

Executive Director Tenure and Transition Survey

*New England
Executive Transitions
Partnership*

By

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Community Foundation of Western Massachusetts
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Essex County Community Foundation
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Greater Worcester Community Foundation
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All partners donated their time and resources to include their constituents in the survey sample.

The in-kind donation of the time of Ken Liss and Ron Ancrum at Associated Grant Makers both in producing the survey and in analyzing the results deserves a special note of thanks.

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We are additionally in the debt of Tim Wolfred and Jeanne Peters at CompassPoint Nonprofit Services for their support, insights and advice and Tom Adams of Transition Guides and Tom Adams & Associates for his guidance and support.

Finally, we are extremely grateful to the 803 executive directors from around southern New England who took the time to respond to our survey. We are glad to be able to report the story they have to tell.

II. Introduction to the Study

In the fall of 2002, a group of funders in Connecticut, Massachusetts and Rhode Island formed a collaborative, The New England Executive Transitions Partnership (NEET), to learn more about what was occurring in the nonprofit field regarding leadership turnover and to examine the possibility of developing a system of supports for nonprofits undergoing leadership change.

Their interest was based on two groundbreaking studies, *Leadership Lost* (1999) and *Daring to Lead* (2001), published by CompassPoint Nonprofit Services in San Francisco, as well as the work of Tom Adams of Adams & Associates and the Annie E. Casey Foundation in Baltimore, early leaders in the field of executive transition. The CompassPoint and Casey studies pointed to an increasing rate of executive turnover in the next several years and delineated a number of issues that must be addressed if the nonprofit sector is to assure the leadership necessary to health and vibrancy.

Grantmakers in our collaborative (all of whom self-identify as funders interested in building the capacity of nonprofits) understood the importance of skilled leadership to the success of nonprofits and that organizations, in most cases, benefit from executive director tenure of at least 3 to 5 years. If studies around the country were showing that executive tenure was shortening, that the retirement of the baby-boomer generation was going to have a profound impact upon the availability of experienced executive directors, and that executive turnover can be a time of high risk for nonprofits, they wanted to find out if that was happening in New England and develop a response.

III. Methodology

Data for this survey was gathered through a 57-question electronic survey. Seventeen grantmakers directed nonprofit executive directors on their mailing and contacts lists to an electronic survey on the Internet and asked them to fill it out. The nonprofit executive directors represented organizations of varying missions, organizational sizes and stages of development from Connecticut, Massachusetts and Rhode Island.

Chart 1:

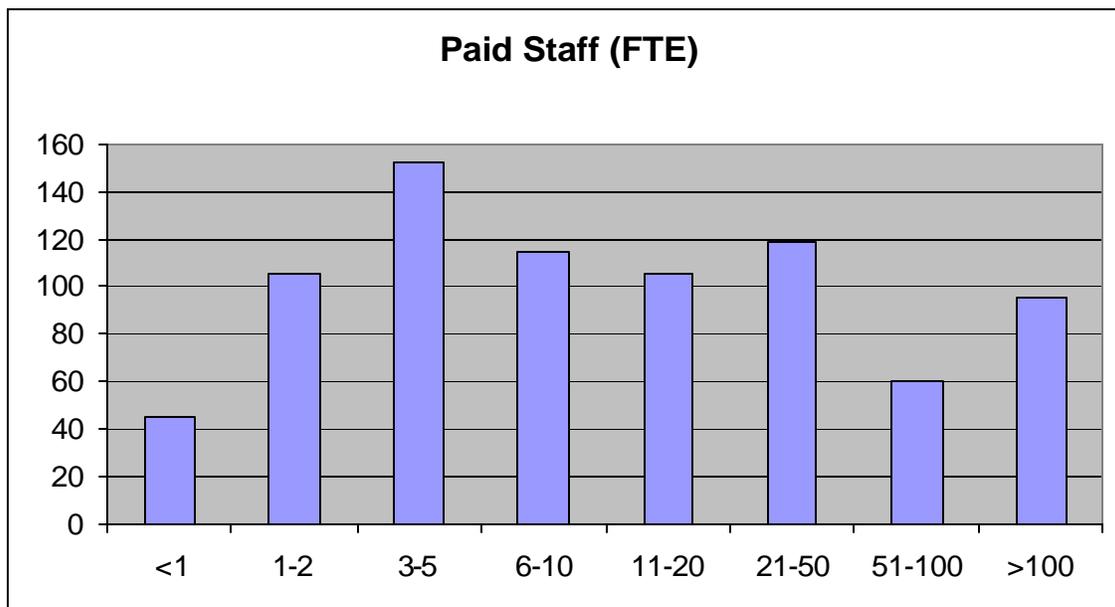


Chart 2:

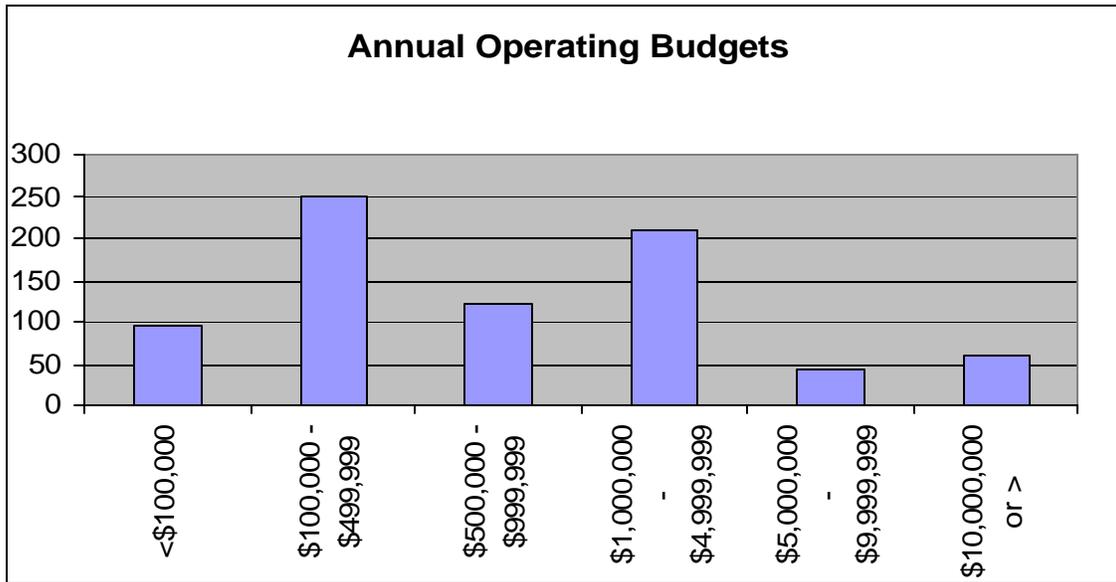
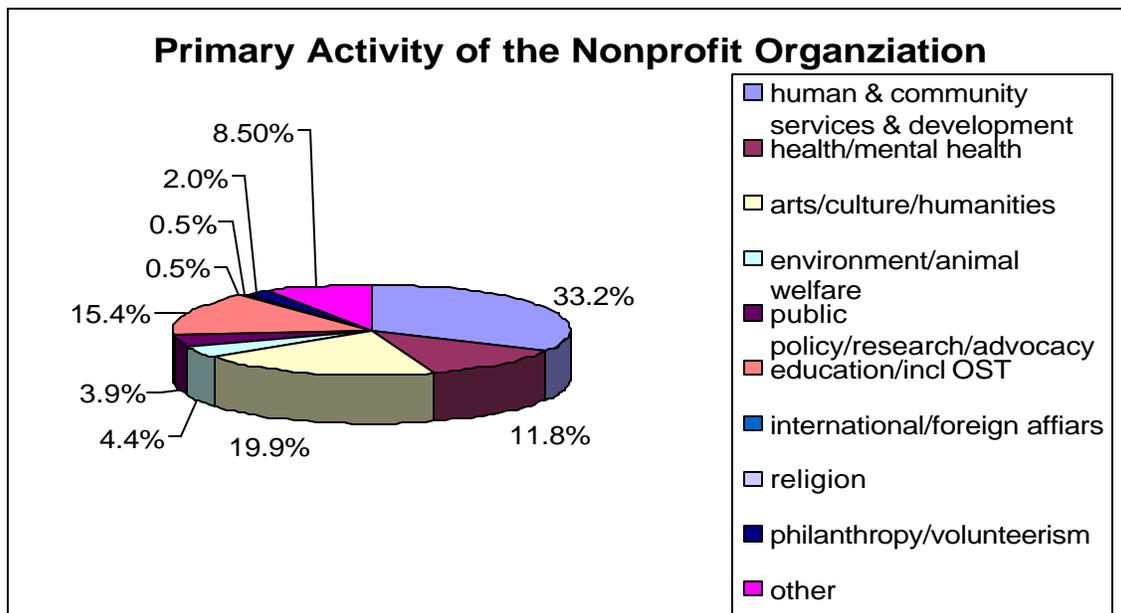


Chart 3:



Most organizations are not new. 48.7% have been operating for 25 years or more. Another 19.5% have been operating between 16 and 25 years.

