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Executive Transition as a Celebration of What is Possible

(or How Standard Executive Hiring is Set Up to Fail)

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Scenario #1:

A highly competent Executive Director is leaving the organization after ten years in her position. The board feels suddenly like a fish out of water. They have always been grateful their ED was so competent, as they acknowledged the organization was very complex, with its multiple and intertwining programs. Now they must hire someone for a job they all confess they do not understand very well!

Scenario #2:

An Executive Director has been performing less and less capably for several years. Community support has plummeted, and with it, the organization's resources. Eventually, when the board can no longer tolerate the ED's lack of performance, they dismiss her. Suddenly taking charge, the board immediately hires a new ED - someone who can fix everything the first ED broke!

Scenario #3:

A visionary and respected Executive Director - the embodiment of the organization's issue in the community - announces her retirement. Under her leadership, the organization's issue has gained overwhelming community support, with strong fundraising and even stronger visionary programming. To balance the infinite optimism of the ED, the board always felt its role was to put the brakes on, to instill a sense of "reality." With the transition, the board begins searching for an ED who is more "realistic" in his/her expectations than the sorts of extreme vision of their former leader.

Scenario #4:

Same visionary leader. Only this board loves having such a visionary at the helm! They immediately set to work to find a new visionary, who will continue to determine where the ship should be going, and will take it there.

All these and more scenarios are playing out these days, in organizations all around the world. Executive transition is a hot topic, as many Executive Directors / CEOs are retiring after decades of service. In addition, we seem to hear more and more stories of organizational leaders who are being asked to leave for a variety of reasons.

Suddenly, boards are having to do one of the hardest jobs around: Hire the right replacement.

In all the scenarios above, there are both the seeds of possibility and potential, and the seeds for falling flat on their faces. Why is it, then, that so many of these scenarios end up on the flat-on-their-face side of that equation? And how can we aim those scenarios at the potential for making the most strategic hiring decisions those boards have ever made?

What's Wrong With the Way We Hire?

When faced with executive transition, whether things were great with the former CEO, or things were horrendous, boards are often left with what feels like an overwhelming task. Many go beyond that sense of "overwhelmed," and become downright afraid.

They are afraid they do not know the job, but will be the ones to hire the person who will hopefully know how to do it.

They are afraid of what will happen if they do not find the right person - who will run the ship?

And if the former CEO left things in a bit of a mess before leaving, they are afraid that they need to get someone in there quickly, to start picking up those pieces.

The answer, then, to the question, "What's wrong with the way we hire?" is that we approach hiring as a problem-solving activity. And problem-solving mode often leads to bad decisions.

Why is Problem-Solving a Bad Approach for Hiring?

Let's look at the various scenarios in the opening.

In Scenario #1, the ED is highly competent. The board barely understands the ins and outs of how the operation works. Typically in this scenario, the board will seek to hire quickly, as they fear what will happen if the organization is left leaderless for too long. **Fear** and **fast** seem to go hand in hand in this scenario, and neither are great conditions for hiring well.

In Scenario #2, the board is already in a pickle. They want that situation to be fixed as fast as possible. They also blame themselves for not fixing the situation when it first showed signs of being a problem, perhaps a year or two earlier, perhaps longer. And now, day by day, the reputation outside and funds inside the organization are spiraling. This scenario, like Scenario #1, combines their current fears of what will happen if leaks are not plugged quickly, with their self-admonishment that they did not act quickly enough in the first place. Again, **fear** and **fast** combine to make this situation an unlikely one for hiring well.

Scenario #3 is a bit different. In this situation, the board is looking to finally get someone that has all the qualities they have always wished their visionary ED had. More realistic, feet on the ground, not always pushing the board to stretch beyond their comfort zone. They finally have the opportunity to move the organization back to "reality." And while they feel this is being prudent, it is actually simply reacting to the long-term creative tension of being a board with a visionary ED. The board is seeking to hire from their own comfort zone, which is, again, not a great position for hiring.

Finally, in Scenario #4, the board feels it must find someone to fill in the hole left by the person who embodied the heart and soul of the organization. Like a lover who has lost her passionate other half, decisions made when we are

anxiously hoping we will find someone to make us whole are rarely a condition for hiring well.

