

MANAGING EXECUTIVE TRANSITIONS

PREFACE

Managing Executive Transitions is a handbook for nonprofit organizations that face or are going through an executive transition. It was developed by community leaders and staff working with the NeighborWorks® network of community-development nonprofits that were concerned about the negative effect a high turnover of executive directors was having on performance. Responding to these concerns, Neighborhood Reinvestment, the founder of the network, formed an internal task force to assist nonprofit boards in recruiting and retaining effective executive directors. This effort led to the launch, in 1992, of five years of field research, the Community Development Leadership Project, which explored the methods and results of executive transition.

Managing Executive Transitions is one of several handbooks and resources for boards and executive directors that have resulted from this project. With generous support from the W. K. Kellogg Foundation, project staff studied executive transitions in more than 40 nonprofits and worked intensively with 10 organizations, applying and testing the lessons learned.

The results of these efforts allowed Neighborhood Reinvestment to expand on and update an earlier version of the handbook, published in 1993 by the corporation's Recruitment, Hiring, Orienting, and Evaluation (RHOE) task force. This revised version reflects lessons learned from the Leadership Project and improvements suggested by numerous nonprofits of various sizes and missions that used the previous handbook and by Neighborhood Reinvestment's Organizational Development Practice Group. We acknowledge the work of all the nonprofits that used this handbook in its early editions, and we extend our appreciation to the teams that explored, researched and practiced the processes presented here.

George Knight
Executive Director
Neighborhood Reinvestment Corporation
August 1998

INTRODUCTION

The importance of an effective, efficient and dynamic executive director to the success of a nonprofit organization cannot be overstated. Six years ago, in recognition of this fact, and out of concern for a seemingly high rate of turnover among executives of its affiliates, the Neighborhood Reinvestment Corporation began a comprehensive analysis of the issue. With the generous support of the W. K. Kellogg Foundation, Neighborhood Reinvestment observed and contributed to the process of executive transition among a number of local community development organizations in its NeighborWorks® network. What was learned from those experiences has been consolidated into the pages that follow.

Some of the findings were obvious: the importance of the executive to the well-being of the organization and the important role of the board of directors in managing a thoughtful, deliberate recruitment and selection process, for example. Others were less so: the unexpectedly high and generally unbudgeted expense of the process and the importance of following the selection of the executive with a careful plan for engaging that executive in the operations of the organization.

There are three distinct scenarios for executive director transition: (1) the hiring of a first executive by an organization that has previously been directed by a volunteer board; (2) the replacing of an effective, entrepreneurial and/or founding executive; and (3) the replacing of an executive whose departure, whether voluntary or coerced, is a welcome event because of ineffectiveness or cause. Despite these distinctions, the process of executive transition is much the same for all three, and the recommendations in this handbook, while providing guideposts for the journey rather than a detailed road map, can apply to all.

The process has been divided into three major phases: Getting Ready, Recruiting and Hiring, and Post-Hiring. Key features that underlie each include:

GETTING READY

- An executive transition provides an organization with a unique opportunity for introspection, beginning with the question of why it is faced with this event. This analysis often leads the organization to reevaluate its mission, goals and operations.
- The board of directors has a fundamental obligation during an executive transition, both in managing the process and in maintaining the organization's viability, until a new executive is well in place.

RECRUITING AND HIRING

- Aggressive outreach and significant funding are usually required to recruit an executive. Consideration must be given to the diversity of the community that the nonprofit serves as candidates are sought.
- Once candidates have been identified, the process focuses on analysis and negotiation. Analyzing the candidates – reviewing applications, conducting interviews, checking references – takes time and effort, but represents the only way to assure the best result. Negotiations should be driven by the goal of discovering where the interests of the candidate and the organization meet rather than becoming merely a series of offers and rejections.
- Documenting the agreement reached with the prevailing candidate, both in terms of his or her employment relationship and of the short- and longer-term expectations of the board, provides a solid basis for the relationship and a platform for evaluation.

POST-HIRING

Too often overlooked is the need for the board to help lay the groundwork for the new executive's success by appropriately welcoming him or her into the organization, providing adequate orientation, helping manage staff dynamics and maintaining adequate communication.

On, then, to the heart of the issue. Before beginning, though, one piece of advice: slow down; take your time. Giving the process the time it requires will be well rewarded in the long-term effectiveness of the organization and its leadership.

FIVE DANGER ZONES in hiring a new executive:

1 – POORLY STRUCTURED HIRING PROCESS

- Poor strategy or work plan
- Unclear job definition/candidate requirements
- Inadequate recruitment/pool
- Rushing to hire
- Ignoring employment laws

2 – MONEY ISSUES

- Letting money be the key issue
- Noncompetitive salary/compensation package
- Picking the “bargain candidate”

3 – INTERNAL BOARD CONFLICTS

- Lack of board clarity
- Polarized board
- Deceiving candidate about organizational health

4 – SPECIAL-INTEREST PRESSURE

- Undue pressure from “insiders”
- Discriminatory practices
- Partnership power plays

5 – PERSONALITY TRAPS

- Being “snowed” by fast talk
- Ignoring bad chemistry
- Looking for a “savior”

**PHASE I:
GETTING READY**

STEP 1: Take Some Time for Introspection

An executive transition provides a unique opportunity in the life of an organization for it to step back and reflect, not just on the transition itself, but more broadly on mission and goals. By preparing itself to welcome and orient a new executive, the organization will necessarily review its finances, policies, procedures and operations. Rushing too quickly to fill the void left by a departing executive can rob the organization of elements of this opportunity.

In considering the issue of executive transition, there are a number of questions the board should be asking:

- If the transition represents the hiring of an organization's first executive, the board will have already pondered a number of issues: Are we ready for this? Can we afford to take this step? Can we afford not to? Questions that sometimes get forgotten, but are just as important, include: Do we understand and accept the relative roles of the board and the executive? Will we, who have been so intimately involved in the operations of the organization, step aside and allow the new executive the freedom to manage it going forward? Have we worked out a protocol for interacting with staff once an executive is on board? Failing to address these issues is often a cause for tension between boards and executives as organizations take this major step.
- If the transition involves the departure of an effective executive, a different set of questions arises, beginning with "Why?" The resignation of an executive falls into one of three categories: a plea, a ploy or a simple statement of fact. The board must cautiously determine the category the announcement falls into. A plea could represent the final negotiating strategy of an executive who feels unheard or unappreciated, and, if the executive is highly enough regarded, could be retained through a thoughtful and sustained response to his or her concerns. This would avoid the need to take the transition process any further. A ploy would be an interim, and clumsy, negotiating strategy for the executive to achieve some additional benefit or authority. In this case the board might want to reassess the value of the executive – if he is negotiating this poorly in-house, he's probably not doing much better with outside concerns – and call his bluff. This would mean accepting the resignation and proceeding with the process of finding a replacement. Finally, a statement of fact is just that: an irrevocable decision has been made and it's time to get busy securing the future of the organization.
- If the departing executive has been ineffective and his or her departure is a welcome event, the board should ask itself how it got to this circumstance in the first place to avoid repeating the experience. Was our application process inadequate? Did we

ask the wrong questions when checking references? Did we fail to communicate adequately with the executive? How can we choose more wisely next time?

In preparing for the process of recruiting and hiring a new executive, which will be more fully explored in the pages that follow, the board will be developing a packet of information that describes the organization, its mission, goals and operations and serves to market the organization to prospective candidates. Doing so will require that the board revisit these issues, providing the opportunity for it to ask where the organization is going (or where it should be going), what its financial situation really is, how efficiently it operates and if its operations bear improving.

The board will be looking for an executive who can help lead the organization to a new level of productivity, creativity and efficiency, and will recruit for an individual who can accomplish those goals. The qualities being sought in the executive and the goals of the organization are, however, intrinsically interconnected. One set cannot be defined without defining the other.

