Documenting Boards and Executive Transitions


Summary: Michael Allison’s paper looks at data from 28 nonprofits who used the consulting company CompassPoint Nonprofit Services during their executive director transition period within the first two years of the organization’s existence. The company offered two types of support for nonprofits going through leadership change: organization development services and interim support services. Allison identifies three major threats that nonprofits and their board of directors may encounter that can threaten a potential successful executive transition. Allison offers suggestions to better equip nonprofits and their board members for organizational change.

Who can benefit from this research: This article is beneficial for nonprofit board members as they undergo executive turnover. Allison provides information about the threats nonprofits may encounter during this time and how nonprofits and their board of directors can work to overcome them.

What are the primary takeaways:

● This study gives a better idea of what the field of nonprofits looks like. For many nonprofits, executive directors have little experience managing a nonprofit. Better onboarding training for executives would benefit not only the director as they take on such an important role but the entire nonprofit.

● Of the 28 nonprofits that utilized CompassPoint, 10 used both the organization development services and the interim support services, 10 used organization development services only, and 8 used only the interim support services.

● There are three major threats to a successful executive transition.
  o 1) Boards underestimate the costs of bad hires. If boards take the time to find a proper executive replacement then not only will the transition period go smoothly but the organization will continue to function properly. Board members must be aware about how their decisions affect the organization.
  o 2) Boards are unprepared to hire an executive. Board members can be unaware about their role in the governance and management of an organization. By training board members prior to their onboarding, they will understand what is expected of them and they will be able to make better-informed decisions.
  o 3) Boards do not appropriately utilize transition time. Having interim leadership in place during the transition will allow board members to effectively carry out the interviewing and hiring process.

● Nonprofits should view transitions as a positive opportunity for the organization to reflect on itself. Training should be created prior to the transition stage so boards can use it to make appropriate hiring decisions for the future of the nonprofit. Interim leadership is essential because it allows board members to focus solely on the hiring process. Creating a training process for an executive director will also allow board to set their expectations for the new hire.
What type of organization or mission might make the most of this research:
• The article does not mention the different missions of the organizations that CompassPoint interacted with during the study, but the research findings can be helpful for varying nonprofits.
• Any organization that has an executive leader can expect a change in leadership over time, so the findings can be helpful for any nonprofit.
• The nonprofits used in the research for this study utilized a consulting company; therefore, the findings are primarily geared towards organizations that can afford consulting groups during their transition period. However, the information provided about the threats to nonprofits that can appear during an executive change can be helpful for all nonprofits as they prepare for a turnover.

When would this research be useful: This article would be helpful for a nonprofit that is expecting to undergo an executive leadership change soon. It can also be beneficial for a board of directors that wishes to prepare or train for an executive transition.

How the research informs practice:
• Executive turnovers for nonprofits are very common and nonprofit board members should be prepared to act during these transition periods to make sure the shift goes well for the entire organization. The article offers evidence on how consulting can be useful if the nonprofit has the financial means.
• The study shows that unprepared, and untrained, board members can unintentionally threaten the future of the nonprofit when it comes to executive transitions and the hiring of new executives. The research makes it apparent that nonprofits should train their board members to be prepared to institute interim leadership when the organization undergoes a leadership change.

Keywords: Executive transitions, interim leadership, board roles, board expectations, nonprofit executives