



Welcome . . .

Most nonprofit organizations today are concerned about sustainability. One of the most effective ways to ensure the organizational sustainability is to engage in long term leadership succession planning. Leadership succession planning is an ongoing and thoughtful process that includes an assessment of organizational capacities, commitment to developing future leaders, and integration of Strategic Leadership Development into the organization's overall strategic plan.

For nonprofit organizations, strategic leadership development means “building your bench strength” and developing a pipeline of leaders who are strong and capable. A successful pipeline includes managers, employees and board members.

Strategic leadership development is an indicator of a healthy nonprofit organization, and a strategy that funders are increasingly looking for in the organizations they support. Just like effective fund development and sound fiscal practices, leadership development can be brought into an organization's practices immediately. Simple strategies like providing external opportunities for staff and board to grow their leadership capabilities, or cross-training staff in each other's duties and responsibilities can become part of your leadership succession plan.

The Executive Transition Initiative would like to thank ***The Brico Fund, the Bob and Linda Davis Family Fund and the Nonprofit Management Fund*** for funding the development of this toolkit. We are grateful for your commitment to

Succession planning and strategic leadership development cannot be accomplished alone. They are a shared responsibility that requires a strong partnership, built on trust, between the Executive Director and his or her Board of Directors.

The purpose of this **strategic leadership development toolkit** is to provide you with a roadmap through the succession planning and leadership development process in your organization. The toolkit introduces a number of strategies that Executive Directors and board members can employ, along with specific tools and resources to support ongoing leadership development.

It is important to note that every organization has its own unique leaders, culture and needs. Therefore, we encourage you to use the information that best suits your organization, and to adapt the tools to address your specific organizational culture. We have done our best to summarize the current best practices, and you will also find references to articles and resources that are available on the web.

We welcome your feedback on this toolkit, and we encourage your suggestions on additional planning tools and templates that may be helpful. Whether your leadership succession is on the horizon or just around the corner, we hope you will avail yourself of all the resources available.

Mindy Lubar Price
ETI Project Manager

Acknowledgements:

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We would also be remiss if we did not acknowledge the ***Center for Urban Initiatives and Research at the University of Wisconsin Milwaukee*** for their contribution to the 2004 survey about the leadership landscape in Milwaukee that raised awareness about the important need for nonprofit succession planning in our community. We would also like to thank the ***Donor's Forum of Wisconsin*** for its early stewardship in the development of the Executive Transition Initiative and the ***Greater Milwaukee Foundation*** for its commitment to expanding the visibility and reach of the initiative to nonprofit organizations.

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Contents of the Strategic Leadership Development Toolkit:

In this toolkit, you will find:

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- ☐ Key Strategies To Implementing Strategic Leadership Development
 1. Assess Your Organizational Risk
 2. Establish an Ongoing Dialogue about Succession Development
 3. Use a Strategic Plan to Assess Future Leadership Needs
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- ☐ Special Considerations for Succession Planning with Founding Executives
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Overview of Leadership Succession Planning

When you think about succession planning, you might imagine some nebulous process that happens in board rooms of big corporations. In the for profit world, succession planning has traditionally focused on grooming a successor or heir apparent. Succession planning in the nonprofit world is a different matter.

It is no surprise that most nonprofit organizations do not have a succession plan in place. Small and medium size nonprofits have as many reasons for this gap as they have constituents. In nonprofits, planning for organizational health and sustainability often takes a back seat to efforts to serving your constituents or influence social change.

It's time for nonprofit organizations to change that dynamic.

The Case for Succession Planning: In the fall of 2004, 1,080 nonprofit Executive Directors in Milwaukee, Waukesha, Washington and Ozaukee counties were surveyed in order to gather information about the potential scope and impact of executive leadership turnover over the next five to ten years, and to inform the further development of strategies to address the pending shift in leaders. Over 350 nonprofit Executive Directors responded to the survey.

Leadership succession planning is an ongoing practice based on defining an organization's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting, developing and retaining talented individuals who have or who can develop those skills.

As part of the first national study of leadership transition in the nonprofit sector, the Milwaukee area survey was one of 24 conducted nationwide. The local study was sponsored by the **Greater Milwaukee Foundation**, in partnership with **Donors Forum of Wisconsin**, **Center for Urban Initiatives and Research**, the **Helen Bader Institute for Nonprofit Management**, and the **University of Wisconsin Milwaukee**, in collaboration with the **Annie E. Casey Foundation**.

Results from the survey highlighted the need to address leadership transition issues among nonprofits. Specifically:

- 66% of nonprofit organizations surveyed were likely to experience an executive transition within the next five years, and 26% of those in the next two years. However, of those surveyed, only 1 - 2% reported having a succession plan in place.
- Organizations that had founding Executive Directors were even less likely to have a plan in place. In addition, most organizations surveyed approach executive change from a search and hire framework as opposed to a more comprehensive transition management approach that emphasizes thoughtful succession planning.
- 55% of the current nonprofit executives were over 50 years old.
- 84% of responding executives were white, 11% African American and 1.4% Hispanic/Latino.
- Only 33% of responding organizations had a deputy director.

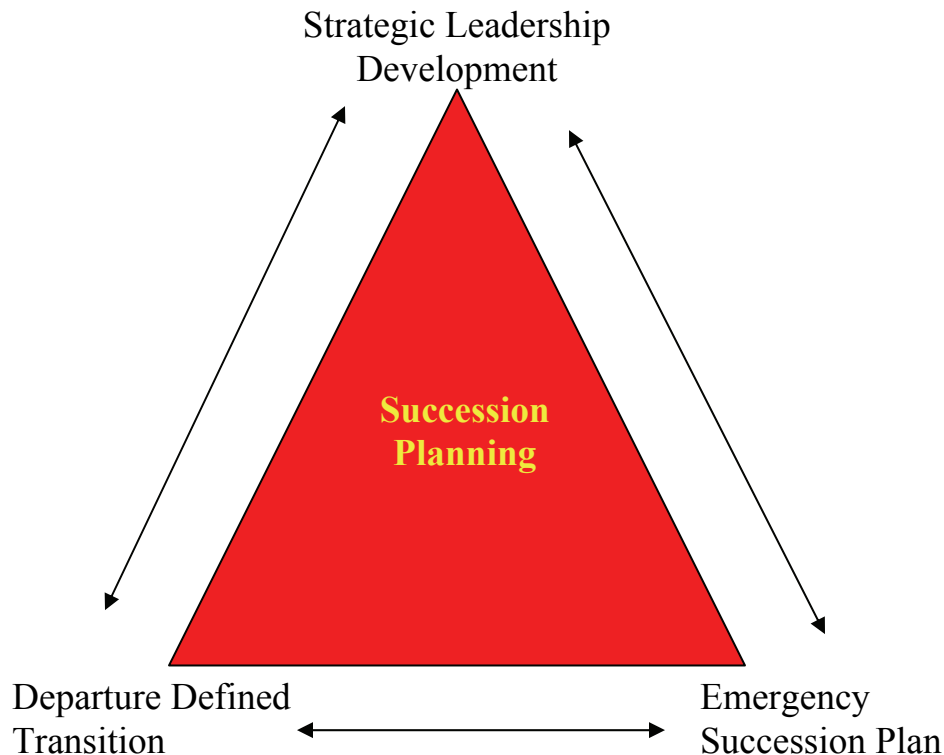
What is Succession Planning? Leadership succession planning is an ongoing practice that is focused on defining an organization's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting, developing and retaining talented individuals who have or who can develop those skills. Ideally, leadership succession planning will include the following components:

- **Emergency Succession Planning** – A thoughtfully prepared plan to address an unanticipated departure of an Executive Director, usually occurring with only a few days or weeks notice.

Emergency succession plans ensures the uninterrupted performance of essential executive functions by outlining steps for the temporary appointment of an acting Executive Director.

