Leadership Transition: Is Internal Leadership Development the Key?

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NPA 622: Nonprofit Data Analysis-Capstone

Semester, Spring 2021

Instructor: Dr. Marco Tavanti
INTRODUCTION - HOW DOES LEADERSHIP TRANSITION RELATE TO ME?

Personal Experience

Opportunity

Capacity & Internal Leadership Development

MULTICULTURAL INSTITUTE

MNA MASTER OF NONPROFIT ADMINISTRATION
PURPOSE

PURPOSE STATEMENT:
The purpose of this report is to research leadership transition models along with their challenges and effectiveness during and after a transition period. This report analyzes data and argues that a leadership transition focused on Internal Leadership Development is the key to many organizational successes before, during, and after a change in leadership.

WHY IS THIS IMPORTANT?
Leadership shifts and transitions can be difficult for nonprofits regardless of their organizational size or capacity. Nevertheless, the appropriate time and tailored resources must be allocated to a transition for it to be successful. Thus, exploring the best transition is important for an organization to do early on.

“As Baby Boomers leave, the sector will approach an important turning point ripe with both challenges and opportunities that will ultimately lead to a different type of sector, with a new kind of leadership in the decades to come.”- Next Shift
PROJECT OBJECTIVES & SOCIAL BENEFITS

1. To identify the advantages in internal leadership development.

2. To inspire organizations (regardless of size and capacity) to invest time and energy in developing leaders from within.

3. To make a case for organizations to identify emerging leaders and BIPOC leaders.

- **Nonprofit Sector Benefits**: This report offers a boiler point and model template to follow during a leadership transition.

- **Organizational Benefits**: This report provides recommendations on the development of internal talent that can create career ladders within organizations.

- **Community Benefits**: This report is a starting point for future articles and reports on this model.
METHODS AND APPROACHES

1. What are the advantages and disadvantages to developing and hiring internal talent for leadership positions?

2. What are the advantages and disadvantages come from hiring and onboarding leaders externally?

3. How do they compare? What is the model to follow?

A part of the analysis includes my own personal experience and standpoint on this topic. I am an active co-expert throughout this report and include my participatory observation.

A total of four expert interviews were conducted. Experts include professionals in different positions with direct connections to leadership transitions. Interviews were semi-structured and conducted via Zoom and in-person. Each interview was tailored to the experience of the expert.

Research Questions

1. Academic Journals
2. Books
3. Expert articles
4. Foundation Reports

Literature Review

Expert Interviews

Participatory Observation
DATA ANALYSIS: INTERNAL LEADERSHIP DEVELOPMENT

“If one is not careful, if one is not renewing their team constantly, then you may create a stale environment where people basically just do what they have.” – R.C.

“When there is internal organizational knowledge there can be less of a learning curve with internal leaders.” – Dr. S.M.

“Being familiar with an organization, their policies, with their procedures, with their culture, philosophies and their mission, that’s absolutely necessary for success.” – V.V.

“A lot of times orgs. don’t go back to foundations that have supported them in the past. If foundations, consider the earlier investments as critical for the future of the institutions then there are ways for funding support.” – M.P.

