

Interim Leadership: Looking Beyond the Executive Director

Hiring the wrong person into a senior leadership position is one of the most damaging and costly (in every sense of the word) mistakes an organization can make. At the same time, few nonprofits have the executive bench strength to function well with a key position vacant. Factor in the length of time that's often required to find the right person, and it's easy to see why the temptation to settle for someone who's almost right can be so strong. In recent years, some nonprofit organizations have started using interim executive directors as a way of avoiding this pitfall, and there is a small but growing body of knowledge and resources around this practice. However, there is still very little information on the use of interim personnel in other leadership positions. In this light, we look at the experience of one organization with experience in this area: the Jewish Community Centers of Greater Boston (JCCGB), which used an interim chief operating officer (COO) to navigate a period of significant organizational transition.

Leadership in a strategic transition

"Three or four years ago it became clear to us that the environment was rapidly changing around us," says Mark Sokoll, President of the Jewish Community Centers of Greater Boston. The JCCGB's members—and potential members—were becoming increasingly diverse, and many no longer resided primarily in neighborhoods adjacent to its existing facilities. "We weren't growing," Sokoll notes, "and our business—certainly on the revenue side but in other ways as well—had stalled." Convinced that the organization needed to take a fresh look at its mission, programs and practices, Sokoll and the board engaged a team of consultants from TDC, a nonprofit consulting and research group, to help them develop a new strategic framework and plan. Approved by the board in September 2003, the plan outlined a series of major changes for the 69-year-old organization, chief among them the decision to move from a community of individual facilities and programs to a single, market-facing agency.

Sokoll, the staff, and the JCCGB's volunteer leadership set out to convert the framework into concrete steps and begin implementation. But early on, Sokoll remembers, "We hit the wall." Recognizing that the transition would entail dramatic changes for everyone, he again sought outside help to move the organization forward. After interviewing a number of implementation-focused organizations, he and his leadership team chose to work with the Executive Service Corps (ESC) of New England, which draws on a volunteer network of senior executives to provide consulting to nonprofit organizations.

The three ESC consultants dug into the task of helping the JCCGB make its new strategic vision a reality. As their work progressed, however, it became clear to both the consultants and JCCGB management that the organization needed someone in a senior-level business-development role to coordinate the

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necessary operational and cultural changes—and fast. To address the problem, Sokoll and his team took action on two fronts: they began a search for a COO, and they asked Neil Golden, a member of the ESC consulting team who already knew the organization well and had a track record of managing high-growth technology companies, to step in and serve in an interim senior-leadership role until they made a permanent hire. As it turned out, Golden would serve in this role for almost 18 months.

The search ended up taking a long time for several reasons. First, as often happens, the organization's view of what was needed evolved as they met candidates who did—or did not—embody the characteristics they had initially specified. Second, the skills a successful candidate would need were tightly linked to the future configuration of the organization, and the management team's view of that future was still taking shape. Third, as time went on and more of the internal organizational changes were accomplished, the need shifted from a person who could lead through transition to a person who could lead in the next phase.

As the search went on, Golden worked with Sokoll and other members of the senior staff to hire and integrate other key leaders, to coach and train existing staff to prepare them to operate successfully in the new environment, and to create new management structures and models. While his objective was to move the organization toward an outward-facing posture that was more responsive to members and the community, the work of the transition period was primarily internal—helping the organization to become more integrated and to work together more effectively across functions and departments.

In April of 2006, the JCCGB hired a permanent COO, Betsy Jacobs. Her background was primarily in for-profit educational publishing but also included some development work in the nonprofit sector. Immediately prior to joining the JCCGB, she had taken more than a decade away from work to raise her children, and during that period she had taken on significant volunteer leadership roles with a leading Jewish philanthropic organization.

By the time Jacobs was hired, the JCCGB had moved through the most disruptive phase of its transition. As a result, Jacobs was able to focus on constructing a business plan in an organization more oriented toward serving the needs of its external constituents. Golden remained on through the end of the calendar year, finishing up some specific projects relating to the transition and serving as a “utility infielder.” He also helped bring Jacobs up to speed.

According to Sokoll, Golden, and Jacobs, having an interim COO turned out to be a great solution for the JCCGB, even though they hadn't set out to have him cover that entire period. Sokoll jokes, “It sounds

smarter in hindsight than it was when we were trying to work through it. We were motivated to some extent by vision but also by pragmatics—we were having a hard time finding the right COO.”

