posting financial and statistical information clearly on the websites; ASOs with charitable status post their CRA Form T3010 (Registered Charity Information Return);
- Because an increase in membership fees is a challenging decision for board and staff, ASOs adopt a practice that establishes – as a policy – that fees should be re-examined annually/every other year according to an external benchmark (i.e. cost of living index)

## Advocacy

One of the more underutilized, least strategic roles for board and committee members is that of advocacy – beyond the sporadic public occasions like the “Day at ...” the Hill/Queens Park/City Hall. When resource development is highlighted as one of the three foundation pillars of board responsibility, it is important to recognize that attracting resources may be the outcome, but outreach, profile and awareness by dedicated volunteers at every level, in all communities (geographic, political, interest) is the strategy. Volunteers as ambassadors, champions and zealots!

- Position the ASOs as value adding to the infrastructure, not a programming cost, one that brings focus of volunteers, staff and supporters to the broader policy structure of the Province;
- Civic engagement and public policy responsiveness need to be included as part of board recruitment, selection training and support, part of the Board Handbook, part of the annual assessment process;
- Approach OAC to host annual/biannual meeting of ASOs to examine best practices in strategic and operational elements that are essential to ASOs.

## Professional Development

- PASO Coalition approach a post secondary educational institution (Humber College and York MBA program) for contribution to developing curriculum and training resources:
  - <http://www.humber.ca/program/arts-administration-and-cultural-management>
  - [http://schulich.yorku.ca/client/schulich/schulich\\_lp4w\\_ind\\_webstation.nsf/page/home-artm!OpenDocument](http://schulich.yorku.ca/client/schulich/schulich_lp4w_ind_webstation.nsf/page/home-artm!OpenDocument);
- PASO Coalition source training resources for Strategic Skills identified in research {Managing Change (76.7 %), Working effectively with both Board and staff (76.7 %), and Setting Priorities (73.3 %).}.

## Human Resources

Arts Service organizations – including the 33% founded four decades ago through to the 10% founded in the last decade – have yet to reach a level of professionalization in their HR Policies and Management, possibly tied to historical practices amongst funders and managers that accentuated programming, not infrastructure.

- PASO Coalition approach Work in Culture to explore the funding and delivery of several Peer Learning Circles for EDs (according to length of experience – new, established; size of organizational budget or staffing);  
<http://www.workinculture.ca/Resources/Research/PeerLearningCircleJanuary2010.aspxn> )
- PASO Coalition engage the marketplace – corporate, institutional, regulatory – in a dialogue that is supportive of funded professional field placements and internships;
- PASO Coalition approach funders for investment in the development of short term sabbatical leaves for senior managers, and mentored career development for mid-career managers;
- Based on the CHRC model for job descriptions and competency profile (which speaks more to primary responsibilities, duties and demands, rather than a lengthy listing of tasks), develop appropriate job descriptions for the lead staff and volunteer positions;
- With the CHRC skills matrix, build a core curriculum targeted to the strategic and operational needs of EDs and their ASOs; add entrepreneurship and change management as strategic skills;
- Establish benchmarks across the province for ASO HR development benchmarks over the mechanics of such elements as:
  - Job descriptions
  - Compensation packages
  - Recruitment, retention
  - Turnover rates; burn-out; working conditions
  - Health and Safety issues
  - Work load, lieu time
  - Baseline of full time and full time equivalent

- Initiate a dialogue in the sector on how best to address the challenge of professional development amongst ASOs – it's as much about attitudes as it is about supply

## Communications

- Ensure that Board meeting conversations are strategic, not tactical; diligence, not meddling;
- Save the forests – move to paperless practices for board, committee, staff and volunteers
- Develop enhanced technological framework for meetings, communications.

## Support - Systems

Arts Service Organizations want to ensure security for planning cycles (multi year grants, annual reviews), to present a consistent and professional face to the sector (not the EDs spare bedroom and dining room/conference table), to position them as available and accessible to all.

