Transition to New Leadership:

The First 1,000 Days

By

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Leadership transitions can be risky. Organizations seeking new leadership have, essentially, three choices: grooming an inside candidate, which is fairly uncommon; or seeking an outside candidate either from within or outside the nonprofit sector. This paper will focus on outside-candidate transitions.

While there has been ample research into the failures of leadership transition, far less scrutiny has attended leadership transition success stories, and virtually no research has either explored how leaders in successful transitions perceive their roles, or tracked the specific actions they initially take. For one thing, to do justice to such research would require looking well beyond the first 100 days or even the first 500 days. For another, it has never been easy to probe the minds of chief executives. This is due partly to the inapproachability or even the isolation that leadership confers, and partly to the logistical difficulty of "landing" a leader, especially a new leader, for thoughtful reflection on his or her perceptions and actions.

About our research methodology

Our research on nonprofit leaders comprised two phases from mid-2008 until late 2009. The first phase focused on leader transitions and involved interviewing nonprofit leaders who were in their role from one to three years. The second phase was a 95-question survey of more than 630 nonprofit leaders from diverse organizations throughout the United States and focused on their leadership behavioral characteristics, cultural assessments of their organization, and levels of personal impact either experienced or achieved.

The leader transition phase represents the primary basis for this article. Twenty-one nonprofit leaders were interviewed; thirteen came to the role from the for-profit sector (*crossover*); the remainder came from within the nonprofit sector. Knowing that organizational socialization and a leader's change agenda are strongest during the first three years of tenure, our research was aimed at revealing if differences **emerged** when the leader crossed sector lines, came from another organization, or changed roles in the new position.

To be able to detect general trends in our findings, the organizations were diverse. Interviews were semi-structured (following a flexible format) around the leader's one-year anniversary and his/her impressions of entry conditions, challenges, changes, work goals, and successes experienced in the first year. Leaders were queried to identify differences in years two and three as well as the rationale for taking the role.

To our knowledge, in 2008 we were the first to undertake empirical research to do just that. We examined how new nonprofit leaders perceive and approach their leadership role in a nonprofit organization. We looked at the leaders' actions over the course of a thousand days — effectively, the first three years of their leadership. Some of these leaders had crossed over from the for-profit sector, while some were nonprofit sector careerists; for some, the assumption of leadership represented a lateral move, while for others, it was a promotion. The findings showed, however, an almost stunning commonality of approach and action on the part of these successful leaders. Both the commonality and the nuanced differences offer board members of nonprofits some key lessons about how to search for a new leader, what to expect of a leadership transition, and how to deal with the transition process *and* the new leader.

Perception of Role

How a leader perceives his or her role inevitably shapes how the leader acts — i.e., in which strategies or to which needs he or she allocates time, apportions focus, and, perhaps most importantly, places emphasis. Our research found a marked similarity in perception of the leadership role; whether the new leader was a crossover from the for-profit world, a nonprofit sector hire, a promotional new hire, or a laterally moving executive, all looked at their leadership role through a remarkably similar lens. All defined the role in terms of four seminal dimensions which they identified as leadership responsibilities: visioning or strategic planning and implementation; running the organization; relations with external constituencies and stakeholders; and paying attention to the board.

This persistently common perception confirms what is perhaps conventionally assumed but has never really been quantified in the nonprofit world — namely, that leadership is leadership. At least as far as perception of the role is concerned, therefore, background is immaterial — in terms of both the sector from which the new leader is drawn or the hierarchical level he or she has achieved.

Motivations for Transition

Why would someone seek to become a nonprofit chief executive? The reasons are probably as varied as the individuals seeking such a transition. There is a distinction, however, between the rationale for nonprofit sector careerists and that of crossovers. Among those who have built a career in the nonprofit sector, assumption of the leadership role is seen, not surprisingly, as the next logical step along an anticipated career path, and they look forward eagerly to being in charge of a larger or more complex organization. Moreover, beyond the step up in the hierarchy or the increase in complexity, these new leaders also seek the change in focus that any new job affords.

Crossovers from the for-profit sector clearly confront a change of much greater magnitude. They are crossing two or possibly three boundaries — of sector and organization, and in the case of promotional hires, of professional responsibility — but, at the start, they may not fully comprehend how difficult the transition will be despite a sense of readiness. Their experience in the first 1,000 days reveals a profound personal impact. But because so many crossovers want to "give back" after an enriching career in the private sector, the difficulty is embraced as rewarding.