Finally, the board should ask itself if it is properly organized and constituted to pursue the transition. The void created by the departing executive will have to be filled on an interim basis, relationships and partnerships must continue to be nurtured, and corporate operations must continue. Board members may have to temporarily assume many of these responsibilities. If those board officers who will most likely have the heaviest burden – the chair, vice-chair and treasurer, for example – are unwilling or unable to take on the assignment, the board may have to reorganize itself accordingly.

STEP 2: Establish a Board-Level Transition Committee

When it becomes apparent that the current executive director is leaving, the board should consider establishing a committee to develop a strategy for the executive transition and to oversee the process. The chair and the majority of the members of the transition committee should come from the board. Representatives from major stakeholders could also be invited to participate. Having a human-resources professional on the committee or consulting closely with it can be very helpful, both in defining the process and in protecting the organization from legal pitfalls.

The basic assignment of the transition committee is to present the board with a small number of eligible candidates from which it can make a final selection. There are a number of steps along the way for which this committee will have primary responsibility, including:

- Developing a transition plan to guide the process, more fully described under Step 5;
- Providing the board with a transition timetable, including hard deadlines for administrative tasks and realistically hopeful deadlines for presenting candidates;
- Developing a budget for the entire transition process;
- Advising the board on the need to engage professional consultants and/or search firms in the process;
- Overseeing the preparation of an informational packet to be provided to all candidates and an organizational overview to be provided to finalist candidates;
- Overseeing the preparation of an executive profile against which the board can assess candidates;
- Collaborating with the board in the development of a compensation package;
- Screening applications;
- Arranging for interviews and reference checks;
- Interviewing and assessing candidates; and
- Making recommendations to the board as finalists surface.

The transition committee has a big assignment, and its members should be willing and able to devote the necessary time to it. Recruiting the right executive takes time – typically from 6 to 18 months. The committee will be very busy at the beginning, as applications arrive, and as reference checks and interviews are scheduled.

STEP 3: Deal with the Departing Executive

A sometimes-underrecognized aspect of the executive transition involves dealing with the departing executive; responsibility for that rests with the board. There are a number of issues that need to be considered, including:

- The board's first allegiance is to the organization, not to the departing executive. If the executive is departing under unhappy circumstances, it is almost always best for him or her to leave immediately. If, however, the executive has been highly effective, the board needs to give thought to how long the departing executive can remain so. Once someone has made the decision to leave, his or her heart will have already gone. While such executives can often continue to manage the organization, they are seldom in a position to lead it. In the case of a founding executive it is sometimes beneficial to have a cooling-off period between the time that executive departs and the new one steps in. Whatever the circumstances, the board must balance the hazards and benefits of allowing a departing executive to remain too long with the organization.
- The board will want to move quickly to extract as much information as possible from the departing executive. Executives typically know more about the organization than anyone else in it, and much of that information, or how to find it, is stored in their minds. The board officers should have extensive conversations with the departing executive about these issues, and take careful notes.
- Also, the executive typically has the broadest range of contacts with the organization's partners and service providers. These relationships need to be transferred to a board member or, ideally, the new executive before the departing executive is no longer available to the organization.
- Finally, memory tends to enhance the stature of those who move on – a marginal executive can become a good one and a particularly good executive can become a saint very quickly after departing. The unrealistic expectations that result from this dynamic can create unnecessary hardships for the replacement executive. Again, the board's obligation is to the organization and, in a transition, to doing all that it can to assure the success of the new executive. The board should be gracious in acknowledging the good work of the departing executive, but its focus should be on cultivating the strengths of the new one.

STEP 4: Stabilize Daily Operations and Assess Systems

As the board devotes time and energy to looking for a new executive, it must also assure that the day-to-day needs of the organization are being met. Effectively handling this piece of business will free the board from the pressure of rushing to hire a new director, thus robbing the organization of a thoughtful, deliberate transition process.

While the transition committee is working to put its plan into place, another board committee, possibly the executive committee, should be working on a plan for the interim management of the organization. This plan should address a number of issues:

- Identifying who will be in charge during the transition: the departing executive, the board chair or vice-chair, another board member, or an interim manager hired specifically for that purpose. The message is that someone needs to be accountable for day-to-day operations during the transition period.
- Determining if the organization can continue to provide its full range of services during the transition or, if not, making recommendations to the board on a short-term restructuring of services and operations.
- Assuring that the books and records, information systems and physical property of the organization are secure and properly maintained during the transition period. This is especially important if the departing executive left on unfriendly terms. This step also involves maintaining relationships with the organization's bankers, attorneys, accountants and other service providers and assuring that they are kept appropriately aware of the transition's progress.
- In some cases, overseeing a review of the organization's systems, policies and procedures. This could include a review of the availability and accuracy of budget and financial information, personnel policies and records, contracts and contract compliance, and related administrative issues. An audit or review by an independent accounting firm may be called for. These reviews could require using consultants, lawyers, accountants and other organizational systems specialists.

STEP 5: Establish a Transition-Management Plan

As in so many things in life, a successful transition requires a plan, the preparation of which is the first responsibility of the board's transition committee. The planning process will not only provide the committee with a blueprint on how to proceed, but also will help the committee think through such issues as timing, the use of consultants, and what types of support the organization will need during the transition. Elements of the plan include:

- Preparing a timetable for the process that includes hard and soft deadlines. Hard deadlines apply to those aspects of the process that the organization controls: preparing the informational packet, organizational overview and executive director profile for board approval; placing ads; scheduling interviews; etc. Soft deadlines include those aspects of the process that are beyond the control of the organization; specifically, getting responses from potential applicants and identifying the one individual whose interests and abilities most closely match the organization's needs. It is important that the board remember the differences between hard and soft deadlines so that necessary functions get done in a timely fashion and poor decisions aren't made because an arbitrary date has been reached.
- Establishing a transition budget that anticipates such costs as advertising, telephone, materials preparation and mailing, candidates' travel and consultants'/search firms' fees.
- Preparing a recommendation to the board on potential committee membership by non-board members: This could include the human-resources director of a partnering organization or executives or board members of similar nonprofits that have been especially successful.
- Determining what advisers or consultants the committee might need. Advisers could come from a local association of nonprofits. If the organization is affiliated with a regional or national network or association, that group might have support staff that can be helpful. Consultants can be helpful both in advising the committee on procedure and practice and in recruiting candidates.
- Determining the nature and scope of materials to be developed both to help candidates understand the organization and to help the board assess the candidates in light of what the organization is seeking. This step also includes assigning an individual or subcommittee to prepare those materials within the established timeline.

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- Determining how the position will be advertised (newspapers, trade magazines, locally, regionally, nationally), preparing ad copy and placing the ads. Again, this includes making an individual or subcommittee accountable for performance.
- Determining how responses to the ads will be handled, including screening the responses, notifying those who fail to make the first cut and notifying contenders of the next steps, and assigning this task to an individual or subcommittee.
- Assigning committee members to conduct reference checks and developing a discussion template to assure the highest-possible level of consistency in the process.
- Developing a format for interviewing finalists, including determining the make-up of the interview panel and the creation of an interview template.
- Preparing a standard letter and notification format for advising applicants who are dropped as a result of the interviews.
- Working with the board to engage the prevailing candidate, including such things as drafting an employment agreement that includes statements on expectations, communications and evaluations, and preparing a compensation package.
- Preparing a budget for the entire process, including advertising costs, printing and postage, staff time, applicants' travel expenses, consultants' fees and relocation expenses; in short all costs that derive from the transition process and are extraordinary to the operating budget.

The committee will have to collaborate with the board in the creation of its plan to assure that it is consistent with and complements other transition issues such as interim management and working with the departing executive.

WHERE TO GO FOR HELP – RESOURCE GUIDE

LOCAL NONPROFIT VETERANS

Seek the assistance of a local nonprofit veteran, someone who has been active in the nonprofit community as a volunteer board member or executive director, and who has gone through the process of hiring a new executive. Nothing beats hands-on experience to teach the ins and outs of the process. Such an individual could be invited to serve on the transition committee or to act as an informal advisor.

