



## **Ensuring Successful Executive Transitions in Quaker Senior Living Communities**

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## Forward

Greetings Friends,

On behalf of the Board of Directors of Friends Services Alliance, I am pleased to provide this resource guide, *Ensuring Successful Executive Transitions in Quaker Senior Living Communities*. This guide is part of our continuing efforts to be responsive to the existing and emerging leadership needs within our member organizations.

We have known for some time that there was going to be a significant transition of leadership positions in many of our member organizations in the near future. This was affirmed in a strategic audit of 24 member CEOs conducted in 2010 in which 98% indicated they would retire or change jobs within 5-10 years!

We held a Leadership Summit in March 2011 as a continuation in our efforts to build our – and our member organizations’ – capacity to respond to this pending transition. In the report from this Leadership Summit, five elements were named as essential in an effective leadership development model. These included:

- Identifying and Recruiting Potential and Emerging Top Tier Leaders
- Developing High Potential Candidates for Top Tier Leadership Roles
- Transitioning Out: Leaving Well and Creating a Pathway for the Next Leader
- Transitioning In: Orienting and Supporting New Leaders and Leaders New to Quaker Organizations
- Providing Support and Resources to Boards in their Role as Stewards of the Process

It is with these essential elements in mind that we undertook the production of this resource guide. Our goals are three-fold: (1) to inform and educate board members and executive leaders about the executive transition process, (2) to increase your awareness of your roles and responsibilities as board members and organizational leaders, and (3) to raise awareness as to how Quaker principles and values might be incorporated into such a process. We believe this guide will also be a useful educational tool for members of the senior management team. We hope you will share it widely.

With thanks and gratitude for all that you do on a daily basis to meet the needs of those you serve,

Jane Mack  
Executive Director

September, 2011

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## I. Introduction

The anticipated transition of the current generation of leaders within the nonprofit sector has been a topic of conversation at the national level for the last decade. FSA has also been aware of this pending generational change and we have begun to work with our member organizations to raise awareness, provide information and build capacity within both boards of directors and senior management.

This resource guide is provided as another way to further board members' knowledge and understanding of the executive transition process so that board members will be ready and able to provide effective leadership during a time of transition. Among the many topics that are explored here are the scope of succession planning, distinguishing executive transitions from executive search, the use of an interim chief executive, the role of a transition or search consultant and, of course, the role of a board of directors. A list of additional resources is provided at the end of the document.

Yet, as important as it is to raise awareness and build knowledge of executive transitions, we recognize that potentially of greater importance is building awareness and understanding of executive transitions *within the context of a Quaker organization*. It will not be enough that we hire competent and qualified executive leaders. Though this, of course, is essential!

Rather, our concern will be to hire competent and qualified leaders who will embrace the history and heritage of Friends, and further the values of Friends as they lead and manage FSA-member organizations. Our concern will be to hire executive leaders who will carry out his or her duties *in the manner of Friends*, with a commitment not only to organizational effectiveness but mission achievement.

This potential distinctiveness of leadership in Quaker organizations was evident in the discussion that occurred at FSA's Leadership Summit held in March 2011. At the Summit, over two days of dialogue, one of the key conclusions was that successful leadership in Quaker organizations is not found in what work was done. It was found in how the work was done. Characteristics of successful leadership included the following<sup>1</sup>:

- Values first and always
- Collaborative decision-making
- Active listening
- Engagement with others in a way that is inclusive and collaborative
- A commitment to building community, understanding community as extending beyond the facility itself

*Our life is love, and peace,  
and tenderness; and  
bearing one with another,  
and forgiving one  
another, and not laying  
accusations one against  
another; but praying one  
for another, and helping  
one another up with a  
tender hand.*

Isaac Pennington, 1667

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<sup>1</sup> Paraphrased. From the Summary Report, FSA Leadership Summit, March 21-22, 2011.

- A desire for transparency and a commitment to honesty in dealing with others
- Holding a respect for all persons. Honoring the Light within each person.
- Doing what is right ... even when it may be more costly

In preparing and disseminating this resource guide, our goal is to foster discussion about executive transitions throughout our member organizations ... and that this discussion be focused on recruiting and/or developing individuals who will not only be highly skilled, but who will also seek to embody these qualities and principles. With such individuals in place as leaders of FSA member organizations, and with boards of directors who embrace their role as trustees and stewards, we are assured that our member organizations will continue to be leaders in the field of aging services for decades to come.

## II. Our Grounding in Quaker Values

The Religious Society of Friends (Quakers) has a distinctive history, emerging during a time of religious fervor and renewal. It was one of hundreds of groups that were born out of a perceived need to create religious bodies and religious structures that provided an alternative to the established church of the time. It is one of the (relatively) few that survived this period of religious exploration. Today, it joins the Mennonites and the Brethren as one of the three historic peace churches.

From the earliest days, Friends chose to publicly share their distinctive message that *“There is that of God in every person”* and that this presence of the *Inner Light* or *Inward Christ* offered an opportunity for a new way of being together in society. Friends became known for their attempts to embody the values of peace, honesty, integrity, simplicity and community. Over the centuries, these values have led Friends to undertake work in many areas of service, including peace and justice work, education, care for the frail and elderly, housing and other social services.