Horror Stories

So what results have we seen in these scenarios?

From Scenario #1, we have seen the hiring of competent administrators, who are able to simply maintain. The boards are relieved that the ship seems to be sailing smoothly, but those organizations are making little impact in their communities and doing very little to even acknowledge their potential for accomplishing more.

From Scenario #2, we have seen chaos and stagnation. We have seen staff turnover (in one case, an organization lost its entire senior staff within just one year!), and a focus on money over mission that further alienates the community. The new person is often asked to leave after a short term. If that person does stay on, the organization typically becomes focused on building its own empire (bigger building, more non-program staff such as a fundraising department), rather than focusing on its potential for creating impact in the community - the kinds of activities that would build ongoing community support. Community resentment evolves from a temporary reaction to a permanent stigma.

From Scenario #3, we have seen new hires step into organizations with a pre-established visionary culture, both internally and out in the community. Because those new EDs were hired to be just the opposite of their visionary predecessors, we have seen those individuals almost immediately alienate the staff and the community, both of whom had enthusiastically supported the former visionary role of the organization and its ED. We often see the “new guy” last only 18 months. Unfortunately, we have also seen staff leave in droves before the new guy leaves, which further decimates the organization.

And from Scenario #4, we have seen the kind of chaos that comes with ongoing change of direction. We also see additional CEO / ED turnover in this particular situation, as there are only two kinds of visionary leaders - those who stay put and joyfully do their work in the same place forever, and those who flit from place to place, always looking for the next exciting adventure. Your board is not likely to hire the first one, because she is not leaving her current position until she retires. So if you find a visionary to create a direction for your organization, her vision may just lead her on to the next place in short order.

Why Boards Hire So Poorly

So why do boards so often do such a poor job when it comes to hiring for that top position?

1) Boards assume they know how to do the hiring.

Boards are often comprised of smart business people who hire all the time. They assume they know how to do this, because they do it in their real lives.

When transition is happening in an organization that has some association with Help 4 NonProfits, we often offer to counsel them pro bono - to help them avoid the pitfalls noted in this article. We are almost always told they do not need our help - that they have an HR person on their board, and they are confident in it going smoothly.

But ask those same board members how many AMAZING hires they have made in the last ten years in their “real lives,” and you will quickly see one of the reasons Executive Transitions often result in tumult. The truth is that hiring is a huge issue EVERYWHERE, not just in the world of Community Benefit organizations.

If you hear the words, “There are just no good people out there!” or “Nobody wants to do what it takes anymore!” or “They won’t work for what we can afford to pay!” then that is the sign of a bad hiring process. Because a good process indeed finds good people. They ARE out there, they DO want to work, and they WILL work for what you can afford to pay. Really.

2) Boards hire for what they need now.

One can see, given the scenarios above, why that would be so. We are in financial trouble, so we need to hire someone who can fundraise. We do not understand how things work around here, so we need to hire someone who can take over quickly. We have never liked X about our CEO, and now we will have Y. (That one is actually even worse, as it is not even hiring for the present - it is hiring based on what we haven’t liked about the past!)

The result of such hiring is that the organization does not get someone who will bring them into the future; they get someone who will simply patch up what isn’t working about today. Once they have filled in the hole, that new person is not capable of building up from there - not capable of reaching for the highest heights.

And that brings us to the third reason hiring fails:

3) Boards do not understand their role in defining the organization’s direction.

In each of the scenarios noted above, the board did not see it as their job to plot the ship’s course. They saw their role as choosing the captain, and hoping from there that the captain would head in a good direction.

The result is that there is no continuity in the vision and values that guide the organization. The direction of the organization rests entirely on a single person, a dangerous situation for any organization.

What to Do?

There are a number of ways boards can create an environment that is conducive to hiring well. Those approaches all have one thing in common: They turn hiring into a celebration of what is possible, rather than a reactive, fear-based search for relief.

The Board as the Keeper of the Organization’s Purpose and Direction

The most critical step in hiring is the one that comes long before the board even considers hiring. It has to do with the board holding itself accountable for the organization’s results in the community.