- Online Board wiki/portal for important documents/resources
  - Minutes – archive
  - Agendas
  - Reports
  - Critical path:
    - Programming
    - Granting
    - Cash flow
  - Deadlines
    - Grant applications
    - Grant contracts
    - Reporting Deadlines
  - Legal – Ethical Benchmarks
    - Compliance requirements
    - Reporting (annual filing, employment standards)

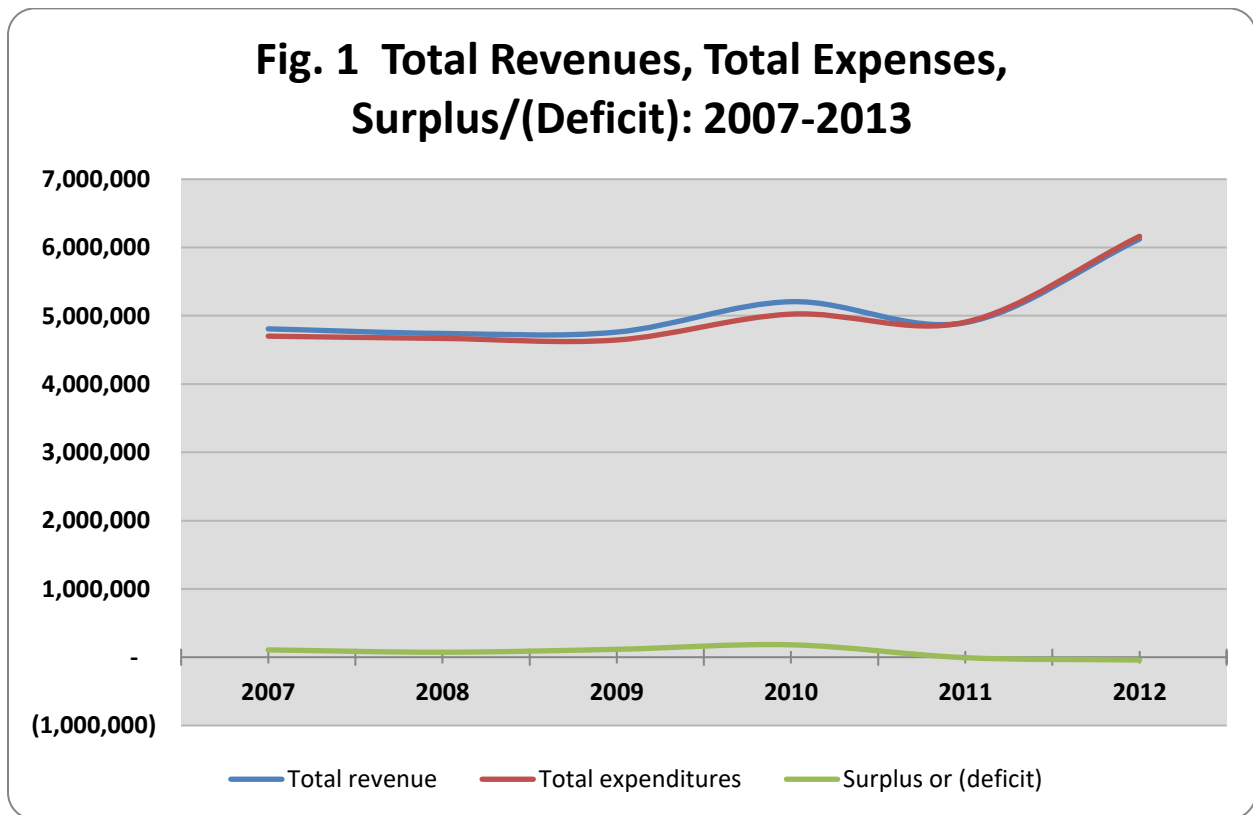
## PASO Coalition Leadership Study

- Establish sectoral benchmarking for stable office, administration, and operational levels:
  - Space
  - Sufficient technology, upgraded regularly
  - Sufficient core revenue, not dependant on project funding
  - Turnover and burnout prevention
  - Career development options

ASOs – board and staff – need to be up to speed on the social media highway corporately, accessible in some form on a 24/7 basis.