Friends, however, don’t have a distinctive hold on these values. Indeed, Earlham’s *Professor Emeritus*, Paul A. Lacey, said as much in addressing FSA members in September of 2004:

*Friendsview Retirement Community is committed to honesty and fairness; to being ethical, trustworthy and responsible for our actions. Upholding integrity in all of our social and business relationships honors Christ as it advances truth and builds trust.*

*Core Values,*  
Friendsview Retirement Community  
Newburgh, OR

*“Despite the impression we sometimes give, there is no official Quaker secret handshake, or at least none I have even been shown. “Quaker” values are understood, practiced, and transmitted by many who are not Quakers. If they are worth living by, they can and should be diffused as widely through the larger society as possible.”*

As members of FSA committed to caring for an aging population and as organizations affiliated in some way with the Religious Society of Friends, our work is clear<sup>2</sup>:

- We believe that all people have strengths and capacities that can be supported and nurtured.
- We respect the dignity of each individual.
- We value the input of residents and community members in decisions that affect their own lives and surroundings.
- We seek mutual respect between and among residents, their families, our staff and the wider community.

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<sup>2</sup> From the FSA brochure, *Quaker Values and Services for the Aging*.

- We create social environments that draw on the skills and unique experiences that residents bring to the community's life.
- We provide a restraint-free environment that gives a resident maximum independence.
- We operate under the leadership of boards that seek to carry out our business using Quaker decision-making processes that seek unity not unanimity.
- We manage our finances prudently, embracing our stewardship role.
- We believe that the later years of life are full of potential ... for love, growth, friendship and service to others.



### **III. Transition Demystified: The Executive Transition Process**

*Succession Planning – Executive Transition – Executive Search* – These words are being heard more and more frequently as the nonprofit/philanthropic sector anticipates a significant turnover in leadership in the next decade. Sometimes these phrases are used interchangeably, indicating a certain level of confusion in people’s minds.

For the sake of clarity, let’s begin by distinguishing among these terms:

*Succession Planning* is the process that occurs throughout an organization - at both the board and staff levels - to ensure that the organization’s future leadership needs will be met. This process includes the identification and development of leadership skills in those with future leadership potential.

*Executive Transition* is the process through which an incumbent chief executive officer or executive director departs an organization and his or her successor is hired and integrated. Executive Transition is one element in an organization’s larger succession plan.

*Executive Search* is the specific process of identifying, recruiting, and hiring a candidate to fill the chief executive position. As such, *executive search* is one part of a larger executive transition process.

This resource guide is focused on the Board’s role in an executive transition process. Our objective is to not only educate board members about the executive transition and executive search processes, but to encourage boards of directors to enter into dialogue about these issues within their own organization. It is important that board members appreciate that succession planning, in general, and executive transitions, more specifically, are core components of their stewardship responsibilities and essential dimensions of “good governance.”

For us, as members of FSA, it is also important that we attempt to enter into these processes with a commitment to incorporating and/or reflecting the values and principles that we espouse – values of community, integrity, equality, and others.

#### ***Succession Planning: Ensuring Readiness for an Executive Transition***

A successful executive transition process begins long before an announced executive departure. Through succession planning, the board of directors is laying the foundation for a successful leadership transition whenever that might occur.

The following elements are part of a comprehensive executive succession planning process<sup>3</sup>:

- A Statement of Core Values – a clear depiction of the guiding principles that influence your organization’s culture, priorities, and guide decision-making processes.
- A Strategic Plan – a current strategic plan that provides organizational goals, objectives, action plans and success measures for the next two or three years; this will keep the board focused on the leadership and management skills that will be needed in the next organizational leader.
- An Executive Succession Plan – an outline of steps required to ensure continuity and sustainability of all organizational functions – including finance, operations, program, management, and governance – in anticipation of and throughout an executive transition. This would include steps to name a Transition Committee, its functions and authority.
- An Executive Emergency Succession Plan – a detailed account of actions to be taken (and persons responsible) in the unexpected or sudden absence of incumbent leadership. This would include plans for internal and external communications, coverage of leadership and administrative functions, and continued delivery of programs/services.
- A Financially Healthy Entity – a board and management-approved financial plan that demonstrates financial stability and sustainability. This would include sufficient cash reserves (i.e., 3-6 months of operations), and resources to support an executive transition process (e.g., funds for outside assistance, advertising, candidate travel/relocation, interim management, salary adjustments, etc.).
- A Current Position Description – a current and realistic description of the chief executive’s job that is aligned with the strategic plan and illustrates overall and specific responsibilities in management, administration, program/service, financial management, fund development, board relations, etc.
- An Effective Management Team – an informed and competent team of paid (and/or unpaid) staff who understand their roles in the context of mission and complement the chief executive’s skills and abilities. (Note: Even in the case of a small organization, with few or no other staff, it is important to identify the “team” that augments the executive director function.)
- An Engaged Board – an educated, informed, and engaged board of directors that recognizes its role in the organization, in contrast to the chief executive’s, and cultivates an effective working relationship with the executive director.