<table>
<thead>
<tr>
<th>Literature</th>
<th>Expert Interviews</th>
<th>Participatory Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ It can be easy to get stakeholders, staff, and board to accept internal leadership.</td>
<td>▪ Internal know how and experience with organizational culture.</td>
<td>▪ Familiarity of the organizational culture.</td>
</tr>
<tr>
<td>▪ There is a desire to assume formal leadership roles.</td>
<td>▪ Talent and potential leaders are readily available.</td>
<td>▪ Longer standing relationship with existing staff, internal and external stakeholders.</td>
</tr>
<tr>
<td>▪ Commitment to the organization and mission exists already.</td>
<td>▪ Opens opportunities to incorporate collaboration between staff and future leader in the transition.</td>
<td>▪ Commitment and passion for organization’s mission is there.</td>
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<tr>
<td>▪ Developing internal leaders and capacity building is a fundable</td>
<td>▪ Funding support can be accessible due to existing partnerships.</td>
<td>▪ Easier learning curve.</td>
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<tr>
<td>Disadvantages</td>
<td>▪ Possibility of turn-over during the transition is high.</td>
<td>▪ Lack of new and creative ideas.</td>
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<tr>
<td></td>
<td>▪ Possibility of not enough time given to transitioning ED to transfer the networks.</td>
<td>▪ Can take a long time and resources to develop leaders.</td>
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<td></td>
<td></td>
<td>▪ Could limit expansion.</td>
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<td></td>
<td></td>
<td>▪ Biases towards areas of growth.</td>
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<td></td>
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<td>▪ Leader can leave before the transition is complete.</td>
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<td></td>
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<td>▪ Can cause tensions among existing staff.</td>
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DATA ANALYSIS: EXTERNAL HIRING OF LEADERS

“I have some external hires that I’ve been very impressed with because they come with diversified knowledge. They come with different solutions. They come with a fresh perspective, and some people are really creative.“ – V.V.

“They are models that are not sensitive to the human and are mostly interested in whatever the business, the organization, gains from the knowledge of the external individuals that they hired.” – R.C.

“Each ED is different; processes should not be in place when he/she/they arrive.” - Dr. S.M.

“Leadership can fail when investments aren’t made to support existing staff.” – M.P.

<table>
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<td>• Can be a DEI opportunity for the organization.</td>
<td>• Diversified knowledge</td>
<td>• New talent for the staff team.</td>
</tr>
<tr>
<td>• Can bring visibility to the organization.</td>
<td>• Creative and different ideas/solutions.</td>
<td>• New energy and outside perspective.</td>
</tr>
<tr>
<td>• Way to strength the organization.</td>
<td>• Fresh perspective.</td>
<td>• Shift the organization and culture in a better direction.</td>
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<td></td>
<td>• Fill current voids in the organization.</td>
<td>• Can modernize the organization.</td>
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<td>• If the new leader does not have a visible</td>
<td>• Can be a DEI opportunity for the organization.</td>
<td>• Diversified knowledge</td>
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<td>trajectory, it might take time to get stakeholders,</td>
<td>• Can bring visibility to the organization.</td>
<td>• Creative and different ideas/solutions.</td>
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<td>staff, and board to accept internal leadership.</td>
<td>• Way to strength the organization.</td>
<td>• Fresh perspective.</td>
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<td>• Diversity of leaders available or interested</td>
<td>• If the new leader does not have a visible trajectory, it might take</td>
<td>• Fill current voids in the organization.</td>
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<td>may be limited.</td>
<td>time to get stakeholders, staff, and board to accept internal leadership.</td>
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<td>• Wages for already developed leaders are higher.</td>
<td>• Diversity of leaders available or interested may be limited.</td>
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<td>• If the new leader does not have a visible trajectory, it might take</td>
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Can limit inclusivity.

Limits low-term shadowing opportunities.

Hiring might be done too quickly.

A person not dedicated to the mission of the org. can be hired.

Shift the organization and culture in a direction not aligned with the mission.
IMPLICATIONS & MODEL

Internal Leadership Development (ILD) Model

1. Decision and Planning
   - Includes: Succession Plan, Transition Plan, and Tailored Timeline (especially if the Transition involves a founder).
   - Determine purpose for the transition, bring important stakeholders and the BOD on board, communicate the decision and timeline and create a TPC.
   - Possible Duration of the ILD Model: 1-4 years.

2. Preparation
   - TPC conducts organizational evaluations, BOD and current ED explore and identify internal staff that is a good fit and might be interested in the transition, and a plan is created.
   - Possible Duration of the ILD Model: 1-3 years.

3. Exploration and Planning
   - Includes: Identify capacity building opportunities, shadowing opportunity and leadership integration, cultivation of the team, securing funding, and interim leadership position.
   - Possible Duration of the ILD Model: 1-3 years.