NATIONAL OR REGIONAL NETWORKS OR ASSOCIATIONS

If your organization is part of a network or association, there may be people in the system who can provide counsel and assistance in the transition. Some networks and associations provide funding, interim staffing and other assistance to the local organization as well.

NONPROFIT-SUPPORT ORGANIZATIONS

There is a growing number of local and regional nonprofit-support organizations that provide assistance in organizational development. Contact the Support Centers of America at their Web site for additional information: www.supportcenter.org/sca.

STATE NONPROFIT ASSOCIATIONS

Many states have nonprofit associations that are excellent sources of information about transition. To locate an association near you contact the National Council of Nonprofit Associations at (202) 833-5740.

LOCAL CONSULTANTS

Consultants can be hired to assist in any of a number of tasks in the transition process, including organizational assessment, candidate outreach, résumé screening, reference checking, executive coaching and board development. Costs for these services vary by assignment and location, but in general run from \$400 to \$800 per day or \$750 to \$5,000 per assignment. The names of local consultants can be obtained from the United Way or a nonprofit-support center.

SEARCH FIRMS

Executive search firms, used widely in for-profit hiring, are increasingly being retained by larger nonprofits. Their services include recruiting candidates and assisting with most aspects of the hiring process. They typically limit their cases to positions with \$50,000+ salaries and charge around 30 percent of the salary amount as their fee.

STEP 6: Develop an Organizational Overview

Applicants will want to know something about the organization they are applying to, and the amount of information they require will depend on how far through the process they go.

The transition committee should prepare a brief overview of the organization that can be given to all candidates who are considered viable after the first review of letters of interest and résumés. This overview would provide a brief history, the mission statement and a review of the organization's size, staffing and operations.

Finalists will require, and are entitled too, considerably more information. They should receive a more comprehensive overview that speaks to the organization's services, goals, aspirations, needs and challenges. Additionally, finalists should be given copies of the annual report, financial statement and recent newsletters or other publications. In short, the finalists should be provided with as much information as possible.

The purpose of providing finalists with this information is two-fold: First, it provides the candidate with the fullest-possible understanding of the organization he or she is negotiating with (which in some cases prompts less appropriate candidates to self-select out of the process); and second, it gives the board an additional tool for evaluating the candidate. If, after being provided ample information about the organization, the candidate is unable to answer basic questions or contribute thoughtfully to the interview, a great deal is revealed about the candidate's true interest in the organization, his or her ability to assimilate information, or both.

STEP 7: Develop an Executive Director Profile

A fundamental tool in assessing candidates for the executive position is the executive director profile. The preparation of this document requires the close collaboration of the board and the transition committee.

The executive director profile flows from the organizational analyses done to prepare the information packets described in Step 6. It describes the skills, qualities, talents, experience and education that a new executive will need to take the organization in the direction it seeks to go. It serves as a job description and provides a basis for future evaluations.

Some tips for developing the profile:

- The expectations it expresses should be clear, concise and realistic.
- Avoid overdefining a particular goal or expectation to allow for the natural creativity of a qualified appointee.
- Required qualifications should be consistent with the compensation package that the organization is willing and able to provide.
- Avoid arbitrary qualifications that could dissuade competent candidates from applying – adding the words “or a comparable combination of education and experience” to the degrees and time-of-service requirements could greatly open the field, for example.

Once developed, the profile can provide the board with a tool in assessing candidates and later in evaluating performance. While the profile can be important to the process, there are qualities that it cannot measure. “Chemistry,” for example, is a vital piece of the board/executive/staff dynamic. As few, if any, candidates will appear who can satisfy all of the wishes expressed in the profile, the board should carefully weigh the potential of a candidate and the chemistry it feels with him or her. An organization might be better served by a trainable candidate who fails to fully satisfy the profile but gets along well with the board than by one who meets all of the criteria but with whom the board just isn’t comfortable.

While developing the profile, the board should also give thought to those dimensions and characteristics being sought in the new executive – such things as leadership, creativity, financial acumen, fund-raising ability and so forth. Listing and prioritizing these dimensions and characteristics will assist the board as it begins to evaluate candidates.

STEP 8: Develop a Compensation and Benefits Package

An executive looks for two things in exchange for providing the services described in the profile: a sense of satisfaction in a job well done and compensation. Satisfaction comes with time in service and, while the organization can point to how that might come about – a good working environment, a meaningful mission, a challenging assignment – it doesn't provide much of a negotiating tool. The compensation package, then, becomes a fundamental tool in attracting the right executive.

The compensation package includes:

- Salary, including the starting amount as well as the organization's policies on the timing and levels of increases or bonuses;
- Health, life and disability insurance, including the benefits provided, deductibles, the amount of premium charge-backs to the executive, and coverage for dependents;
- A retirement program to which the employer contributes, the lack of which is among the most often-cited reasons for executives to leave their organizations;
- Vacation and sick-leave policies (although a candidate who appears overly concerned about this component could inadvertently be raising a red flag);
- Time off and funding for continuing education; and
- Relocation expenses.

For the board to determine the level of compensation required to attract the right executive, it should find out what local private-sector, public-sector and nonprofit executives with similar levels of responsibility are making. Before committing to a compensation level or package, however, the board should wait to see what sort of requirements the candidates bring. The organization shouldn't be expected to pay more than the prevailing local rate and may find that it can pay less.

Finally, there is truth in the adage, "You get what you pay for." Despite the challenge that all nonprofits face in generating operating revenue, paying appropriately for a dynamic, motivated and effective director should be seen as an investment in the organization's future ability not only to reach its goals, but also to raise the money to pay for them.

STEP 9: Establish a Welcoming Committee

The process of executive transition is only half done when the new executive signs on. Preparing the organization for the arrival of a new executive and welcoming that executive into the organization and the community are responsibilities of the board. The board might want to consider setting up a special committee specifically to handle this important transition issue. Among the duties of this committee would be:

- Preparing staff for the arrival of the new executive through staff meetings and possibly one-on-one meetings with the people reporting directly to the executive;
- Introducing the executive to staff and welcoming him or her into the organization, possibly hosting a special luncheon or dinner event for that purpose;
- Welcoming the new executive into the community by issuing a press release and with personal introductions to community leaders;
- Introducing the executive to the organization's partners, service providers and clients;
- Reviewing with the new executive the organization's programs, policies and procedures;
- Advising the executive of the specifics of challenges or problems facing the organization; and
- Generally orienting the executive to the organization and its culture.

**PHASE II:
RECRUITING AND HIRING**

STEP 1: Advertise the Position

Advertising the position is the first step in gathering a pool of candidates, and is the responsibility of the transition committee. Before ads are placed, the committee should have a protocol developed for responding to applicants, screening applications and notifying applicants of the first cut of their status.

The first step is an obvious one: the committee needs to get the word out that the position is available. There are a number of vehicles for doing this:

- Local, regional and national newspapers;
- Trade and association magazines;
- In-house publications;
- Publications of regional or national organizations with which the nonprofit is affiliated;
- Local nonprofit information-clearinghouse organizations;
- National job-posting organizations;
- The Internet ;
- Board members, partnering organizations, funders, staff; and
- Executive-search firms.

Some of these services are free, others are not. Advertising costs need to be included in the budget.

The ads themselves must be designed to provide the applicant with enough information to generate interest but, as ad space is limited by cost, need to be concise and well written.

Some points to consider in this step include:

- Cast the net as widely as the organization can afford to do. While local candidates are often preferred, don't discount the large reservoir of talent living outside the community.
- Seek a diverse pool of candidates by promoting the position through minority publications and organizations. It is critical for the organization to demonstrate an effective effort in minority recruitment if the recipients of the organization's services come from minority populations. Ads should state that the organization is an equal-opportunity employer.
- Rather than commit to a salary range in the ad, simply indicate that the salary for the position is competitive (if, in fact, this is true).