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<sup>3</sup> As noted earlier, succession planning, at its breadth, involves succession throughout an organization – board, senior management and core operational positions. This resource guide is focused on the CEO/Executive Director position.

The above list may seem daunting. And yet, each is an important part of an effective executive transition process because, at some point, all chief executives leave. Ideally, a board will be fully prepared for that eventuality.

While the existence of the above tools will positively contribute to a smoother and more effective process, the absence of one or more may not preclude a successful executive transition. In the absence of any of the above (or if they have not been recently reviewed), the Board may opt to hire an Interim Chief Executive as a part of the transition strategy. [See Section IV for more information.]

### ***The Executive Transition Process: Ensuring Future Leaders' Success***

As was noted earlier, an executive transition process includes both the successful departure of a former CEO as well as the successful integration of the incoming CEO. In this section, we will review the process as it relates to the incoming leader.

The executive transition process can be broken down into four phases:

Phase I: Preparation – As noted earlier, the preparation for an executive departure is part of a larger succession planning function and a responsibility of the Board of Directors. Because the elements of “readiness” are in need of regular review and revision, the process of preparation is on-going and infinite. Focused attention on these elements by a Board will ensure alignment between the organization’s leadership needs and the CEO’s capabilities and priorities.

Phase II: Initiation – The Transition Begins - In the ideal situation, an incumbent CEO will give sufficient notice of an intended resignation. This “ideal” might range from 6-18 months, depending on the level of preparedness that exists.

Upon notification of a departure, the board (with or without outside assistance) should enter into an assessment process to determine the organization’s leadership needs. The Board must determine what skills and characteristics are required to lead the organization now and into the future. These needs could be very different from what was needed and responsive in the past.

There are two key questions that the Board will need to answer as part of the Initiation Phase:

- Should the organization employ the skills and talents of an Interim Chief Executive?
- Should the organization employ outside expertise in conducting the Search Process?

Each of these is addressed in the following sections.

Phase III: Search – Assuming sufficient and appropriate preparation, a thorough executive search process – recruiting, screening, selecting and hiring - will take an average of four full months to execute.

Variables such as degree of board engagement, time of year, and nuances of the position/organization might expand or shrink the timeline.

Phase IV: Integration - Many board members mistakenly assume that their role in an executive transition ends on the day that the new CEO arrives. Not so! There is critical work yet to be done to ensure a successful integration. As the new CEO's direct supervisor, the board is responsible not only for ensuring the organization is ready physically (with an appropriate work space and all needed equipment and keys), but also functionally, in terms of initial goals and objectives.

As the above indicates, a successful executive transition is dependent on a number of factors. First, it assumes that a board has embraced its succession planning role and has ensured that the transition will begin with a solid foundation of needed plans, policies and board readiness. Second, once a transition begins, there is the need to understand all the phases of a transition and be willing to allocate the resources (people, time and money) to ensure that the search and integration phases are responsive to the needs at hand. Third, it is important that the board consider the need for specific and additional resources. Two of these are considered in the next two sections – the potential need for an interim chief executive and the potential value of outside consulting assistance.

#### IV. Assessing the Need for an Interim Chief Executive

Interim Chief Executives can provide invaluable service to an organization going through an executive transition. As Tom Wolfred wrote in *Interim Executive Directors: The Power in the Middle*:

Interim EDs are highly skilled managers who temporarily take the helm of an organization (four to eight months on average), help the board and staff address important system and capacity issues, and lay the groundwork for the permanent leader's success. While not all organizations in transition require an interim ED, our research and practice ... suggest that those groups that do use an interim ED emerge stronger, more financially sound, and with high levels of optimism about the future impact of their agency services. In sum, the use of interim EDs represents a powerful capacity-building strategy, one we believe nonprofits should carefully consider when addressing the challenges of their next leadership transition.<sup>4</sup>

There are several specific situations in which an organization should seriously consider the benefit from the skills and talents of an Interim Chief Executive. These include:

1. *When there is the departure of a long-time chief executive or founder* – In organizations that have been dependent on a chief executive over a prolonged period of time, organizational functions often center around that individual and may falter in his/her absence. Particular attention needs to be paid in this situation to ensure that the incoming chief executive has the support and resources he or she will need to be successful.
2. *When the departure is unplanned and/or immediate* - A sudden executive exit can be shocking to an organization, even when it is an intentional departure. An interim executive can give time and space for the board to reflect upon its needs and carry out an effective search process. A search process that is rushed – or grounded in anxiety – not only poses a threat to the integrity of the search process but is more likely to lead to a misguided conclusion or decision.
3. *When there are questions about the organization's viability*: If the organization's mission or purpose, mode of operation, or financial model is threatened for any reason, its future viability is in question. The opportunity presented by this crisis is to not immediately hire a new leader, but to take the time to discern whether the organization can or should exist as a stand-alone entity.

An Interim Executive's role is to ensure smooth operations while preparing the organization to hire the right permanent replacement. If an organization needs to address issues of direction, viability or executive tenure, an Interim Executive can allow the Board to address these questions without worrying about on-going operational issues. As an interim position, this leader will be skilled in nonprofit

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<sup>4</sup> Wolfred, Tom. *Interim Executive Directors: The Power in the Middle*. Executive Transitions Monograph Series, Volume 2, Baltimore: The Annie E Casey Foundation, 2005.

management and in your field yet not be a candidate for the permanent position. As a result, he/she is free to act in the best interest of the organization, without regard for “politics” or positioning.