Data was collected using SurveyMonkey and entered and analyzed with SPSS statistical software. Associated Grant Makers (Boston, MA) partnered with the Collaborative and provided significant support and advice in both creating the survey on SurveyMonkey and analysis of the results. Eight hundred and three leaders responded, 93% of who were the current executive directors. The survey was nearly identical to that

used by CompassPoint for *Daring to Lead*. That survey attracted more than 1,000 respondents in five regions of the country

While the number of requests to fill out the electronic survey for this study was nearly 5,000, there was overlap with some foundation mailing lists. Taking that fact into consideration, the return rate was, at a minimum, 16%. The large number of respondents gives us confidence that our findings are valid.

Table 1. Respondents by Region

Region	No. of respondents
Greater Hartford	106
Greater New Haven/Waterbury	45
Greater Bridgeport/Fairfield County	55
Rhode Island	114
Western MA, except Hampshire/Hampden Counties	50
Hampshire/Hampden Counties	108
Central MA	77
495 Outer Ring	144
Metro Boston	82
Other	22
TOTAL	803

IV. Findings

This section is divided into 5 sections: key characteristics of executive directors, tenure and career path of executive directors, job satisfaction and sources of support for executive directors, executive turnover and transition,

Key Characteristics of Executive Directors:

- Women outnumber men among nonprofit executive directors: 58.9% of executives are female.
- The majority of executives (57.4%) are over 50 years of age. 30.2 % are between 41 and 50.
- The top leadership in nonprofit organizations is very well educated: 65.1% have advanced degrees. 52.7% hold Master’s degrees and 12.4 % have earned Doctorates.
- There is little racial diversity among executives in the three-state region: 89.7% identify themselves as White/Anglo. Only 3.9% of directors are African American and 2.2% Latino/a. (something here about demographics of the area?)

(See Appendix A for graphic comparisons to CompassPoint and Casey studies.)

Tenure and Career Path of Executive Directors

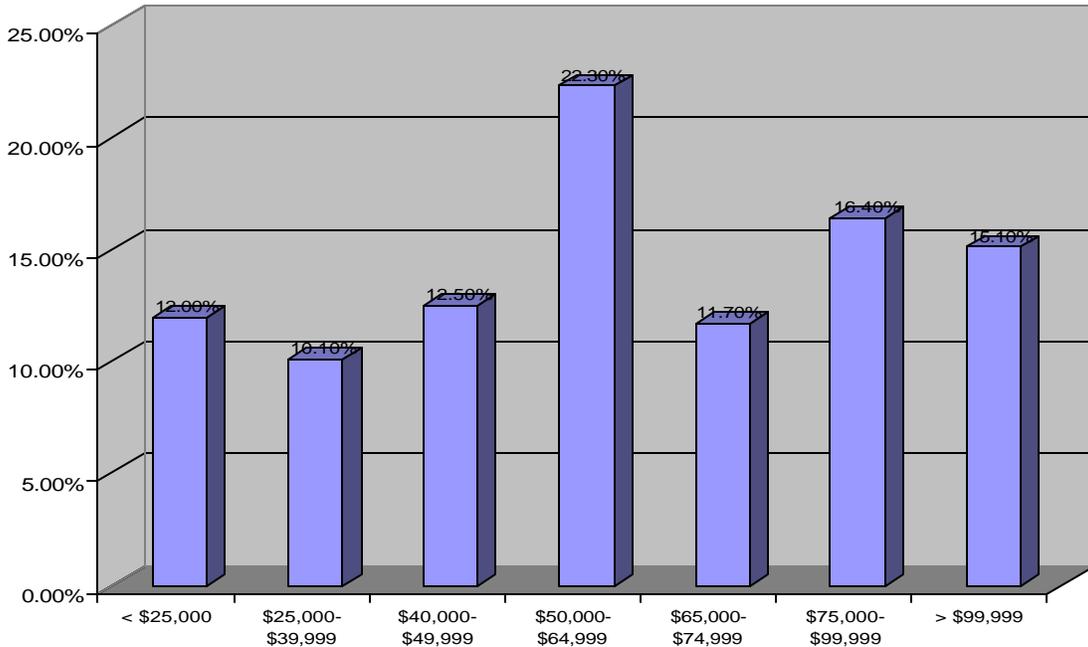
- A majority of executive directors– 55.9% – have 16 or more years of paid experience in the nonprofit sector; 26% have more than 25 years’ experience.
- 41.7% have been in their current positions four years or less; the CompassPoint study found 51% in their positions four years or less. A far smaller number, 18.4%, have served more than 15 years in their positions.
- 71% have been an executive director at least one time previously and close to 23% have been an acting or interim executive director before.
- 22% are founding executive directors. 20.8% of this group led organizations that have been operating for 25 years or more.
- 69.4% were working outside their current organizations when hired as executive director. Those that came from within the organization had previously held such positions as associate director (20%), development director (5%), program director (19%) or director of finance and administration (4.5%).
- More than one-quarter of respondents who were working at their agency before becoming executive director – 26.2% – have held management positions in the for-profit sector and 12.6% have held management positions in the government sector. Of those who came from outside the agency to become the executive director, 36% had held a management position in the for-profit sector and 25% had held a management position in the government sector