The board is at the top of the organizational chart. While most boards assume the CEO is the keeper of the organization’s vision and mission, the org chart says differently. When a board has a clear vision for the difference the organization will make in the community; when the board creates annual plans to reach for that vision; when the board weighs all its decisions about what will be best first for the community, then for the organization, in the long term and the short term; and when the board has an established code of values that it follows in all its decisions - the board will then hire a CEO that fits into a path the board has already created.

When the board is the one establishing the vision, and from there making the plans to actually attain that vision, there is alignment from the top of the organizational chart, clear to the bottom. An individual board member or individual employee (even the CEO) can come or go, and the direction of the organization will not be affected. The course is set.

That alone provides confidence for a smooth Executive Transition.

Have a Succession Plan at All Times

A succession plan (or as Kate Henry of Fresno's Nonprofit Advancement Council calls it, a *Succession System*) is a system for ensuring your organization is always as prepared as it can be, in the event of a transition, sudden or otherwise.

Having a plan in place, and updating that plan every year, takes the fear out of the process. It allows the board to always know it is ready in the event they have to find a replacement for their current CEO.

For a step-by-step Succession Plan, ► [Click Here](#)

Hire the CEO to Create the Future, Not for Today's Needs

Once it comes time for the actual hiring, the biggest mistake boards make is short-term thinking. And that thinking is usually based on today's fears.

If hiring the CEO is a critical point in the organization's potential to accomplish its vision and mission, fear-based / today-focused hiring is the exact opposite of that. Such hiring can only, at its best, fix problems and then maintain.

We need financial security! We need someone with vision! We need someone with their feet on the ground! We need someone to please, oh please, take the helm of this complex vessel!

So what to do instead?

First, hire for the future you want to create .

Hire someone who will be great for bringing you from today to five or ten years from now. You can only do that if you have a vision and a plan already in place - if you know where you want to be heading. So create your plan first. Have a clear vision for the organization's potential to create impact in the Community, and aim the ship in that direction. Then hire the person who can get you there.

Second, to address the very real issues pressing upon you today, hire an interim executive.

Hire someone who can address those problems. If the problem is money, hire someone who can fundraise. If the problem is coordination of all the complex pieces of the mission, hire someone highly organized, who can step in and guide the ship while you thoughtfully determine its course.

The instinct when we are concerned about today is to rush. By focusing on tomorrow, you can hire someone to temporarily take care of today, and take the time to do things right.

And when I say, "take the time," I mean it. Plan on having that interim director in place for at least six months, and more likely a year, especially if your CEO has left you in crisis.

Give yourselves the time to reach for what is possible, rather than patching up what is making you uncomfortable. Because - and putting it quite bluntly - rushing the most important decision your board can make, out of fear of what will happen if you do not do it quickly, is, quite simply, a lousy way to govern.

Hiring as a Celebration of What is Possible

Having shared horror stories, it is far more fun to be able to share what happens when hiring is done well.

We were working with an organization that had had problems with their Executive Director for years. Both staff and board lived under a dark cloud. No one smiled. The board, while wishing things were different, lived under the ongoing fear that the organization was so complicated - if the ED left, where would they even start?

First, we worked with the board to establish their vision for the future they wanted to create, for their clients and for the community. We helped them create a code of values that would guide their decisions and actions. We helped them create a succession plan. And when the time came, we helped guide them through the hiring process, based on what they wanted the organization to be able to accomplish in the next decade.

At the time of this writing, their new Executive Director has been on board for three years. These days, when we step onto the campus, there is no dark cloud - just the opposite. I often joke that I expect to see a butterfly alight on my nose, or some magical creature pop up to say hello, whenever I walk around the place, from the sheer joy the organization now exudes. The staff, the clients and the board are happy these days - all the time! And the progress this organization is making in the community is palpable.

All this in only three years, much of which time had to be spent in addressing the very real problems left behind by the former ED.

Making a great hire is possible. It entails taking a step back, doing what is necessary in the short term, but not letting that interfere with the long term aims of the organization.

And those long term aims are simple: Help make the community you love an extraordinary place to live.

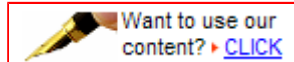


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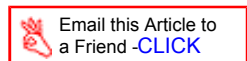
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