- **Strategic Leadership Development** – An ongoing process that identifies the core competencies, skills and knowledge needed by your organization in the next five years along with a plan to develop those competencies in your existing talent or recruit new talent from outside the organization.
- **Departure Defined Transition Planning** – A course of action that board members and Executive Directors can employ when an executive begins thinking about leaving an organization. Departure defined transition planning focuses on communicating the transition to staff and stakeholders, conducting an organizational assessment, building organizational capacity and sustainability, recruiting and hiring a new executive, and celebrating the transition.

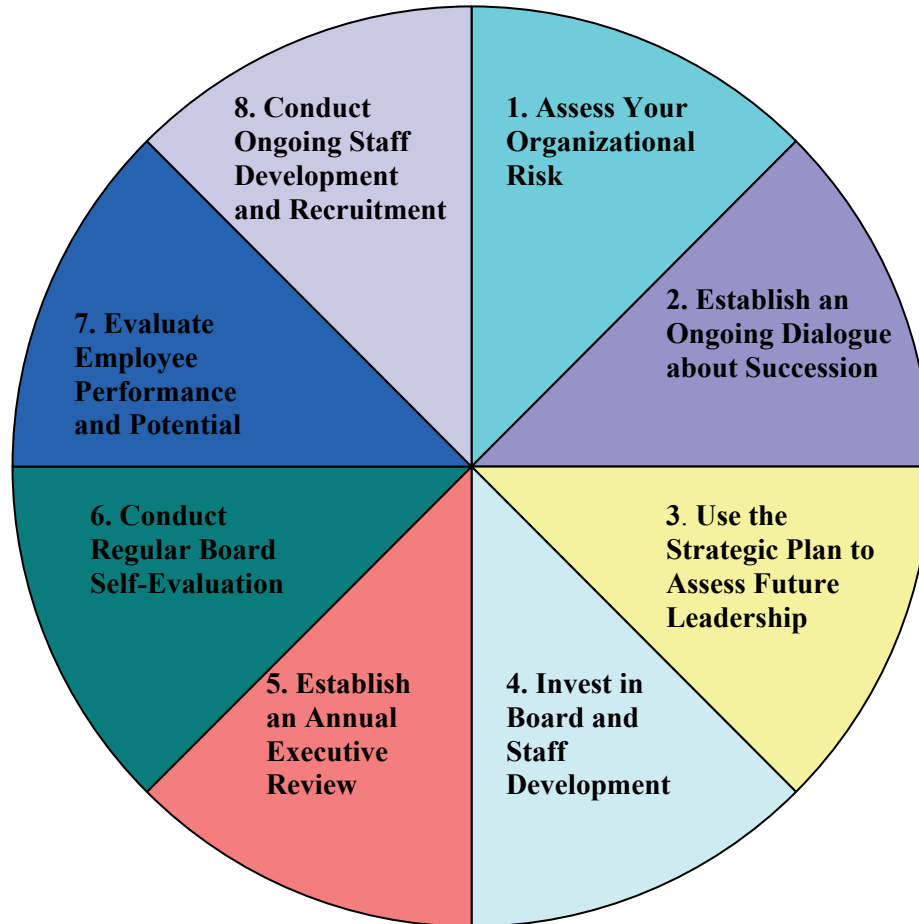
It is important to note that each component of the succession planning process informs the others. The diagram below highlights how these three components relate collectively to each other and to the succession planning process.



Strategic Leadership Development:

Strategic leadership development is a sound risk management practice that is critical to ensuring the viability of an organization. Organizations that focus on talent succession are more nimble and flexible in the face of an unanticipated leadership change, because they have the skills and capacity to fill leadership gaps. Strategic leadership development also provides an opportunity for Executive Directors to engage their board in high-level strategic planning that uncovers unforeseen opportunities.

Key Strategies to Strategic Leadership Development: With the help of some of the leading experts in the field, we have identified the following strategies that will support ongoing leadership development in your organization. Some of them you may already be doing. Each step is described in detail in this toolkit:



Seeking Assistance: There are many resources available to support your organization. An experienced executive transition consultant can benefit the process in a number of ways. In short, he/she can: (1) create a safe environment where the executive and board have permission to raise questions and concerns; (2) conduct an impartial organizational leadership sustainability audit; (3) facilitate organizational strategic planning; and (4) help to build systems and infrastructure needed to ensure continuity in succession planning over the life of the organization. **If your organization doesn't have the financial resources to retain a consultant, you can implement many of the strategies described in this toolkit by activating a leadership succession planning team comprised of board members and stakeholders.**

Strategy #1: Assess Your Organizational Risk

More often than not, Executive Directors and boards avoid discussion about succession planning. Executives fear that opening up discussion will raise red flags. Board members fear that raising the topic will somehow hurt or damage their relationship with an executive. The avoidance is often greatest when a founding Executive Director is leading the organization.

Unfortunately, the nonprofit world is becoming increasingly competitive in the face of duplication of services, dwindling resources and a narrow talent pool. To help you get a sense of your organization's risk level, take the following risk assessment developed by **Transition Guides**, a nationally recognized consulting firm that specializes in providing consulting services to nonprofits during leadership transitions.

Is your organization at risk in the event of an unanticipated leadership vacancy?	Yes	No
1. Our organization has a strategic plan.	☐	☐
2. Our strategic plan includes sections on leadership and/or human capital development.	☐	☐
3. Our organization has a written emergency succession plan.	☐	☐
4. Our budget designates more than one percent of revenues for staff and board development.	☐	☐
5. Our executive has been in his or her position fewer than seven years.	☐	☐
6. Our Executive Director has said either formally or informally that he/she plans to stay with the organization for four or more years.	☐	☐
7. Our executive shares responsibility for fundraising or the relationships needed for fundraising with other staff and board members.	☐	☐
8. Our board chair has served less than five consecutive years.	☐	☐
9. Our board has well-defined term limits.	☐	☐
10. Most of our board members have served fewer than six years.	☐	☐
11. Our board represents a level of economic, cultural, and/or racial diversity appropriate to our mission and/or found in our community.	☐	☐
12. Our board has a committee or designated group responsible for identifying, recruiting, and supporting new board members.	☐	☐

Reviewing Your Results: Answering “no” to four or more questions places your organization at risk for disruption in the event of an unanticipated leadership departure. Organizations that answer no to six or more questions should move without haste to introduce succession planning strategies into the organization.

Strategy #2: Establish an Ongoing Dialogue about Leadership Development

The best time to discuss leadership transitions is when they are not currently happening. Creating a safe environment that supports ongoing discussion about leadership succession will reduce the trepidation that Executive Directors and board members feel about the topic. They are a variety of naturally occurring opportunities in a nonprofit organization to discuss leadership succession. They include:

1. **During the annual personnel evaluation process.** The annual performance evaluation of the Executive Director is a perfect time for board members to initiate a dialogue about succession planning. Discussions should be future focused to assure the executive that the board is taking a long-view interest in the learning more about the executive's personal and professional development plans. Likewise, boards should evaluate their own succession plans on an annual basis to ensure that adherence to bylaw tenure limits are being met.
2. **During annual operational planning.** Most nonprofits engage in some type of informal or formal operational planning on an annual basis. Discussions about goals, anticipated outputs and outcomes for the year presents another opportunity to assess leadership gaps and identify opportunities to transfer knowledge through cross training.
3. **As part of board strategic planning and visioning discussions.** Strategic planning provides an excellent opportunity to open up a dialogue about the inevitability of leadership succession in your organization. If your organization does not have a strategic plan, it should take steps to develop one. More information on the components of a strategic plan, and how to use the process to evaluate future leadership needs, is provided in this toolkit.
4. **At regular board meetings.** Board members can make a habit of asking key questions about how the executive and his or her staff are creating systems to support their work in the future, how redundancies are being developed so that current information is not lost, and how staff is being cross-trained and supported so that no one person is the holder of vital information or relationships. The goal of these discussions is to reinforce the need for contingency planning so that organization functions can continue without disruption in the event of an unanticipated leadership transition. Executive Directors can also encourage discussion by inviting a colleague on another board that recently went through an executive transition to speak about the experience.
5. **At annual budget meetings.** Annual budget planning should include discussion about succession planning, and funds should be earmarked for board and staff leadership development. While the amount of funds set aside will vary by organization, the board and executive should reach consensus on a specified amount that can be dedicated to professional development.
6. **During fund development planning.** Foundations and donors are increasingly aware of the need for succession planning in nonprofit organizations. Executives and boards can demonstrate commitment to the process by seeking support from funders specifically for leadership development.
7. **At regular staff meetings.** Run a "succession fire drill." Pretend with the staff that the executive announces that she is leaving in 60 days. What would the staff do? What would the impact be on organization operations? How prepared is the organization?
8. **During your policy planning and review process.** It is recommended that every nonprofit organization develop a leadership succession policy statement. In fact, many foundations are asking or requiring that their grantees have a policy statement in place. **See Exhibit A: Sample Leadership Succession Policy Statement.**

Strategy #3: Use a Strategic Plan to Assess Future Leadership Needs

If your organization has an updated, written vision statement and strategic plan, developing a succession plan is not a difficult task. If your organization does not have an updated vision statement and strategic plan, then now is the perfect time to develop one.

The reason for updating your strategic plan is simple. Without a strategic plan, how can you know what your future leadership needs will be? In the simplest terms, strategic planning results in a shared vision of what the organization will look like in the future. Only after you have a clear picture of where the organization is going can you fully understand what skills will be required to lead the organization there.

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Strategic Planning Retreats: A structured, facilitated offsite retreat will provide an effective forum to conduct strategic planning. Separating people from their daily demands contributes to fresh and forward thinking and can foster candid conversations about important issues. A transition consultant can be an invaluable resource in organizing and facilitating a retreat to meet your specific organization's objectives. He or she can also include an organizational assessment as part of the process.

Components of Your Strategic Plan: There are many different models of strategic planning, but minimally, a strategic planning discussion should include a review of these areas:

- **Mission and Vision** – Is your mission statement current? Does your vision statement reflect where the organization is headed?
- **Future Programming** – Are your programs meeting the current needs of your consumers? Are you prepared to respond to their emerging needs?
- **External Resources** – What external threats and resources will support or detract from future growth?
- **Internal Resources** – What internal talents will drive your mission forward? What internal gaps and challenges will create barriers to future growth?

For an example of one approach to strategic planning, see **Exhibit B: Strategic Planning Questionnaire**.

Identifying Future Leadership Gaps and Needs: A carefully implemented strategic plan will yield a number of insights about current leadership gaps and future leadership needs. Based on the decisions made about the future direction of the organization, the board and executive can begin to address questions such as:

- Is the organization changing rapidly, or is it in need of a shake-up.
- Where are the leadership gaps? Will the organization need an innovator? Program developer? Administrator? Fundraiser? Marketer?
- Who are the natural internal leaders in the organization and how can we nurture them?
- Will the organization need an executive who will lead it in new directions or someone who will maintain what has been built?
- What values must a future executive possess in order to lead the organization?

A future-focused discussion about internal leadership resources will provide a framework for discussion succession issues and inform future planning and activities. See **Exhibit C: Sample Leadership Development and Planning Tool**.

Strategy #4: Invest in Board and Staff Development

The goal of every Executive Director and board should be to cultivate the talent of the organization's staff, and that includes developing a process that enhances the leadership potential of every employee. Leadership development is an investment in the organization's overall success—as well as a prerequisite for succession planning. Investing in board and staff development is not an event, it's a process. And it doesn't have to be complicated or expensive. Here are some suggested ways that you can begin to invest in leadership development in your organization.

1. **Encourage staff to seek professional development training that emphasizes leadership and management skills.** Today's nonprofit leaders need to develop a myriad of talents in order to fulfill their complex and dynamic positions. An Executive Director who encourages his or her management team to expand their skills is not only strengthening the organization, but is also sending a strong message to the staff about how valuable they are.
2. **Encourage the Board to seek out education and development on Board governance and responsibility.** You would be surprised by the number of people who sit on boards but have never received any formal education or training about the roles and responsibilities of board participation. There are many community resources, some of them free, that can provide board orientation or advanced training on board governance.
3. **Create occasions for key staff to interact with the board.** For example, department heads could be assigned to attend board committees; or, some members of the senior leadership team might be asked to attend select board meetings.
4. **Assign responsibilities to senior staff that will help them demonstrate their leadership skills.** This permits staff to gain confidence and demonstrate their ability to handle complex administrative tasks. Make sure that these opportunities are creative, motivational and inspirational.
5. **Mentor staff.** Some of the best Executive Directors have received terrific mentoring from their Board of Directors, which can be passed on to senior staff. The Executive Director should make time for this responsibility. Executive Directors can also connect key staff with external mentors who are familiar with the organization.
6. **Develop a profile of the board's leadership assets and characteristics.** Identify gaps that must be filled and engage the board in recruiting new members with the competencies and connections to fill those vacancies.
7. **Cross train – one position at a time.** Identify one key position and distribute job duties for that person to staff who are interested in stretching their skills. For a list of strategies that can be employed to cross train executive functions, see **Exhibit D: Strategies to Cross Train Executive Functions.**
8. **Encourage the use of work teams.** When faced with a problem or short-term task, consider forming an ad hoc work team. Work teams produce naturally occurring opportunities for intrinsic leaders to surface. Intrinsic leaders are people who have relationship power and influence over others on the team. Developing those intrinsic leaders to their greatest potential is a sign of visionary leadership.
9. **Groom a successor?** Many executives mistakenly believe that succession planning means grooming a successor. While there are many advantages to grooming an heir apparent, there are also pitfalls. Succession planning in the nonprofit sector requires broader thinking that provides opportunity for leadership development at all levels of the organization. If you are mentoring a young talent, just remember that that you are grooming a nonprofit leader – who may or not be your successor.

Strategy #5: Establish an Annual Executive Evaluation Process

According to the *Chronicle of Philanthropy* nonprofit organizations have been notably lax in creating effective evaluation systems for their executives. A 2004 study conducted by **Bridgestar** found that out of 225 nonprofit managers only 51 percent said they have received performance reviews during the past 12 months. The survey also found that nonprofit executives are *less likely to receive formal reviews the higher they climb in their careers*. Only 42 percent of the nonprofit chief executives surveyed said they had reviews during the past year, and 38 percent of nonprofit leaders reported either never having had a review or not having had a review during the past two years.

According to *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*, a recent report by CompassPoint Nonprofit Services and the Meyer Foundation, an executive is forced out or fired in an estimated 34% of nonprofit transitions.

The lack of attention to formal evaluation of nonprofit executives places both Executive Directors and their organizations at risk. Executives who do not receive ongoing evaluation of their performance may feel as though they are ‘flying solo’ without appropriate support or recognition. Executives who do not receive regular feedback also place themselves at risk for being in the dark about any performance concerns their board may have.