At this critical juncture of organizational development, when every organizational function should be examined, the interim executive can assess and respond to problem areas. Working with and for the board of directors, the interim leader

can build capacity, facilitate change or even execute a turn-around. The board is able to recruit the best permanent candidate without a sense of artificial urgency. Indeed, with the right interim executive in place, the board has time to explore hiring options and align leadership criteria with current organizational needs.

### ***Interim versus Acting CEO***

It should be noted that an Interim Chief Executive plays a different role than an “Acting” Chief Executive. An *Interim* CEO steps in to evaluate and potentially transform the organization in some way. He or she provides critical support to the Board as it explores its choices. An *Acting* CEO typically holds the place of the executive director while the board executes the search for a new executive director.

As indicated above, an Interim CEO is not typically a candidate for the permanent position. An Acting CEO – as a capable internal manager –*might be* a candidate for the permanent position. In this situation, the Board needs to carefully consider the risks of naming an internal manager as the Acting CEO. The Board may choose to bring in an Interim Executive so as to keep the lines and boundaries between “acting CEO” and “candidate” clear.

*Friends believe that God's gifts have been entrusted to us for our responsible use. Recognition of the source of the gifts affects the quality of our lives as we seek an understanding of God's will. At Pennswood Village, stewardship emphasizes the right sharing of economic and environmental resources, and a sense of responsibility for ongoing service to our fellow men and women.*

*Quaker Guiding Principles,  
Pennswood Village  
Newtown, PA*

## **V. The Role and Value of an Executive Transition Consultant**

The most effective boards recognize when it is beneficial to employ outside assistance and expertise. Certainly an executive transition is one of these times. The process of naming a new leader is one of the most significant decisions that a board will make and is a key element of its ultimate legacy. It is also a core component of governance.

A consultant can not only carry out the tasks involved in a transition and search process, he or she can work with the board to ensure that the process is in alignment with best practices and with Friends' principles and values. In either situation, a consultant can add significant value to the process and bring resources and energy that board members – as volunteers with other demands – are not able to provide.

Done well, an executive transition process will consume time and effort significantly beyond what is typically required for more routine board service. Moreover, the process requires expertise that individual board members might lack. Even those members who are experienced in hiring and supervision may not be savvy about the nuances of a chief executive transition in the context of a nonprofit organization. In order to ensure the most optimal process, every board should consider hiring a consultant within the parameters provided.

There are two basis models of consulting assistance in an executive transition process:

### *Executive Transition Consultant*

This consultant will provide support through a comprehensive transition process. He or she will assess the organizational impact of the planned or unplanned CEO/ED transition, identify the leadership needs that result, execute a search process and provide support in early months of the new leader's tenure. The consultant should have a demonstrated understanding of the nonprofit model, the distinctive nature of governance in a nonprofit entity, as well as executive management and hiring.

### *Executive Search Consultant*

This consultant will work with the board to ensure an effective search process. He or she will work with the board to define the position, design a search strategy, and support a process that results in a pool of qualified finalists. Ideally with the same knowledge and skills as an executive transition consultant, this consultant will focus on the specific tasks of the search process.

The use of outside consulting assistance should be viewed as an investment in the organization's future. The cost of this assistance naturally will vary according to the scale and scope of assistance that is being provided. For budgeting purposes, the organization should estimate 25-35% of the new hire's total compensation package, which is typical in executive search. There are, however, those consultants who work with nonprofit organizations who propose a flat fee versus a percentage.

Some boards may feel such fees are excessive and/or may not be in a position to allocate this level of funding for a comprehensive level of support. In these situations, the Board should determine the skills and resources that exist within its membership and then augment those resources with outside, targeted assistance and expertise.

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### Comparison of a Consultant's Scope of Services

#### Potential Scope of Executive *Transition* Consultancy

- Assess the leadership needs of the organization through dialogue and information-gathering from key stakeholders (board, staff, donors, etc.).
- Identify any issues that need to be addressed prior to a search process and work with the board to address those issues.
- Establish an Executive Transition Committee to lead the effort.
- Develop a realistic, current job description.
- Identify criteria for successful performance and "fit."
- Craft a strategy for filling the leadership position.
- Guide the board in executing the search strategy, if the board aims to complete the process itself.
- Facilitate the decision-making process.
- Develop a process for welcoming the new leader and integrating him/her into the organization and community.
- Support a process of creating performance objectives and expectations for the first year.
- Develop a mechanism to evaluate the new leader's performance after the first year.

The goal of the Executive Transition Consultant is to facilitate a smooth transfer of management responsibility from one leader (or group of leaders) to a permanent successor.

