

# Indiana Youth Services Association

## Succession Plan for New Chief Executive Officer

The board of IYSA recognizes that changes in an organization are not uncommon. While maintaining a strong executive leader over time is desirable, the reality is executives are people with career goals, family obligations and on rare occasions, professional issues that keep them from performing their task to the satisfaction of the board. It is the intent of the board to ensure the stability of IYSA by putting into place a succession plan to replace the chief executive officer if it becomes necessary. Below is an outline of the activity needed to make this transition. It is not completely inclusive but can be used as a guide to plan activity during the hiring of a new CEO. Prior to executing the hiring process, the board of directors needs to ask itself several questions to ensure it is on the right track.

1. Does the board of directors have the right mix of members for hiring a new CEO?
2. Is the CEO's job, as it currently stands, doable?
3. Is the CEO's compensation level equitable?
4. Is the organization providing opportunities for staff to attend conferences that emphasize leadership and management skills?
5. Does the board interact with other key staff i.e. do they participate on board committees?
6. Will a board member be available to provide a mentor for the new CEO?

## Current Chief Executive's Notification to Board (if the current CEO is leaving)

1. **Typically, the chief executive will notify the board chair or other board member.** The chair should immediately notify the rest of the board members in the next board meeting.
2. **Attempt to negotiate a four-week-notice period from the chief executive.** It's not unlikely that there will be a period without a new chief executive. This procedure will help guide through that period.

## Confidentiality

1. **The board members should be apprised as soon as possible.** Occasionally, members believe that transitions should be handled so cautiously that even some board members should not hear about the transition. This is the wrong approach. Each board member is legally responsible for the leadership of the organization, and deserves to know about all matters when they occur.
2. **Discuss how to handle public relations.** The community will soon hear the chief executive is leaving. Agree on how this message will be conveyed to the community. If the transition is

expected to take over a month (they often do), consider sending a letter to the major stakeholders (funders, advisors, suppliers, "peer" organizations, etc.) notifying them of the transition and assuring them that transition planning is being carried out thoroughly. Ask them to contact the board chair if they have any concerns or questions.

**3. Note that applicants to the chief executive role deserve complete confidentiality.** Make every effort not to expose applicants' names to the public or staff. If certain staff are selected to interview the candidates, they should be coached to not reveal candidate names to the rest of staff. This confidentiality is not a matter of secrecy to be manipulate, rather it is a matter of protecting candidates who may not want their names out in public as looking for a new job. Of course, this matter of confidentiality is ultimately up to the board, but if confidentiality is not assured, it is very likely that the number of candidates will be quite limited.

## Board Preparation

**1. Appoint an ad hoc transition board committee to focus on this transition** - This committee will manage the transition and make recommendations to the entire board regarding any matters with the transition. This committee role could be assumed by the current Executive Committee or a Personnel Committee. Committee members should commit to availability over the next four to eight weeks.

**2. This transition planning procedure should promptly be reviewed and updated** to constitute the transition planning document.

**3. As soon the transition plan is complete, the staff should promptly be notified of the transition.** A board member should attend the staff meeting where notification is given and the staff should be assured that the transition is being planned and carried out. The plan might be reviewed in the staff meeting. A copy of the transition plan should be shared with all staff members.

**4. Identify funding for the transition** For example, are any funds needed for a national search, to move the new candidate, for training the new candidate, will any consultants be needed, etc.?

**5. Update the chief executive job description.** The description will be referenced to write the ad for the position, during interviewing and for ongoing guidance to new chief executive, and ensuring adequate compensation. When updating the job description, consider: current overall responsibilities, strategic planning goals for the year and the nature of current major issues that need to be addressed. Identify the most important criteria for selecting the new person and then rank the criteria (this ranking comes in handy when comparing candidates). The board should update the job description among themselves. The current chief executive should update the description at the same time, but independently. The board and chief executive should share their comments to the job description and discuss differences to come to consensus. Write a final version of the job description.

