

Bridging the Gap

The departure of a chief executive can send your nonprofit into disarray. Can an interim leader come to your rescue?

By John W. Corwin

If your organization has experienced the departure of a chief executive — and, as statistics show, it's pretty likely that you have — then you know that a vacuum at the top can be costly in so many ways. Board and staff alike become anxious. Conflicts that have been simmering may surface. With seemingly no one leading your organization, the list of potential pitfalls is long: damaged donor relationships; lost fundraising opportunities; noncompliance with reporting and financial obligations; lower profile; falling morale; staff turnover; and tremendous loss of momentum.

How does an organization survive what is often a traumatic transition? Well, you could rush to fill the void. But choosing a successor in haste often results in an inappropriate hire and misses the opportunity to strengthen the organization during transition.

Still, taking your time can leave you leaderless. The alternative? An interim chief executive might help bridge the transition. And while he or she may not be a long-term answer, chances are a well-chosen interim is a practical short-term solution to managing change — right now.

Executive turnover is clearly a growing trend. A 2001 survey of community-based grantees of the Annie E. Casey Foundation found that 85 percent of chief executives surveyed planned to leave their position within seven years. Moreover, most chief executives hold the position at only one nonprofit during their careers.

Boards increasingly recognize that executive turnover presents an opportunity — often a compelling need — to go beyond simply hiring a new executive. Churches in particular seem to have grasped that interim ministers offer a smooth transition if these changes are managed properly.

Interim chief executives can meet a variety of needs:

- ◆ Ensuring continuity of fiscal and managerial functions
- ◆ Protecting fundraising income and opportunities
- ◆ Preserving relationships with donors and others
- ◆ Supporting staff morale and reducing the risk of costly turnover while managing human resources concerns
- ◆ Preserving the organization's visibility and reputation

During turnover, the interim can also help maximize the success of the new executive by identifying key issues for consideration, helping to resolve selected problems, and orienting the newly hired executives.

Moreover, an outsider can help board and staff regain their confidence in the organization's future.

Still, finding the right candidate and navigating a smooth transition process can be tricky. Some common questions are bound to arise.

- ◆ **Who is a candidate for the position?** Your interim likely may be a consultant to nonprofits who has previous experience as a chief executive. An interim leader creates a level playing field among all internal and external candidates. This also avoids the potential awkwardness of temporarily promoting an employee who is later demoted when the chief executive returns or someone else becomes the successor.
- ◆ **Who manages an interim?** He or she should answer to the board, but must maintain open communications with the staff. An interim should also work on a contract basis for a specific period of time.

- ◆ **What kind of expectations should I have for my interim?** The board should decide its expectations for the interim early in the process. It should not expect the interim to magically eliminate the organization's problems or conflicts. The contract between the board and the interim executive should specify known priorities. The parties should create an overall work-plan for the interim. If the board articulates its needs, the interim can focus on them, and the nonprofit will benefit.

For both turnover and leaves of absence, interims provide experienced nonprofit leadership, prevent loss of ground, assist in the transition process, create a bridge from the former leader to the successor, and help with organizational reassessment. With proper attention to the process, the nonprofit board can optimize the organization's capacity to perform the important mission that it was created to serve. ☺

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Resources:

***Chief Executive Succession Planning: The Board's Role in Securing Your Organization's Future* by Nancy Axelrod. BoardSource 2002.**

***"Suddenly CEO"* by Jane Eisinger. *Association Management*, March 2003.**

***Managing Change: Lessons Learned from Nonprofit Leaders* by BoardSource, 2002.**