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- Require that applicants respond in writing and provide a résumé by hard copy, fax or, if possible, electronically. This provides the committee with its first screening opportunity. Have responses sent to a specific individual or the Search Committee. Include a mailing address, fax number and, if available, an e-mail address.
- Consider including an application deadline. While the date can be extended if the response is less than hoped for, it will encourage applicants to move more quickly. If a deadline is used, however, it must apply equally to all applications to avoid charges of preference or discrimination.
- Rather than simply calling an ad in to your local paper, arrange to meet with someone in the classified ads department to discuss ways of making your ad stand out, i.e. borders, highlighting, bold type, etc.
- Secure the commitment of the board that insider candidates (those forwarded by board members or friends of the organization) will be subjected to the same objective scrutiny as all others.

If efforts to market the position don't result in a pool of acceptable candidates, the committee may need to consider using a professional search firm. These services can become expensive and may be out of the reach of many nonprofits. Such agencies can, however, broaden the base of applicants.

SAMPLE AD & POSTER COPY

EXECUTIVE DIRECTOR

[Name of organization], a [city]-based nonprofit organization dedicated to [description of services], is seeking an executive director to oversee a staff of ## and administer a budget in excess of \$###. Successful applicant will bring five-plus years of experience in fundraising and nonprofit administration and a demonstrated ability to work cooperatively with community leaders and a diverse board. Competitive salary and benefits package. Respond by [date] with a letter of interest and résumé to Search Committee, [address].

An Equal Opportunity Employer

PLEASE POST OR CIRCULATE

EXECUTIVE DIRECTOR POSITION ANNOUNCEMENT

[Name of organization], a [city]-based nonprofit organization, is seeking a motivated, dynamic executive director to carry forward the excellent record of [description of service] service earned by the organization over the last ## years. Responsibilities include:

- Overseeing the day-to-day operations of the organization and managing a staff of ##;
- Administering an annual budget in excess of \$###,###; and
- Taking a leadership role in strategic and long-range planning.

The successful candidate will have the following qualifications:

- ✓ #+ years in successful nonprofit leadership as an executive director, manager or in other significant volunteer or paid positions;
- ✓ An understanding of and sensitivity for the issues [addressed by the service provided];
- ✓ Proven ability to plan, execute and evaluate large projects and special events;
- ✓ Proven ability in nonprofit fundraising from corporations, foundations, government and individuals;
- ✓ Experience in organizational planning; and
- ✓ Excellent written and verbal communication and presentation skills.

Competitive salary and benefits package. Send letter of interest and résumé by [date] to:

Search Committee
[Organization]
[Address]

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Sources for Executive Job Postings & Ads

[Developed by Enterprise Inc.]

ACCESS: Monthly circulation to more than 100,000 nonprofits nationwide; 1001 Connecticut Ave., N.W., #838, Washington, DC 20036; tel (202) 785-4233, fax (202) 785-4212; e-mail: accesscntr@aol.com, Web site: www.accessjobs.org.

CEO JOB OPPORTUNITIES UPDATE: Published by American Society of Association Executives for positions paying more than \$50,000 a year; posting is free; 1575 Eye St., N.W., #1190, Washington, DC 20005; tel (202) 408-7900, fax (202) 408-7907; e-mail: info@careeropps.com, Web site: www.associationjobs.com.

COMMUNITY CAREER CENTER: Internet job site for housing and community developers; search jobs freely accessible to any Internet user; NeighborWorks[®] affiliates post jobs and search candidates free; nonmember organizations may post for \$125 or less if multiple jobs; tel (702) 259-9580, fax (702) 259-0244; e-mail: info@nonprofitjobs.org, Web site: www.nonprofitjobs.org.

COMMUNITY INFORMATION EXCHANGE: *Exchange News*, monthly newsletter, *Community Development Online*, includes job information in online subscription service (free demo on Web site); 1012 N St., N.W., Washington, DC 20001; tel (202) 289-3709, fax (202) 289-4014; e-mail: cie@comminfoexch.org, Web site: www.comminfoexch.org.

HANDSNET: Community-oriented electronic bulletin board connecting urban and rural professionals; membership required; 2 N. Second St., #375, San Jose, CA 95113; tel (408) 291-5111, fax (408) 291-5119; e-mail: hn0008@handsnet.org, Web site: www.handsnet.org.

HOTLINE: Newsletter of returned Peace Corps volunteers; published monthly on 1st and 15th; free; Peace Corps, 1111 20th St., N.W., Washington, DC 20526; tel (202) 692-1430 or (800) 424-8580, fax (202) 692-1431; e-mail: hotline@peacecorps.gov, Web site: www.peacecorps.gov.

JOB OPPORTUNITY BULLETIN: Biweekly published by International City/County Management Association geared to professional women and minorities in the local public sector; 777 N. Capitol St., N.E., #500, Washington, DC 20002; (202) 962-3675, fax (202) 962-3500; e-mail: N/A, Web site: N/A.

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JOB HOTLINE: National Forum for Black Public Administrators fax-on-request service at (888) 766-9951 (follow voice prompt, select document number 401), updated weekly; 777 N. Capitol St., N.E., #807, Washington, DC 20002; tel (202) 408-9300, fax (202) 408-8558, e-mail: nfbpa@erols.com, Web site: www.nfbpa.org.

NATIONAL ASSOCIATION OF BLACK COUNTY OFFICIALS: *County to County* and *County Compass*, both quarterly newsletters for 2,000+ subscribers; 440 1st St., N.W., #410, Washington, DC 20001; tel (202) 347-6953, fax (202) 393-6596; e-mail: nabco@ami.net; Web site: www.nabco.org.

THE NONPROFIT TIMES: 18 times yearly, leading trade publication for nonprofit management; 240 Cedar Knolls Rd., #318, Cedar Knolls, NJ 07927; tel (973) 734-1700, fax (973) 734-1777; e-mail: ednchief@nptimes.com, Web site: www.nptimes.com.

OPPORTUNITY KNOCKS: Published weekly by The Management Center as classified ads circulating primarily to 5,000+ nonprofits in northern California; 870 Market St., #800, San Francisco, CA 94102; tel (415) 362-9735, fax (415) 362-4603; e-mail: tmc@tmcenter.org, Web site: www.tmcenter.org.

STEP 2: Screen and Notify Candidates

A successful advertising campaign will result in a number of letters of interest and résumés being received. Ideally, they will be addressed to the individual identified in the ad or to the committee so that the letters are opened by the appropriate staff or committee member. Some may find their way into the hands of others, so it is wise to advise staff of the process, the importance of confidentiality, and to whom such letters should be forwarded.

The letter of interest and résumé provide the transition committee with its first screening opportunity and deserve careful review. Those that clearly indicate to the committee that the applicant is not appropriate for the position should be responded to immediately with a letter thanking the applicant for his or her interest and advising that he or she will not be considered for the position.

In some cases the letter of interest and résumé will provide the committee with enough information to go directly to the preliminary interview stage. In others, because of the number of letters received or the quality of the résumés, the committee will be required to collect application forms to assure that the same level of information is available for all candidates. If application forms are used, they should be sent to all applicants. The committee should consider having the application form reviewed by an attorney or human-resources specialist to assure that it complies with local and federal law.

An application form can provide the committee with a second opportunity to screen and rank the candidates. A well-designed application form will provide the reviewer with considerably more information upon which to assess the candidates. Reviewers should have a screening form to use in their assessment. This provides for a higher level of objectivity and consistency in the screening process and helps assure that the legal rights of all candidates are respected.

Those applicants whose letter and résumé indicate the merit of further review should be sent an application packet that includes:

- A cover letter;
- The job description;
- Required qualifications;
- The organizational overview, if applicable;
- A statement on salary range and benefits;
- A proposed calendar for the hiring process; and
- An application form, if applicable.

The goal of this step will be to reduce the field to a manageable number of candidates, say five to eight. These will then be invited to participate in a preliminary round of interviews and have their references checked. Again, those that are eliminated from further consideration should be immediately notified.