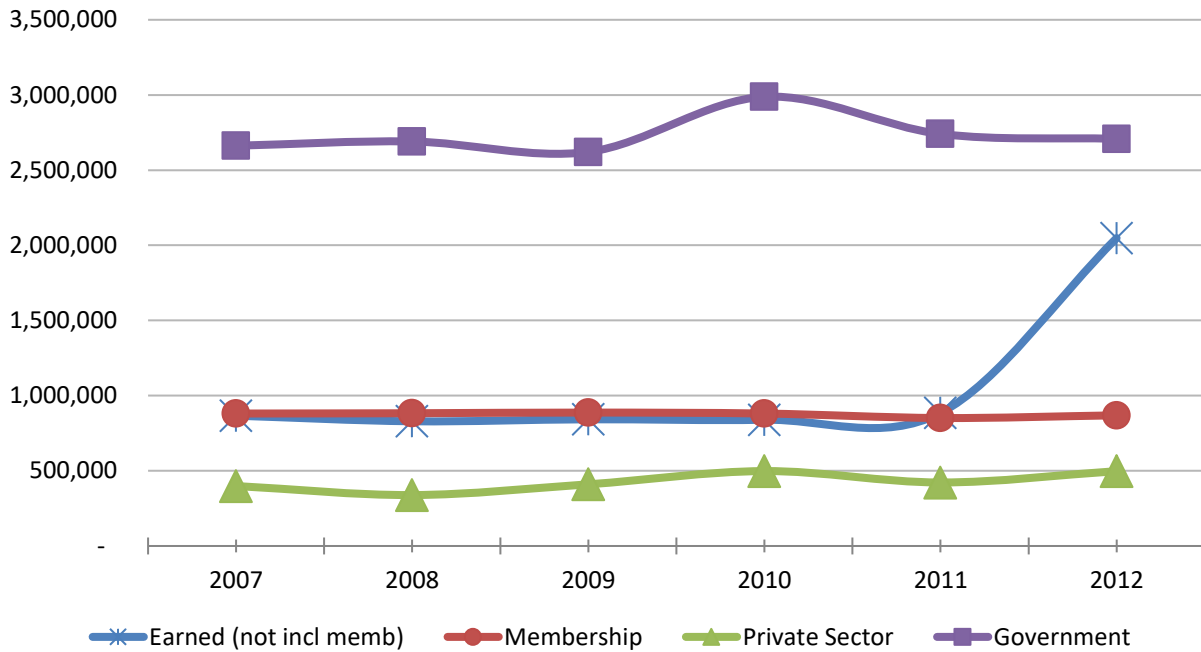
## Longitudinal Financial Analysis, Phase 1: Aggregated Data ASOs

- Figure 1: Total Revenues, Total Expenses, Surplus /(Deficit) 2007 – 2013
- Figure 2: Five Year Trend in Revenues by Type (\$): 2007 – 2013
- Figure 3: Five Year Trend in Revenues by Type (\$): 2007 – 2013
- Figure 4: Membership Revenue in Relation to Total Revenue
- Figure 5: Project and Operating Grant Revenue in relation to Total Revenue
- Figure 6: Five Year Trend in Expenses by Type (\$): 2007 – 2013
- Figure 7: Five Year Trend in Expenses by Type (%): 2007 – 2013
- Figure 8: Salary Expenses in relation to Total Expenses 2007 – 2013
- Figure 9: Working Capital: Assets Minus Current Liabilities: 2007 -2013
- Figure 10: Current Year Surplus/(Deficit) Compared to Total Revenues 2007 – 13
- Figure 11: Accumulated Surplus/(Deficit) Compared to Total Revenues 2007 - 13