**6. Get ads out as soon as possible.** The board should decide if they are going to do a local and/or national search.

**7. Hiring the new chief executive.** (See the section, "Hiring to Fill the New Role" later on in this document.)

## Administrative Preparation

1. **Establish an interim staff structure.** Consider appointing an acting chief executive from among the top reports to the current chief executive. If this course is followed, ensure the job description is well understood by the acting chief executive and the acting arrangement is documented in a letter between the acting chief executive and the board. Send a memo throughout the staff, indicating this interim appointment and how the acting chief executive will work with the staff until a permanent chief executive is identified. (Be very careful with this type of temporary arrangement as it can set lull board members into believing the transition is complete, which it is not.)
2. **Update the administrative calendar for the organization.** Ask the chief executive to make a schedule of all major recurring activities during the year (e.g., performance reviews, special events, staff meetings, one-on-one meetings, lease/contract expiration dates, when paychecks come out, etc.)
3. **Get a list of key stakeholders.** Have the chief executive make a list of all community key stakeholders whom the new chief executive should know about, e.g., funders (*nonprofit only*), advisors (legal, accounting, real estate), "peer" organizations, etc.
4. **Review chief executive's office facilities.** Ask the chief executive to document the status of his/her office, e.g., ensure there are labels on all documents and drawers. Appropriate staff and at least two board members should meet with the chief executive to review where he/she keeps their files and major documents. Staff should retain a key to the office and appropriate board members should retain keys to the desk drawers and file cabinets.
5. **Review personnel status.** Two or more board members should meet with the chief executive to review personnel files, e.g., are there any current personnel issues or pending major actions? If so, it may be best to wait until the transition to the new chief executive if this is expected to occur during the next month or so.
6. **The current chief executive should complete performance reviews on all personnel before he/she leaves.** This ensures that the chief executive's important feedback to personnel is collected before he/she goes, gives personnel a fair opportunity to reflect their past performance to the new chief executive, and gives the new chief executive the input he/she deserves about each employee to ensure effective supervision.

## Interim Coordination Between Board and Staff

1. **Emergency contacts for the staff.** Staff should be given names and phone numbers of at least two board members whom can be contacted if needed. These two members should brief the entire board on the nature of any emergency calls from staff, if calls were made.
2. **Board and staff meetings.** Depending on the size of the organization, have weekly meetings of full staff (if small) or all managers (if large) during the transition until a new chief executive is hired. Have a board member attend the meetings. Have a staff member (acting chief executive, or the current top reports, or rotate among top reports) attend portions of the board meetings.
3. **Coming up to speed on chief executive's current activities in the organization.** Have the current chief executive ask all staff members to update a "to do" list of their current major activities over the past month, planned activities over the coming two months and any major issues they're having now. These to do lists will serve to coordinate work details during the

transition and help update the new chief executive come up to speed.

4. **Authorization lists.** Decide who will issue paychecks and sign off on them during the transition. Often, the board treasurer and/or secretary will conduct this sign-off role.

5. **A board member should meet with the current chief executive once a week before he/she goes.** Review status of work activities, any current issues, etc.

## Hiring the New Chief Executive

1. **Advertise the position** - Post ads in classified sections of local major newspapers and nonprofit career internet sites. In the ads, include the job title, general responsibilities, minimum skills and/or education required, whom they should send a resume to if they are interested and by when. Mention the role to customers. Send cover letters and job descriptions to professional organizations. Be sure to mention the role to all staff to see if they have any favorite candidates. Consider using a professional recruiting service.

2. **Note that current employees should be able to apply for the job.** Considerations in hiring them for the new role will have to include the impact on the organization if the employee leaves behind a critical and unfilled role in the organization.

3. **Screen resumes** - Often, a board committee will screen the first round of candidates, including review of resumes and first round interviews. When screening resumes, note the candidate's career objective -- or the lack of it. If not specified, the candidate may not have considered what they want to do in the future, which may impact their commitment to your new role. Note if they stayed at jobs long or did they leave quickly. Are there holes in their work history? Note their education and training. Is it appropriate for the new role? Consider what capabilities and skills are evidenced in their past and current work activities. Interview all candidates that meet the minimum qualifications. (At this point, be sure that you're not excluding candidates because of unfair biases.)

4. **Interview candidates** - Send the job description to candidates before they come to the interview meeting. While interviewing candidates, always apply the same questions to all candidates to ensure fairness. All questions should be in regard to performing the duties of the job. Ask about their compensation needs and expected or needed benefits. Attempt to ask open-ended questions, i.e., avoid "yes-no" questions. Talk for at most 25% of the time -- the rest of the time, listen. Don't rely on your memory -- ask permission from the interviewee to take notes. Find out when they can start if offered the job. Consider having multiple people at the interview; although this can be intimidating to the interviewee, this practice can ensure them a much more objective and fair presentation. (*If staff participate in the interviews, ensure they realize they are advisory in capacity. Board members have the legal responsibility to select the new chief executive.*) Have the same people as interviewers in all of the interviews. Consider asking some challenging, open-ended questions, such as Why do you want the job?, What skills do you bring to this job?, What concerns do you have about filling this role?, What was your biggest challenge in a past job and how did you meet it? Do you have a preliminary vision for (the nature of your agency's services)? Describe your ideal (board, fundraising (*nonprofit only*), budgeting, personnel management, program management) process. Don't ask questions about race, nationality, age, gender, disabilities (current or previous), marital status, spouses, children and their care, criminal records or credit records. Have all interviewers share/record their impressions of the candidate right after the interview meeting. Explain to the candidate that you'll be getting