Factors that are the most important to executive directors in deciding to take a position were:

- Mission of the agency – 94.7 %
- “Giving back” –88.7%
- Reputation of the agency – 62.9%
- Community in which the organization is located – 61.8%

Factors identified as less important included: staff or board members they knew at the organization (37%); salary (30.8%); and benefits (30%). While respondents indicated their compensation packages were not among the key reasons they took their jobs – and 50% said they were satisfied with them – they believe that compensation issues are likely to be significant obstacles in attracting and retaining future leaders.

Chart 3: Salary Levels of Executive Directors

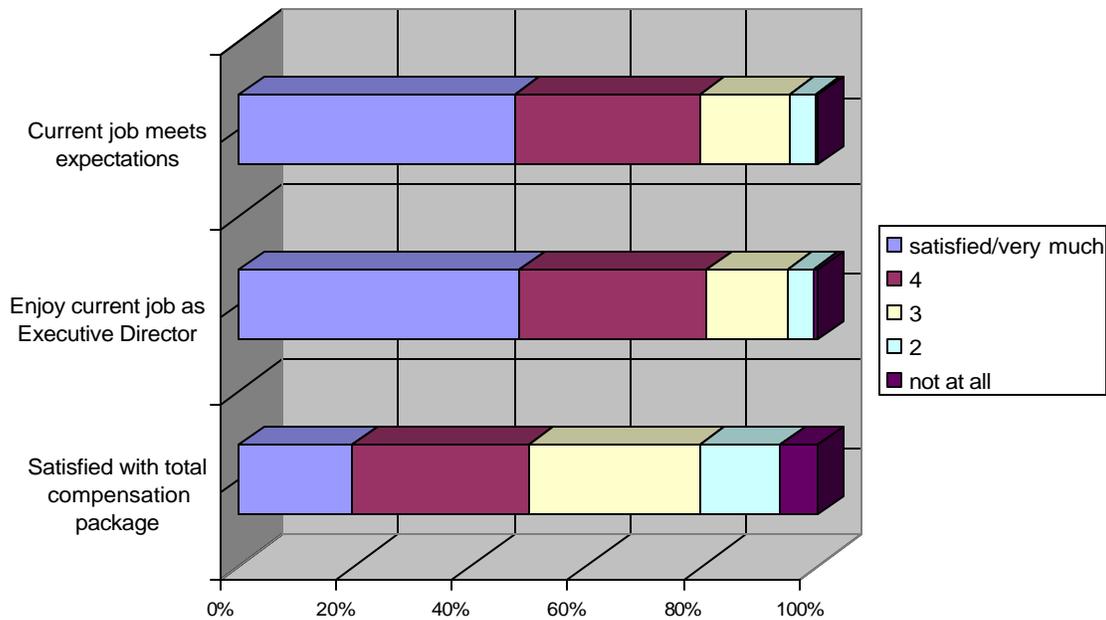


Job Satisfaction and Sources of Support for Executive Directors

A wide majority of executive directors report satisfaction with their job. On a scale that measured job enjoyment and ranged from a low of “treading water/given up” to a high of “enthusiastic, 80.9% selected the two highest categories. Additionally, when asked if their job met their expectation of what the role would demand, 79.6% said the job met their expectations of what would be required of them.

When asked to explain how the job has or has not met their expectations, the positive aspects of the job were listed as: utilization of professional skills in a variety of projects, relationship-building, flexibility and varied responsibilities, opportunities to lead and manage/produce/direct organizational growth, opportunities to bring about a visible change in the targeted community, personal growth and working with motivated people. The negatives were: fundraising, capacity to attract and keep qualified staff, difficulty in changing organization because of established budgetary and structural environments, unsatisfactory benefits packages, too many job responsibilities, spending more time than anticipated on clerical duties rather than on the program objectives of the organization, political issues within the organization and conflicting agendas with the Board of the organization.