#### Potential Scope of a Executive *Search* Consultancy

- Develop a realistic, current job description.
- Identify likely sources for candidates.
- Develop a candidate pool through personal and social networking, targeted phone calls, and select advertising.
- Screen and rank resumes.
- Screen initial candidates.
- Conduct initial candidate interviews.
- Present slate of qualified candidates.
- Support the board in their decision-making process.
- Conduct reference and background checks.
- Negotiate offer.
- Communicate with candidates and applicants.

The goal of the executive search consultant is to relieve the board of responsibility for search operations. The board need not invest time in the administration of the search process, nor in learning best practices in hiring. Instead, the board employs an "expert" with the infrastructure and professional skill set to manage the process.



### ***Ensuring the Consultant's "Fit" with Your Organization***

It is assumed that prior to hiring a consultant, the board will do its *due diligence* in terms of investigating the strengths and experience of the individual consultant or firm; this would include checking references. Such due diligence is essential as board members – as well as other stakeholders – will want assurance that precious organizational resources are being well-spent.

FSA member organizations will likely also want assurance that the consultant has sufficient knowledge and experience with Quaker organizations. Part of the board's due diligence would, therefore, include an investigation into the following:

- Prior consulting projects with Quaker organizations (and which types of Quaker organizations)
- Knowledge and understanding of Quaker decision-making processes
- Direct experience in using Quaker decision-making processes

## **VI. The Executive Search Process ... Ensuring a Successful Search Outcome**

A search process includes five steps – clarifying/defining the position description, recruiting, screening, selecting and hiring. It is a process that benefits from the involvement of people with both experience and expertise in human resource management and hiring, as well as familiarity with issues and trends in the nonprofit and, in this context, aging services.

While the management of a search process may certainly be within the abilities of members of a board, there are many aspects to a search process that are more easily and more efficiently handled by one or more persons who have more direct experience in executive search and hiring.

In this section, a number of frequently asked questions regarding executive search are explored. A sample of interview questions that might be helpful is also provided at the end of this section.

### ***How many candidates should we consider?***

As you might expect, there is no prescribed magic number of candidates required to successfully fill a leadership vacancy. While one person will eventually fill the position, the board should consider multiple final candidates, as each will offer a unique skill set and style.

Assuming sufficient recruitment, there should be several qualified final applicants. Comparing several applicants can provide the board an opportunity to consider what criteria are mandatory versus ideal, as well as organizational “fit.” To be noted is that rarely – if ever – will a candidate meet all the organizational needs perfectly. It is more often that finalists will each bring their own package of skills and talents and the board will need to discern the “better” choice at this particular point in time in the life of the organization.

A key question in the search that a board will need to answer is whether it wants to receive a hiring recommendation from the Search Committee (i.e., to receive one candidate or a ranked list of candidates) or whether it (as the board) wants to select from several qualified finalists. Some boards may choose to be involved with personal interviews with numerous candidates and then make a collective decision. Other boards will prefer to trust the Search Committee to bring forth the best qualified candidate.

Even when an internal candidate is the likely successor, the board should consider other applicants. Not only is this part of the board’s larger due diligence function, it will ensure a credibility to the process and reassure stakeholders that the incoming leader is appropriately qualified. In cases where there is danger of losing a top internal candidate to a competing opportunity, the board must weigh the risk of sacrificing the qualified finalist for the sake of extending the process.

There may also be situations in which someone was brought into the organization with the explicit purpose of being the successor to the current CEO. Even in these situations, it remains incumbent upon the board of directors to ascertain if this individual continues to be the best candidate for the organization's needs going forward. While, in such a situation, a search may not be under-taken, the board should engage in a formal review of the individual's skills and performance and indicate a renewed commitment to this person's qualifications as the incoming CEO.

***What is the role of staff – especially senior staff – in the search process?***

Many organizations – especially Quaker organizations that value diversity, inclusion and participation – will want to include staff in the search process. And indeed, the staff's perspective can be invaluable at various parts in the selection process. For example:

- Staff members could be consulted as to trends in the field and the type of leader that is needed in the future.
- Staff representatives could provide information on internal operations and the short-term and long-term organizational priorities that would demand the incoming leader's talents and expertise.
- Senior staff (i.e., the future leader's "direct reports") should have the opportunity to meet the finalists and respond to any questions that final candidates might have.
- Upper-level staff might be asked to observe presentations made by the final candidates and provide feedback regarding presentation style and substance.

Staff involvement in the search process needs to be clearly articulated for both board and staff. Both need to appreciate the staff's advisory role and recognize that executive selection is a board responsibility. And as with other aspects of an executive transition, any role of staff needs to be located within the particularities of the organization. The size of an organization, the breadth of activities and services, and organizational culture would all figure into a decision around maximizing the benefit of staff input.

*Friends conduct formal business using a process that flows from their religious beliefs. Because each individual has access to truth, Friends believe that all participants in a group carry responsibility for seeking truth and, ultimately, making a decision. Together participants are charged with a corporate responsibility for find the finding answer rather than, as individuals, being responsible for convincing one another.*

*Quaker Philosophy  
Foulkeways at Gwynedd  
Lower Gwynedd, PA*

### ***What is the role of those we serve in the search process?***

Many organizations recognize the value that community participation holds in the life and health of an organization that serves seniors; this is particularly true when there is a residential component. Indeed, many FSA members articulate “community” or “participation” as a core value.