Common among those seeking a transition to nonprofit leadership is the desire for change — both change they can effect and change they can feel personally. That begs the question: What changes do they, in fact, make?

Transition as Change Engine

A new hire at the top of the organization signals to the world that everything is up for grabs — all options for change are on the table. Prior research on leaders and change tells us that new hires feel a need to make an immediate impact — to both establish credibility and legitimize their hiring.

Yet our research shows that the first thing our new leaders do is try to learn all they can about the organization they newly head. Many formalize "listening and learning tours" in which they can meet and assess staff, key stakeholders, and of course board members. At the same time, they are trying to execute their strategic mandate to make change — that is, to influence existing work priorities and establish new ones.

It is of interest that few leaders in our study underwent a formal orientation or on-boarding program. Exceptions were two individuals appointed to lead chapters of large, national nonprofits in which orientation is a standard practice. For the most part, however, the learning process, as well as the re-setting of work priorities, proceeded on the basis of the leaders' past experience and critical thinking.

Staffing changes tended not to occur at once, although in situations urgently demanding change, years one and two saw new hiring. For the most part, however, we found that key staffing changes could be delayed until later, when the strategic direction had been set.

Rarely is this new hiring done from within the organization. The sole exceptions were hires by nonprofit sector leaders specifically seeking familiarity with an internal issue — the kind of expertise that could conceivably only belong to an internal hire. Even in those exceptional cases, however, outside hires augmented the team. In instances where crossovers were brought in to lead organizations dedicated to complex science or to medical research, it was common to see hiring of senior science specialists to support the grant-making function.

We discerned no conclusive distinction between crossovers and sector careerists or between promotional hires and laterals as to whether the leader's focus will be more strategic than operational or the reverse. Change is driven by the need and by the urgency of the need. In general, however, laterally moving leaders tend to move with a strategic focus while promoted leaders tend to be focused more operationally. Promotional crossover executives, in particular, are more likely to be operationally focused — sharply so — while those from within the sector tend to evince a more diffuse focus. Crossover laterals, by contrast, tend to focus strategically while their sector careerist counterparts embrace both strategic and operational tendencies. In urgent, turnaround situations, a lateral hire tends to focus strategically while promotional hires split their focus.

Advice and Counsel

Most leaders in transition create and rely on a "kitchen cabinet" of trusted advisors for advice and counsel; whom they rely on most in these roles differs between nonprofit-sector career hires and crossovers. Not surprisingly, crossover executives relied on key board members with whom they became acquainted during the recruiting process — members of the search committee and the like. They especially reach out to these board members during the early days of their tenure.

Sector hires more frequently rely on their senior staff and professional contacts outside the organization but within the nonprofit sector. These kinds of sector collateral relationships are simply not yet available to many crossover executives in the early years of their tenure.

Surprisingly, most leaders — whether crossovers or sector careerists — regard themselves as organizational insiders by year two of their tenure. What characterizes this sense of "belonging"? Leaders say it manifests itself in a greater level of camaraderie in the office and in the fact that their views are sought by constituencies and stakeholders outside the organization. Most important was the mental shift leaders noted after completing the one-year cycle of organizational events and activities: a sense of personal investment in the success of the organization and of their own accountability for that success.

But more than a few leaders recounted discovering unpleasant issues that needed to be addressed — foremost among them an instance or pattern of mishandled finances. While such discoveries confirm that the organization needed change at the top, it is instructive

that the leaders who made such discoveries indicated that the board was either "too removed from the day-to-day operations of the organization" to know about the situation, or simply failed to understand its severity. A poor reflection on the boards of these organizations — certainly a failure of advice and counsel if not of governance — it is or ought to be a warning shot across the bow of all nonprofit boards of directors.

Personal Impact

Whether they come from within the nonprofit sector or have crossed over from the for-profit world, newly hired nonprofit leaders want to make change and believe that they have done so in their first 1,000 days — if not sooner.

They also feel changed themselves. All our research subjects reported they felt their leadership behavior had been affected by the culture of the organization and by the work of leadership. But crossover executives felt the change more profoundly; personal interviews with them reinforced this finding. Where nonprofit sector hires spoke in almost clinical terms of "increased responsibility," crossovers used such phrases as "the most professionally challenging time in my career," thereby suggesting a profound personal impact.