Chart 4:
Job Satisfaction



When asked about factors that have a negative impact on the executive director, anxiety about agency finances stands out as being the greatest burden to executive directors. On a scale that ranged from “Not at all” to “Very Much,” 59.8% chose the two highest categories when assessing their level of anxiety about agency finances. Other negative impacts are:

- High stress and long hours – 46.9%. 45.2% of responding EDs report working more than 50 in an average week; 14.9% say they work more than 60 hours per week. Additionally, 82.4% said that was a normal or average work week for them.
- Fundraising – 46.5%
- Dealing with government funders and/or program requirements – 35.3%
- Managing personnel problems – 33.5%

Factors considered less important were feeling “lonely at the top”/lack of colleague network (25.7%); weak board of directors (25.7%); low compensation (22%); unclear performance goals/direction from the board (17.6%); and conflict with the board (9.1%).

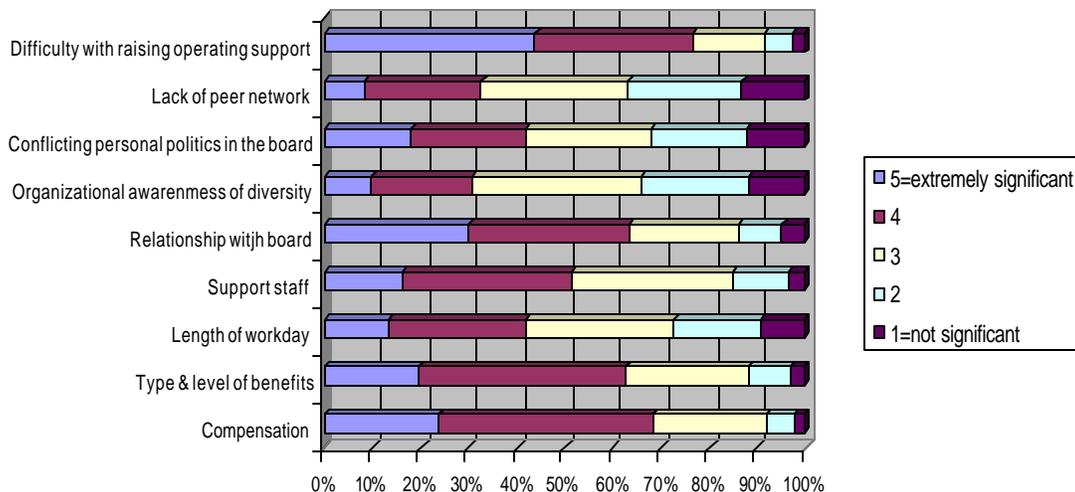
In addition, less than 50% of organizations have someone on staff responsible for human resource management and 48% do not have anyone responsible for fundraising other than the executive director.

Obstacles to Attracting and Retaining Top Leadership

When asked to identify which obstacles were likely to be most significant in attracting and retaining executive leadership in the nonprofit sector, the following were listed as very or extremely significant:

- Difficulty raising operating support – 76.6%
- Compensation – 68.5%
- Relationship with the board of directors – 63.6%
- Type and level of benefits – 62.9%
- Support staff – 51.6%
- Length of workday – 41.9%
- Conflicting personal politics in the board – 41.8%
- Lack of a peer network – 32.8%
- Organizational awareness and appreciation of diversity – 30.5%

Chart 5: Obstacles to Attracting and Retaining Executive Leadership



When asked how important ten different sources of training and support were to them in their development as an executive director, respondents offered the following as important or very important:

- Management team/work colleagues – 70.8%
- Peer networking – 63.6%
- Board of directors – 51.3%
- Spouse/partner – 50.1%
- Professional associations/networks – 47.2%
- Topical workshops and conferences – 44.7%
- Mentoring – 30.1%
- The Internet – 21.2%
- Executive coaching – 15.8%
- College-based management coursework – 14.9%

Ability to Team Up with Board of Directors

In most instances, respondents believe that their boards team up with them well to carry out their organizations' missions. 68.4% say that the board provides personal support for them as executive directors.

The area in which there is the least satisfaction in regard to Board/ED team effort is fundraising. On a scale that ranged from "Not at all" to "Very," just 36.7% said the board teamed with them effectively. This is in keeping with other responses that assessed anxiety over agency finances and fundraising.

