Nonprofit Executive Transitions


**Summary:** This paper takes a qualitative approach to determine the key aspects of leadership transition in nonprofit organizations. The author makes a case for examining environmental, organizational, and personal factors as being the most influential aspects of an executive transition, as influenced by Bandura’s social learning theory.

**Who can benefit from the research:**

This research is beneficial for all board members because nonprofit organizations are in a constant state of transition. It is important that all influential members of the organization are aware of political, social/cultural, economic, technological changes that are constantly evolving. This research is especially beneficial for executives planning succession.

**The Primary Findings:**

- Smaller nonprofit organizations may find that a transition is more difficult than larger organizations will. This is because in smaller-scale organizations, the founder typically remains closer to the leadership and their original vision is a constant influence.
- There are three major areas of change that executives encounter during the succession process; personal, organizational, and environmental.
- Environmental factors include changes that are external to the organization and the control of its leaders; political, social/cultural, economic, and technological. These factors can influence the timing of which a leader decides that a transition is necessary, or that it
should be prolonged. Organizations are in a constant state of change, and to handle those changes, an organization must have an adaptive approach.

- Organizational factors that influence executive transition include creating a structure within a nonprofit organization that prepares a successor to take on their new role as executive. As an organization grows and environmental factors make their mark, the nonprofit must make revisions to its management and leadership in order to keep up with the changing times and circumstances. If proper upkeep is enforced, executive transitions run much more smoothly.

- Personal factors, such as the long-term experience that an executive has had within an organization will influence a succession. The original founders of a nonprofit often have an entrepreneurial involvement in the organization, but as it grows, and that same level of involvement is not possible in every aspect of the nonprofit, the founder typically evolves in their role and management becomes more formal. This transition, whether the founder is still an executive or not, marks a great change in the organization as it pivots towards enhanced professionalism. The changing role of the founder means that relationships with key stakeholders will also change, and internal relationships will become more difficult as well. It is important that relationships are continued by successors, though they may be less personal than before.

What type of organization/mission can make the most of this research:

- An organization that has seen a lot of recent growth, or one whose founders are still involved and are ready to transition out of their roles.

- All nonprofit organizations that are expecting a transition in the near future would benefit greatly from this research. Even organizations that are not expecting a transition should read this article because it is important that preparations are made in the case of unexpected events, especially those that are external to the organization and out of its control.
When would this research would be useful:

- This research would be most useful for organizations in their preparation for an executive transition.

How does this research inform practice:

- This literature informs practice by identifying factors that affect an organization during an executive transition. This can tell practitioners what to anticipate during a transition, and what key areas they should evaluate to determine whether they are well-prepared to face this change smoothly.
- This research can allow Nonprofit Boards to assess where they currently stand in terms of the environmental, organizational, and personal factors that are unique to their situation and to their approaching transition.

Keywords: Executive transition, succession planning, leadership transition, organizational change