Avoid the Selfish Factor: Plan for Succession with Four Simple Rules

Don't put your organization at risk. Follow these guidelines to avert a dangerous leadership gap.

By Joseph C. Santora & Gil Bozer

Recent surveys have found that nearly 60% of nonprofits don't plan adequately for executive succession. The reasons for this dearth of succession planning include:

- **board members' inexperience and lack of knowledge** about succession planning
- **poor succession planning practices** in the organization
- **views of immortality** on the part of founders and incumbent executive directors
- **self-interest** on the executive director's part.

That last factor – executive selfishness – is especially insidious. But you can address it, and all the other problems with succession planning, if you understand the situation and realize how dangerous it is. Despite what many executive directors think, they aren't immortal. Many die in office; others retire, change jobs, or are forced to resign because of malfeasance or poor performance. If you and others in your organization don't accept that fact, you're putting your organization's future at great risk.

Self-interest is part of human nature, and it's no different with organizational leaders who thrive on the adoration of employees, the prestige and power of their position, and the belief that no one else can lead better than they can. But the flaw in such thinking is that the organization must survive even at the expense of the leader. It's the board's moral obligation to ensure organizational longevity through succession planning.

The following four recommendations will make the succession process less troublesome.

1. Make succession planning part of the bylaws.

Revisit your bylaws to see if succession planning was included as a mandate by the organization's founders. If there is a succession planning clause, then the board and executive director should work together to implement a succession planning policy. If there is no existing bylaw for succession planning, then the board should develop and implement one.

2. Educate the board and the incumbent.

Many board members and incumbents don't fully understand executive succession issues. This lack of understanding may result from limited experience as board members or because they're preoccupied with other matters. In either case, the board chair and the incumbent executive should retain a consultant with expertise in succession planning to provide training to the board. As an outcome of the training, the board should make executive succession an agenda item. The board should also offer leadership development opportunities to board and staff on a continuing basis.

3. Set term limits for the executive director.

The idea of term limits is controversial. Some argue that longevity assures leadership stability and continuity. Others believe that organizational change is more important than stability. They contend that many long-reigning executive directors get "stale in the saddle." Such executives will seek to maintain the status quo instead of seeking continuous development for the organization. If they know their term has limits, they may be more likely to embrace growth and change.

The issue of power is another reason to have term limits. If the executive director has been in power longer than the board, then the executive has more power than the board and may avoid succession planning despite the adverse effects it may have on the organization.

4. Identify a successor early on, and groom that person well.

Small nonprofits often believe they don't have the financial or human resources for succession planning. But the process needn't be expensive. The important thing is to develop an inside successor (a person currently connected to the organization, presumably an employee or even a board member) or an outsider (a person not connected to the organization) early in the tenure of the executive director.

If an insider is the board's choice for successor, it's vital that they focus on leadership development for that person, including:

- **coaching** and mentoring
- **leadership course modules** or workshops
- **temporary leadership work assignments** at other nonprofit organizations
- **job rotation** so that the successor learns important aspects of all the jobs in the organization, especially that of the executive director.

If board members choose an outsider for the successor, they should vet that person carefully. In addition to checking for key competencies, they must be sure that the successor's core values match those of the organization.

Clear, concise criteria for potential successors will make the process more fluid. Such criteria will help the board make the most informed decision about who is best to lead the organization.

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Put the Four Keys to Use

For details on putting these ground rules into action, see these articles at NonprofitWorld.org:

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Use Coaching to Retain the Leader's Edge (Vol. 28, No. 2)

Manage for Today, Mentor for Tomorrow (Vol. 23, No. 5)

Avoiding the Sacrificial Lamb: Steps to a Stronger Succession Plan (Vol. 35, No. 3)

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