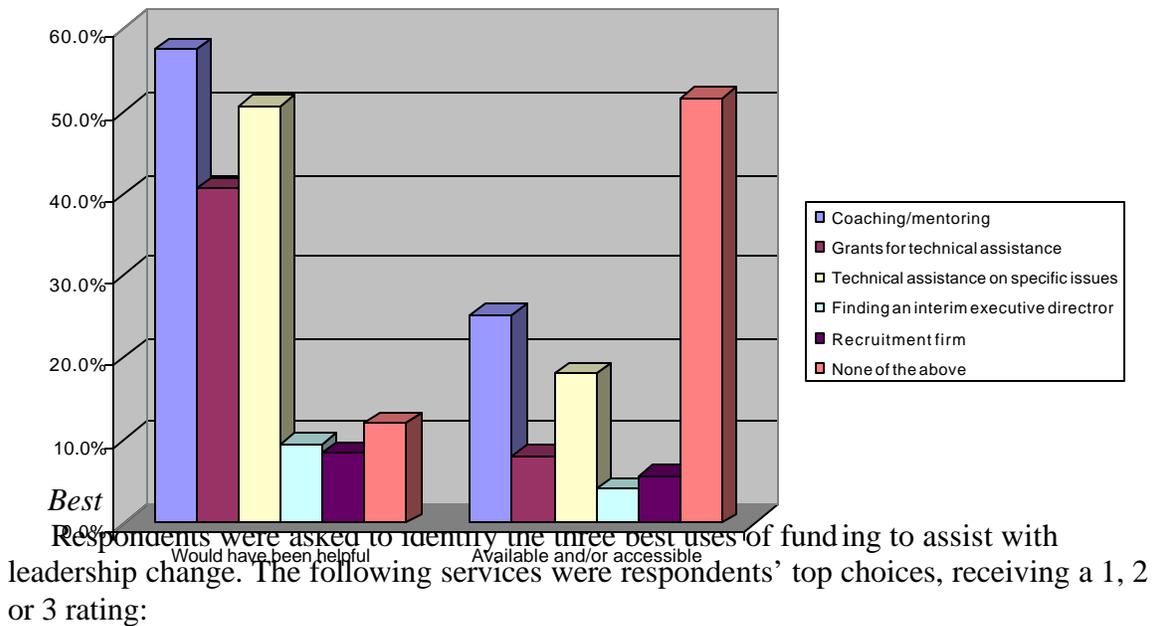
Executive Turnover and Transition

- 34.4% of the organizations have had two or more executive directors in the past five years. Of this group, 9.7% have had three or more leaders in that time period.

- 88.3% of the organizations have not created a succession plan, yet 41.2% of respondents say they have identified one or more people on their staff with the potential to become executive director.
- 70.8% of executive directors imagine they will leave their current positions within five years. Of these, just under 10% believed they would leave after one year, another 22.2% said they would leave between 1 and 2 years, and an additional 39.1% thought they would leave between 3 and 5 years. This confirms CompassPoint’s findings that the rate of executive turnover, which has been estimated at 10% per year, is increasing.

Usefulness and Availability of Executive Transition Services

When asked what services had been helpful or would have been helpful during an executive transition, 57.5% answered Coaching/Mentoring. The following chart represents what would have been helpful and what was available or accessible to them during an executive transition.



- Support for new executive leader/coaching – 72.2%
- Training in succession and transition strategies – 58.2%
- Funding to support the time of transition and search – 56.9%

Following these was “A trained pool of transition consultants to assist the Board,” which was selected by 53.2%. Of least interest was “Support for the exiting leader/coaching,” which was selected by just 24.4%.

Current executive directors responding to the survey indicated that there was fairly even distribution of impacts, given a choice among 5, on their organizations during a time of leadership turnover. Of the half of the executive directors who responded, 18.3% said that productivity declined, 19.4% said there was a decrease in funding; 20.4% indicated that there was a decline in staff morale, 17.2% said that the organization lost Board members and 18.9% said the organization lost staff.

What would executive directors want to learn before taking over as executive director of an organization?

Over 50% of executive directors report that there was something that they learned after they had taken the position as executive director that they wished they had known before. Their answers generally fell into two categories: 1) knowledge about some aspect of the organization or role of executive director; or 2) skill-based knowledge that would have helped them to be better equipped to meet the challenges they faced once they were in the position. Within the two categories, the following kinds of knowledge were cited most often.

Knowledge about the organization or executive director's role

1. Knowledge about the capabilities and commitment of the Board of Directors.

Executive directors were surprised by the level and nature of board involvement once they were in their positions. The most common complaint was a lack of support for fundraising. In addition, there was surprise about “weak” boards, about board members’ attitudes toward the executive director and staff, about the capabilities of board members, and/or about the degree and nature of board politics. “It would have been particularly helpful to know that my board knew nothing about their responsibilities as board members and that I could expect little if any help with fundraising/development,” said one respondent. “I wish I had a clear, strong definition of the role of Trustees and staff,” said one long-time ED. “This is something we are still working on after 14 years.

2. Knowledge about the state of the organization's finances. Many EDs were surprised at how dire the organization's financial state was. Comments ranged from the general, “the true nature of the budget and fundraising crisis that faced the organization” to the specific, “board said debt was about \$50,000. Actual debt was over \$150,000 and line of credit was exhausted.”

