Examining Turnover, Succession Planning at the Executive Level


**Summary:** This study examines the potential issues of turnover and succession planning at the executive level of non profit organizations as well as career development amongst young professionals. Data was gathered from a sample of 110 nonprofit executives and 48 young nonprofit professionals in Charlotte, North Carolina as well as smaller focus groups for both populations. This study presents empirical evidence of how turnover is likely to increase in coming years as baby boomers age out of the workforce. The data further suggests that this will create problems in executive turnover due to the lack of succession planning as well as the perceived lack of advancement or career development opportunities for young nonprofit professionals.

**Who benefits from this research:** This research could inform board members on growing issues with future executive turnover and the need for succession planning, as well as inform executive directors on the need or benefits of expanding career development opportunities for young nonprofit professionals.

**Primary Findings: Executive Turnover**
- 69 percent of executive directors reported an intention to leave their position in the next 5 years. Of those leaving, the majority (51 percent) planned to retire, suggesting there will be an important need for new executive directors in the near future.
- Despite the likelihood of increased turnover in the future, 40 percent of executive directors and 51 percent reported their board being "not concerned" with turnover. The majority of survey respondents emphasized the important role that boards should play in succession planning, as well as the lack of board development or training in this area. 85 percent of respondents thought that training for boards would be beneficial.
- Only 23 percent of organizations reported having a succession plan in place, and even fewer organizations (13 percent) identified a potential successor to the executive director. 78 percent of organizations reported having only 1 or 2 executive directors in the past, suggesting that boards are unconcerned with addressing turnover despite little experience in identifying and hiring executive directors.

**Primary Findings: Young Professionals**
- The survey of young professionals revealed areas in which managers could improve the way they work with and support their young professional employees. 58 percent of individuals feel they are able to make autonomous decisions or have adequate training while 61 percent feel challenged in their current roles. 73 percent report they feel that their organization supports their career development (although only 24 percent report they strongly agree).
- The focus groups explore these results in more detail. Some of the young professionals reported resistance from their older colleagues, advancements based on seniority rather than qualifications, and a sense that they were ultimately disposable.
• Encouragingly, 80 percent of the young professionals expressed a desire to stay in the nonprofit sector. Many expressed an interest in pursuing further education such as a master’s degree, and some reported a desire to move into managerial roles. However, only 3 of the 48 respondents (6 percent) said they were interested in becoming an executive director someday.

• A third of respondents expressed a desire for increased professional development training and advancement opportunities. Some also wanted flexible hours and tuition reimbursement to make going back to school more feasible. Most focus group participants said that their organizations only supported training courses that were free, online, or required by law.

What type of organization benefits from this information
• The sample study of executive directors covered a broad range of nonprofit organizations of varying types, sizes, operating budgets and funding sources, and would be useful to any organization with concerns over executive turnover.

When would this information prove useful?
• This study would be useful for organizations expecting executive turnover in the near future or who know that their leadership may be close to retirement age.

How does this study inform practice?
• This study shows the importance of succession planning in the face of a looming generational shift, as well as the lack of concern or awareness of how to prepare for the future.
• This study also sheds light on the frustrations and perspectives of young professionals who will need to become that new generation of leaders, and how organizations can begin to prepare them for executive roles

Keywords: Executive Turnover, Succession, Young Professionals, Career Development