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Stories and Strategies for Leadership Transition: Voices from the Nonprofit Community

What We're Hearing from Our Community

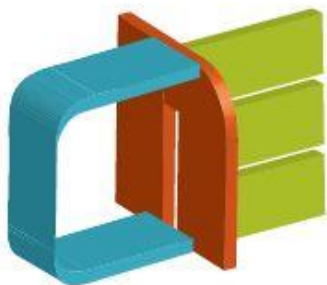
This is a time of change, challenge and opportunity for the Monterey County nonprofit community. One-third of the sixty respondents to a 2021 Center for Nonprofit Excellence (CNE) survey reported that their organization “had a leadership transition this year or will in the near future.” Identifying and supporting leaders to step into these roles and thrive is vital to the continued success, impact and sustainability of the sector, which employs more than 11,000 residents and has a direct annual impact of more than \$1.5 billion on the local economy, according to Nonprofit Alliance of Monterey County’s [“Monterey County Nonprofit Socio-Economic Impact Report 2020”](#).

CNE conducted ten interviews in spring of 2022 with a diverse group of local leaders, including recently hired Executive Directors (EDs with less than five years at their current position), community leaders and board members who had overseen leadership transitions. They shared stories, tools and strategies to support the nonprofit community during this time of change and opportunity.

What does a successful Executive Director tenure look like?

“As an Executive Director, success for me looks like everyone on my team having what they need to do great work at an organization poised for success.” – an Executive Director of a Monterey County human services nonprofit in their first year of leadership

The leaders interviewed spoke about success in terms of “we” rather than “I.” Their ambitions were team-focused: they wanted to improve organizational capacity to make their colleagues’ jobs more enjoyable and impactful, to grow boards and volunteer networks to



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better represent the clients they serve and to raise employees' wages to address turnover challenges. Their approach to building job satisfaction was "both and" – both increasing compensation and improving the non-monetary job benefits that make for a great workplace culture. Some had taken over for long-tenured or founding directors and were energized to seize a moment of change and possibility.

"To me, success is measured by tenure – staying power. Success becomes innate over years spent on the job. You develop instincts and learn to trust them. One key to building tenure is knowing how to delegate. Delegating is how you build trust and maintain a work life balance." – A veteran Monterey County environmental leader

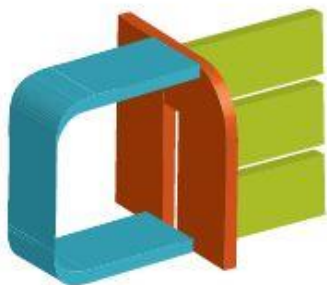
In 2015, Nonprofit Quarterly [reported](#) that, "for small and mid-sized nonprofit organizations, the average term for an executive director or CEO is about six years." Turnover and financial stability were the two biggest challenges Monterey County interviewees reported facing. Industry groups estimate that the cost of replacing an employee ranges from 10-30% of the employee's annual salary, with potentially even higher costs for jobs at "senior or executive levels."

Considering these challenges, how can organizations best support healthy leadership transition and integration? During the interviews, some common themes emerged:

- **Look to your community and communicate with transparency throughout the search**

Interviewees discussed the potential of transitioning leadership to stakeholders already familiar with Monterey County, connected to the organizational mission and invested in its success. Successfully integrated leaders who had already built these relationships before taking an executive level job reflected on the power of community connections.

"Grow leadership within organizations. I'm sure there were so many qualified [external] candidates when I was hired, but I was able to come in already invested in the programs and people. If I had been new to the organization, it would have been so different. So much of leadership is building trust and being able to support others. If they can't rely on you, and if they don't have that trust, it's not going to work. Before I started the ED job, I already knew the programs inside and out, and I was in a much better position to help and advise my team." – an



Executive Director of a Monterey County human services nonprofit in their first year of leadership who was an internal hire

Interviewees noted that this time of change provided an important opportunity to support Black, indigenous, people of color (BIPOC) and other candidates from historically marginalized communities and identities to step into leadership roles. Some felt transitions were opportunities to demonstrate values around equity and inclusion, and that building a diverse ‘next generation’ of leadership would better serve Monterey County nonprofits and their clients and stakeholders.