3. Knowledge about the wide range of responsibilities and skills needed to be an executive director. “Wearing so many hats that are so different such as one minute you are dealing with a funder, the next you are listening to a client who has problems with the staff, to dealing with a flood in the basement. This can all happen in one day.”

4. Knowledge about how big – and difficult – the job of fundraising would be.

5. Knowledge about existing organizational and staff issues. One executive director wanted “more detail regarding the organization's staff morale difficulties. It took three years to change the culture.” Another would have liked to know “the history of the organization, the personalities, politics and the ‘other story.’” It made the job very difficult and frustrating at times.” “My actual discoveries were like dealing with an onion,” said a third. “The more layers you peel away, the

more challenges you uncover. I would have appreciated the truth and/or an opportunity to have an honest dialogue with the Board – who did not know these things – about the actual condition of the organization.”

6. **Knowledge about the amount of time the position involved**
7. **Knowledge about the politics of the organization (internal and external).**

It’s worth noting that several executive directors remarked how difficult it would have been for them to acquire this kind of knowledge on their own, due to inexperience or unfamiliarity with the organization. For example:

“I did not have the foresight or experience to thoroughly investigate the financial condition of the organization.”

“There are always questions one does not know to ask in a new community.”

“All the questions I asked during the interview process were helpful, but could not have revealed the depth of the crisis.”

“I thought I had asked all the right questions, but this was my first ED position and I was blindsided.”

Skill-based Knowledge

1. **Financial skills.** One respondent wished they had learned “accounting or the wisdom to know that I should have passed it on to someone else quickly. I thought I would become quick and able at it, but it caused me to spend too much time counting assets instead of raising them.”
2. **Human resource/personnel skills.** “I needed a crash course in human resources and employment law. Personnel issues came up immediately and it was all new to me.”
3. **Board development/board relations skills.** “Because the Board is so essential to the success of the organization and the ED, I would have liked to know more about all aspects of Board Development.”
4. **Fundraising skills.** “While I had some fundraising experience and minimal grant writing experience, I had no real development experience.”
5. **Management skills.**

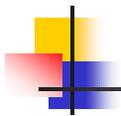
Conclusions

. NEET’s results confirm CompassPoint’s findings with some regional variations. [save for conclusion]

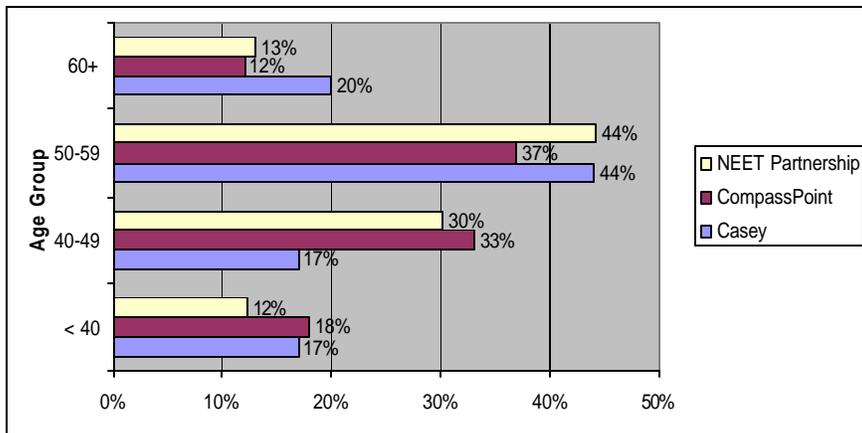
The Collaborative set out to determine if they could devise a system that takes advantage of the three states' geographic proximity, common goals of multiple funders in the area, and the fact that consultants commute relatively easily within the region. The group was committed to utilizing existing resources and well-tested models rather than creating a new 501(c)(3) organization. [save for conclusions and next steps]

APPENDIX A

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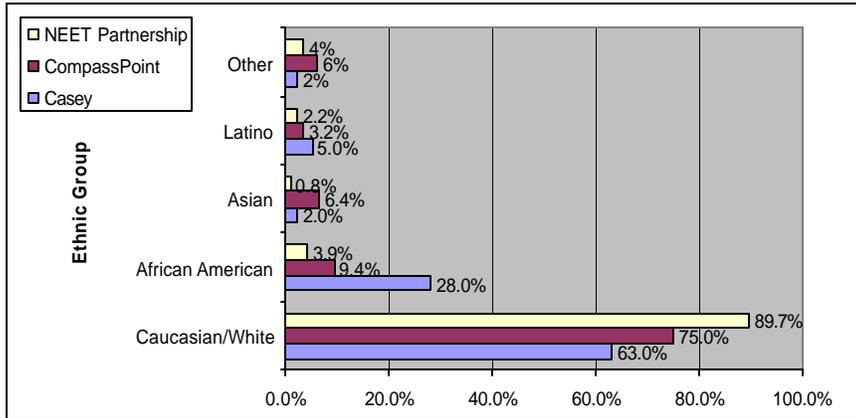
Comparison: Age



