Guidance on Executive Leadership Transitions for Faith Based Organizations

Faith and Organizations Project

Much has been written on leadership transition in nonprofit organizations. This pamphlet deals with a somewhat narrower focus, specifically addressing the issue of leadership transition among faith-based nonprofit organizations. Executive leadership transition is a critical process for faith-based organizations. If the process goes well FBOs will see growth in their organizational capacity and stronger connections to their supporting communities. Poor leadership transitions, on the other hand, can create internal and external conflict, provoke breakdowns in operational cohesion, and generate confusion over organizational identity.

These dangers are not unique to FBOs; agencies and organizations operating in similar fields face similar challenges. **Simply put, the factor that sets leadership transitions in faith-based nonprofits apart from those of their secular counterparts is the existence of a faith community. Leadership transition strategies that do not account for the faith community run the risk of alienating or angering them whereas transition strategies that engage the faith community will enhance their feelings of investment in the organization while reinforcing the ideals and identity inherent to the organization itself.**

One of the most salient points to emerge from the Faith and Organizations project was the way in which the ideals, norms, and values of the founding faith community are expressed during the operation of the participating faith-based organizations. In many instances, although the expressions of the founding faith tradition was far from explicit in practice and presentation, the assumptions, attitudes, and perspectives of the founding faith tradition were embedded in the day-to-day operation of the organizations, even those that had moved in an ostensibly secular direction. **In particular, volunteers and boards of directors serve as a vital link between the organization and its faith community.**

> **This resource is designed for faith based organization (FBO) leaders—executive directors, fundraising and outreach staff, and board members—as well as clergy, lay leaders and policy makers, to help provide guidance on leadership transition.**
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> **We outline key findings about how FBOs effectively use connections with the faith community to facilitate successful leadership transition and offer suggestions to minimize conflict and maximize organizational stability.**

This suggests two base strategies:

❖ Leadership transition should be undertaken within the context of the organization's faith community

❖ Leadership transition should take place in a manner that is consistent with the day-to-day faith practice of the faith community

In light of these two strategies, this guide will address leadership transition as a three stage process:

1. Finding and appointing new leadership
2. Transitioning from one leader to another
3. Reviewing and assessing the transition process

Finding and appointing new leadership

There are several questions that should be considered during the process of finding and appointing new leadership.

1. Is it important that the new leaders come from within the organization's faith tradition?

Even in situations where the faith-based nature of an organization is not its paramount defining feature, the faith-based aspect of an organization cannot be ignored, particularly its relationship to the larger faith community. There is no hard and fast rule regarding the appropriateness of hiring executive leadership from within the organization's faith tradition. Some organizations place a higher priority on professional skills and experience, while others are more concerned with a unity of faith and vision. Nonetheless, if it is not already explicitly delineated in the organizational charter or bylaws, the question of whether or not to restrict leadership and authority to individuals from a common faith tradition should be addressed and resolved before the search process begins. **Regardless of the candidates' religious backgrounds, it is essential that the executive leadership understands the FBO's faith and local practical theology.**

2. What are some common pitfalls of the leadership selection process and how can they be avoided? Participants in the leadership selection process often face:

- ❖ Ego problems

- ❖ Personality conflicts

- ❖ Unclear objectives and ideals

All of these issues can be at least partially mitigated by preemptively implementing "industry standard" leadership transition strategies and best practices modeled on or borrowed from the professional sector, the faith-based institutional sector, or even an amalgamation of both. One of the advantages of faith-based organizations is their unique ability to occupy a middle ground between the faith community and the professional community. This allows them to draw their operational strategies from both sectors and adopt relevant practices as needed. The existence of clear policies and objectives can help a search committee circumvent or resolve points of conflict without exacerbating interpersonal disagreements.

Regardless of whether the organization chooses to rely more heavily on the professional sector, or its faith tradition for best practices, it is recommended that no deviation from these policies take place without due process and full transparency. Furthermore, the faith community should be informed as to the nature of these changes and the reasons for them.

3. How can the faith community be involved in the leadership selection process?

Given the importance of the faith community to faith-based organizations, it is vital that the faith community be involved in the leadership transition process. This keeps them engaged in the organization and provides them with a stake in its well-being due to the investment of their own time and attention. In particular, longtime volunteers from the faith community play a valuable

role in the development of an organization's identity by acting as a link between its forward direction and its previous iterations. As such, it may be worthwhile to directly involve some members of the faith community by including them in the search committee, or in some of the discussions over the selection process. Even if volunteers and other members of the faith community are not directly involved in the leadership selection process, they should at the very least be kept abreast of the board or committee's progress. An experienced FBO professional emphasized this point saying, **"Anything that obscures transparency endangers trust."**

These avenues of communication should not merely be channels for the dissemination of updates from the board to the larger community; they should be two-way channels whereby the concerns and insights of the faith community can also be heard.