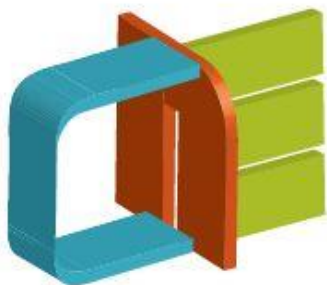
“I had built equity with people in the organization who knew me from a job I’d held there some years before. We share a cultural background. When we had challenging conversations during my first years as an Executive Director, they already knew me as someone who was willing to listen and would include clients in decision making: this is how we need to treat the people we serve.” – an Executive Director of a Monterey County food and agricultural nonprofit in their fifth year of leadership

Board leaders who had overseen successful leadership transitions identified the executive search process as an opportunity for growth. At a time when so many organizations and businesses are looking for great people, how can an organization stand out? Who will you consider or invite into your applicant pool, and who may you have overlooked?

“Don’t be afraid to take risks. Be open to people who may have been program or event managers, or who have had opportunities to coordinate and lead in other ways. Don’t limit yourself to people within your region. There are so many ways to engage people. Organizations should be flexible about ‘requirements’ for the position.” – A veteran board leader of a human services nonprofit

More than one interviewee reflected on the sustainability challenges of the “do it all” executive position, especially at small nonprofit organizations. Board leaders were taking the opportunity to strategize alternative leadership structures and consider that compensation might need to be increased for staff who take on additional responsibilities during the transition. Likewise, they stressed the importance of cross-training and empowering multiple voices from within the organization during transition.

“Be as transparent and authentic as possible about your transition process and future plans, but don’t air dirty laundry. The best thing you can do is express support and gratitude for the



outgoing executive and communicate with the public that the core of the organizational values and impact are not contained in any one person. The organization is more than a single person. The next leader will always bring something new and beautiful.” – A veteran board leader of an educational nonprofit

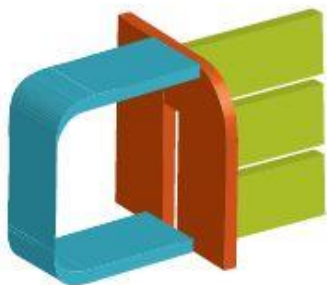
Board leaders also emphasized the importance of clarifying staff roles and expectations for the search process. They reflected on the challenge of wanting to involve staff and solicit feedback without burdening them.

“The staff are already carrying so much. My preference is to send out an anonymous staff survey early in the process. The first priority is to understand what is working in the current leadership relationship and what can be improved. Done correctly, this kind of survey can be so helpful to the new executive as well – they’ll see in writing what the team really values. Another thing we do to involve staff is to review all applications together as a committee. At that stage, if there’s any ‘hard no’ from the staff, we don’t move that candidate forward to the board.” – A veteran board leader of an educational nonprofit

- **Embrace the moment of growth and change**

New leaders were enthusiastic to improve systems and reframe challenges. Many had started their positions just before or during the COVID-19 pandemic and had been forced to adapt programs and diversify revenue streams. Interviews were conducted with leaders who had transitioned into their role within the last five years, and a common theme was job satisfaction centered around growth: personal and professional growth, growth of program and mission impact, and organizational growth to better serve and support staff and stakeholders. They were proud to point to specific examples of ways they had made the organization more efficient, effective, and sustainable. Successfully integrated leaders felt they had equity in the programs they oversaw and had earned staff trust by investing in their success.

