

Recruiting in a Crisis

When a nonprofit is in crisis, filling vacant executive positions may seem like a daunting task. The board might find it difficult to attract a new executive director (ED) during such an uncertain time. Board members will have to be deeply involved in the search, sharing with job candidates the story of why the nonprofit is a valuable organization that can and will overcome its current challenges. But a time of crisis can also present strategic hiring opportunities. In fact, a well-run search can help determine whether a particular job candidate has the right mix of skills, experience, and personality traits to jump into a difficult situation and succeed. In the following article, Kathleen Yazbak, Bridgestar's managing director, national relationships, discusses how nonprofits can successfully attract candidates during and after a crisis.

Bridgestar: A nonprofit organization finds itself embroiled in a scandal that forces the departure of the ED or other senior managers. Should the organization recruit replacements immediately, or hold off until the scandal dies down?

Kathleen Yazbak: This is the perfect time for the board to come together and assess both the impact of the scandal and a thoughtful strategy for dealing with it; clearly there are short- and medium-term steps necessary to reestablish the organization's equilibrium.

What needs to be immediately addressed is the vacuum created by the departure(s). Can the organization still function on a daily basis while a medium-term strategy is being articulated? Is there a strong board in place that can handle the search for a permanent ED while the remaining leadership team manages day-to-day operations? Or would the organization be better off bringing in an interim ED, trained in crisis situations, to manage daily operations while a proper search is planned? In the latter scenario, I've even seen talented interim EDs add immensely to a search process by providing depth and insight otherwise impossible to attain. That said, it can often be a challenge to find the right interim ED and the search process may take nearly as long as a search for a permanent ED would.

A crisis is often an opportunity to address long-term structural issues in the organization like governance and strategy. What are the advantages of instituting reforms before recruiting vs. recruiting someone to institute reforms?

Yazbak: There are distinct advantages to bringing in an ED before deciding how to address the crisis, namely that the board will gain a strategic partner for the turnaround. Whatever decisions the board and the ED make will then be implemented by that same team.

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A board should be very cautious when bringing in an ED after the course of action has already been decided. Typical chief executive skills encompass a strong blend of strategic leadership and operational know-how, so it is unusual to find an ED candidate who is willing to accept being a mere “implementer.”

What should an organization in crisis look for in terms of quality candidates? Should it hire a turnaround specialist or focus on the same leadership qualities it would seek in quieter times?

Yazbak: The organization will want to look for candidates who are skilled at positively managing and turning around chaotic situations. The interesting thing is that in a crisis situation you may not need a “typical” ED. For example, when looking at a leader’s resume, in calm times, you’d be looking for how this person built, over a convincing amount of time, systems and teams to produce a thriving organization.

A good crisis leader is more likely to be someone whose resume shows shorter tenures, and perhaps project and/or consulting work. It will be critical to probe how this person sticks in a position because too little tenure is always a concern. It will also be important to hear how the candidate describes his/her career decisions. Be cautious of candidates who continuously blame others for the many jumps in their resume.

What will convince a board is a candidate who says something—which is backed up by in-depth references, of course—along the lines of, “I like the intense part of taking a chaotic situation and creating order.” Another variant on this is, “When situations get too routine, I’m not at my best.” Still, it is crucial to have examples of what this candidate created during his or her tenure. The reason for a short stint should be that a specific goal had been accomplished, not that the job just did not work out. Lasting impact is critical if we are to believe that a candidate accomplished anything meaningful.

Typically, when you recruit a leader you’re looking for someone who should be with the organization for at least two to three years. You are looking for an ED who is committed to not only working through the immediate steps needed to resolve a crisis but also is excited about creating the systemic change needed. A turnaround specialist will most probably not have an interest in staying medium-term. A board needs to know if a shorter tenure would be detrimental to the organization, especially as it relates to key stakeholder relationships, clients engagement, and staff morale. If so, then a reconsideration of the profile is in order—with a turnaround specialist perhaps consulting to, and supporting, the process.

How does the organization balance the need to put a positive spin on the situation and put the scandal behind it with the need to be honest with candidates about the situation?

How transparent should the organization be about the crisis?

Yazbak: You need to make a distinction between the external positioning of the organization in the wake of a crisis, which may indeed involve positive spin and putting the scandal behind it, and the brutal honesty that will be required internally. You should treat conversations with candidates as internal and stress the importance of confidentiality with all candidates. Nondisclosure agreements are common in these situations.

The organization should be completely transparent about the situation with candidates, both the good things and those that need improvement. It is essential that the conversation focus on the organization—where it is, with what happened as a clue to the systemic issues—and not merely the good and bad traits of the predecessor. If the new ED candidate realizes that reality was hidden during the recruitment phase, this would do two things: a) Set up a conflict dynamic with the board, and b) Undermine finding the right fit between the organization's true needs and a candidate's skills. Additionally, this massive misunderstanding and mismatch would happen at a time when positive collaboration between the board and the ED are essential for the organization to be saved.

What role might an external recruiter play?

Yazbak: An external recruiter is a confidential advisor and intermediary. While retained and paid by the organization, a recruiter's credibility and reputation are also measured by how much candidates can trust and confide in that recruiter.

It is important that a recruiter uncover the challenges of, and underlying leadership issues in the organization to facilitate the board's understanding. On the candidate side, the recruiter should encourage the candidate to conduct his/her own research into the organization.