TIPS ON SCREENING RÉSUMÉS

A résumé, from the French for “summary,” is just that, a summary of the applicant's educational and professional history. The writing of résumés has become something of an art form in recent years with how-to books and special papers and packaging materials available, and professional résumé-writing services proliferating. But no matter how eloquently the résumé expresses the applicant's interests nor how prettily it is packaged, a résumé remains little more than a listing of the applicant's education, professional experience and achievements.

The secret to reviewing résumés, then, is in filtering out the superfluous information and getting to that which the reviewer most needs to begin assessing the applicant. While the packaging may tell something about the applicant, it is difficult to determine what, exactly, it is saying. The writing, if actually done by the applicant, may tell more, and reviewers should be watchful for grammatical and punctuation errors, poor sentence structure and other clues about the applicant's communication skills.

Beyond that, the value of the résumé is in the information it provides about the applicant's education, work history and other achievements.

EDUCATION

The résumé should list the applicant's educational achievements, including degrees earned, fields of study and the institutions attended. This will be of interest in those cases where the job qualifications include advanced degrees.

Of equal interest, however, should be educational achievements in areas of training specifically related to the applicant's field – professional and continuing education programs, diversity training and so forth.

PROFESSIONAL HISTORY

Getting pertinent information from the job history will require some work. The reviewer is looking for such things as stability, applicable experience, supervisory responsibilities, financial authority and so forth. The Screening Template on page II-2-A2 will help the reviewer distill the pertinent information from the résumé.

The template helps the reviewer extract specific, helpful information from the job history, including tenure (Column B) expressed as months, the position held (C) and its organizational level (D) – Executive, Management, Staff – the number of employees supervised (E), level of financial authority (F), and the relationship of that employment to the position being applied for (G, H, & I).

OTHER ACHIEVEMENTS

The reviewer should also be looking for other achievements given on the résumé that may be pertinent to the position being sought. This could include awards and honors, publications, public service, service on boards of directors and so forth.

REFERENCES

The résumé may provide references, although increasingly they include the somewhat distancing statement “References available upon request.” Either way, this is information that could be useful later in the process.

Screening Template For Applicant's Job History

A	B	C	D	E	F	G	H	I
Firm or organization	Tenure (in months)	Title or position	Level*	Number of Employees	Annual Budget	Same Field	Nonprofit	Unrelated

Column D: E = Executive; M = Management; S = Staff

Applicant: _____

Review By: _____

Date: _____

SAMPLE REJECTION LETTER TO APPLICANT

[LETTERHEAD]

[Date]

[Name]

[Address]

[City, State]

Dear *[Name]*:

Thank you for your interest in the executive director position with our organization. We were fortunate to receive résumés from a number of qualified applicants, and the selection process has been challenging.

Though we were impressed by your many achievements and experiences, the transition committee has determined not to continue your application in the selection process.

On behalf of the board of directors, I want to express our appreciation for your interest in our organization and in this position and to wish you continued career success.

Sincerely,

[Name]

Chair, Transition Committee

SAMPLE APPLICATION FORM

NAME: _____ PHONE: _____

E-MAIL ADDRESS: _____ FAX NO: _____

ADDRESS: _____
STREET/PO BOX CITY ST ZIP

Instructions: Please answer all questions – if the answer is “no,” “none” or “N/A,” so indicate. Answer succinctly and confine answers to the space provided. Type or write legibly – illegibly written applications will not be considered.

Are you currently employed? _____ Current annual salary: \$ _____

Name of current employer: _____

Do you prefer that we not advise your employer of this application? _____

What most interests you about this position?

Describe experiences you've had in related nonprofit work as staff and/or as a volunteer:

Describe your experience in nonprofit fund raising:

Describe your experience in planning, executing and/or evaluating projects and/or special events:

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Describe any related volunteer activities you are or have been involved in:

Describe any experience you have had in strategic and/or long-range planning:

Describe any experience and/or training you have had in multicultural issues:

Your employees and/or colleagues would list your greatest competencies as:

1. _____
2. _____
3. _____

Use this space to provide additional information you feel will be helpful to us in assessing your application:

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Name of Applicant: _____

REFERENCES:

Please provide the names of three to five reference. Please note:

- The purpose of contacting these individuals will be to broaden our understanding of your skills and expertise from the perspective of an disinterested third party.
- We may or may not contact any or all of the names you provide.
- Please choose references from a range of experiences (i.e., employers, employees, peers and associates).
- Please contact all references and advise them that they may receive a call and invite them to speak candidly with us.
- Reference calls will only be made by Transition Committee or board of director members who will so identify themselves when calling.
- All information collected will remain confidential to the Transition Committee and board of directors.
- By supplying these names and signing this application you give approval for us to contact these individuals.

<u>Name</u>	<u>Phone Number</u>	<u>Day/Night</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

What is the best time to contact you to discuss your application: _____

What salary requirement, if any, do you have for this position: \$ _____

What is the earliest date you can begin work, if appointed: _____

Signature of Applicant

Date

STEP 3: Conduct Preliminary Interviews

The goal of preliminary interviews is to further reduce the field of candidates to the small group that will ultimately be interviewed by the entire board. If the screening of letters, résumés and applications has already reduced the field to two or three, this step may not be required.

Up to this point most of the communication between the applicants and the committee has been written. With a manageable field of candidates now identified, the committee can move toward gathering more direct and personal information. This is done by arranging for interviews with the candidates, in person when possible, or by phone for those living out of town. Two important elements of this step are:

- Assuring that the interviews are conducted in such a way that the candidates can be measured against one another. This requires the use of a standard set of questions and rating factors that should be developed by the committee and based on the organizational profile.
- Assuring that the legal rights of the applicants are maintained. Equal employment opportunity laws are designed to protect job seekers from hiring decisions based on irrelevant and discriminatory criteria. Committee members charged with conducting the interviews should be well trained on what they can and cannot ask.

Ideally, the preliminary interviews will be conducted by two or three committee members. If the number of candidates requires the committee to be broken into interview teams, great care should be taken to assure consistency and objectivity. The use of a standard set of questions and rating sheets is recommended. If some interviews are done in person and others by phone, the committee should factor into its deliberations the unintended advantage the “in-person” candidates might have.

The interviews should be scheduled to allow approximately two hours for each candidate, most of which will be spent in conversation, but leaving time for the interviewers to compare notes.

Once all interviews are conducted, the committee needs to meet to discuss the results. If the committee is now able to agree on one to three finalists, the process of arranging for interviews by the entire board can begin. All candidates should be promptly notified of the new status of their application, either that they are no longer under consideration or that the board is prepared to further discuss the position with them.

PRELIMINARY-INTERVIEW TIPS

Before the interview, team members should:

- ✓ Review the organizational overview and executive profile documents.
- ✓ Prepare a list of questions that will be asked of all candidates. This will provide a basis for comparison and avoid illegal or inappropriate questioning.
- ✓ Prepare a response template on which to record answers.
- ✓ Review the résumé and application form and make note of missing or inadequately explained information.
- ✓ Review the list of illegal or inappropriate questions (see following page).

During the interview:

- Establish a collegial, rather than confrontational, atmosphere.
- Secure needed information that was omitted from or inadequately explained in the résumé or application.
- Ask the previously identified common questions.
- Record answers carefully. If more than one committee member is conducting the interview each should record answers so that the results can be compared after the interview. Take care to assure that written comments are objective and in accordance with fair-employment laws.
- Avoid questions that can be answered by a simple “yes” or “no”; rather, ask open-ended questions that require a thoughtful response. Focus questions on situation performance, experiences related to this position, and on the skills and expertise of the applicant.
- Provide the applicant with an idea of when he or she will next hear from you.

ILLEGAL OR INAPPROPRIATE QUESTIONS:

“It is reasonable to assume that all questions on an application form or in a pre-employment interview are for some purpose and that selection or hiring decisions are made on the basis of the answers given. . . . To seek information other than that which is essential to effectively evaluate a person’s qualifications for employment is to make oneself vulnerable to charges of discrimination and consequent legal proceedings.”