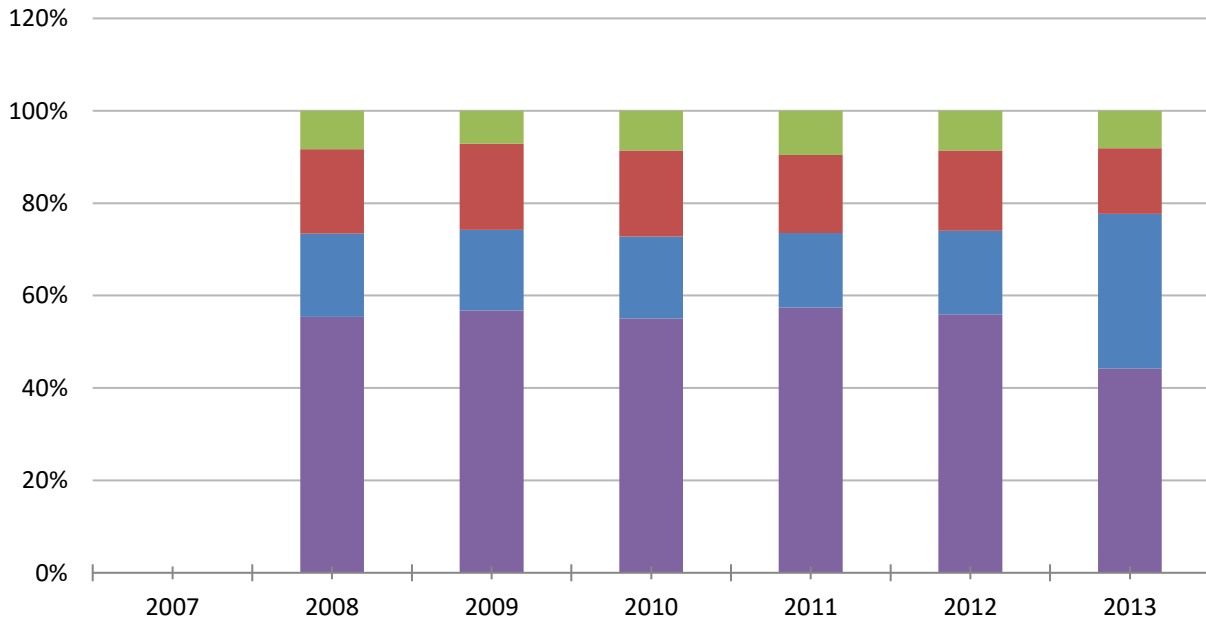




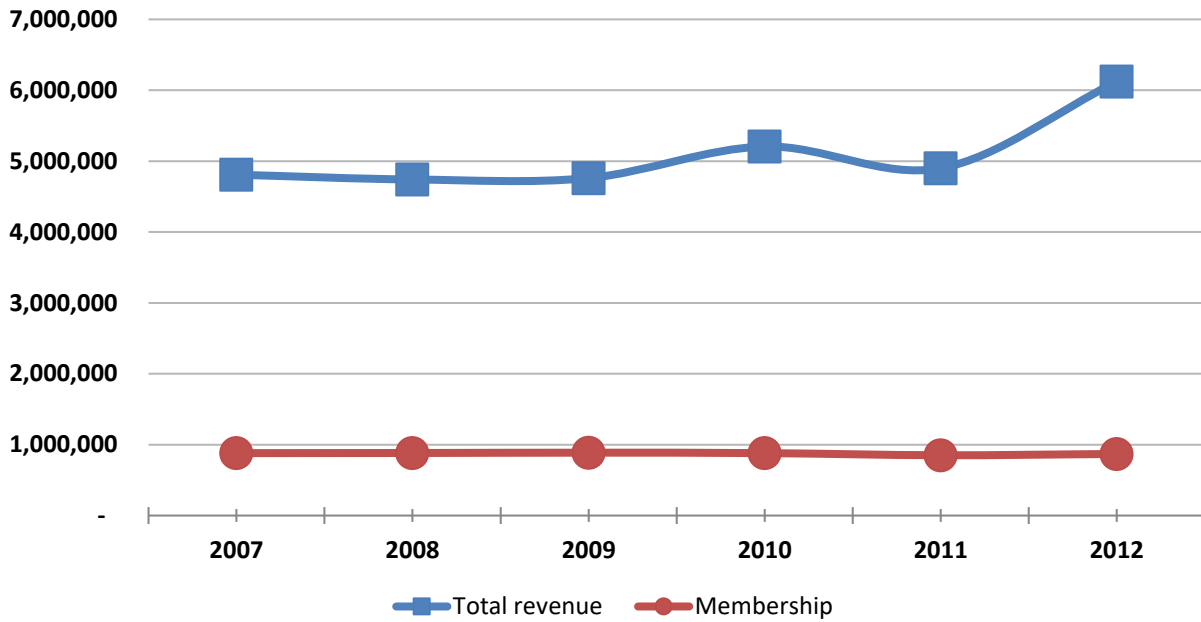
**Fig. 2 Five Year Trend in Revenues by Type (\$):  
2007-2013**