“You need to involve the community in change, so it often happens slowly, not radically, which can be hard for a new leader. Sometimes you feel like no one wants anything to change, but you have to adapt to survive. Early in my tenure I pushed too hard for change, and found you have to work incrementally, you have to find balance. As I’ve settled into my role, I see things with a



bit longer time perspective.” – An Executive Director of a cultural nonprofit in their third year of leadership

- **Build a network of support for new leaders**

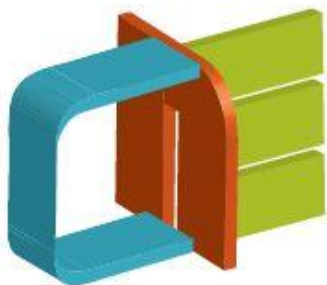
When asked what advice they would have given themselves before starting a new leadership position, interviewees emphasized the power of coaches, colleagues, mentors, friends and other professional networks. They reported feeling especially supported by fellow leaders in similar positions in their field through industry associations or informal gatherings.

“The job can be lonely. Board members are great, but they’re volunteers. It’s important to find a community of people facing similar challenges who understand what you’re going through.” – an Executive Director of a Monterey County educational nonprofit in their first year of leadership

Interviewees stressed the importance of clarity about the roles and responsibilities of staff and board leaders. Board members, likewise, reflected that unsuccessful transitions happened when their team was not clear about organizational boundaries and expectations and lacked a shared vision.

“Assumptions were made about board and staff roles that were perhaps misaligned. The board needed to show more leadership in a time of change. The leader thought they had a green light, but the board wasn’t on the same page.” – A veteran board leader of a Monterey County human services nonprofit

Both leaders and board members emphasized the potential to build support and trust by having the board serve as advocates and messengers on behalf of a new leader, both publicly and within the organization. They encouraged regular, effective dialogues between the new executive and a designated board committee, especially early in the leader’s tenure when they are looking for support and confidence. Veteran board leaders noted that executive transition often accompanied change at the board level as well. They encouraged boards of directors overseeing leadership change to ask themselves two questions: “What is this organization looking for in its new leader?” and: “How do we need to change to put them in a position to thrive?”



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“You have to have a board that has your back. Especially during the first year. Good communication with the board is vital. I love my board!” – An Executive Director of a Monterey County cultural nonprofit in their third year of leadership

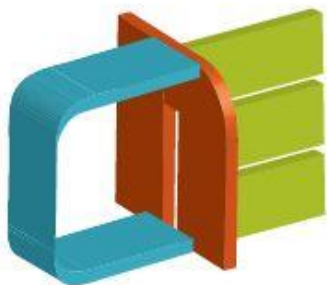
- **Commit to a transition process that reflects your organizational values**

New leaders expressed the importance of building trust within their communities and trust in themselves. They spoke about the power of finding their voices and growing confident in their decision-making instincts. All leaders came to their organizations through commitment to the mission, and they found that this commitment deepened through investment of time and effort and the relationships built with their stakeholders. They were insightful and empathetic when discussing the experiences of their clients and staff and demonstrated comprehensive knowledge of the work and its impact.

“Go with what your gut tells you. Try to lead from your values and come in and do what you would have liked your boss to do when you were in the staff members’ position. Even when you feel people haven’t treated you right, don’t use the position of power for retribution, but show by example how you should treat others. It’s so important to understand the concept of having boundaries between you and staff members and clients. If that gets muddled, things get really hard. You have to get along well, but you have to be respectful, not cross lines. If you spend too much time being friendly, for example, you won’t be able to be firm when you need to. Get along with people, but don’t take it too far or you’ll open yourself up to issues of favoritism and unfairness.” - an Executive Director of a Monterey County food and agriculture nonprofit in their fifth year of leadership

- **Invest in great people**

All interviewees stressed the challenges the nonprofit community faces due to the cost of living in Monterey County. Each new leader dealt with staff turnover during their first year. They emphasized the need to be creative about hybrid work environments, support for working parents and caregivers, Paid Time Off (PTO) policies, and other perks and benefits that should



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complement a commitment to raising wages in the sector. They discussed the need for investment in organizational capacity at the board and staff level. Some leaders were eager to create new positions to invest in resource development but were hesitant due to the ongoing uncertainties of the pandemic and the day-to-day tumult of the job.