But these crossovers also reported that they felt the nonprofit leadership job was about what they had expected and that they felt well prepared for the job — despite moving into a new sector and a new organization and, in some cases, a higher position in the hierarchy. It would appear, therefore, that the private sector cultivates a sufficient sense of self that these individuals can undertake the transition with full confidence that they are equipped to cross the boundaries of change.

Lessons for the Board

At some point in their tenure, most nonprofit boards are faced with the task of hiring a new chief executive. The process can be lengthy. Much is at stake — the new person is expected to take a healthy organization to the next phase in its life cycle or to turn around the fate of a faltering one. Choosing the wrong leader can be very expensive.

The board's responsibility is not simply limited to the hiring process. It also has to prepare the new leader for the role as well as continue supporting him or her during the entire tenure. Helpful new data and insights from our research can help boards to better prepare for their role in this organizational transition. Let's look at the ways the board can approach the search process, onboarding the new leader, prepare the rest of the staff for the change, and evaluate the results after various intervals of the tenure.

Scope of search
Whether the new leader came from the corporate or nonprofit sector, there was little difference in his or her perception of the responsibilities of leaders. New hires, regardless of their "origin," were expected to function as visionaries and take strategic action while

running the operations and communicating with the stakeholders. It appears that the demands of the corporate sector prepare senior staff to react positively to change — and jumping sectors is actually less of a seismic shift. While positive perceptions do not guarantee a perfect organizational fit, we found that the new executives' personal definitions of leadership were based on similar assumptions in both sectors and, therefore, casting a wide net during the search may prove beneficial.

Onboarding the new chief executive

It is an article of faith in governance that board members should undergo an orientation process before they take a new position on the board. It is equally important for the board to engage in orienting the chief executive. We learned that many boards neglect this important task.

During the executive search, as they review the applications of candidates, the search committee members usually pay attention to the motivations of the candidates who apply for the position. They determine whether the job would be a promotion for the candidate; a desire to give back to the community, perhaps; or a personal need to take on a new challenge. Regardless of motivation, no candidate is prepared to take the steering wheel without a solid orientation to the organization and its history; its board and governance practices; the expectations for the new chief executive — and if necessary, an introduction to the nonprofit sector.

Being able to prepare the new chief executive for his or her job assumes the board is well aware of the present activities, personnel, and fiscal health of the organization. Too often we read on the front page of the local paper about the financial troubles and mismanagement of the funds in nonprofits. The inevitable question follows: "Where was the board?" Numerous interviewees in our research were surprised by the financial troubles they discovered after taking the helm. But when the board is not aware of them, there's an even bigger problem for the organization. If the new chief executive has to inform the board of the true financial situation, it should be a wake-up call for the board to check its own monitoring practices. "Trust but verify" still makes sense businesswise.

Preparing the staff for the change

It is virtually inevitable that soon after the change in management other changes will take place among staff. Each chief executive has his or her own management style. That can be unsettling to staff members. New strategic priorities may not settle well with some senior staff members. The new leader may bring along his or her protégées from the previous team. A staff member who applied unsuccessfully for the executive position may feel uncomfortable working with the winning candidate. It is natural that some staff members decide to move on.

The chair of the board can help manage staff concerns before the new chief executive arrives. Meeting with staff during the interview phase, keeping them informed, and being present at the introduction of the new hire shows that the board is supportive of both the existing staff and the new executive. Explaining the search criteria — the value the new

executive brings to the organization — can facilitate the initial anxiety that individual staff members may feel.

Board-chief executive partnership
As our research indicates, the first hundred days probably do not comprise a sufficient indication of how the executive transfer has succeeded. As a change agent, every chief executive needs time to learn and then implement the original vision he or she brought along. To keep the organization steering in the right direction requires constant and constructive communication with the board, specifically with the chair.

Open communication links should allow the chief executive to bring both good news and bad news to the board. In turn, the board needs to listen appropriately and give honest feedback. We learned that crossover executives in particular anticipate challenges in the learning curve, but the rewards make them well worth it.
Change is hard. Support from the board is imperative. The new chief executive's personal successes will serve as an encouragement; the board's recognition of the executive's results will reinforce and strengthen the process.