



Leadership Transitions: A Rough Wave to Ride

The Annie E. Casey Foundation

2004 National Survey Findings

- 72.5 % of nonprofit leaders are baby boomers 40-50+
- 65 % expect to transition by 2009
- Two Waves: First by 2010 second by 2020
- 16 % of the organizations are lead by people of color
- Most executives are first time executives (60%)
- 34 % founded the organizations they lead or been in the position over 10 years

Impact on Nonprofit Sector

- Destabilized nonprofits unable to continue to provide high-quality services-populations left underserved
- Competition for talent from for profit and public sectors
- Best and brightest leaving or never entering the sector- impacts innovation

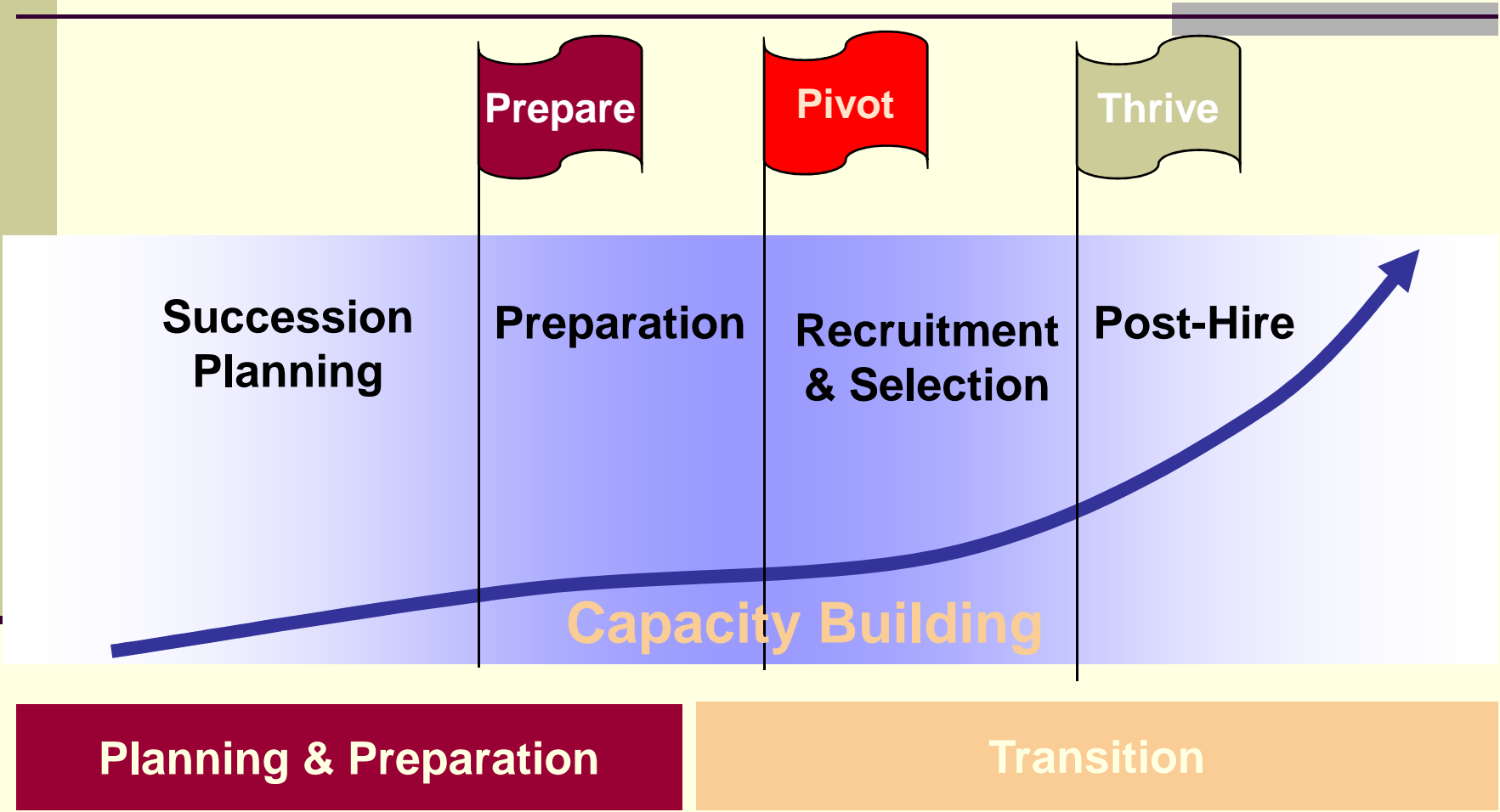
Historical Foundation Response

- Foundations pulled back from organizations during transitions with a “wait and see” attitude
- Foundations often provide some support for elements of the process (strategic planning, search, consultation) but rarely fund the comprehensive intervention from succession planning to post-hire.