To avoid this problem, nonprofit executives and their boards should engage in an annual performance review process. The Minnesota Council on Nonprofits recommends that executive performance be measured in relation to the executive’s job description. The evaluation may cover the following activity areas:

- | | |
|-----------------------------|---------------------|
| ▪ Leadership | ▪ Fiscal management |
| ▪ External public relations | ▪ Annual goals |
| ▪ Board relationships | ▪ Accountability |
| ▪ Fundraising | ▪ Staff relations |

The structure of the evaluation process is usually determined by a board’s personnel committee. The type of evaluation used by the organization may include input from Board members and staff as well as a self-evaluation. **See Exhibit E: Sample Executive Performance Evaluation.**

Discussing the Future: Annual performance evaluations provide an excellent opportunity to initiate an open ended discussion about the executive’s career goals; this discussion can include any plans the executive may have to retire or leave the organizations. The goal is to establish a climate that encourages forward thinking and gives the executive permission to freely share his or her aspirations and reservations without fear of raising concerns from the board.

Strategy #6: Conduct Regular Board Self Evaluation

Succession planning provides a unique opportunity to evaluate leadership at all levels of the organization—and this includes the board. A comprehensive assessment will evaluate individual board member’s knowledge about the nonprofit and their level of engagement.

According to **BoardSource®** a nonprofit resource firm dedicated to increasing the effectiveness of nonprofit organizations by strengthening their boards of directors, board self-assessment is too comprehensive a process to be carried out every year. However, they propose that performance assessment can be particularly useful just before the board engages in a strategic planning process or prepares for a major campaign, after a major crisis, or when complacency has set in and an invigorating push would be welcome.

Benefits of Board Assessment: According to **BoardSource®** there are a number of benefits to conducting a self assessment. For example:

- Self-assessment allows board members to step back from routine governance matters and candidly reflect on how well the board is meeting its responsibilities.
- It helps your board discover areas for improvement, and establish a common understanding of its roles and responsibilities.
- It establishes a platform for setting and attaining important board priorities, and motivates your board members - individually and collectively - to work effectively for the benefit of the organization and those it serves.

There are a number of excellent tools available through **BoardSource®** (www.boardsource.org) and other resources that can be used or adapted to address your unique organizational structure and needs. For a simple tool that can be easily implemented in your organization, see **Exhibit F: Sample Board Self Assessment Tool**.

Strategy #7: Evaluate Employee Performance and Potential

Some nonprofit leaders see annual performance reviews as time-consuming exercises that do not improve employee productivity or benefit the organization. But human-resources consultants agree that effective organizations need such evaluations to get the most from employees.

Evaluate and Address Employee Performance: Evaluating employee performance is at the very heart of succession planning. In order to build your organization's bench strength, it is necessary to define the core competencies needed for current job positions and to evaluate how well your current team members match the required competencies. An employee performance process should always be based on an updated, concise job description that accurately reflects the responsibilities and duties of the position. It provides a reasonable benchmark for reviewing each employee's performance so that Executive Directors can determine which human resource strategy is most appropriate for the individual employee:

- For low performing employees the goal is to improve employee performance or terminate the employee if necessary.
- For high performing employees with low potential for advancement, the goal is to keep them motivated and productive where they are in the organization.
- For high performing, high-potential employees, the goal is to take steps to accelerate their development so they will be fully prepared for advancement when the organization needs it.

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Effective performance reviews can take many shapes, from a simple one-to-one sit down, to a more comprehensive process. Some larger nonprofits may even employ a "360-degree" evaluation, which involves having an employee's managers, subordinates, colleagues, and constituents review that employee's performance. The key is to find a process that fits the size and scope of your organization and make annual performance evaluations an expectation.

Assess staff capabilities to assume key leadership roles: Nonprofit organizations provide fertile ground for young talent to sharpen their leadership skills. The **Ten Tenants of Nonprofit Leadership** provides an overview of leadership opportunities that apply to most nonprofit organizations. Executive Directors can nurture and encourage young talent to identify which qualities they possess, and which qualities require further development:

1. **Mission Match:** Strong leaders have a passionate commitment to the mission of the organization and to its constituents.
2. **Leadership & Planning:** The ability to champion a vision for the future, inspiring others and removing barriers to achieving the organization's mission.
3. **Ethical Standards:** Nonprofits need leaders who have the highest ethical standards, who will ensure accountability to stakeholders.
4. **Personal Qualities:** Strong leaders have integrity, credibility, vision, competence and charisma.
5. **Develop Future Leaders:** Strong leaders are able to bridge generational and cultural differences in order to inspire and nurture young talent.

- 6. Build Internal and External Relationships:** Leaders must have the ability to establish rapport with a wide variety of stakeholders and be able to solidify relationships with board members and funders.
- 7. Financial Stewardship:** The ability to ensure that resources are effectively distributed and soundly managed to improve organization effectiveness.
- 8. Fund Development:** Securing resources to achieve organizational goals and building a solid foundation of invested stakeholders.
- 9. Information Technology:** Future leaders must have the skills and commitment to use and invest in technology resources that highlight organization outputs and outcomes.
- 10. Program Development:** Strong leaders are committed to implementing best practices and proven approaches to address unmet needs and gaps in the community.

Strategy #8: Conduct Ongoing Staff Development and Recruitment

Implementing a staff development and retention plan may seem overwhelming for small or medium sized nonprofits that do not have a human resource function. It doesn't have to be. Small, medium or large nonprofits can all implement a professional development and recruitment plan that includes a variety of activities to recruit new talent and encourage leadership development within the organization. A list of strategies that can be easily implemented in your organization are outlined below.

1. **Put your commitment in writing.** Define the essential leadership competencies the organization needs in the present and will need in the future. If there are areas where the gap between current competencies and anticipated ones, make a commitment to take action to recruit and retain staff with those competencies or the potential to develop those competencies. Publish these desired leadership competencies in a policy statement. **See Exhibit G: Sample Professional Development Policy Statement.**
2. **Integrate professional development into your annual employee appraisal process.** The plan should include concrete steps for improving performance for current employees, and developing skills and competencies for employees to advance in both existing and future job positions. A good professional development plan will include a combination of skills training, education and coaching or mentoring.
3. **Offer internal inservices on leadership development.** This does not have to be an expensive proposition. For example, rather than hiring an out-of-town consultant, consider inviting Executive Directors and leaders from other local nonprofits to conduct a brown bag lunch or facilitate a discussion about a leadership topic of interest to your work team. Make it a quarterly event. Offer to do the same for your colleagues, or provide an honorarium or small donation to their organization for their time and effort.
4. **Broaden recruitment activities to include resources that reach diverse communities.** Many nonprofit organizations are establishing organizational goals about the number or percentage of qualified minority candidates that are considered for leadership positions. Review and update the methods used by your organization to advertise job vacancies. Make sure that you include ethnic and community focused newspapers, local educational institutions.
5. **Attend job fairs that reach diverse communities.** Job fairs are a great way of reaching a pool of diverse candidates who have leadership potential but who may know little about the nonprofit world or your organization. Have a packet of information available that includes an overview of your organizations history, mission, vision, programs, constituency, programs, strategic objectives and current and anticipated job opportunities.
6. **Encourage staff participation in professional associations and community advisory committees.** Participation in professional networking associations and advisory committees will help to build your employees self confidence and expose them to a variety of leadership styles. Consider funding memberships if this is fiscally possible.
7. **Make sure your organization is a member of your local young professionals association(s).** Membership in these organizations serves a variety of purposes including nurturing relationships and networking with diverse individuals in the nonprofit and business arenas.
8. **Include incentives for employees who are seeking advanced degrees.** The practice of tuition reimbursement is practiced by many, but not all nonprofits. Executive Directors and their boards

“Creating a leadership team within the organization, giving employees the opportunity to learn about what it takes to be a leader or a manager is important to building a stronger team. Letting staff know that there are opportunities for growth and advancement and that JFS cares about their personal professional goals is important to keep JFS on the cutting edge of social service organizations.”

Sylvan Leabman
Executive Director

should of organizations that do not offer this benefit should make it a priority as soon as it is financially possible. Even time away from work to attend classes can be an incentive.