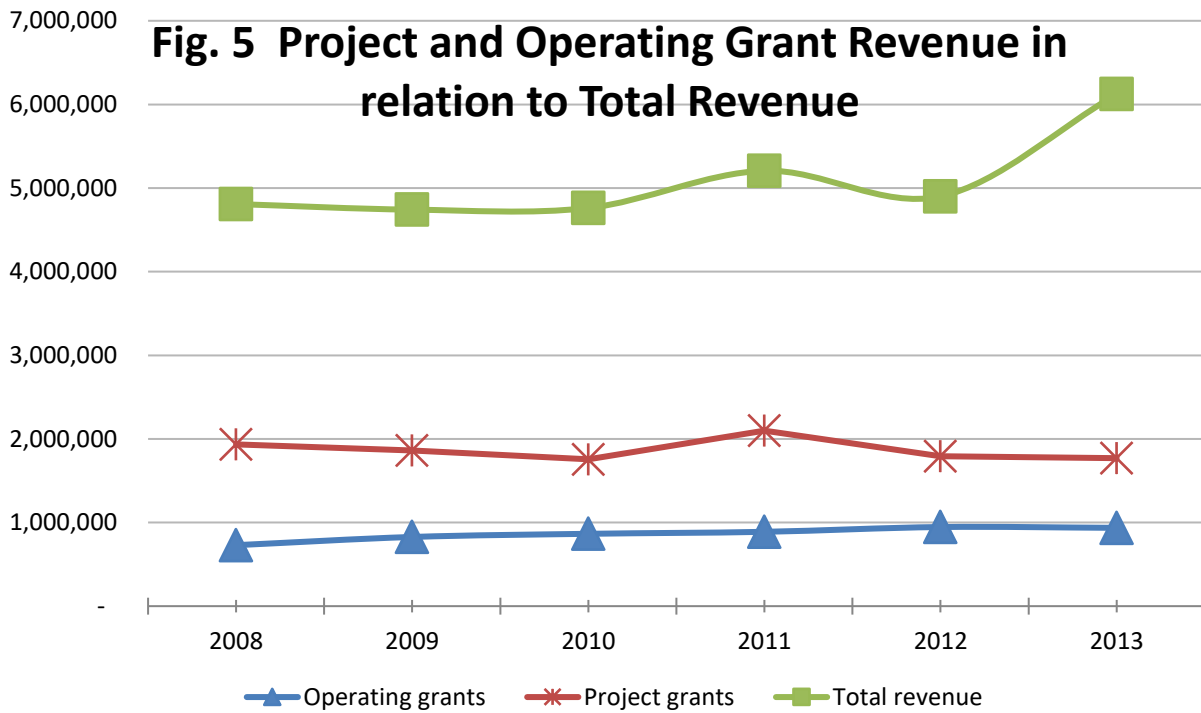
**Fig. 3 Five Year Trend in Revenues by Type (%):  
2007-2013**