4. What can faith-based organizations do to compensate for less-than-ideal leadership transition circumstances?

Most of the recommendations provided in this paper presume that an organization is able to prepare in advance for the eventuality of leadership transition; unfortunately this is not always a possibility. Agencies and organizations that are faced with a sudden and unexpected need to fill an executive leadership gap may not be able to answer or resolve differences of opinion in an expedient fashion. In less-than-ideal situations some FBOs may find it useful to borrow strategies from the professional sector.

- ❖ It may be worthwhile for the organization to consider the hiring of an executive transition manager

- ❖ The selection process should not be abbreviated - if time or circumstances do not permit a selection of a new leader in a timely fashion, the appointment of an interim director is often preferable to a premature appointment of a leader

Transitioning from one leader to another

For faith-based organizations, the leadership transition process can take a wide variety of forms depending on the surrounding circumstances. Some agencies use a period of "shadowing" wherein the incoming the leader works closely with the outgoing leader as they do their duties. On the other hand, many organizations find it helpful for an outgoing leader to undergo a period of separation from the organization as the new leader establishes him or herself. This enables the new leader to implement and to enact their own style of leadership without fear of having their authority undermined or compromised by their predecessor (inadvertently or otherwise). These variations in process are best determined by the organization itself, but the faith community should be taken into account when drawing up and implementing the transition policies.

Some aspects of the transition process are not as easily formalized, and attention should also be directed towards less explicit methods for building and reinforcing the connections between the new leader and the faith community. The installation of the new executive leadership can serve as inspiration for the implementation of new initiatives within the faith-community. Similarly, the new leader's participation in community religious services and holiday events can provide a valuable point of entry into the faith community, while also facilitating familiarity with the faith tradition, the local history, and organizational idiosyncrasies.

Although strong leadership is certainly an asset for any organization, an organization that is overly reliant on a single individual can face serious problems once that person moves on. One strategy that has been shown to be successful in this situation is a flattening of the traditionally hierarchical authority structure in order to build trust and cooperation between the new leader and the institution. An executive director for one of the organizations participating in the Faith and Organizations study described his use of this strategy, *"I say to them, 'Here is something that we need to make a decision on, what is it that you say?' I say to another group, 'Here is something that we need to assess, what is your assessment?' and then what happens then is I'm changing our organizational structure from a kind of hierarchical structure and I'm flattening it into a team structure.*

Reviewing and assessing the transition process

Organizations must be aware of their shortcomings in order to respond to them. Although many organizations regularly review their fiscal strategies on an annual basis, and most are willing to regularly evaluate the effectiveness of their various programs there are many aspects of organizational identity that are often left unquestioned. One important part of the Faith and Organizations project has been to develop a self-assessment tool that agencies and organizations can use to understand the relationship between their organization and the supporting faith community. The self-assessment tool addresses many of the challenges described above, and provides several useful avenues of inquiry into often overlooked aspects of organizational identity. It can be used in conjunction with this report or as a stand-alone module for organizations interested in anticipating and resolving a wide range of issues relating to staff culture, stewardship, practical theology, and organizational transition.

Assessment mechanisms should exist whereby the incoming leader can be evaluated on their effectiveness from both a professional and ideological perspective. Leadership styles and individual personalities vary widely, and although someone may initially seem to be an ideal choice for a leadership position, they may be subsequently found to be incompatible with the organization for any number of reasons.

In addition to evaluating the new leader, it is also wise for an organization to revisit its leadership transition process post-transition, thus ensuring that subsequent transitions can benefit from lessons learned through success or failure. As with the other stages of the transition process, the faith community should be included in this post-transition dialogue, along with the board, the staff, and the executive leader. However, frank discussion of the strengths and weaknesses of the transition process will only be possible within an environment of trust and openness.

In the course of this dialogue, the involved parties should address the question of "What does a successful leadership transition look like?" Criteria for evaluation will, of course, vary by organization, but it is worthwhile to return to the base strategies put forth at the beginning of this document.

❖ Was the leadership transition conducted within the context of the organization's faith community?