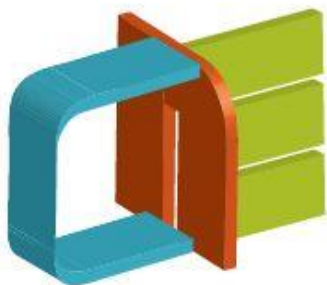
“We’ve got to pay people more. I spoke on a panel of local EDs, and we all noted that direct services in general experience such high turnover. We’ve got to get rid of this idea that if your job is personally fulfilling you can put up with low wages, especially in our housing market.” an Executive Director of a Monterey County human services nonprofit in their first year of leadership

Many leaders had received promotions or taken on new roles and responsibilities by leaving an organization for a new job elsewhere when opportunities for growth were not available. Perhaps due to this experience, they were committed to creating opportunities for professional development for the staff they managed.

“People want to be heard, they want space and time to talk to (the new leader), and if they’ve felt ignored for a while they are going to be upset. Sometimes people are upset and it’s not all about you – there are so many stressors in their lives. Openness, transparency, and making time and space to hear people out is so important.” – an Executive Director of a Monterey County food and agriculture nonprofit in their fifth year of leadership

All interviewees stressed the importance of the relationship between the executive and the board president and noted that their effective collaboration and communication was essential to the success of the transition. They encouraged identifying areas of support for the board and providing necessary resources to attract and sustain great volunteer board members and guide them through the transition to a new leader.

“Rely on external expertise. Get help. It can be hard to invest in the board of directors, because they’re not income generators, but it’s so crucial that the board works well.” – A veteran board leader of a Monterey County human services nonprofit



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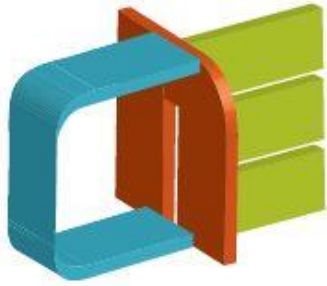
Looking to the Future

These inspiring and informative conversations conveyed a spirit of possibility. Leaders' passion was evident when they talked about how rewarding it was to work for social change in their organization, the nonprofit industry at large, and their community and world. New leaders shared a common mission: to make the most of the opportunity they'd been given, and for their teams to thrive.

The Community Foundation for Monterey County inspires philanthropy and strengthens communities. We partner with individuals, families, nonprofits and businesses to create charitable funds and make grants towards a vision of healthy, safe, vibrant communities. To further this mission, the Center for Nonprofit Excellence provides professional growth and learning opportunities through workshops like [LEAD Institute](#) and invests in building nonprofit capacity and sustainability through our [Organizational Development](#) grant program.

This report includes two checklists that we hope will help your team clarify your goals, expectations, and values as you navigate leadership transition. The first checklist is a set of strategic questions that will help you assess organizational capacity, identify areas where you need support, and create workplans to bridge your leadership transition. The second is a list of questions that we hope will lead to conversations about what the future looks like at your organization – what your values are and how they inform your efforts to identify and integrate the new leader into your team.

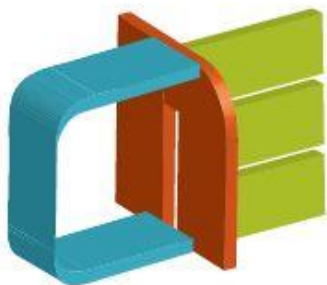
Finally, we've included a library of some of the most current literature on leadership transition and resources to provide tools for organizational strategy, leadership development, coaching, and peer support. Please get in touch with the Center for Nonprofit Excellence to let us know how we can better empower our community to adapt and thrive.



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Thank you so much to the leaders who shared their stories.