Taking stock

For the JCCGB, using an interim COO had a number of advantages:

Buying time to define the position and find the right person. The JCCGB had urgent needs, and had they not had an interim solution they might have felt pressured to hire an early candidate who was strong but not an ideal fit. According to Golden, “Nothing is more expensive than making the wrong hire in a senior position.” Golden helped meet some of the JCCGB’s immediate needs, so that the organization didn’t have to fill the position before the desired skill set became clear, or before they had found the right candidate.

Bringing the right skills for the transition. “The skills you need to make a cultural change in an organization are different from those you need to run the operation on an ongoing basis,” Golden comments. “I brought skill in making cultural change.” Sokoll concurs: “Ultimately, we wanted to hire a COO who could read and understand the community and the market, focus on business development, and get clarity about what we needed to do to be successful in that environment. Neil was 95% focused on the fundamental internal changes we needed to make, so these were very different jobs. Thanks to what Neil accomplished, we were in a good position to have the new COO adopt that external business focus right away.”

Providing a neutral, objective perspective. In an organization with a long history, Golden was able to bring a fresh perspective and the credibility that comes with not having a personal stake in the organization’s structure. He was also in a better position than permanent staff to put forward challenging—even unpopular—ideas about the need to change, even if that meant giving up things that had made the organization successful in the past. Sokoll comments, “‘You’re never a prophet in your own land.’ We had lots of people who had been around a long time. Wisdom from outside the sector and the agency was welcomed by many. Neil was able to sound the alarm in a way that actually caused people to wake up and listen.”

Positioning the new hire for success. The period during which Golden served as COO was a time of significant change—and resulting tension. Because Jacobs came in later, she was able to “hit the ground running,” without being weighed down by the baggage of the transition. Jacobs says, “Starting fresh after the transition was a wonderful setup for me because instead of following a longtime person in the position, I was coming in after a change agent. By the time I

got here, there was already an expectation of change. In a sense, everyone was ready to settle down with the person who was going to be here long term.” In addition, Golden was able to stay on long enough to help with Jacobs’s orientation to an extent that is rare in a transition from one long-term executive to another.

Focusing on key priorities. In a busy organization that provides services to thousands of people, it is easy for managers to get caught up in the day-to-day demands of operations and to put off other important tasks that don’t have obvious deadlines or constituencies. Sokoll notes, “Knowing that Neil wasn’t going to do this for five years was a liberating element. He had a finite timeline, and that kept us all focused on what the organization needed from him.”

While the benefits of using Golden as an interim COO during the JCCGB’s transition far outweighed the disadvantages, there are some drawbacks that others considering such a move should take into account. First, it’s a significant investment of staff time and other resources in someone who, by definition, is going to leave the organization. For the JCCGB, this was less of a concern, because Golden had already been working with the organization as a consultant for almost a year when they decided to bring him on in the role. But in other instances, this might be an issue.

Second, an interim executive with the right skill set may not be as familiar with the nonprofit sector and the organization’s specific activities. According to Golden, “At times I would trip over myself, because I didn’t know enough about the world of the JCC and nonprofits. But that was both my biggest strength and my biggest weakness. I needed people to explain to me why they did what they did, and sometimes explaining it caused them to see areas of inconsistency. A lot of good came out of not having that history.”

Finally, bringing in an interim executive means two personnel transitions rather than one, which can cause additional upheaval—particularly for the person’s direct reports—in an organization that is already going through significant change. It can also create a lack of clarity internally and lead to people asking, “If he’s not going to be around, why am I reporting to him?” Sokoll addressed this issue by limiting Golden’s direct reports to the handful of people who needed to work closely with him on the transition; not everyone who now reports to Jacobs reported to Golden during his tenure.

Using interim executives for roles other than the ED

Most of the existing research, literature, and organizational resources devoted to interims focus on the executive director (ED) position. However, we believe that many of the lessons drawn from experience with interim EDs can be applied effectively to other positions as well. We discussed this issue with two

experts in the field: Tim Wolfred, Senior Projects Director at CompassPoint Nonprofit Services in San Francisco, and Lynne A. Molnar, Managing Director of the Executive Transitions Program at Third Sector New England in the Boston area. Both organizations have extensive experience placing and supporting interim executives.