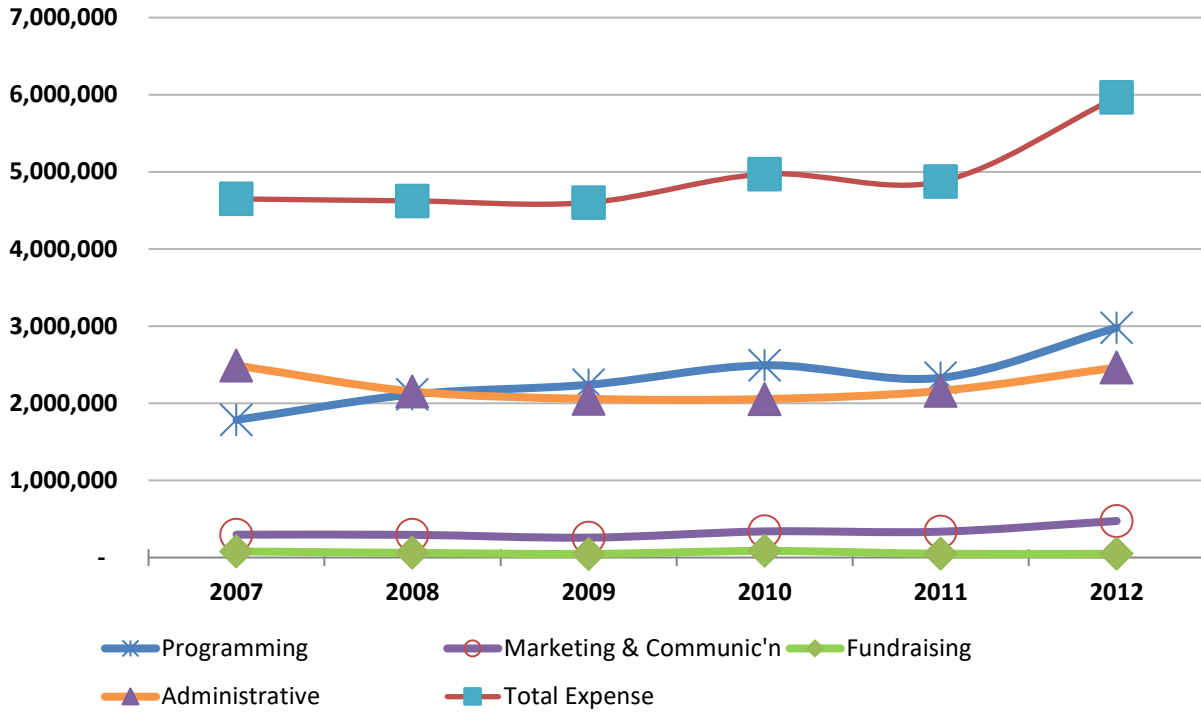
**Fig. 4 Membership Revenue in Relation to Total Revenue:**



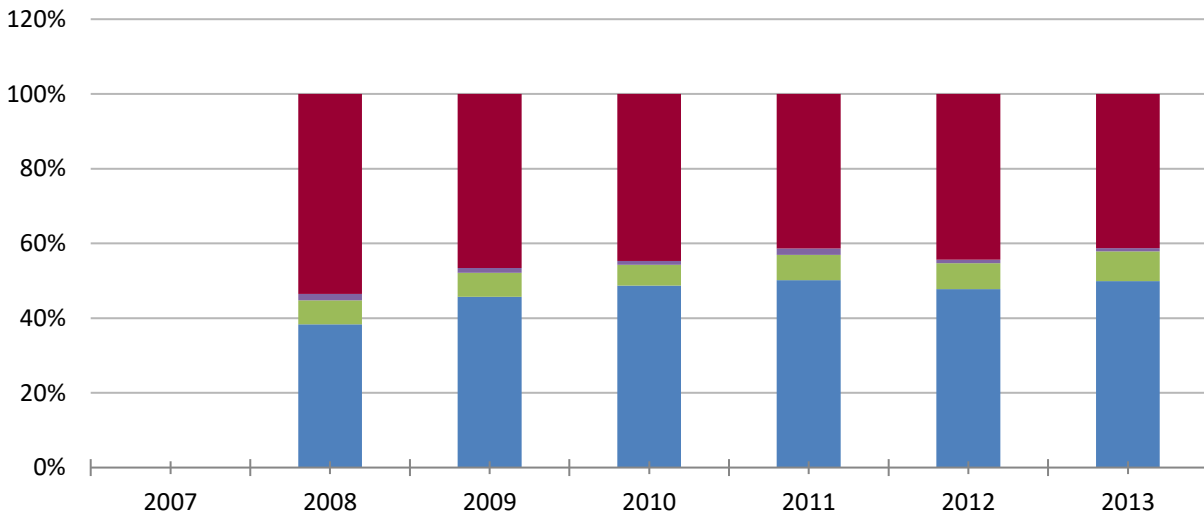
**Fig. 5 Project and Operating Grant Revenue in relation to Total Revenue**



