

Hiring a Nonprofit CEO: Increasing the Odds for Success

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Most nonprofit board chairs and boards know that hiring the organization's CEO (Executive Director) is their biggest decision (or close to it). What is less clear to most board leaders is how the choices they make significantly impact the likelihood of success of the new executive. This article explores one of the big choices – do it yourself, get help and what kind of help to look for.

When facing the reality of executive transition, Board leaders make a conscious or unconscious decision about their approach to hiring a new executive. For too many boards, the decision is exclusively financial: Can we afford outside help or do we do this search ourselves? Many smaller organizations conclude that they cannot afford a search firm and decide to lead the search themselves.

For larger organizations or organizations with access to funder support, the board consideration may be “Do we really need a search firm or can we find a great pool of candidates ourselves?”

Unfortunately, experience shows that this is not the best way to increase odds of a successful executive transition. The first question is rather: ***What is going on in our organization that defines the context which will shape this search and transition?***

This seems obvious and, at some level, all the options for leading an executive search pay attention to context. ***It is the depth of attention to context and what is done with the findings that distinguish the various approaches to executive search.*** In fact, the real distinction is the balance of attention to transition and search determined by the organizational context.

The broader range of choices for board leaders facing executive transition includes:

1) **Do the search ourselves** – Focus on board, volunteer, and/or pro bono help who can assist us in managing the search; advancing effective communications with staff, board, and candidates; and ensuring sufficient outreach for candidates, screening, interviewing and negotiations. This approach implies the organization is healthy with clarity of direction, strong board-staff consensus on priorities and directions, no drama in the executive departure. The primary focus is finding the right leader to sustain a successful enterprise. (This situation exists less often than boards perceive because the board often sees only part of the context.)

2) **Manage the transition and the search ourselves** – Focus on the three phase approach to executive transition and search developed in 1990's and detailed in numerous books including Don Tebbe's step-by-step Board Source publication **Chief Executive Transition: How to Hire and Support a Nonprofit CEO**. In this case, the Board intentionally decides that there is more going on than a search and wants to use the Prepare Phase. This will allow them to look more deeply at the organizational context and how that will influence what changes happen before a new executive is hired and the skills and competencies required of the new executive. The Board also focuses on the importance of a well-planned orientation and onboarding for the new executive.

3) **Hire an executive search firm** – Most search firms combine a discovery process of interviewing a sample of board leaders and key managers with a robust search for candidates. Most search firms are not in the business of assessing the transition context very deeply or supporting the organization in assessing readiness to do a search or taking actions to increase readiness for a successful hire. The working assumption is that the organization is strong and viable, and the goal is to find the best new leader or the organization needs a turn-around, and again the answer is finding the next right executive. A small percentage of executive search firms have the capacity to go deeper on understanding the context and supporting the organizational transition.

4) **Hire an executive transition and search firm** – The option less known and understood by boards and executives is the dual focus on transition and search. This approach, developed and refined over the past two decades, is increasingly relevant as more and more organizations face significant challenges around long-term organizational sustainability. For organizations facing significant financial challenges, an exit of a founder or long-tenured culture-setting leader or where a major shift in direction is needed, a deeper look at the organizational context from this approach increases odds of success. This approach also works well when an external interim executive is needed to prepare the organization for search.

When there is not a conscious choice about the organizational context and the kind of transition and search help needed, too often the default decision is to focus on searching for the next “hero leader” or version 2.0 of our current executive. Failed and flawed transitions occur too often when well-intentioned boards hire bright and talented executives who don’t have a chance for success because of the broader challenges facing the organization. Conversely and equally challenging is how to sustain the organization’s success in future years after the departure of an executive who led for decades and had advantages his or her successor will never have.

Executive transitions are powerful opportunities for change and transformation. Boards who make a thoughtful and intentional decision about which of these four approaches is best for their specific transition substantially increase their odds for leveraging the power of transition to increase organizational impact.

raffa’s search, transition and planning team helped develop the practice of executive transition and search and are leaders in offering it nationally. for more information, contact karen schuler at 202-955-7244 or kschuler@raffa.com or visit Raffa.com.