According to Wolfred and Molnar, the JCCGB example illustrates many of the conditions under which organizations can successfully draw on the talents of interim executives:

When there is significant disruption and change occurring in an organization

When it is unclear what positions will be needed, and/or what skills will be needed for a particular position

When leadership is needed urgently and there is reason to believe that a high-quality search will take time

When someone is available who can transition into the position quickly but isn't available on a long-term basis.

Molnar and Wolfred also pointed to some other situations in which organizations might want to consider interim executives:

Following a founding or long-serving executive. Wolfred comments, "After a particularly strong executive leaves, the staff, board, funders, and community may still be attached to that person and need time to disengage so that they are ready to embrace the next person. An interim period allows that natural process to happen."

When a turnaround is needed. An interim executive can come into an organization that is in trouble and make the necessary changes, even if that means confronting difficult issues and making unpopular decisions such as terminating programs, personnel, or partnerships. If these changes are handled well by an interim person, the long-term manager can then come in and focus on the future.

During a system-building phase. When an organization needs to create structures such as financial systems, bringing in an experienced interim manager to build and refine them can work well. Once the right systems are in place, the organization may be able to hire someone with less experience in that particular area to keep them running. Similarly, creating a new position often means moving authority for some areas from existing managers to the new person, and this can be a challenging process. An interim who is experienced in similar positions can, as Wolfred puts

it, “go through the dance or struggle” of defining the new position and getting existing managers to hand off control of particular areas, “so the permanent person doesn’t have to go through those struggles and maybe be damaged in the process.” Putting someone in the new position on an interim basis may also help the organization to figure out what the key elements of the job are and test what skills it will need in a more permanent hire.

Wolfred and Molnar also offered a number of helpful tips and cautionary notes for organizations considering hiring interim executives:

Define clear goals for the interim person. It is important that an interim executive have a clear focus. If the organization doesn’t know what it needs, Molnar recommends bringing in a consultant first or instead, to do an assessment and make some recommendations.

Don’t let the interim period go on too long. Putting an interim manager in place can remove some of the sense of urgency around the search for a permanent hire. Wolfred points out the importance of keeping the search moving along at a good pace and not using the interim solution as an excuse to focus fewer resources on the search process. During the interim period, important activities such as hiring and new programs and partnerships tend to get put on hold for legitimate reasons. So even a strong interim is no substitute for a long-term manager.

Avoid using interim personnel in roles that are primarily externally facing. In a position such as development director, where one of the key responsibilities is building and stewarding relationships over the long term, an interim will find it difficult to do meaningful work. Wolfred says that interim executives tend to be more successful in more internally focused positions, and while he generally recommends that interim executives serve limited terms (approximately six months for an executive director), he finds that the more internally focused the position is, the longer the interim period can go on without negative consequences. He cautions that most people—both internally and externally—are not going to bond with an interim manager, and organizations should take that fact into account in considering how to use them.

Be cautious about using internal interims. Wolfred says, “If you are looking for a culture shift, an internal person usually can’t do the job, because he or she is part of the status quo.” He also points to the awkwardness that can arise when an internal interim moves back into his or her previous role. While it is common for organizations to tap internal people—because the initial transition is faster and easier and because they have the credibility that comes from a long-term commitment to the organization—some end up losing good managers as a result.

Think twice before using interim managers—either internal or external—who are interested in having the job permanently. According to both Wolfred and Molnar, while the interim period can seem like a low-risk opportunity to try out a potential hire, the interim manager campaigning for a long-term job is in an awkward position. In particular, such managers may shy away from making difficult or unpopular decisions and may not be as focused as they could be on the work of the transition period. If the interim executive is in place simply to provide time for a search, this may be okay; but if the interim period is intended as a time of significant change, an interim who wants the long-term job is probably a bad idea.

Employing an interim executive in the right position at the right time can help an organization move forward in significant ways, as the JCCGB's experience demonstrates. While there does not seem to be any formal research on this topic, both Molnar and Wolfred feel that the phenomenon is growing, and that more nonprofit leaders are coming to see the use of interim executives as an option. And, with the number of leadership transitions rising, thanks to baby-boom retirements and the continued growth of the sector, interim executives may be a solution whose time has come.

Note: the JCCGB was a Bridgestar client.

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