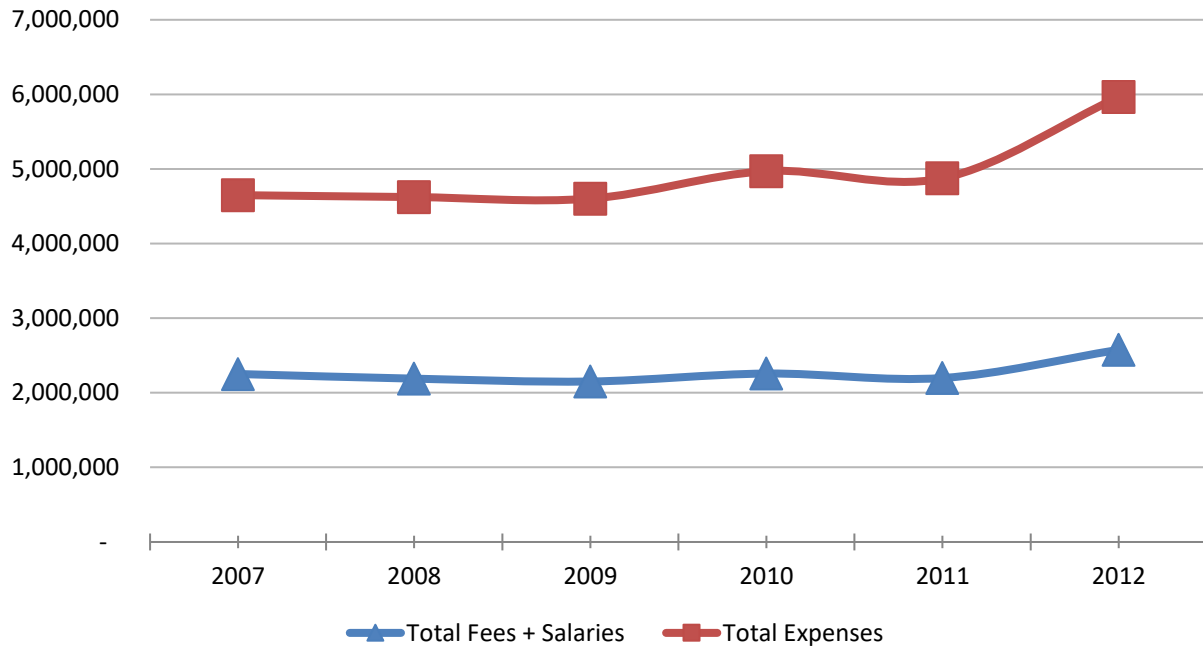
**Fig. 6 Five Year Trend in Expenses by Type (\$):  
2007-2013**



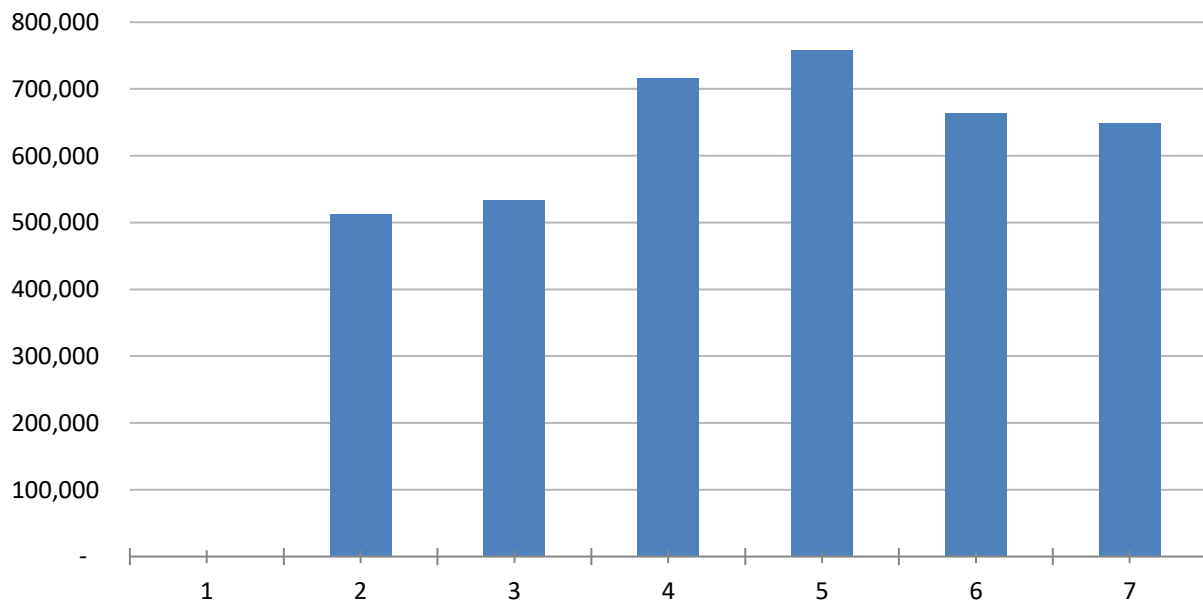
**Fig. 7 Five Year Trend in Expenses by Type (%):  
2007-2013**