Participating leaders whose voices are included in this report represent organizations located in Big Sur, Carmel, Monterey, and Salinas, and provide services throughout Monterey County. Their average annual budget is approximately \$1 million. Interviews have been lightly edited for clarity. Creating this report would not have been possible without their wisdom and candor. Please find the report guide and programming for leadership transition support at the [CNE website](#).



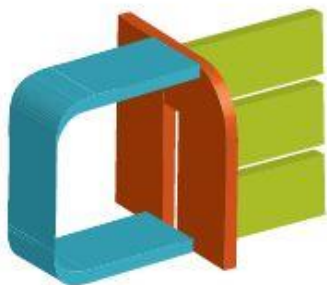
Strategic Transition Planning Checklist

1. Is your leadership transition planned or unplanned?
 - a. Do you have a written, board-approved succession plan?
 - b. Is there someone in your organization who can serve in a temporary role, if necessary?
 - c. Have you identified a search committee?
 - i. What is your plan to interview and vet candidates?
 - ii. How will the hiring decision be made and communicated throughout the organization?

2. What resources are available to you?
 - a. How much time do you have?
 - b. What capacity will your outgoing leader have to work with the new hire?
 - c. Is hiring a search firm or consultant feasible?

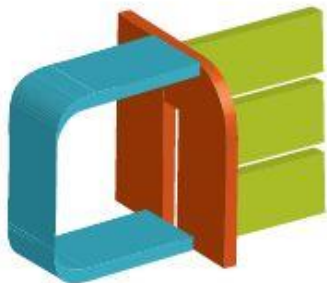
3. Do you have:
 - a. Current job descriptions and position manuals?
 - b. Logins, passwords, and security data?
 - c. Current financial records?
 - d. Keys/physical access to office and property?
 - e. Contact information for partners and stakeholders?
 - f. Key organizational documents?
 - i. 501(c)(3) determination letter and articles of incorporation
 - ii. Bylaws
 - iii. Strategic Plan
 - iv. Organizational Chart
 - v. Employee Manual
 - vi. Workplans
 - vii. Mission & Vision statements

4. Is hiring an interim leader feasible?
 - a. What are the pro's and con's?



Values-based Transition Planning Checklist

1. How are your organizational values reflected in the search, hire, and integration process?
2. What attributes, skills, and experiences are most important in your search for your new leader?
 - a. What biases or preconceptions influence your perspectives about who your new leader “should” be?
3. What steps will your organization take to engage authentically and successfully with BIPOC candidates and candidates from historically marginalized communities and identities?
 - a. In what ways do your policies, structures, or leadership culture need to change?
 - b. What support might be needed for this process?
4. How will you decide whether to make an outside hire or promote from within?
 - a. Is the organization thriving?
 - b. Are organizational or industry-specific skills required for the job?
 - c. Is the organization in need of strategic or cultural change?
 - d. What specific skills and experiences are needed that your current employees may or may not have?
5. Who will you involve in the hiring process – board of directors, staff, stakeholders?
 - a. Are you seeking input and advice, or sharing power in the hiring decision?
 - b. What are the areas where the board needs help?
6. Do you have a plan in place to train, integrate, and support the new leader?
 - a. How will you identify shared values and create a vision for the future?
 - b. How will you foster belonging and inclusion between the new leader and the existing team?
7. Is the leadership position you’re hiring for sustainable?



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- a. Are there opportunities to restructure positions or responsibilities to better support your staff and serve your mission?
- b. In what ways does your organizational structure perpetuate unhealthy dynamics of power, access and privilege?

Selected Leadership Transition Resources

Alternative leadership structures

Adams, Tom. [“The Evolution of Executive Transition and Allied Practices”](#) *Compass Point*, Mar. 2017.

Bell, Jeanne, et al. [“Five Insights from Directors Sharing Power”](#) *Nonprofit Quarterly*, 28 Mar. 2017.

Chandler, Jennifer. [“From Enterprise Risk Management to Shared Leadership: A Different Look at Succession Planning”](#) *Nonprofit Quarterly*, 10 May 2017.

