Nonprofit Succession Plan: 
*Essential Practices to Overcome Barriers*

Oak Suradet Sansern

NPA 622: Nonprofit Data Analysis
Summer 2020
Instructor: Dr. Marco Tavanti
OVERVIEW

Personal Career Interest
Background in a government central HR agency

Leader Shortage
Baby boomers are leaving the top positions.
Are nonprofits ready?

Social Values
Provide insights from some nonprofits that went through the executive transition
INTRODUCTION

67% Of leaders in positions are planning to leave the next 5 years.  
(Cornelius et al, 2011)

80,000 Of new senior level managers/leaders will be needed annually. 
(Bridgespan Group, 2012)

“Succession planning is still the No. 1 organizational concern of US nonprofits”  
(Bridgespan Group, 2015)
OBJECTIVES AND VALUES

1. To **identify** some **key challenges and practices** that nonprofit practitioners use to find their new executive directors.

2. To **inspire further research and practice improvement** in managing the executive transition.

**Research Question:**

“How do some nonprofits overcome the barriers in developing and implementing the executive succession plan?”
METHODS AND APPROACHES

1. Literature Review
   • Peer-reviewed journals
   • Articles
   • Reports

2. Semi-structured Interview
   • 5 questions with prompts
   • 30 mins duration
   • Criteria:
     Board of Directors or ED or HR from nonprofits in the Bay Area with executive transition experience
**INTERVIEWEES**

**Theresa Hurley**  
Executive Director  
Contra Costa County Bar Association

**Mirna Cervantes**  
Associate Director  
The Multicultural Institute

**Verna Haas**  
Executive Director  
Contra Costa Senior Legal Services

**Mariela Arriaga**  
HR Manager  
Lincoln
## INTERVIEW ANALYSIS

### Key Challenges

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<th>Major Themes</th>
<th>Example Quotes</th>
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| **No Written Plan**                  | “There was not anything written.”  
                                        | “Being a small org., that’s not something they really thought about.”                                                                        |
| **Long Tenured ED**                   | “The ED that I took over for had been in the position for 20 years..”  
                                        | “He’s the founder and has been in the ED for 30 years”                                                                                       |
| **Lack of Awareness**                | “Nope, not that I know of.”                                                                                                                   |
| **of available tools**                |                                                                                                                                                                                                 |
| **Lack Strategic Planning**           | “Not sure if they thinking about where do we want to be in 5 years, so what kind of skills does that person needs...”                             |
| **Narrow Candidates**                | “Not able to pay the kind of salaries that are similarly situated person as in private practices”                                             |
| **Communication**                    | “The organization was good at sending the employee surveys, but they do not see the changes or communications.”                                 |
## INTERVIEW ANALYSIS

### Practices used or recommended

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<td>“A lot of nonprofits are dependent on an individual (ED) and when that person leaves, that creates a crisis ... we wanted to avoid that.”</td>
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<td><em>Shore up internal structure</em></td>
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Essential Practices for Executive Succession Plan

1. All 3 Parties Involved
   - Board – governance responsibility
   - Executive Director – candidate identification
   - HR/Admin Staff – information & implementation

2. Succession Plan in a Written Form
   - Clear timeline and reference minimize the confusion

3. Communication and Transparency
   - Open dialog should be both inside and outside the board room to create trust in the leadership team
RECOMMENDATIONS

1. **BE STRATEGIC:** The ED must help the board understand that succession planning is not just “making a plan”, but it can mitigate the risks to ensure the organizational sustainability.

2. **BE POSITIVE:** Rather thinking of negative aspects of succession planning such as complexities and constraints, focusing on the brighter sides such as opportunities to adapt to the evolving environment, better finance, and smooth leadership transition with a committed and energetic individual could create a momentum.

3. **CONSIDER INTERNAL TALENT DEVELOPMENT:** The succession planning will improve if nonprofit leaders, the board, and especially the funders make efforts in developing internal leaders. Even if individuals leave, they are still contributing to the leadership pool and this would be a win-win scenario from a donor perspective.
REFERENCES


Federal Reserve Bank of Kansas City. Nonprofit Executive Succession-Planning Toolkit.


**SUMMARY**

- **SUCCESION PLANNING IS STILL THE NO.1 ORGANIZATIONAL CONCERN OF US NONPROFITS.**
- Leadership deficit in nonprofit sector is driven by the growth of the sector and the looming retirement of baby boomers from leadership posts.
- However, organizational readiness for executive succession in nonprofit is very lacking.
- Comparative case study was conducted to navigate some key challenges and what are viewed as essential practices in 4 small-medium sized nonprofit organizations in the Bay Area.

**PURPOSE**

- To identify key challenges and practices that nonprofit practitioners use to find their new executive directors.
- To inspire further research and practice improvement in managing the executive transition.

**RESEARCH**

How do some nonprofits overcome the barriers in developing and implementing the executive succession plan?

**METHODS**

- **Comparative Case Study**
  - Literature Review: Over 20 of peer-reviewed journals, articles, and reports
  - Semi-structured Interview: 4 Participants (3 Senior Directors and 1 Human Resource Manager) 5 main questions with prompts 30-minutes duration

**DATA AND ANALYSIS**

**Interview Questions:**

1. Describe events that lead up to the executive transition at your nonprofit organization.
2. Who have the responsibilities or are involved in finding new leaders for your nonprofit organization?
3. What processes have your nonprofit used to find leaders?
4. What key challenges, if any, did your organization face in developing or implementing succession planning?
5. Any additional information or advice that you feel would be helpful to other nonprofit organizations regarding the succession and planning before / during / after the executive transition?

**Key Challenges**

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**RESULTS**

**Essential Practices for Executive Succession Plan**

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2. Succession Plan in a Written Form
   - Clear timeline and reference include the position

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**RECOMMENDATIONS**

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