9. **Provide mentoring support by matching staff with internal and external leaders.** Here again, peer executives from other nonprofits can support your commitment to leadership development by offering their tutelage. The commitment can be as simple as a quarterly or semi-annual lunch between an executive and one of our top talents, preferably paid for by your organization.
10. **Encourage staff to put their plan in writing too.** Professional development is a shared responsibility. Encourage your staff to keep personal portfolios that contain a development action plan and evidence of professional development.

Special Considerations for Succession Planning with Founding Executives

Founding Executive Directors often have a greater personal attachment to the organization than executives who are hired by the Board of Directors. Some may even feel a sense of ownership. This is only natural if one considers the fact that founding executives were, in fact, the original owners of the organization.

Founding Executive Directors may be reluctant to discuss leadership succession for a variety of good reasons, including:

- They may not feel the organization is financially stable enough to discuss succession.
- They may not feel the board is capable of guiding the organization through a leadership transition.
- They may not feel they have developed enough of a talent pool to assume leadership responsibilities.
- They may be reluctant to turn over the organization to a younger generation that embraces a different set of values.
- They may feel uncomfortable thinking about or discussing a future for the organization without them in it.

In many cases, nonprofit Board of Directors find it difficult to initiate a discussion about succession with a founding Executive Director. After all, they didn't hire the Executive Director. Quite the opposite: the executive "hired" them. As awkward as the discussion may be, it is incumbent on the board to discuss succession planning.

The process should not begin with an out-of-the blue discussion. The most respectful approach is to integrate succession planning into discussions about staff development. There are many opportunities for board members to encourage founding executives to begin thinking about future leadership within the organization. For example, the board can:

1. Encourage founders to identify ways to allow employees to solve organization problems or exercise increasing responsibility and authority. This is especially effective for founding directors who report that they are overtaxed by their responsibilities.
2. Show founding directors the advantages of letting go of old leadership models where all the power is vested in the leader.
3. Encourage founding directors to avoid "hording" or withholding communication. Open communication is essential to nurturing leaders in any organization.
4. Make it clear that the board expects that the Executive Director's work goals include observable staff development activities.
5. When discussion turns to filling job vacancies, initiate discussion about what types of leadership qualities are missing in the current staff and how to recruit candidates with those qualities.

Generational Differences in Leadership: Insights and Observations

There's a New World Coming: It is widely recognized that the Civil Rights generation – the Baby Boomers – have dominated the leadership of the social change movement, and through it, nonprofit organizations during the last half of the last century. It is not an overstatement to claim that nonprofit organizations owe much of what they are today to those dedicated and passionate leaders.

It's also true that there is a next generation of leaders who are also poised to shape and drive the work of social change – and they have very different (and in some ways similar) values. The differences in these values will have dramatic implications for nonprofit leadership for years to come.

What's Up Next: In the 2005 report, *Up Next: Generation Change and the Leadership of Nonprofit Organizations*, Frances Kunreuther examined what the transition from the Baby Boom generation to the Generations X and Y means for nonprofit leadership. Specifically, she conducted Generational Leadership Listening Sessions with young leaders ages 25-40 from nonprofit organization in nine U.S. cities. Young leaders came from a variety of service, advocacy and organizing groups. What they found:

- Most younger participants were drawn to social change because of personal experiences—their own or what they witnessed—and a desire to help those in similar situations.
- Like their older counterparts, younger participants experienced a type of transformation during the course of their work on social change.
- Younger leaders often felt that older leaders undervalued their contributions because they lacked the experience of going through the movement of the 1960s and 1970s.
- Though equally committed, younger people want more space/time out of work for family and friends where older leaders have often merged their personal and professional lives or are at a life stage where these issues don't predominate.

Based on her findings, Kunreuther and her colleagues made the following recommendations—all of which have strong implications for succession planning.

1. **Invest in younger leaders.** Older leaders need to play an active role in encouraging and mentoring the next generation of leaders while valuing their new ideas. They can do this by setting aside their own biases and by opening themselves up to contemporary perspectives about leadership.
2. **Identify and nurture leaders of color.** There is a need for a more multi-racial group of leaders who better reflect our communities and who bring the full range of knowledge and ideas necessary to implement solutions to problems.
3. **Make it viable for tenured executives to leave.** Inadequate retirement and savings plans have limited choices for seasoned leaders. Organizations must find new and creative ways to support, recognized and fund the lifelong contributions of founding directors.
4. **Broaden sites of intergenerational discussion.** Increased opportunities for discussion about intergenerational differences are key to overcoming current assumptions about issues and their causes and for problem solving.
5. **Examine current organizational structures and expectations.** Nonprofit organizations should look for, develop and test new decision-making models that embrace deeply held values of participatory decision making and empowerment. These kinds of approaches will help organizations retain younger staff and provide a solid leadership training ground.
6. **Promote healthier balance between work and personal life.** Nonprofit organizations must take a critical look at the cultural norm that employees can never do or give enough to their organizations. This belief has been passed on directly or indirectly from one generation to the next.

Frequently Asked Questions (FAQs): *Succession Planning and Strategic Leadership Development*

Q: I am a board member for an organization with a founding director. How do I bring up the need for succession planning without insulting him?

A: Founding directors have a level of commitment and a sense of ownership about the organization that can be gently and respectfully channeled to initiate a discussion on succession planning. Avoid introducing the topic abruptly. Take a future focus. If that doesn't work, remind your founding director that no one is exempt from being hit by a bus.

Q: Our organization cannot afford to hire an outside consultant to facilitate succession planning. What can we do?

A: Many of the strategies outlined in this toolkit can be implemented without the benefit of an outside consultant. A fully engaged Board of Directors can conduct a board self-evaluation, review the organizations current status and future goals, or simply discuss the leadership landscape with their Executive Director. Even modest steps toward a long range plan are better than not implementing any process at all.

Q: Who is responsible for succession planning?

A: The Board of Directors is ultimately responsible. However, if you are an Executive Director with a Board of Directors that is fairly new or unaware of this responsibility,

Q: How do strategies included in this toolkit differ for nonprofit organizations from arts, healthcare or social justice fields?

A: Most of the strategies in this toolkit can be applied to any nonprofit organization, regardless of its focus. However, we strongly recommend that executives and board members create a succession plan that meets the unique needs of their organization.

Resources

A number of articles, monographs, toolkits and other resources were used in the development of this toolkit. Citations and acknowledgements have been included in the text where it was possible to do so without disrupting the flow of information. A complete list of resources is provide below for future reference.

Albert, Sheila, (1993) *Hiring the Chief Executive: A Practical Guide to the Search and Selection Process*. Published by the National Center for Nonprofit Boards.

Gilvar, Barbara J. (2007). *The Art of Hiring Leaders: A Guide for Nonprofit Organizations*. Gilvar Publications. Available at: www.theartofhiringleaders.com.

Liteman, Merianne, (2003) *Planning for Succession: A Toolkit for Board Members and Staff of Nonprofit Arts Organizations*. Published by the Illinois Arts Alliance Foundation in collaboration with the Arts & Business Council of Chicago.

Naughton-Travers, Joseph. *Succession Planning in Behavioral Health & Social Service Organizations: How to Ensure Continuity in Critical Leadership Management Positions*. OPENMINDS Article Reprint by Behavioral Health Industry News, June 1, 2004.

Sessa, Valerie and Taylor, Jodi (2000) *Executive Selection: Strategies for Success*. San Francisco: Published by Jossey-Bass and the Center for Creative Leadership. Available at www.josseybass.com.

Weisman, Carol and Goldbaum, Richard, (2004) *Losing Your Executive Director Without Losing Your Way: The Nonprofit's Guide to Executive Turnover*. New York, New York: John Wiley & Sons. Available at: www.josseybass.com

Wolfred, Tim. *Executive Transitions Toolkit*. Developed for Executive Transitions at CompassPoint Nonprofit Services. Available at: www.compasspoint.org.