Forbes, Miecha. [“Succession Planning Is Outdated: A New Approach to Managing Leadership Transition”](#) *Nonprofit Quarterly*.

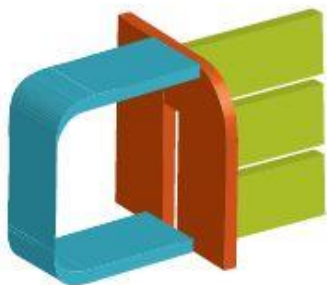
Leung, Vanessa, et al. [“Embracing Alternative Leadership Structures in Nonprofit Executive Transitions”](#) *Philanthropy New York*, 18 Mar. 2021.

Valenzuela, Ananda, [“The Executive Director Job Is Impossible”](#) *Rooted in Vibrant Communities, Seattle*, 21 Feb. 2018.

Boards of Directors

BoardSource. [“Leading with Intent: BoardSource Index of Nonprofit Board Practices”](#) June 2021.

BoardSource. [“Leading with Intent: Reviewing the State of Diversity, Equity, and Inclusion on Nonprofit Boards”](#) Jun. 2021.



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Garry, Joan. [“10 Ways Boards Screw Up Leadership Transitions”](#) *Joan Garry Consulting*.

Coaching

[Coaching for Everyone](#)

Economic Impact

Hammad, Ashraf, et al. [“Monterey County Nonprofit Socio-Economic Impact Report 2020.”](#) *Nonprofit Alliance of Monterey County*, 21 Aug. 2020.

Equity

Le, Vu. [“10 ways to make executive leadership searches and transitions better and more equitable.”](#) *Nonprofit AF*, 3 Apr. 2022.

Suarez, Cindy. [“Leaders of Color at the Forefront of the Nonprofit Sector’s Challenges.”](#) *Nonprofit Quarterly*, 3 Feb. 2022.

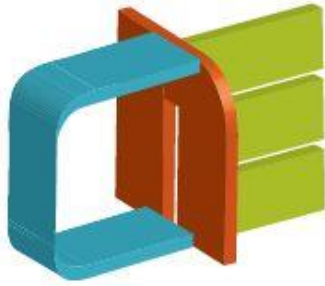
Suarez, Cindy. [“What Does an Equitable Executive Leadership Transition Look Like?”](#) *Nonprofit Quarterly*, 6 Aug. 2020.

Founding directors and succession

Tuomala, Jari, et al. [“Making Founder Successions Work.”](#) *Stanford Social Innovation Review*, Spring 2018.

Interim leadership

BoardSource. [“Acting and Interim Chief Executives.”](#)



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Eder-Van Hook, Jackie. [“Interim Executive Management: Seven Benefits to Consider.”](#)
Bridgespan.

Fenske Bahat, Sara, and Kher, Renuka. [“The Case for a Year of Care: Shifting the Leadership Transition Narrative.”](#) *Stanford Center on Philanthropy and Civil Society*, 31 Mar. 2022.

Internal vs. external hires

Ciampa, Dan. [“After the Handshake.”](#) *Harvard Business Review*, Dec. 2016.

Krell, Eric. [“Weighing Internal vs. External Hires.”](#) *SHRM*, 7 Jan. 2015.

Landles-Cobb, Libbie, et al. [“The Nonprofit Leadership Development Deficit.”](#) *Stanford Social Innovation Review*, 22 Oct. 2015.

Larcker, David F., and Tayan, Brian. [“Internal Vs. External CEOs Research Spotlight.”](#) *Stanford Corporate Governance Research Initiative*.