With this in mind, and as with staff, community members can play a positive role in a search process. For example, they can provide information to the board and/or transition committee about the needed and/or desired qualities in a chief staff leader. One or more members could be invited to review and/or provide comment on a pool of applicants. Some group of community members could be invited to meet finalists and/or attend a presentation that finalists will be making before the board or search committee. Providing exposure to the final candidates will help ease the transition for both members and the incoming leader.

When inviting community members to participate and/or provide input as part of the search process, it will be important to clearly communicate that participation is welcome and that their role is an advisory one. Some members may not be knowledgeable about governance and, therefore, not appreciate the role of the board as the group with the legal responsibility of trusteeship. Additional information or education about the board’s stewardship role will limit the possibility of misunderstanding.

### ***What should be the role of Incumbent in the search process?***

Unlike the for-profit company model, it is *not* the role of the incumbent executive to identify and/or name his or her successor. Instead, the board must determine the organization’s leadership needs and ensure they are met.

The incumbent leader can serve, however, as an invaluable resource to the board. He/she can inform the development/revision of the ED job description and advise the board on leadership criteria. He/she also should ensure that key information (i.e. about operations, personnel, funding, government reporting, key contacts, and relevant deadlines) is organized and complete.

During the interview process, the incumbent can spend time with candidates to answer questions and provide unique insight, then offer an opinion on candidate eligibility to the board. That said, it is not appropriate for the incumbent to actually select the top candidate(s); this distinction should be made clear by the board in advance of the process.

### ***How much overlap should there be between the incumbent and his or her successor?***

While boards often believe that it is beneficial to provide new chief executives with time to work alongside the outgoing leader, it is neither necessary nor, in some cases, advisable to do so.

With two named leaders in place at the same time, there is the potential for confusion among both board and staff about where to go for leadership. There is a risk that the authority of the position will not be smoothly transferred to the new leader as people may continue to engage in familiar and established patterns of behavior. The out-going leader may also inadvertently undermine the role of the incoming leader by continuing to bring a style and a way of work that is different from the new leader.

In the ideal situation, there has been sufficient planning and preparation so that the new leader can hit the ground running and make the job his/her own from the start. This preparation and planning would include, for example, among other things, a schedule of introductions, the existence of an annual calendar and timelines, informed and available staff, and access to the former leader for purposes of additional information and background. Done well, a successful hand-over could occur in 1-3 days.

That said, a longer period of overlap might be preferable when the newcomer is shadowing the incumbent, perhaps as a “trainee”. In such cases, the incumbent remains the chief executive and all executive management responsibility stays with him/her until such time as that period has ended. At that point, it must be made clear that the new chief executive is in place and holds responsibility for all functions associated with the role. The outgoing leader then can be available by phone for consultation with the new leader, as appropriate.

When there is a recommendation for an overlapping period (e.g., of more than one week), the board should ask questions about the reason or rationale for such a recommendation. Is it that the organization has not sufficiently prepared for the transition, i.e., needed internal documents do not yet exist? Is it that something has happened in the life of the organization where stakeholders need the assurance of a smooth transfer of authority? Is the recommendation driven by a lack of knowledge of executive transitions? Each organization has to answer this question for themselves, in light of its particular circumstances and culture. Boards need to recognize, however, that a lengthy overlap can pose risks to the incoming leader’s future effectiveness.

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### **A Sampling of Interview Questions**

*The questions below should in no way be construed as a complete list. They are simply provided as examples of questions that might be helpful as board members think about what information they would like from candidates. The values and principles explored below could also be uncovered through behavioral interview questions.*

1. How do you define stewardship? In what ways (i.e., provide examples) have you practiced stewardship in your current position?
2. How do you understand *equality* in an organization like ours? In what ways can or should equality be embodied in an organization? How would you ensure that equality was (or

continued to be) a core value? *[This question could be changed to incorporate other Quaker principles of integrity, simplicity, community, etc.]*

3. What has been your experience with Quaker decision-making? In your view and experience, how is consensus different from unanimity?
4. How would you describe your leadership style? How would your board – your peers – your direct report staff – describe it?
5. What, if anything, is distinctive about leading and managing in a Quaker organization?

## VII. The Board's Leadership Role

Given the significance of the role of a chief executive in any organization, it should be no surprise that the planned or unplanned departure of the CEO will trigger uncertainty and anxiety. These feelings will not only affect board, staff and those we serve, but other constituents (e.g., individual donors, funders and volunteers, etc.).

It is critical that the Board not only understand its role in driving the tactical aspects of an executive transition, but also embrace the opportunity to provide visible leadership throughout the process. An executive transition is among the most pivotal events in an organization's lifecycle and its board of directors needs to assure all of its stakeholders – internal and external - that the transition will be thorough, timely, and effective.

As noted earlier, this leadership role begins prior to any specific transition as it creates needed succession plans, policies and practices and reviews them on a regular basis to ensure that they are up-to-date. In carrying out these functions, the board not only demonstrates its preparedness for an eventual search, it communicates that it has the skills and competence to undertake such a search when the time arrives. Once an actual transition is initiated, there are other issues that the Board should address that will further demonstrate its leadership:

### ***Ensure the Process is in Alignment with Organizational Values***

One's character – the collection of qualities and traits that form a person - is at the heart of leadership. One's ability to lead is connected to and a reflection of that character.