– Equal Employment Opportunity Commission

Questions related to the following topics may be prohibited, restricted or considered suspect under local and federal fair-employment laws:

- ⇒ Race, color or ethnicity
- ⇒ National origin or birthplace
- ⇒ Age
- ⇒ Gender
- ⇒ Religion
- ⇒ Political affiliation
- ⇒ Marital status
- ⇒ Family issues (number of children, unwed motherhood, family planning, child care needs)
- ⇒ Sexual orientation
- ⇒ Arrest record
- ⇒ Military discharge
- ⇒ Credit history
- ⇒ Height and weight
- ⇒ Disabilities

A rule of thumb: If in doubt, don’t ask.

STEP 4: Do Thorough Reference Checks and Testing

Some executive-search professionals recommend checking references and/or doing testing before the preliminary interviews, thus bringing new data to the interviews and balancing the candidates' personalities or interviewing skills. Others recommend checking references only before final interviews to avoid unnecessary reference checking or expense. Whichever approach is taken, the committee must be sensitive to issues of confidentiality and respect the applicants' wishes, especially in regard to present employment.

Up to this point in the process most of the impressions that the committee has of the applicants come directly from those applicants, either through what they've written or the preliminary interviews. Reference checking and testing allow for input from third parties who, in most cases, have no direct interest in the outcome.

Although checking references can be very helpful in the selection process, it has inherent weaknesses and requires a thoughtful approach. As references are provided by the applicant, it's only to be expected that they have been chosen carefully and will most likely provide a positive view. An applicant is unlikely to refer a potential employer to those with a low opinion of him or her. Further, concerns about legal liability generally limit the questions that a previous employer, for example, is likely to answer with candor.

Reference questions should be worked out ahead of time and, for the sake of consistency and objectivity, the same set of questions should be asked of each reference. The questions should be designed to provide the committee with a glimpse into the applicant's people skills, initiative, follow through, ingenuity, drive and technical or mission-related skills. Specific questions about performance or behavior are unlikely to get a candid response and may be inappropriate or illegal. This is an area that could benefit from the assistance of a human-resources professional or executive-search professional who has the skills to elicit candid observations while respecting the legal rights of the candidate and the reference.

A second source of third-party analysis that is being used increasingly in corporate hiring is personality and interpersonal-skills testing. These tests, conducted by human resources consulting firms, provide the prospective employer with an idea of a candidate's basic personality traits and how those traits might or might not fit the culture of the organization. While not fool-proof, the testing can help guide the organization and the candidate in the development of a positive relationship or provide the organization with warnings about particularly inappropriate behavior patterns of a particular candidate. Before using such testing, check with an attorney or human-resources specialists to assure that all local and federal laws and regulations are followed.

SAMPLE REFERENCE-CHECK TEMPLATE

Applicant: _____

Interviewer: _____

Date: _____

Reference: _____

Phone # _____

Describe context of relationship with applicant:

How long has reference known applicant? _____

How long in described relationship? _____

Identify applicant's leadership skills:

Identify applicant's organizational skills:

Identify applicant's interpersonal skills:

Identify applicant's leadership weaknesses:

Identify applicant's organizational weaknesses:

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Identify applicant's interpersonal weaknesses:

Describe for reference the position applicant is seeking.

Describe applicant's characteristics that most recommend him/her for this position:

Describe applicant's characteristics that least recommend him/her for this position:

Other observations the reference would like to make:

STEP 5: Refer Finalists to the Board for Interviews

With a small group of finalists identified, the transition committee is now prepared to present its candidates to the entire board for their review. This process involves visits by the finalists to the offices of the organization and interviews with the entire board.

The transition committee should meet with the board to share its findings and the results of reference checks and any testing, to review the organizational overview and executive director profile documents, and to remind board members of the type of questioning that is prohibited by law. The interviews can then be scheduled. They should last at least an hour, providing time for a meaningful dialogue to develop between the board members and the candidates.

Ideally board members will have spent some casual time with the candidates. Having had this get-acquainted time before the interview will allow both sides to move more quickly to the important issues in the interview itself.

By the time a candidate gets to this point in the process, his or her skills and expertise should be fairly well established. The board interviews, then, can be less structured with the goal of establishing a dialogue between the board and the candidates, allowing each side to get a measure of the other. The board should, however, have a set of questions prepared that each candidate will be asked to provide a basis for comparison.

During the interview the board and the candidate will be measuring each other. A qualified candidate will likely be looking at other opportunities as well, and will use the interview to help in his or her decision about this particular opportunity. The board, then, will have the dual responsibilities of assessing the candidate while presenting its organization realistically, but in the best possible light.

Another opportunity of the interviews is to invite the candidate's spouse to get involved in the process. A candidate's spouse or significant other will have a role in deciding if this opportunity is a good one, especially if it requires relocation. The candidate's partner should not be a part of the actual interview, but time should be allotted for the couple to visit the community, check out the schools and housing options, and get a joint sense of the organization.

Many organizations use the interview visit as an opportunity to introduce candidates to the organization's staff, especially to those who will have a reporting relationship with the executive director. While the hiring decision rests with the board, meetings with staff provide the dual benefits of giving them a sense of involvement in the process and obtaining yet another set of impressions about the candidates.

Hospitality issues should be attended to as well, especially for candidates traveling from out of town. Making sure that transportation to and from the airport and decent accommodations are provided are important to the process. Travel, food and lodging costs are customarily paid by the hiring organization.

BOARD OF DIRECTORS INTERVIEW TIPS

Before the interview, the Transition Committee and board should meet to:

- ✓ Review the organizational overview and executive profile documents.
- ✓ Review résumés, application forms, notes from preliminary interviews and reference checks and the results of any testing.
- ✓ Go over the interview game plan, identifying specific questions to be asked of all candidates and who will be asking what.
- ✓ Encourage all board members to take notes.
- ✓ Review the list of illegal or inappropriate questions (see following page).

During the interview:

- Ask the previously identified common questions.
- Avoid questions that can be answered by a simple “yes” or “no”; rather, ask open-ended questions that require a thoughtful response. Focus questions on situational performance, experiences related to this position, and on the skills and expertise of the applicant.
- Encourage dialogue with the candidate by inviting observations and defining real-life situations that require an insightful reply.
- Be watchful for cues about the candidate’s personality and style and how he or she might fit into the culture of the organization and the board.
- Provide the applicant with an idea of when he or she will next hear from you.

ILLEGAL OR INAPPROPRIATE QUESTIONS:

“It is reasonable to assume that all questions on an application form or in a pre-employment interview are for some purpose and that selection or hiring decisions are made on the basis of the answers given. . . . To seek information other than that which is essential to effectively evaluate a person’s qualifications for employment is to make oneself vulnerable to charges of discrimination and consequent legal proceedings.”

– Equal Employment Opportunity Commission

Questions related to the following topics may be prohibited, restricted or considered suspect under local and federal fair-employment laws:

- ⇒ Race, color or ethnicity
- ⇒ National origin or birthplace
- ⇒ Age
- ⇒ Gender
- ⇒ Religion
- ⇒ Political affiliation
- ⇒ Marital status
- ⇒ Family issues (number of children, unwed motherhood, family planning, child care needs)
- ⇒ Sexual orientation
- ⇒ Arrest record
- ⇒ Military discharge
- ⇒ Credit history
- ⇒ Height and weight
- ⇒ Disabilities

A rule of thumb: If in doubt, don’t

STEP 6: Make an Offer and Negotiate with the Finalist

With the interviews completed, the board begins the important task of assessing the finalists. The executive position is so important to the health of the organization, and so closely tied to the work of the board, that it is important that the board reach consensus on which of the finalists, if any, to hire. Rejecting all of the finalists will mean starting the process anew, but this is a better option than starting a relationship with misgivings.

If a decision is reached, however, the organization moves to the critical stage of making an offer to the prevailing candidate, negotiating an employment agreement and establishing goals and expectations.