Wolfred, Tim. *Stepping Up: A Board's Challenge in Leadership Transition*. San Francisco: CompassPoint Nonprofit Services, 2006.

Wolfred, Tim. *Daring to Lead*. San Francisco: CompassPoint Nonprofit Services, 2006. <http://www.compasspoint.org/daringtolead2006>.

A Guide to Executive Search: Discovering Leaders of the Future. Published by the Alliance for Children and Families (2000).

Executive Transitions Monograph Series: The Executive Transitions Monograph Series is a series of monographs on executive transitions and executive transition management, funded by the Annie E. Casey Foundation and the Evelyn and Walter Haas, Jr. Fund. The series is a joint effort of TransitionGuides (Silver Spring, MD) and CompassPoint Nonprofit Services (San Francisco, CA).

Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity. Published by the Annie E. Casey Foundation (2004). Available at: <http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>

Founder Transitions: Creating Good Endings and New Beginnings: A Guide for Executive Directors and Boards. Published by the Annie E. Casey Foundation (2005). Available at:
<http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>

Up Next: Generation Change and the Leadership of Nonprofit Organizations. Published by the Annie E. Casey Foundation (2005). Available at:
<http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>

Staying Engaged, Stepping Up: Succession Planning and Executive Transition Management for Nonprofit Boards of Directors. Published by the Annie E. Casey Foundation (2006). Available at:
<http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>

Additional Resources on Nonprofit Succession Planning:

Adams, T. *Departing? Arriving? Surviving and Thriving: Lessons for Executives* (PDF). Silver Spring, MD: TransitionGuides.

Adams, T. *When the Boss Bails, Surviving - and even thriving - after a change in leadership* (PDF). Silver Spring, MD: TransitionGuides.

Axelrod, N.R. (2003). *Chief Executive Succession Planning: The Board's Role in Securing Your Organization's Future*. BoardSource.

Bridges, W. (1991) *Managing Transitions: Making the Most of Change*. Boston: Perseus Publishing.

Gilmore, T. (2003). *Making a Leadership Change: How Organizations and Leaders Can Handle Leadership Transition Successfully*. Author's Choice Press.

Howe, F. (2003). *The Nonprofit Leadership Team: Building the Board-Executive Director Partnership*. San Francisco: Jossey-Bass.

Lubar Price, M. *Emergency Succession Planning for Nonprofit Organizations*, Wisconsin Philanthropy News, Volume V Issue 3, 2005.

Lubar Price, M. *Succession Planning and Sustainability of Nonprofit Organizations*, Wisconsin Philanthropy News, Volume VI Issue 1, 2006.

"Managing Executive Transitions: A Handbook for Nonprofit Organizations." Washington, D.C.: Neighborhood Reinvestment Corporation, 1999.

"Leadership Transitions: Critical Thresholds." *The Nonprofit Quarterly*, Winter, 2002.

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Pidgeon, W.P. (2004). *The Not-For-Profit CEO: How to Attain and Retain the Corner Office*. San Francisco: John Wiley & Sons.

Readington, E. and Vickers, E. "Following the Leader: A Guide for Planning Founder Director Transition." *Leadership Report No. 1*. Columbus: The Academy for Leadership and Governance, 2001.

Sessa, V.I. and Taylor, J.J. 2000. *Executive Selection: Strategies for Success*. Jossey-Bass.
Tierney, Thomas J. *The Nonprofit Sectors Leadership Deficit*. (PDF) Bridgespan.

About CompassPoint Executive Transitions: Executive Transitions is part of the Executive Leadership Services unit of the CompassPoint Nonprofit Services, an organization that has served the training and consulting needs of Bay Area nonprofits for more than 25 years. The consultants of Executive Transitions are a carefully recruited team of experienced nonprofit executives. They have received special training in executive transition management (ETM) and executive search. Many also serve on boards of directors for area nonprofits. Tim Wolfred serves as director of the program, which has provided support for more than 160 nonprofit organizations in transition since 1978. They can be reached at: www.compasspoint.org.

About TranstionGuides: TransitionGuides is a leader in the development and delivery of executive transition management (ETM) services around the country. It is a collaboration of experienced consulting firms with extensive track records in working with nonprofit organizations and leadership transitions. The TransitionGuides team offers a full range of ETM services to nonprofits in the Mid-Atlantic region and nationally and has collectively provided executive transition assistance to over 200 nonprofit organizations. Tom Adams is the president and senior managing partner. Tom can be reached at www.transitionguides.com.

About Leading Transitions: Leading Transitions strengthens non-profit organizations through assessment, education and empowerment of leadership during periods of transition and change. Leading Transitions uses time-tested, healthy principles to work with Executive Directors, boards of directors and senior staff to increase their operating capacities. Committed to the future vitality of non profit organizations, Leading Transitions recognizes the inherent challenges in leadership succession, fund development and executive support. The practice has been refined to provide the flexibility necessary to adapt to the intricacies and dynamics of any non-profit organization. They can be reached at: www.leadingtransitions.com.

Exhibit A: Sample Leadership Succession Policy Statement*

ORGANIZATION **Leadership Succession Policy**

Whereas, **ORGANIZATION** has a rich tradition of volunteer and staff leadership dating to its founding in **ADD YEAR**, and

Whereas, this leadership has enabled **ORGANIZATION** to grow and enhance its mission and operations to a position of prominence in its services area, as well as among Goodwill members in North America, and

Whereas, in order to continue this tradition of excellence in leadership, it is essential that **ORGANIZATION** further develop volunteer and staff leadership for the future and establish procedures for the continuity and transition of leadership;

Therefore, be it resolved that the **ORGANIZATION** Board of Directors adopt, and review and update annually, a Leadership Succession Plan to facilitate the development, continuity and orderly transition of volunteer and staff leadership.

Approved by the action of the Board of Directors on _____

Signed on this day by:

Board President/Chair

Date

Executive Director

Date

Human Resource Administrator

Date

Organization Leadership Succession Plan

The *Organization* Strategic Plan (200x—200x) launched the first phase of *Organization*'s strategic vision to expand the scope of *Organization* services and operations throughout its assigned territory. Because it will take several years to fulfill this vision, it is inevitable that *Organization* will experience significant changes in volunteer and staff leadership.

The purpose of the Leadership Succession Plan (the Plan) is to carry out the intent of the Leadership Succession Policy (Appendix A) adopted by the *Organization* board on date, 20xx. The Plan describes the process for ensuring effective leadership development and transitions.

Changes to the Plan must be approved by both the Executive Committee and by the Board of Directors. The Plan is to be reviewed by the Management Team and the Board of Directors on an annual basis.

The Plan addresses succession planning for the following centers of *Organization* leadership:

- I. Board of Directors:** The *Organization* board Governance Committee shall be responsible for the orderly transition of volunteer leadership in accord with the bylaws of *Organization* and the Committee Charge.
- II. President/ Chief Executive Officer:** The board Executive Committee shall be responsible for the development and transition of executive leadership:
 - A. In the event that the current President/CEO should suddenly vacate the position, the board Chairperson is authorized to appoint *Person* as Interim President for a term not to exceed X number days. The interim term may be extended beyond X number days with approval of the Board of Directors. In the event that *Person* is unable to serve as Interim President, the Board of Directors may appoint an alternative Interim President.
 - B. In the event that the President/CEO should announce his/her future resignation or retirement, or should suddenly vacate the position, the Chairperson is empowered to appoint a search committee, consisting of five sitting board members, including at least two members of the Executive Committee. The current President/CEO may be appointed as an ex officio member, without vote. The *Organization* Member Services Center will be notified of any vacancy and may be used as a resource for the search committee. The use of outside professional services may be authorized by the Board of Directors.
 - C. Appendix B includes a list of persons that have been identified as potential candidates for the position of President/CEO and who have expressed interest in the position. Strengths, developmental needs, and readiness to serve are included in the Appendix, which shall be considered a confidential document of the Board of Directors. A development plan for each individual will be created and monitored by the Executive Committee, with support from the staff Human Resources Coordinator. Inclusion in this development process does not constitute a commitment on behalf of Goodwill to the advancement of the individual, or on behalf of the individual to accept any offer.
- III. Management:** The President/CEO shall be responsible for the development and implementation of management succession plans for direct reports to the President/CEO and other key management positions. Management succession plans shall be reviewed by the *Organization* board as requested. Strengths, developmental needs, and readiness to serve will be assessed in a manner similar to the President/CEO process. Individual development plans will be created and monitored by the

President/CEO, with support from the Human Resources Coordinator. Inclusion in this development process does not constitute a commitment on behalf of *Organization* to the advancement of the individual, or on behalf of the individual to accept any offer.