4. Internal Leadership Development
   - 5 Conclusion and Beginning
   - Address the areas of growth identified in the evaluations, provide ongoing Executive Coaching, determine exiting ED’s role with the organization, communicate with stakeholders, and fundraise for the transition.

Created by Mirna Cervantes, 2021
RECOMMENDATIONS FOR EFFECTIVE LEADERSHIP TRANSITIONS

1. **Develop & Cultivate Leaders from Within:** Create a culture of learning and cultivate new leaders internally.

2. **Invest:** Continue to invest in the team and emerging leaders long-term.

3. **Create Opportunities:** Encourage personal and team growth as well as create leadership development opportunities throughout the organization.

4. **Humanize Leadership:** Recognize the dignity and worth of your team by valuing their skills, showing appreciation, and encourage a space of belonging.
REFERENCES


Leadership Transition: Is Internal Leadership Development the Key?

Cervantes, Mirna M., MNA - Master of Nonprofit Administration - Capstone Project

**SUMMARY**

Leadership shifts and transitions can be difficult for nonprofits regardless of their organizational size or capacity. Nevertheless, the time and tailored resources must be allocated to a transition for it to be successful. Thus, exploring the best transition is an important task for an organization to do early in the process.

**PURPOSE**

- **Purpose:** To prove that a leadership transition focused on Internal Leadership Development can bring an organization successes long-term.
- **Community Benefits:** To inspire organizations (regardless of size and capacity) to invest time and energy in developing leaders from within.

**RESEARCH**

1. What are the advantages/disadvantages to developing internal talent for leadership positions?
2. What are the advantages/disadvantages come from hiring and onboarding leaders externally?
3. How do they compare? What is the model to follow?

**METHODS**

- **Literature:** Academic Journals, Books, Expert articles, and Foundation Reports.
- **Interviews:** Four expert professionals with leadership transition experience.
- **Participatory Observation:** I am an active co-expert throughout this report.

**DATA AND ANALYSIS**

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<td><strong>Advantages</strong></td>
<td><strong>Disadvantages</strong></td>
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<td>Can be a shift opportunity for the organization</td>
<td>Can hire the leader but not have a viable transition in the organization</td>
</tr>
<tr>
<td>Can bring outside knowledge to the organization</td>
<td>Can have a limited time to get familiar with the organization</td>
</tr>
<tr>
<td>Can create new leaders or leaders have increased potential</td>
<td>Can require time to learn the culture and internal processes</td>
</tr>
<tr>
<td>Can have increased potential</td>
<td>Can lose the leader if there’s no successor</td>
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**Important Qualities**

- Can bring new energy and flexibility to the organization
- Can bring new perspectives
- Can create new leaders
- Can be cost-effective

**RESULTS**

- **Internal Leadership Development (ILD) Model**
  - Address the areas of growth identified in the evaluation, provide ongoing executive coaching, determine exiting ED’s role with the organization, communicate with stakeholders, and facilitate for the transition.
  - Includes identify capacity building opportunity, shadowing opportunity, and leadership integration, cultivation of the team, securing funding, and interim leadership position.
  - TPC conducts organizational evaluation, BOD and current ED explore and identify internal staff that is a good fit and create a transition plan, and a plan is created.
  - Determine purpose for the transition, bring important stakeholders and BOD on board, communicate the decision and timeline, and create a TPC.

- **External Hiring of Leadership Model**
  - V.S.

**RECOMMENDATIONS**

- Develop & Cultivate Leaders from Within: Create a culture of learning and cultivate new leaders internally.
- Invest: Continue to invest in teams and emerging leaders long-term.
- Create Opportunities: Encourage personal and team growth as well as create leadership development opportunities in the organization.
- Humanize Leadership: Recognize the dignity and worth of your team by valuing their skills, showing appreciation, and encouraging a space of belonging.

**REFERENCES**


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- **Expert Interviews:** Five expert professionals with leadership transition experience.
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