ASSOCIATED GRANT MAKERS - 2003



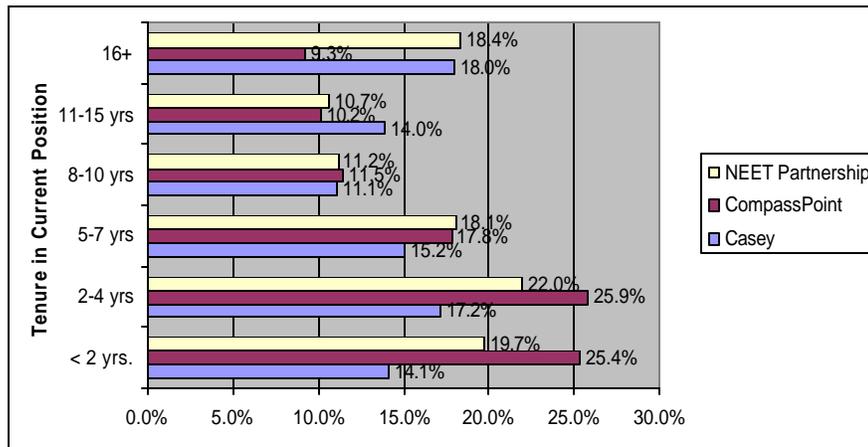
Comparison: Ethnicity



ASSOCIATED GRANT MAKERS - 2003

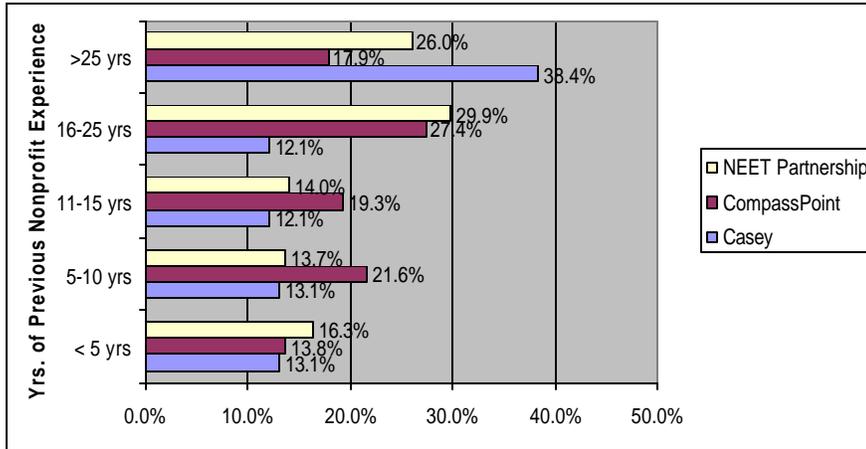


Comparison: Years in Current Position



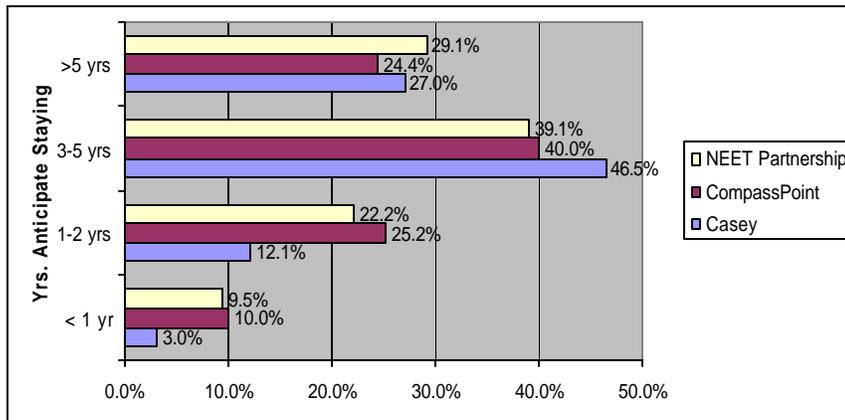
ASSOCIATED GRANT MAKERS - 2003

Comparison: Yrs of Nonprofit Experience



ASSOCIATED GRANT MAKERS - 2003

Comparison: Years Executive Directors Anticipate Staying in Current Position



ASSOCIATED GRANT MAKERS - 2003