Approved by action of the Board of Directors *Date, 20xx*.

Exhibit B: Strategic Planning Questionnaire*

Strategic Questions:	Response:
Current Assessment:	
1. What are the organization's strengths and accomplishments?	
2. What critical challenges are you facing now?	
3. How does the organization compare to peer organizations that have similar goals?	
4. Has the organization experienced recent turnover in staff?	
5. Has the organization experience recent turnover in Board?	
6. What makes the organization unique?	
7. How well does the organization meet the needs of your current constituents?	
8. Who are your current stakeholders? What are they saying about your organization now?	
Organizational Culture:	
9. What is your organization's vision?	
10. What are the core values of your organization?	
11. What behaviors are expected?	
12. What personal attitudes and work style complement the organization?	
13. How does the Board see its role in the organization? With the Executive?	

Strategic Questions:	Response:
Future Vision:	
14. Where do you want the organization to be in 3-5 years?	
15. What size budget and staff should the organization have?	
16. What scope of programs?	
17. What could you do differently to attract new constituents?	
18. What challenges might you be facing in 3-5 years?	
19. Where will future resources come from?	
20. What might need to be eliminated to make room for new projects?	
21. How would you like stakeholders to view your organization in 3-5 years?	
Future Leadership Resource Needs:	
22. What investments need to be made to ensure the organization's viability?	
23. What resources are needed to launch new initiatives?	
24. What background and skills do you need on the board to address current and future challenges?	
25. What background and skills do you need from staff to address current and future challenges?	
26. Do you have people resources now to address those critical competencies? If so, how do you retain them? If not, how do you attract them?	
27. Do you have an emergency leadership transition in place? Are you prepared for an unanticipated leadership vacancy?	

Strategic Questions:	Response:
28. What are the Executive Director's professional and personal plans for the next five years?	
29. Are there key staff people whose plans should be considered also?	
30. Has the board identified a potential successor to the Executive Director?	
31. What would a successful leadership succession look like?	
32. What actions must be taken to prepare the board and staff for the challenges that lie ahead?	

*The development of the Strategic Planning Questionnaire was informed by guidelines established by the Illinois Art Alliance Foundation and Arts & Business Council of Chicago © 2003.

Exhibit C: Sample Leadership Development and Planning Tool

Position	Future Candidates	Strengths	Development Needs
President/CEO			
Management Team			

Exhibit D: Strategies to Cross Train Executive Functions

Executive Function	Cross Training Opportunities
Board Development	▪ Ensure that a minimum of two staff have access to email and phone numbers of board members in the event of an emergency. ▪ Invite staff to attend and present at board meetings. ▪ Delegate agenda setting and scheduling for a meeting to an alternate. ▪ Train your board chair successor. ▪ Delegate meeting minute distribution to a board member or administrative/support staff.
Communication and Public Relations	▪ Delegate editing of press releases, newsletters and organization communication to key staff. Cross check their work for accuracy. ▪ Invite staff to attend meetings with stakeholders. Provide them with concrete feedback after the meeting. ▪ Ensure that all staff can accurately state the mission, vision and purpose of the organization. ▪ Ensure that a minimum of three staff know where to locate the emergency succession plan – including the communication plan.
Fund Development	▪ Ensure that a minimum of two staff know how to access your donor list. ▪ Invite staff to attend meetings with individual donors, foundation contacts and purchase of service contractors where appropriate. ▪ Invite staff who have strong written communication skills to draft sections of grant proposals. Provide them with samples to use as templates. Also offer them opportunities to assist with individual donor appeals. ▪ If you haven't already done so, establish a special projects team. Rotate team captains each year to give multiple people experience in planning and executing an event.
Fiscal Oversight	▪ Ensure the Board Treasurer is familiar with the organization budget process and auditors. ▪ Include higher level managers or staff in meetings with organization accountants and budget development process. ▪ Delegate oversight responsibility for petty cash to a trusted office management staff person. ▪ Review the location of organization budgets and audit documents with several staff members.
Personnel Management	▪ Invest in supervisory and leadership training for key staff. ▪ Delegate the task of updating the organization policy and procedure manual. ▪ Ensure that personnel job descriptions are updated. ▪ Ensure that annual performance reviews are current. ▪ Allow supervisory and management staff to shadow you during employee performance discussions. ▪ Ensure that a Board person and trusted staff person know how to access personnel files.
Contract Management and	▪ Assign a staff person to audit all internal and external contracts for

Executive Function	Cross Training Opportunities
Organization Compliance	compliance. ▪ Develop a list of deliverables for each revenue stream or payor and review deliverables with program staff. ▪ Review the process for renewing organizational licenses and certifications with a minimum of two key staff members.
Vendor Oversight	▪ Create a list of organization vendors that includes contact information. ▪ Develop contracts or memorandums of agreement for each vendor and make sure the files are easily accessible. ▪ Invite appropriate staff members to sit in on meetings with external vendors.
Volunteer Coordination	▪ Develop clear policies about the role of volunteers, volunteer recruitment, supervision and recognition. ▪ Assign oversight and coordination of volunteers to an appropriate staff person. ▪ Assemble a contact list and make it accessible.

Exhibit E: Sample Executive Performance Evaluation *

PERFORMANCE DEFINITIONS

OUTSTANDING - Performance at this level is clearly unique and far in excess of established expectations. The employee consistently exceeds expectations in the outcomes achieved in work quality, quantity and timeliness. The employee exhibits leadership among peers in all dimensions of the field of work performed.

SIGNIFICANTLY EXCEEDS EXPECTATIONS - Performance at this level often exceeds established expectations and standards for work quality, quantity and timeliness. The employee exhibits mastery of most dimensions of the field of work performed.

FULLY CAPABLE - Performance at this level is satisfactory on the established expectations and standards for work quality, quantity and timeliness. The employee competently achieves the requirements of the position.

NEEDS IMPROVEMENT - Performance at this level is minimally capable and below the level expected employee. Improvement is required in significant dimensions of the job in order to meet the expectations and standards for work quality, quantity and timeliness. The employee performing at this level may be denied merit increases until fully capable performance is demonstrated.

UNSATISFACTORY - Performance at this level is unacceptable. The employee often fails to achieve basic requirements of the position and has exhibited little or no improvement in job performance. The employee performing at this level should not be continued in this position; or where extenuating circumstances exist, should be retained only upon significant improvements within a fixed period of time to be defined by the Employer.

PERFORMANCE FACTORS

1. ADMINISTRATION

1a. **PLANNING**: Develops short and long range plans and goals to meet department objectives consistent with established priorities; sets appropriate priorities of needs and resulting services to be provided; anticipates and prepares for future requirements and devises contingencies; devises realistic plans

1b. **BUDGETING AND ECONOMIC MANAGEMENT**: Prepares an appropriate budget and subsequently adheres to it; utilizes finances, budgets, facilities, equipment, materials and products to minimize costs; actively practices cost containment.