By this time, there will most likely have been some discussion of compensation and the candidate's expectations. Making an offer and negotiating a compensation package that fits what the board has approved and satisfies the candidate's expectations falls to the board chair. The offer can be presented verbally but should be provided in writing as well to avoid any misunderstandings. The offer should avoid language guaranteeing the position, include a deadline for the candidate's response and be reviewed by an attorney or human-resources specialist.

If serious negotiations are required, the board should talk openly with the candidate in an effort to determine what interests are informing his or her negotiating position and to be candid about those interests that inform the board's. By attempting to determine underlying interests, rather than simply reacting to the negotiating position that results from them, the board and candidate may well come to an understanding. For example, an unacceptably high salary request could represent an underlying concern about the assumed level of future increases, or the financial strength of the nonprofit or the local schools. Through careful, open conversation, these issues might be exposed and resolved. The message is to negotiate on the basis of interests rather than positions.

If it turns out that a deal can't be struck with the first-choice candidate, the board must carefully reassess the second- or third-choice candidates. If those issues that resulted in their prior failure to prevail can be resolved, a ready back-up is in place. If they cannot, it is better to start the process again, rather than compromising for the sake of expediency.

Again, those candidates who were not chosen deserve prompt and courteous notification, although this step should be timed to coincide with the successful completion of an agreement with the prevailing candidate.

STEP 7: Document the Agreement

The board should move quickly to confirm the agreement in writing through an employment packet. This packet should include:

- An employment agreement, a copy of which will be signed by the new executive and placed in his or her personnel file, outlining:
 - ✓ Terms of employment: start date, compensation package, benefits, etc.;
 - ✓ Special considerations: relocation expenses, any vacation carry-over allowed from previous employment, training issues, etc.;
 - ✓ Any agreed-upon performance expectations for the first six months or year, or an understanding to develop those expectations once the executive is in place.
- A copy of the organization's employee handbook.
- Other appropriate publications on the organization's policies and procedures.

Many organizations are using employment contracts with their executive staff, documents that offer a more-formal documentation of the employment agreement. Such contracts typically include those elements described above, along with language outlining the rights of both parties, how the contract can be terminated, and benefits due the employee in the event of departure or termination. Employment contracts should be reviewed by an attorney to assure that they comply with the law and adequately protect the organization.

**PHASE III:
POST-HIRING**

STEP 1: Clarify Board – Chair – Executive – Staff Relations

Some organizational analysts describe the classic corporate structure as the world's most effective form of governance. In the ideal model they define, the board, which represents the owners and is charged with defining and achieving the organization's mission, and the staff, which is charged with executing that mission, meet at the level of the board chair and the executive. This is the pivotal relationship in most successful organizations.

In an ideal corporate structure, the board and the staff have little interaction, relying on the chair and the executive to communicate the board's wishes and the staff's needs. Such a structure affirms the roles of the chair and the executive as the organization's leaders, frees other board members and staff from time-consuming oversight or meddling, and promotes open, healthy dialogue at both the board and staff levels.

One clear symptom of an unhealthy organization is when individual board or staff members undertake to resolve some perceived organizational difficulty independently of their peers. This situation is compounded when a board member recruits a staff person, or vice versa, in the endeavor. In a healthy organization, such issues are brought by a board member to the chair or the entire board, or by a staff member to the executive, so that the problem can be properly assessed, discussed and addressed.

An executive transition provides a unique opportunity for the board to assess its role and responsibilities and, if necessary, correct behaviors that conflict with the ideal. Organizations that are hiring their first executive, or in which board members have assumed some of the executive responsibilities during a long transition, are especially vulnerable to misunderstandings about relative roles and responsibilities, and both the board and the staff may require re-education. There are clearly times when board and staff members other than the chair and executive need to communicate: the treasurer and CFO, the secretary and a staff person charged with preparing the minutes, senior staffers who serve as liaisons with board committees. Some sort of egregious behavior on the part of an executive could also require a staff member to go directly to the board. By and large, though, the board and staff need to have little direct contact. It is the responsibility of the board to establish this organizational dynamic before the new executive arrives and to communicate it to and enforce it with itself and staff.

STEP 2: Welcome and Introduce the New Executive

Properly integrating the new executive into the organization is as important as making the right hire. The welcoming committee, described in Phase I, Step 9, will have already laid the ground work for this process. With the executive now hired, it is time to execute the plan.

Most people agree that one of the constants of life is change, and one of the constants of change is that people generally don't like it. By this point in the transition process, the board and the new executive will know each other fairly well. Those most impacted by the new executive – the staff – know little, if anything, about him or her. An executive transition invariably results in anxiety among the staff, and that anxiety is a factor in the transition that must be addressed. While the style, personality and behavior of the new executive will ultimately determine his or her relationship with staff, the board is in a position to positively influence how that relationship begins. Some points to consider:

- While the departing executive, especially an effective one, deserves thanks and a gracious send-off, the responsibility of the board is to the organization's future, specifically to the new executive. Overdoing the accolades given to the departed can create an unrealistic challenge for the new executive.
- The welcoming committee and the board chair should meet with staff before the arrival of the new executive and discuss with them the hiring process and share their support and enthusiasm for the new executive, setting the stage for a positive reception.
- The board must be aware of the human issues that the staff is dealing with as it goes through this change, and be especially sensitive to individuals or cliques that are prepared to manifest their discomfort by disruptive behavior.
- A representative of the board, ideally the chair, should be on hand to welcome the new executive upon his or her first-day arrival, help orient the executive to the office and make introductions to staff. This courtesy will help reduce the inherent awkwardness of the occasion and will demonstrate the board's commitment to the new executive.
- If an interim director was engaged it may be helpful to arrange for that individual to remain on staff for a week or two to assist the new executive settle in and become acquainted with procedures and issues.

Beyond welcoming the new executive to the office, the board must assure that he or she is properly introduced to the organization's service providers – attorneys, accountants, bankers, consultants, etc. – and assist in the transfer of

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their allegiance from the departing or interim executive to the new one. Board involvement in these introductions will help legitimize the authority of the new executive and ease the transition.

Such introductions are also required with the leaders of partnering and sponsoring organizations, principal funders, appropriate government officials, community leaders and others with whom the organization works closely.

Finally, the committee should welcome the new executive into the community. A press release should be issued that will serve both to introduce the new executive and to remind the community of the nonprofit's work.

Step 3: Develop Work Plans

A well-functioning organization will have a well-developed and ongoing planning process in place. As a result of the work done early in the executive transition process, described in Phase I, these plans may have been elaborated on and further refined. Whatever their status, the board will now need to figure the new executive into them.

One option for doing this is to present the new executive with a set of the plans and the instruction to execute them. A more thoughtful approach might be to use the transition as an opportunity to revisit the plan and enlist the new executive in the process. This will have the dual benefit of providing the executive with an enhanced sense of ownership in the plan and in providing the executive and the board with an early opportunity to see how each other thinks and works. Possible approaches include:

- Developing a 90-day work plan, in which the board and executive agree on the priorities for that first three months, including such things as making the introductions described in Step 2, assessing current operations and getting comfortable with work and communication styles. If the organization has written planning documents, this would provide time for the new executive to assess them and make recommendations on their improvement based on his or her growing understanding of the organization and its capabilities.
- If the organization has short- and long-term plans in place, the new executive should be asked to critically review them and be open to new insights he or she might bring to how they can be improved.
- If such plans are not in place, an executive transition provides an excellent opportunity for that process to begin, with the new executive and board together providing leadership in their development,

The results of these efforts will be to continue, or begin, the vital process of formal organizational planning, something too many nonprofits give little attention to. Making such planning a part of the board-executive relationship from the beginning will help assure its place in the organization's culture.

STEP 4: Establish an Evaluation Process

The complement to the work that the board and new executive do in planning the organization's future is assessing the execution of those plans. Holding the executive accountable for performance is a fundamental responsibility of the board. While evaluation is a continuous process, a plan should be made for specific evaluation points.