Most of all, it is essential that a recruiter encourage both organizations and candidates to take off their sales hats during a recruitment process. In a situation such as a turnaround, it is far more important that a candidate be seen for what s/he can really offer, rather than probed with trick-questions that only tell a board how well that person interviews.

Once discussions proceed to a second or third level, meetings should tangibly plan out immediate and medium term goals, complete with both a vision and a meeting of the minds on the prioritization of steps, resources available (in funds and team), etc.

What areas would you probe in references?

The goal of the reference check is to find directly relevant examples that will allow you to gauge whether the candidate has truly seen and managed a situation similar to the one your organization is facing. Here are some areas on which to focus questions:

Probe the candidate's career choices and ability to deliver in high-stakes situations: How does s/he respond under pressure?

Can the candidate's references describe a crisis and discuss the strengths and weaknesses of the candidate's dealing with that particular situation? What lasting impact—both positive and negative—did the candidate's decisions have on the organization? How did the candidate engage internal and external stakeholders during the crisis?

Which constituents at the reference's organization felt the best served by the candidate?

How did the candidate hear and understand viewpoints and weave it with his/her own opinion to develop a new and federating approach?

What is the candidate's leadership style? How have the references seen his/her leadership style evolve over time?

What is the candidate's learning style? (Will s/he be isolated or find the ways to gain support during the tough times? Does s/he assume that there's one single answer to situations?)

What do his/her worst opponents say about the candidate? When have these views been justified?

How did the candidate manage the expectations of others?

What are the candidate's development areas?

What do you see as the gaps in the candidate's experience or skill sets when you hear about the job description?

I'm looking for a leadership position in the nonprofit world. Why would I consider an organization in crisis?

Yazbak: The exciting nature of a turnaround is that your tenure will be eventful and you'll learn a lot. Also, if you've never worked in the sector before, your skill set as an outsider may be welcomed more readily, given that the board is looking for a break with the past. If you have the type of personality that thrives on challenging yourself greatly, this may be the role of your life.

What qualities should I look for in myself if I want to apply for the job?

Most of all, you should look at your energy and commitment level:

Do you have the conviction that you can tackle the technical, leadership, and interpersonal angles of the task at hand? Draft out a list of “what I know” and “what more I need to know” after each step in the interview process to help you identify any gaps in your experience relating to the position.

Are you comfortable with the gaps that you’ve identified in your experience and do you know how you will acquire the knowledge you need to fill those gaps?

As you explain the role and its challenges to people who know you well, do they see you in the role? (Probing why they wouldn’t could be instructive.)

Personally, are you in a situation to be supported through a difficult time professionally? Can you handle the physical and emotional demands that will be put on you?

Personal qualities aside, are there cons to taking on a turnaround job?

Yazbak: If the turnaround fails, the candidate will continuously need to explain why the situation wasn’t feasible. A person unfamiliar with the situation could perhaps wonder why—or how—the candidate had underestimated the task at hand. It probably makes sense to imagine the worst-case scenario. If the position is right for you and your skills, you’ll quickly focus on why you have the combination of skills, energy, and motivation to make the outcome positive.

How can I conduct due diligence on the organization to be sure that key information is being provided? What documents or information can I reasonably expect in advance and as I move forward through the recruitment process?

Yazbak: It is critical to take a cold hard look at board meeting minutes and financial information before joining an organization. The Internal Revenue Service issues tax-exempt status to nonprofit organizations and regulates those organizations’ activities to ensure they are fulfilling their charitable purpose. Many nonprofits must file an annual IRS Form 990. This form includes information on the organization’s mission, programs, and finances. The GuideStar website (www.guidestar.org) publishes Form 990 filings of over 1.5 million nonprofits. I would recommend seeing at least the last three IRS Form 990 filings. You will want to pay particular attention to the diversity and sources of revenue for the organization over time, the key drivers of expenses, and any unusual arrangements in the compensation of senior staff or directors.

Much in the same way that 360-degree candidate references should focus on former bosses, clients or partners, peers and subordinates, an organization can be “referenced” in the same way by gathering information from and about board members, staff, and external partners. If possible, call the leaders of organizations with which the organization has collaborated. As you get closer to making a decision about

the organization, try to meet with key donors or other stakeholders to get their perspectives on the organization. Do you have a base of committed supporters ready to come back to the fold with more solid management, or will you be building that base from scratch?

What are some of the key questions that I should ask if I'm pursuing a leadership position in a turnaround situation?

What are the key drivers of this crisis?

How effectively does the senior team work together?

What is the organization's structure? Are changes anticipated?

To what degree did organizational culture create or prolong the crisis?

What is the board's reaction to the crisis? How are they supporting or not supporting the senior team? Staff?

How do the members of the board interact with the senior team in general? Staff?

What projects, programs, and initiatives are slipping as a result of the crisis?

How does this crisis affect the organization's fundraising and other sources of income?

Are cuts anticipated? Who will be responsible for planning and executing?

What is the organization doing very well right now?

Whether you are a hiring manager for a nonprofit in crisis or a job candidate considering a turnaround job, the key to your success is information. Hiring managers should be completely transparent with job candidates about the crisis situation. And turnaround job candidates should make sure they understand exactly what they are signing up for by doing their own due diligence. If everyone is armed with all the facts, the end result can be a great hire and an end to the crisis.

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