Organizations are no different. How decisions are made – what decisions are made – reflect the *character* of the organization.

In an executive transition process, it is incumbent that the Board design and implement a process that reflects the values and principles that it espouses as an organization. Board members should remember that *how* an executive transition process is conceived will shape not only all aspects of the process but the final outcome.

Explicitly connecting values to the design and implementation of any process may be new to some individuals within the board or even to the board as a whole. Some questions are provided here that could help a board enter into a dialogue about the application of espoused principles and values into an executive transition process:

*We act to develop consensus and cooperation. We attempt to resolve conflict in an open and forthright manner, cultivating goodwill and mutual understanding.*

*Statement of Principles*  
Quaker Heights, Waynesville, OH

- How is our commitment to *diversity* being applied to the processes of recruitment? Or to the composition of the Search Committee?
- How is our commitment to *honesty* and *integrity* evident in our planned communication strategies?
- How is our commitment to *participation* and *community* applied in the process of identifying our future leadership needs? Or to the decision-making process around final selection?
- How is our commitment to *equality* and *fairness* evident in the anticipated compensation package?
- How is our commitment to *simplicity* and *stewardship* embodied as we apply resources – time, talent and money –to this transition process?

There are obviously other values that are (or could be) embraced and there are other aspects of an executive transition process where these values can be applied. The above questions are simply a few examples.

### ***Create a Transition Committee***

A Transition Committee is needed to provide the oversight of the transition/search process. It is both unrealistic and inefficient to ask the full board to “own” this process on a day-to-day basis.

Likewise, it is unwise to shift the attention of an existing committee away from its on-going responsibilities to take on this time-limited task. This committee should be comprised of board members and, possibly, other volunteers who bring experience and/or interest in the hiring process. Five to seven members is optimal, being small enough to manage the work while being large enough to accomplish the various, necessary tasks.

To be noted is that, while the current Board President should serve on this committee, he/she should *not* function as committee chair. Simply, there is too much work in both of these roles to ask one person to fulfill them simultaneously. And while it is also recommended that staff be involved in the transition process at defined points, current staff members should *not* serve as members of the transition committee. Managing an executive transition is a board responsibility.

As with any Standing or Ad Hoc board committee, the board must provide the committee with a clear charge. Given that this committee charge will determine how the committee operates, it is especially important that the board takes the time to explore and define expectations. In setting up an Executive Transition Committee, the board should consider the following questions:

- How broad is the committee’s responsibility, e.g., ensuring a smooth comprehensive transition or executing a successful search?
- Does the board want the committee to identify the next chief executive or present several candidates? If the latter, how many?
- What resources (financial, administrative) are available to support the work of the committee?



- Who will deliver the job offer? Who will negotiate the employment contract?
- What is the optimal timeline? When should a new chief executive be in place?
- Does the transition need to be kept confidential and, if so, for how long?
- Who will be responsible for celebrating the talents and accomplishments of our departing leader?

Obviously, the answers to some of the above questions will indicate when the committee should be formed and how it should proceed. If the incumbent chief executive's departure is imminent (i.e., within 6 months), the committee needs to begin working immediately. If the executive transition is expected within 6-24 months, the committee should begin to work on the more comprehensive transition strategy, addressing any processes that need to be brought current as part of being "succession ready."

If an executive transition is expected beyond 24 months, the board should stay focused on the factors that ensure readiness for an executive transition. An executive transition committee need not be formed until its specific charge can be identified.

### ***Acknowledge and Respond to the Emotions of Change***

It is natural – yes, normal – to fear change. It is part of the human code, arising from our earliest human experiences and our need for survival. A change in the chief executive is a critical juncture in the life of an organization – one that could shape the organization's future viability and successful. Of course it raises anxiety!

There may be circumstances in an executive transition that will result in a higher level of anxiety. What if the executive transition is unplanned or unexpected? What if the board has not planned for an eventual executive transition? Some may fear that the departure/arrival of a chief executive will call into question board and staff effectiveness or funder commitment. An executive departure may demand that the long-ignored "elephants in the room" be named and addressed.

Successful boards recognize the potential for anxiety, address the anxiety that exists and enter into the process with hope and conviction. Successful boards avoid shortcuts and delay tactics and commit themselves to investing the time and resources that are needed to ensure success. By embracing the opportunity to demonstrate effective leadership through this process of change, boards reassure critical internal and external stakeholders, as well as themselves, that the executive transition will be successful.

## ***Manage Stakeholder Communications***

A change in an organization's key leadership will impact everyone who has a relationship with the organization. People both inside and outside the organization will want to know what is happening. Some people – especially those with some direct involvement or connection to the chief executive - will suggest that they have “a right” to know what is happening. And yet, ultimately, this is a confidential personnel matter.

As a personnel matter, some might suggest that information should be limited to those on the board or those with a “need to know.” And certainly, confidentiality should be maintained. There should be clear standards and expectations for what can be shared as well as who can speak about the process and respond to questions.