Theory of Change: Transition is Opportunity

- When organizations are supported through a transition they will emerge stronger, more effective and stable with:
 - Board and staff alignment
 - Accountable board of directors
 - Infrastructure and systems
 - Mission security
 - Implementation in a strategic direction
 - Leadership which fits current and future needs

The Model



Agency Sustainability

- Sustainability Audit: Name vulnerabilities & address them
- Assess & build leadership depth
- Identify future leadership needs
- Prepare systems for the handoff
- Check “do ability” of ED job
- Create a resource bridge for the new leader
- Engage stakeholders
- Keep the Board engaged

I'm not leaving! Why?

- Career Doubts: What's next that's as engaging? Am I employable?
- Finances: Low retirement savings
- Agency sustainability: How do I make sure my agency will not lose ground when I leave?
- Unfinished business: Just one more project
- Stakeholder resistance: Board, staff, funders, say, "you can't leave!"
- Reputation: How will the departure process play out? Will my managerial "warts" be in the spotlight?
- Successor: I haven't been able to groom a successor, the next Me.

Resources for the Executive Director

- Coaching for the ED
- Career planning resources
- Peer networking
- Materials on “Legacy & Letting Go”
- “Next Steps” workshop – Casey Foundation

Next Generation Leadership Crisis?

- Oh my goodness the baby-boomers are retiring, what are we going to do!!!???
- Oh my goodness the baby-boomers *aren't* retiring, what are we going to do!!!!???

Human Services: Some Challenges

- Social service jobs rank among the five worst-paying jobs
- Lack of training and poor support cause many to leave the field
- More education does not equal better compensation
- Only 21% of college seniors in related field gave consideration to this work
- The best leave this work and recent recruits don't plan to stay

Young leaders want jobs that:

- Are challenging, interesting and offer responsibilities
- Offer the chance to help people, to contribute
- Offer the opportunity to learn new skills
- Provide the opportunity for advancement
- Allow for a healthy balance between work and family/personal life

From Individuals to Organizations:

Younger leaders want to work in organizations that:

- Have clear accountability at all levels
- Are transparent and participatory
- Diverse and culturally competent
- Prepare them for work in other sectors
- Mentor and coach but *don't* indulge existing leaders desire to replicate themselves

Small Group Discussion

- 1. Describe a recent transition in your organization or a transition in an organization with whom you work.**
- 2. What worked well in those transitions, what didn't work?**
- 3. Are there any insights or lessons from your discussion?**

Succession Planning: Three Types

- Emergency Plan
- Strategic Leader Development Plan
- Departure-Defined Plan

Emergency Succession Planning: Preparing for an unplanned ED departure

- Identify critical ED functions
- Name a backup for each function
- Develop a cross-training plan for backups
- Name who would become Acting ED
- Specify board monitoring liaison
- Set guidelines for addressing an absence that becomes permanent

Strategic Leader Development

- Training and delegation resulting in a leaderful organization
- Embedding a culture of leadership development at all levels

Succession Planning: Departure Defined

- Thoughtful planning and activities to ensure *organizational sustainability*
- Attention to the *personal and professional issues* of the departing executive director
- Opportunity for strategic planning and direction work
- Identifying new and changing leadership needs and qualities
- Providing mid-level and senior managers with opportunities to demonstrate leadership
- Identify where talent will come from- internal and external analysis

The final leadership tasks

Succession Planning entails two final leadership challenges for the departing executive:

- *The leadership of preparing the way*
- *The leadership of letting go.*

Succession Planning: Lessons Learned

- Lack of succession planning can result in a post-transition meltdown
- Thoughtful succession planning builds leadership capacity & makes the top job more doable
- A successful leadership transition for a *long-term ED* requires a lot more up-front effort and time than a standard search and hire— at least 18 mos
- Change is inherently difficult, never “routine”
- There is no one succession planning template

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