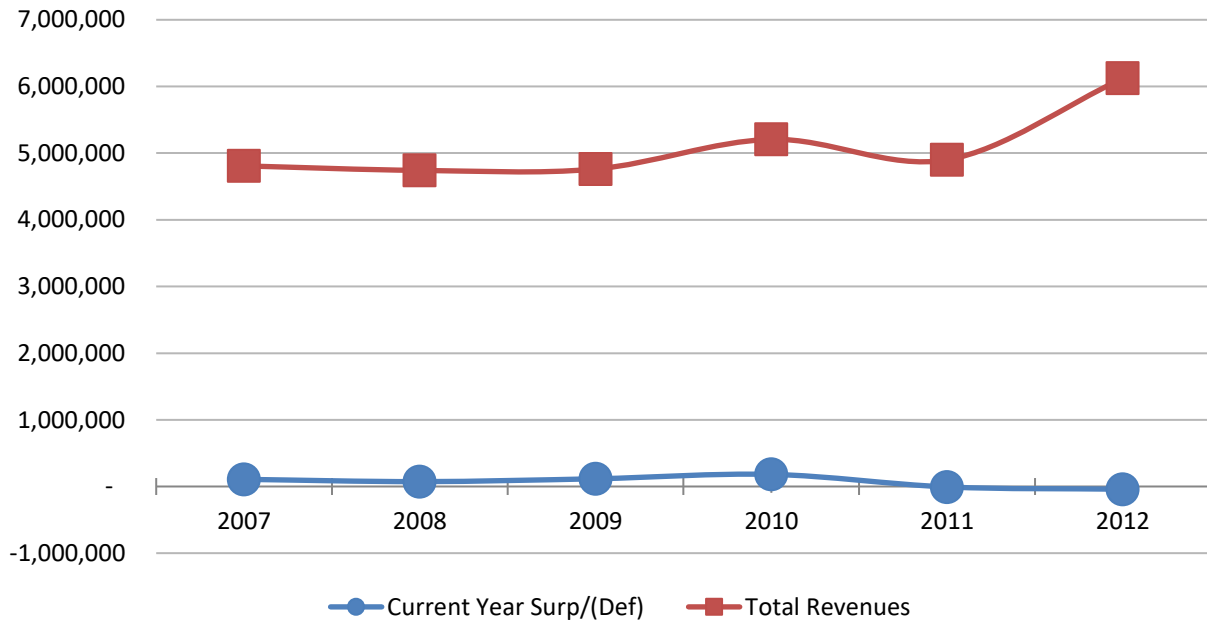
**Fig. 8 Salary Expense in Relation to Total Expense: 2007-2013**



**Fig. 9 Working Capital: Current Assets minus Current Liabilities: 2007-2013**



**Fig. 10 Current Year Surplus/(Deficit) Compared to Total Revenues: 2007-2013**



**Fig. 11 Accumulated Surplus/(Deficit) Compared to Total Revenues: 2007-2013**