But beyond confidentiality related to applicants and final candidates, there is much that can and should be shared with the key stakeholders. Questions that a Transition Committee would need to address include: What and how much do we share? With whom do we share it? When do we share it? How do we communicate? While each situation has its own circumstances that will shape the answers to these questions, there are organizational and human dynamics that should be considered when creating such a communication strategy. These would include:

*People will talk; rumors will spread.* The Board has the opportunity to shape the content of these conversations by providing clear, simple updates on a regular basis.

*Information reduces anxiety and builds trust.* The Board has the opportunity to share information that will keep people informed without violating confidentiality. More importantly, regular information from the board – even if limited – will build confidence in the Board and increase others' opinions that the Board has things “well under control.”

*A search process that seeks to be inclusive and participative does not mean that everyone is privy to the same level of information.* The Board has the opportunity to use communication strategies as a tool to educate others about the dynamics of a search process.

*Recognizing that God's Light is in every person helps to overcome our separation and our differences from others, and leads to a sympathetic awareness of their needs and a sense of responsibility toward them. These values form the basis of our mission, and underpin all of our relationships with residents and staff.*

*Guiding Principles,  
The Hickman, West Chester, PA*

*The content of the message and the method of communication vary by stakeholder group. A communication plan for the transition process is a valuable tool and should be in place before a transition begins. Stakeholders could include the larger board, senior management, staff, people we serve, major donors or key funders, all other donors and volunteers, organizational partners, elected and public officials, and more. A communications plan would identify specific and applicable stakeholder groups and articulate the anticipated content, timing and method of communication.*

### ***Provide Support to the Newly Hired Chief Executive***

The fourth phase of an executive transition process – Integration – is an especially crucial phase. By the time of hiring, board members, especially those on the Transition or Search Committee, may be weary. There is an understandable tendency to exhale and say “*We did a good job – and we are glad it is over.*” And yet, as noted earlier, there is work that remains. A successful integration of a new chief executive involves the following:

- Discussion and agreement on organizational goals and priorities for the first 3 months, 6 months, year.
- Orientation of the incoming chief executive to both the culture of board and organization, and also key policies and procedures of board.
- Opportunities to build relationships with board members by meeting individually or in small groups.
- Regular meetings with Board leadership to address issues and questions that might arise and to review progress toward agreed-upon goals.
- A plan to introduce the new leader to key external stakeholders, including funders, through meetings and welcome events.

## VIII. The Path Forward

Individuals who serve as board members of FSA member organizations have the privilege of serving as trustees and stewards of missions that serve the needs of older adults. Our work is grounded in the belief of the dignity of all people and carried out in a manner that embodies the values and principles of equality, integrity, honesty, peace, and community.

Board members are invited to provide leadership to this work, ensuring that their respective organizations have both the human and financial resources needed in today's sometimes volatile environment. This stewardship role is most clearly evident in the process of selecting a chief executive, as a board of directors assesses the organization's needs and selects someone who will be in alignment with these needs as it moves into the future.

An executive transition process may seem daunting ... especially to those who have not gone through one. Yet it need not be. With an investment of time, attention and resources, and by utilizing the skills and talents that exist within the board, an organization can not only successfully complete a transition, it can be a stronger organization because of it.

*Transitions are opportunities.* May they be recognized as such within your board and your organization.

*We are committed to the belief that human life is sacred and that all people, regardless of means, age, health, ethnicity or religion, are to be treated with loving respect. Our work is further guided by our testimonies of equality, stewardship, integrity and community.*

*Values and Goals*

Kendal-Crosslands Communities

Kennett Square, PA

## IX. Additional Resources

*Executive Transitions Monographs published by the Annie E. Casey Foundation.*

<http://www.aecf.org/KnowledgeCenter.aspx> or [www.compasspoint.org/research](http://www.compasspoint.org/research)

Adams, Tom, CompassPoint & TransitionGuides, *Capturing the Power of Leadership Change*.

Adams, Tom, *Founder Transitions: Creating Good Endings and New Beginnings*.

Adams, Tom, *Stepping Up, Staying Engaged: Succession Planning and Executive Transition Management for Nonprofit Boards of Directors*.

Kunreuther, Frances, *Up Next: Generation Change and the Leadership of Nonprofit Organizations*.

Wolfred, Tim, *Interim Executive Directors: The Power in the Middle*.

Gilmore, Thomas N., *Finding and Retaining Your Next Chief Executive: Making the Transition Work*.

Gilmore, Thomas N., *Making a Leadership Change: How Organizations & Leaders Can Handle Leadership Transitions Successfully*. Center for Applied Research, 2003. [www.cfar.com](http://www.cfar.com)

Jones, Karen Gaskins, *Leader Development & Emergency Succession Planning: An Organizational Planning Workbook*. TransitionGuides, 2003. [www.transitionguides.com](http://www.transitionguides.com)

Redington, Emily and Vickers, Donn. *Following the Leader: A Guide for Planning Founding Director Transition*. The Academy for Leadership & Governance, 2001. [www.thejeffersoncenter.org](http://www.thejeffersoncenter.org)

## **X. About the Authors**

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