A check-in evaluation should be held after 90 days on the job. By this time the board, executive and staff will have adapted to the new situation and work should have begun on substantive issues. Many organizations consider the first 90 days of any staff member's employment as probationary. The 90-day evaluation will allow the board an opportunity to revisit the relationship that was established at the time of hiring. The executive, having the benefit of being new to the organization and seeing it from that perspective, has a forum for advising the board of issues he or she feels need to be addressed.

A second, more formal evaluation should be conducted by the chair and executive committee at six months. At this time the board can advise the executive of any early concerns it has in performance, communication or style.

Finally, a 12-month evaluation should be held in which all aspects of performance, measured against previously agreed-upon goals, objectives and expectations, are reviewed, with follow-up evaluations every year thereafter.

Evaluations are typically the responsibility of the executive committee, with the board chair taking the lead. While perceived by many as an onerous task, an evaluation, when properly handled, should be informing and affirming. It provides a specific opportunity for the chair and the executive to discuss what's working and what isn't and to develop solutions together.

STEP 5: Work to Retain the New Executive

The transition is now complete. The board is happy. The staff is happy. The executive is happy. And the organization is growing and exceeding its goals and objectives. The challenge for the board now is to keep this train on its tracks.

An important board assignment is to retain an effective executive. There is a great deal of competition in the nonprofit world for executives with a proven track record. It is the board's job to make sure that that competition doesn't take the executive it has worked so hard to identify and hire. There are a number of things that the board can do to improve its ability to keep its executive in place:

- Understand its duties and responsibilities and those of the executive. The board is responsible for setting policy and establishing goals and objectives to drive the organization toward its mission. It is not, however, responsible for getting the job done. A key to a successful board-executive relationship is for the board to allow the executive to execute.
- Support, and provide funding for, the executive's growth. Encourage him or her to join professional organizations, attend training events, and visit with executives of other, successful nonprofits.
- Stay aware of the marketplace and keep the executive's compensation package in line with his or her performance and local rates.
- Maintain open, active communications. Respond to questions and concerns promptly. Be sensitive to signs of frustration or fatigue. Look for underlying issues that could be diminishing the executive's experience in this position.
- Perform. Many executives become disillusioned with their organizations when it becomes apparent that the board is not willing or able to do those things that it has agreed to do: fund raising, participating in the organization's events, providing introductions and generally supporting the mission.

SUMMARY

So now you've read the book, have all the answers, and are ready to tackle the issue of executive transition. Well, maybe not quite. The fact is that, like snowflakes, no two transitions are alike. Much of what is written here may be of great help to you. Some may have no application. And chances are that you will encounter situations that this guide doesn't address at all. But the basic format has been demonstrated to work in real-life applications. Much of what you've read is just common sense, but, as so often happens, common sense needs to be written and read to become apparent.

A few final thoughts that seem to apply to all executive transitions:

- Be as ready as you can for the eventuality. A responsible board will regularly give thought to executive transition so that when the moment comes, as it inevitably will, some preparation has already begun.
- Take your time. The disruption of being without an executive is preferable to the grief that can come from moving too quickly to engage the wrong one.
- Use the transition as a chance to rethink the organization, where it's going and where it's been. Properly handled, the executive-transition process can be revitalizing to the organization, its board and its staff.
- Pay attention to the details and make sure that they're in writing. Having agreements with a new executive documented and confirmed will minimize the possibility of misunderstandings later.
- Take care of your new executive. After going through so much work it would be disappointing to have to too soon go through it again.

ANNOTATED RESOURCE BIBLIOGRAPHY

Executive and Board Leadership

Executive Leadership in Nonprofit Organizations: New Strategies for Shaping Executive/Board Dynamics

by Robert D. Herman and Richard D. Heimovics
San Francisco: Jossey-Bass Publishers, 1991

Herman and Heimovics take a close look at the leadership needs of nonprofit organizations. They look at the characteristics of the nonprofit environment and examine the essential role that leadership plays in the field. They further explore the role and responsibility of chief executives in management and board relations. The final chapters provide guidance and suggestions for how chief executives can more effectively navigate these roles. The authors urge executives to embrace the responsibility and challenge of leadership in the nonprofit sector.

Growing a Business

by Paul Hawken
New York: Simon and Schuster, 1987

As a companion volume to the 17-part PBS series, *Growing a Business* addresses entrepreneurial dreams. Hawken, an entrepreneur, uses his own experiences as well as examples of other successful businesses to explain his philosophy on guiding a business. The topics of the book range from business plans to luck. His emphasis is clear – entrepreneurship is an art that grows from the unique talents and interests of the individual, and a successful business is the expression of this artful combination.

Leadership Without Easy Answers

by Ronald A. Heifetz
London: The Belknap Press of Harvard University Press, 1994

The author presents clear, concise prescriptions for leaders in almost any situation. It is theory with practical applications. He addresses strategic thinking for those in leadership positions and those without. He calls for leadership that will challenge us to face problems instead of looking for saviors.

Leaders: The Strategies for Taking Charge

by Warren Bennis and Burt Nanus
New York: Harper and Row, 1985

Bennis and Nanus explore our changing views on leadership and empowerment. They present four major themes of leadership ability and tell us that nonprofit leadership is “something that can be learned by anyone, taught to everyone, denied to no one.” Bennis and Nanus dispel some leadership myths and provide a new understanding of the leadership path.

The Entrepreneurial Nonprofit Executive

by Thomas A. McLaughlin
Maryland: Fund Raising Institute, 1991

McLaughlin discusses what is an entrepreneurial nonprofit executive as a way of thinking, an attitude of prudent risk-taking in the service of a larger mission. The author challenges previously unexamined assumptions, in particular those that are self-restricting.

The High-Performance Nonprofit: A Management Guide for Boards and Executives

by Eugene H. Fram and Robert F. Pearse
Milwaukee: Families International, Inc., 1992

A concise and practical guide aimed at those in the nonprofit sector who find themselves in the process of change. Fram and Pearse provide insight into the challenges of nonprofits, the process of selecting and assisting new executives in their leadership roles and how to address necessary restructuring. The appendices offer valuable sample checklists and interview and assessment guides to aid in the process.

The Seven Habits of Highly Effective People

by Stephen R. Covey
New York: Simon and Schuster, 1990

Defining a habit as “the intersection of knowledge, skill and desire,” Covey sets the stage by discussing how the way in which we view ourselves and the world determines how we each experience life. He presents habits as powerful factors in our lives and goes on to elaborate on seven habits of effectiveness. When incorporated as an “empowering center” of an individual, these habits can lead to long-term positive results.

Evaluation

Board Assessment of the Chief Executive: A Responsibility Essential to Good Governance

Washington, DC: National Center for Nonprofit Boards, 1995

Reviews and establishes the process needed to assess the board's role in assessing the chief executive's performance. Provides essential questions for conducting an organizational assessment.

Managing Change and Transition

Managing Transitions: Making the Most of Change

by William Bridges

New York: Addison-Wesley Publishing, 1991

Bridges says an organization's ability to effectively deal with change is one of the primary needs to remain competitive. With a focus on the individual in an organization, Bridges looks at the difficulties present during times of transition and offers examples of various tactics used by managers to help individuals cope with this change.

The Dynamics of Taking Charge

by John J. Gabarro

Boston: Harvard Business School Press, 1987

A comparative study of 17 successful and unsuccessful managerial transitions that guides the reader through five predictable stages that new managers go through in taking charge of their responsibilities. A must-read for new managers and executives. The author also describes how managers accomplish the organizational and interpersonal work that leads to successful transitions.

Management

Making a Leadership Change: How Organizations and Leaders Can Handle Leadership Transition Successfully

by Thomas North Gilmore

San Francisco: Jossey-Bass Publishers, 1988

Gilmore offers advice to organizations going through transition due to leadership change. He provides a discussion on replacing a leader, the keys to a new leader's effectiveness and what contributes to long-term success. Gilmore concludes with advice for how organizations can prepare, in advance, for future transition.

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