❖ Did the leadership transition take place in a manner that consistent with the day-to-day faith practice of the faith community?

Additional comments on organizational systems and leadership transition

Through our research we identified three broad systems that religious communities use to organize their connections to organizations under their care that reflect practical theology and stewardship strategies. These systems come out of the faith communities, shaping both the stewardship strategies of religious institutions and the ways nonprofits from that religious tradition approach faith communities for support and guidance.   While each system can learn from each other, strategies would need to be adapted to fit the practical theology of a particular religion.

- ❖ **Institutionalized** systems organize and centralize supports at the faith community wide level, with expectations that the entire faith community is responsible for those in need. Jews and Catholics used this system. Because organizations of the institutionalized variety are generally aligned in affiliated with a larger hierarchical structures (for example a Catholic diocese or a regional Jewish Federation) authority structures tend to be more formalized, and as such, the process of transferring leadership tends to be similarly established. These agencies and organizations tend to have a long history, or they are at least affiliated with larger institutions that feature a long and storied history with many successful (and presumably a few unsuccessful) leadership transitions. The explicit and established objectives and ideals of these organizations are such that they have both a broad pool of leadership candidates from which to draw, and a useful resource pool to which they can turn.

- ❖ **Congregational** systems see congregations as the central organizing force for justice and charity work, viewing ministries as coming from individual or corporate calls for service that are recognized and supported by congregations. Ministries may start out as efforts within a congregation like a church food pantry, but usually become institutionalized at some point as an independent nonprofit. Nonprofits were sponsored either by individual congregations or groups of congregations, turning to these congregations for all forms of support. In this study, mainline Protestants, some African American churches, and Quakers fell into the congregational system. While only one of the Evangelical nonprofits in this study sample in fell into this category, some Evangelical groups use this system as well. Because organizations in this category are accountable to, or at least heavily reliant on multiple congregations, it is crucial that the leadership of the various individual congregations feel that they are included in the process of leadership transition. This includes contributing to the leadership search process, assisting the new leader in his or her transition into the organization, and ensuring the ongoing success of the organization as the new leader makes his or her mark. This interaction between organizations' executive leadership and the leadership of their various congregations that make up the faith community is a two-way street. Not only are the various congregations essential to the successful transition of new leadership organization, it is essential the organization itself be attuned to similar transitions among the leadership of its member congregations for similar reasons.

- ❖ **Network** systems transcend congregations, drawing together people with a similar faith-based vision to carry forward the work based on either social networks of the founders or institutional/virtual networks of people with a similar vision. These organizations are most likely to hire staff or use volunteers exclusively from people who share the same faith and ground programming in that faith. While the only network system organizations in this study were Evangelical Christian nonprofits, we recognize that other faiths also

use network organizational strategies. Leadership transition is difficult in many African American and Evangelical Christian churches, because they are "call based" and entrepreneurial. The pastor may have spent years, or even decades, developing a ministry and they are often not willing to let that ministry go. This singular and central role played by the leaders of many network-based organizations is such that they may be extremely difficult to replace. Interviews conducted during this research project have shown that the flattening of an institutional or organizational hierarchy contributed to a successful leadership transition - particularly the delegation of authority and responsibility for subprograms within the organization. Long-term mentoring of a successor by the standing director can also mitigate issues of authority and credibility for an incoming leader. All of these things require long-term planning on the part of both the leadership and other members of the organization to ensure that such a transition is successful and untroubled.

About the Faith and Organizations Strategies Series

This resource draws on the *Faith and Organizations Project,* which used case studies from 81 organizations to understand the ways that faith based nonprofits and their sponsoring faith communities sustain their relationships. The project looked for strategies that help faith based organizations (FBOs) maintain ties to supporting faith communities, while providing quality services. It compared strategies across religions (Mainline Protestants, Catholics, Jews, Evangelicals, Quakers, and African American Christians), and among FBOs offering social services, health and senior services, education and community development.

This is one of eight pamphlets in a series. Readers interested in staffing issues may especially want to see companion strategies documents on *Volunteers, Appointing Board Members* and *Maintaining Connections between Faith Communities and FBOs.* Further readings on the issue of leadership transition among nonprofits can be found in the supplementary document *Readings for the Faith and Organizations Strategies Series.* The project also offers a self-assessment instrument series to help FBOs and faith communities understand the strength and weaknesses of their current relationship. These documents, general findings and reports for each religion are available at www.faithandorganizations.umd.edu.