Leadership Development

[LEAD Institute](#)

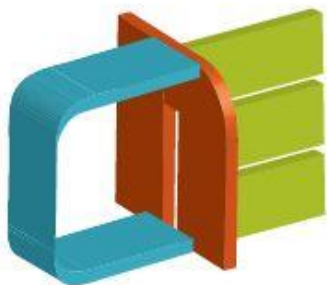
[Impact Monterey County: Radical Transformational Leadership for Social Impact](#)

Philanthropy

Adams, Tom, and Moore, Kim. [“Philanthropy's Role in Succession Planning: How Funders Can Assist Grantee Organizations in Preparing for Leadership Change”](#) *Candid*, 2 Nov. 2007.

Peer support opportunities

[Center for Nonprofit Excellence: Tune in To Your Leadership Voice](#)



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Retention/turnover

Boushey, Heather, and Glyn, Sarah Jane. [“There Are Significant Business Costs to Replacing Employees.”](#) *Center for American Progress*, 16 Nov. 2012.

Building Movement Project. [“Making \(Or Taking\) Space: Initial Themes on Nonprofit Transitions from White to BIPOC Leaders”](#) *Robert Sterling Clark Foundation*, Sept. 2021.

Casselmann, Ben. [“As Workers Gain Pay Leverage, Nonprofits Can’t Keep Up.”](#) *New York Times*, 23 Dec. 2021.

Ebert, Sara. [“What factors contribute to successful nonprofit executive compensation strategies?”](#) *ASU Lodestar Center for Philanthropy and Nonprofit Innovation*, 27 Jan. 2021.

Le, Vu. [“It’s time funders take nonprofit leadership turnover seriously.”](#) *Nonprofit AF*, 10 Nov. 2019.

Work Institute, [“2020 Retention Report.”](#)

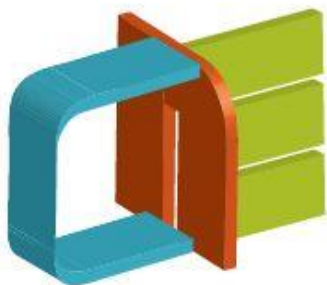
Tenure

Citrin, James, et al. [“The CEO Life Cycle”](#) *Harvard Business Review*, Nov.-Dec. 2019.

Haddad, Duke, Ed.D. [“Dealing With the Nonprofit Sector’s Biggest Challenge in 2019”](#) *Nonprofit Pro*, 8 Nov. 2019.

Welling, Curtis R., and Vogel Jr., John H. [“A Practical \(and Possibly Provocative\) Approach to Leadership Transitions.”](#) *Nonprofit Quarterly*, 21 May 2015.

Roadmap Consulting. [“New Executive Director 90-Day Entry Plan.”](#) *Strategies for Social Change*, 2016.



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Toolkits

Greene, Siobhan. [“Transition Tips for Chief Executives and Boards of Directors.”](#) *Blue Avocado*, 12 Apr. 2022.

Izmailova, Sayana. [“Nonprofit Succession Planning: 50 Practical Tips.”](#) *Wild Apricot*, 12 Apr. 2021.

Federal Reserve Bank of Kansas City. [“Nonprofit Executive Succession-Planning Toolkit.”](#) 9 Jul. 2018.

National Council of Nonprofits. [“Succession Planning for Nonprofits - Managing Leadership Transitions.”](#)

Nonprofit Sustainability Technical Assistance. [“Succession Planning Toolkit for Nonprofit Sexual Assault and Domestic Violence Organizations.”](#)

Price, Nick. [“Nonprofit CEO Onboarding Checklist.”](#) *BoardEffect*, 15 Oct. 2018.

Wallace Foundation. [“Strong Nonprofits Toolkit: Resources to strengthen your nonprofit financial management.”](#)

Stamm, Sonia J. [“A Timeless Toolkit for Executive Succession.”](#) *BoardEffect*, 31 May 2019.

Webinars

The Editors. [“Reframing Nonprofit Leadership Succession: The Ultimate Strategic Hedge Against a ‘Bad CEO Hire.’”](#) *Nonprofit Quarterly*, 3 Oct. 2017.

Nonprofit Quarterly. [“Webinar Series on Executive Transitions: Critical Guidance for Boards and Executives.”](#)