1c. **ORGANIZATION OF WORK**: Structures work in order to avoid crisis, promotes productivity, attains cost effectiveness, and delivers work on time. Involved in this process are the tasks of allocating work, delineating responsibilities, scheduling activities, and adequately preparing for meetings and presentations.

1d. **COMPLIANCE**: Complies with established policies, procedures and directives; conducts department functions in accordance with applicable laws, statutes, and regulations.

1e. **PROBLEM SOLVING AND DECISION-MAKING:** Identifies problem and acts to rectify them by employing analytical thinking and sound judgment.

1f. **EVALUATION AND CONTROL:** Practices regular and systematic review of department operations to evaluate progress towards established goals; evaluates strategies employed in seeking those goals; implements remedial measures when necessary.

1g. **RISK (LIABILITY) MANAGEMENT:** Ensures that liability risk exposures are identified and treated when proposing new programs and services; evaluates and monitors established programs and services to identify areas which need revision due to changes in operation, legislation, policies and procedures; implements changes where needed to facilitate favorable loss experience; manages employee safety program, including appropriate training and corrective action when necessary.

2. INTERPERSONAL

2a. **ORAL COMMUNICATION:** Effectively communicates orally with individuals and groups, including public presentations; presents ideas in an organized, clear and concise manner, employs tact and discretion; listens well; offers appropriate feedback.

2b. **WRITTEN COMMUNICATION:** Prepares organized, clear, concise, accurate and informative letters, memos, reports and other documents which effectively fulfill content and timeliness requirements.

2c. **COORDINATION/COLLABORATION:** Works well with others at various levels; keeps information flowing to the appropriate parties vertically (down as well as up) and horizontally; facilitates communication and problems solving among parties when necessary.

2d. **SUPERVISORY CONTROL:** Effectively hires, assigns, directs, controls, evaluates performance, counsels and disciplines all other functions necessary or incidental to supervision; practices compliance with employment law guidelines and mandates.

2e. **LEADERSHIP:** Promotes cooperation and team work among employees; establishes high standards of conduct and job performance for subordinates; maintains open communication channels; delegates work; leads by example.

2f. **STAFF APPRAISAL AND DEVELOPMENT:** Provides good record of subordinate performance; reviews appraisal information with subordinates; aides subordinates in improving performance on current job; helps subordinates in setting up and implementing development plans and objectives; cross-trains employees; encourages subordinates to participate in training.

3. INDIVIDUAL

3a. **EFFORT AND INITIATIVE:** Requires little work direction; exhibits persistence and initiative; puts forth a consistent, energetic effort; assumes full and complete responsibility for accomplishment of department functions.

3b. **PROFESSIONAL/TECHNICAL COMPETENCE:** Realistic knowledge and competence of the field and applies up-to-date technical/professional principles, practices, and standards appropriate to the functions of the department; acts as a resource person upon whom others can draw; professional demeanor maintained on a consistent basis.

3c. **INNOVATION:** Displays original and novel thought in creative efforts to improve on the status quo.

3d. **OBJECTIVITY:** Assesses issues, problems and decision situations based on the merits of the case presented; personal loyalties, biases, etc., does not influence department decisions; personnel decisions made on the basis of equal opportunity and objective job-related criteria.

3e. **CREDIBILITY:** Through successful performance, instills the feeling of trust and dependability.

3f. **FLEXIBILITY:** Adapts well to change, both internally and externally.

4. LEADERSHIP

4a. **COACHING:** Communicates a positive attitude; serves as a catalyst for action and encourages employees to try new things and to take calculated risks; provides honest feedback; minimizes tension and defensiveness; creates an environment for success; teaches and guides employees rather than controls.

4b. **EMPOWERING:** Creates an awareness in others of their powers and self worth; involves others and shares powers in planning and decision-making; fosters leadership in others; challenges others to assume leadership roles and provides support by allowing them to risk, fail and learn; creates an environment in which others feel ownership for results and feel comfortable to take action to achieve desired results.

4c. **MODELING:** Believes in public service; treats all with respect and dignity and creates an atmosphere of mutual respect and trust. Serves as a catalyst for action and is a team player, believes in oneself and looks at problem as opportunities; uses powers in a positive way; keeps one's work; accepts responsibility for mistakes; insists on excellence (not perfection); communicates and reinforces by what they do - not what they say; adapts to changes as conditions and situations warrant.

4d. **TEAM BUILDING:** Builds group cohesiveness and pride; encourages cooperation; fosters and practices good communication, recognizes and rewards individuals and team accomplishments and contributions; shares success and rewards; manages conflict, which is inevitable.

4e. **VISIONING:** Establishes and articulates a vision of what could be; looks to and plans for the future; accepts new challenges, keeps an open mind.

4f. **SELF-DEVELOPMENT:** Is not static; prepares for the future; has the courage to identify and address shortcomings; is committed to self-improvement manages personal stress in positive ways.

Rank the Executive Director on the performance factors using the performance definitions:
5=outstanding, 4=significantly exceeds expectations, 3=fully capable, 2=needs improvement, 1=unsatisfactory.

1. ADMINISTRATION

Performance Factor	Performance (From 5 to 1)	Comments
Planning		
Budgeting and Economic Management		
Organization of Work		

Compliance		
Problem Solving and Decision Making		
Evaluation and Control		
Risk (Liability) Management		

2. INTERPERSONAL

Performance Factor	Performance (From 5 to 1)	Comments
Oral Communication		
Written Communication		
Coordination/Collaboration		
Supervisory Control		
Leadership		
Staff Appraisal and Development		

3. INDIVIDUAL

Performance Factor	Performance (From 5 to 1)	Comments
Effort and Initiative		
Professional and Technical Competence		
Innovation		
Objectivity		
Credibility		
Flexibility		

4. LEADERSHIP

Performance Factor	Performance (From 5 to 1)	Comments
Coaching		
Empowering		
Modeling		
Team Building		
Visioning		
Self-development		

OVERALL EVALUATION: (Please check one.)

- ☐ Outstanding
- ☐ Significantly exceeds expectations
- ☐ Fully capable
- ☐ Needs improvement
- ☐ Unsatisfactory

What were the Executive Director's performance highlights in the past year?

What could have been most improved regarding the Executive Director's performance in the past year?

What should be the Executive Director's performance goals for the next year?

Evaluator's Signature: _____ Date: _____

*This tool was developed by the Minnesota Council on Nonprofits. It can be downloaded at:
http://www.mncn.org/info/template_hr.htm#Sample%20Executive%20Director%20Evaluation%20Form

Exhibit F: Sample Board Self Assessment*

Sample Board Self Assessment				
How satisfied are you that the board . . .	Not Satisfied	Somewhat Satisfied	Satisfied	Very Satisfied
1. Understands the mission and purpose of the organization.				
2. Ensures legal compliance with federal, state and local regulations?				
3. Ensures that government contract obligations are fulfilled?				
4. Has a strategic vision for the organization?				
5. Is knowledgeable about the organizations' programs and services?				
6. Monitors the executive's performance on a regular basis?				
7. Provides financial oversight, including adopting a good budget?				
8. Monitors financial performance and projections regularly?				
9. Has adopted a fundraising strategy to ensure adequate resources?				
10. Has clear policy on fundraising responsibilities of board members?				
11. Acts as ambassadors to the community for the organization and its constituents?				
12. Understands the role volunteers play for the organization and the organization's philosophy of volunteer management?				
13. Understands the respective roles of the board and staff?				
14. Currently contains an appropriate range of expertise and diversity to make it an effective governing body?				
15. Effectively involves all members in board activities and responsibilities?				
16. Regularly assesses its own work?				

*Borrowed from Executive Transitions Toolkit. Executive Transitions. CompassPoint.