back to them soon and always do this. Ask if you can get and check any references. Always check references and share them with the interviewers. Be sure to tell candidates of any relevant personnel policies terms, such as probationary periods. (The best way to deal with a poor performer is not to hire him or her in the first place. It is often wise to have a probationary period of, e.g., six months, wherein if the employee does not meet the responsibilities of the position, you can terminate the employee.) If practical, look into the applicant's background to ascertain if they have a criminal record.

5. **Select the candidate** - Usually, a board transition committee recommends the top two or three candidates to the entire board for discussion and selection. This may require another round of interviews, this time including more/other board members. Usually, this is not as easy as one would like because two or three candidates come in close. Have a highly focused meeting with all interviewers. (Again, note that staff members can provide input to the selection of the new chief executive, but should not be involved in voting.) Have each interviewer suggest their favorite candidate. If there is disagreement, focus discussion to identify the one or two areas in which interviewers disagree about the candidates. Then have each interviewer explain their impressions. At this point, interviewers usually come to consensus and agree on one candidate.

6. **If there does not seem to be a most suitable candidate** - Consider if the job requirements are too stringent or are an odd mix. Or, consider hiring the candidate who came in closest and plan for dedicated training to bring their skills to the needed levels. Or, re-advertise the position. Consider getting advice from a human resources professional (at this point, your need for them is quite specific, so they might provide services on a pro bono basis). Or, consider hiring a consultant on a short-term basis, but only as a last resort as this may be quite expensive.

7. **If everyone turns down the job** - The best strategy is to ask the candidates why they turned the job down. Usually, you'll hear the same concerns, e.g., the pay is too low or the benefits incomplete, the organization seems confused about what it wants from the role, the interview process seemed hostile or contentious, etc. Reconvene the interviewers and consider what you heard from the candidates. Recognize what went wrong and correct the problem. Call back your favorite candidates, admit the mistake and what you did, and why you'd like to make an offer to them again.

8. **Offer letter** - If they accept an offer, always follow-up with an offer letter, specifying the compensation, benefits, and starting date and reference an attached job description. Ask them to sign a copy of the offer letter and return it to you.

9. **Start a personnel file** - Include in the file, the signed offer letter, tax withholding forms, the job description and any benefits forms.

## **Orienting the New Chief Executive**

Develop an orientation procedure and consider the following activities for inclusion on the list. The following activities should be conducted by the board, if possible.

1. **Before the new chief executive begins employment, send them a letter welcoming them to the organization**, verifying their starting date and providing them a copy of the employee policies and procedures manual. (This can be included in the offer letter.)

2. **At this point, the board may send a letter to stakeholders.** The letter would announce the new person, when they are starting, something about their background, etc., and asking them to call the board chair if they have any questions or concerns.

3. **Meet with the chief executive to brief them on strategic information.** Review the organization chart, last year's final report, the strategic plan, this year's budget, and the employee's policies and procedure manual if they did not get one already). In the same meeting, explain the performance review procedure and provide them a copy of the performance review document.
4. **When the new chief executive begins employment (or before if possible), introduce them in a meeting dedicated to introducing the new chief executive.** If the organization is small enough, have all staff attend and introduce themselves. If the organization is larger, invite all managers to the meeting and have each manager introduce themselves.
5. **Ensure the new chief executive receives necessary materials and is familiar with the facilities.** Ensure an assistant gives them keys, gets them to sign any needed benefit and tax forms. Review the layout of offices, bathrooms, storage areas, kitchen use, copy and fax systems, computer configuration and procedures, telephone usage and any special billing procedures for use of office systems.
6. **Schedule any needed training,** e.g., computer training, including use of passwords, overview of software and documentation, location and use of peripherals, and where to go to get questions answered.
7. **Review any policies and/or procedures about use of facilities.**
8. **Assign a board member to them as their "buddy"** who remains available to answer any questions over the next four weeks.
9. **Have someone take them to lunch on their first day of work and invite other staff members along.**
10. **During the first six weeks, have one-on-one meetings (face-to-face or over the telephone) with the new chief executive,** to discuss the new employee's transition into the organization, hear any pending issues or needs, and establish a working relationship with the new chief executive.