EXECUTIVE SUCCESSION: AN ASSESSMENT OF NONPROFIT RESEARCH

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Abstract

Despite its importance to the nonprofit sector, discussion of and research on executive succession appears infrequently in the academic literature. Accordingly, we conducted a comprehensive search of the extant literature in order to identify case studies on this issue, and to analyze the key finding and themes appearing in these cases.

Most published research focuses on U.S. nonprofit organizations and are single case studies. On the one hand, some common themes and findings appear in several cases, and on the other hand, some cases focus on a singular theme. International and U.S. case studies are compared to determine similarities/differences.

Recommendations include: that researchers adopt the case study method as a research strategy when investigating executive succession in nonprofits; that U.S and international researchers include multiple case analyses as part of their research agenda; and that researchers conduct cross cultural research to determine similarities/differences between countries.

Keywords: case study, international, nonprofits, organizations, succession, transitions

Topic Groups: human resource management and career development, research methods

INTRODUCTION

Nonprofit organizations are in the midst of a serious leadership crisis which will create a tremendous shortage of nonprofit sector leaders within the next five years (Tierney, 2006; Toupin & Plewes, 2007; Casner-Lotto, 2007). Given such a dire prediction, it would seem logical that nonprofits have a succession plan to fill executive vacancies. Yet, these organizations continue to operate as usual and fail to plan for succession in any structured and systematic way (Santora & Sarros, 2001a). Recently Toole (2008) found that only five percent of nonprofits he surveyed had such a plan. Hrywna (2008) found that slightly more than 25 percent of the respondents to his survey had a succession plan. Unfortunately, these dismal survey findings are not much better than the results of similar surveys conducted more than a decade ago (see Sinclair, 1996). Without adequate succession plans some nonprofits may encounter organizational disruptions, and in some cases, may be forced to close their doors (See Metelsky, 2004; Price, 2008). Therefore, succession "remains a challenge to not-for-profit organizations of all types" (Bear & Fitzgibbon, 2004:103).

Our study was inspired by the current and potential problems in leadership and succession in nonprofit organizations. Accordingly, our review of the case study literature in this sector was an attempt to identify any similarities and/or differences in these cases and to further clarify the nature of leadership succession in the nonprofit sector.

We begin our paper with a rationale for using the case study method to collect data on nonprofit executive succession, provide a description of our data collection methods, identify each case study (including a description), and report on their key findings. In our discussion section, we present our findings by theme and geographic areas. Next, we offer recommendations for future study, and finally we draw some conclusions based on our analysis of these cases.

This paper contains several limitations: first, the generalizability (external validity) issue of single case studies and their findings; the selected use of non-profit executive directors and their organizations; and few international executive succession cases.

RATIONALE FOR THE CASE STUDY METHOD AND EXECUTIVE SUCCESSION

Despite any limitations associated with the case study method, Pitcher, Chreim and Kisfalvi (2000: 646) advocate using case studies to complement other research methods: "We believe these cases demonstrate that fieldwork can help large-sample researchers to understand otherwise perplexing results and to refine both their hypotheses and their measurements". Several researchers have called for case study research to investigate succession (e.g., Kesner & Sebora, 1994; Sharma, 2004). Poulin, Hackman and Barbarasa-Mihai (2007:303) ask researchers to expand the use of case studies when investigating leadership succession issues: researchers should "pursue basic questions on leadership succession by, for example, using more longitudinal, qualitative case-based research". We

concur with both sets of authors, and we would like to add that while large samples indeed provide some interesting results about succession issues, the results mined from case research offer a richer and more intimate understanding about the executive succession process and its antecedents and consequences than is offered through more quantitative research methods.

Despite its limitations, we recognize the utility of the single case study as a learning device for an organization (see March *et al.*, 1991; Kennedy, 1979), and as a way for researchers who are "concerned with gaining an understanding of a particular person, group, or organization" (Herbst, 1970: ix). With respect to the external validity issue, we suggest that researchers follow Yin's (1989) model for multiple case study to help reduce any concerns about case study research and issues of external validity (see Eisenhardt, 1989).

METHODS AND DATA COLLECTION

To collect data we identified peer-reviewed journals that devote themselves to the nonprofit audience (e.g., Administration in Social Work, Nonprofit and Voluntary Sector Quarterly, Nonprofit Management & Leadership, Voluntas: International Journal of Voluntary and Nonprofit Organizations) as well as organizations that support the publication of nonprofit research (e.g., The Support Center for Nonprofit Management [New York], CompassPoint Nonprofit Services [San Francisco], and the Annie E. Casey Foundation [Baltimore, Maryland]). We conducted an Internet search (Google and Google Scholar) using key words and phrases (e.g., executive succession, nonprofit organizations, nonprofit succession and case study research) to assist us. Our Google searches led us to a number of surveys and a few graduate theses as well as peer-reviewed articles. We also consulted several databases of the literature (e.g., ABI/Inform Complete (ProQuest) (full access to more than 2,100 business periodical titles) and Business Source Premier (full access to more than 1,100 scholarly business journals) for possible additional articles. Finally, we reviewed forthcoming articles and working papers on executive succession in nonprofits. Our search resulted in 18 case study articles on succession in nonprofits from 1965 to date. Of these 18 cases, 13 were single case studies and five were multiple case studies. Fourteen (14) cases were based on research conducted within the continental US, while four (4) cases were non-USA based.

FINDINGS

SUCCESSION CASES IN NONPROFIT SECTOR ORGANIZATIONS

Table 1 offers a brief overview of the study, a description of each case and the key findings of the 18 nonprofit cases. In general, these key findings for U.S. and non-USA based cases focused on various factors (e.g., succession processes, influence, stages/phases of succession/ transition, no succession plan, etc.). Table 2 extends those brief descriptions by categorizing the 18 cases into one of 17 themes that occurred most commonly in one or more of the cases under review.

DISCUSSION

Table 1 provides a brief overview of the findings of the nonprofit sector cases on succession. Most cases (13 or 72%) were single cases and 5 (or 28%) were multi-cases. Table 2 extends those brief descriptions by categorizing the 18 cases into one of 17 themes/factors. In several instances a case study falls under several themes/factors based on the similarity of its research findings with other cases. Themes were identified through the following iterative

process. The key findings from rtz each of the papers reviewed in this paper were identified by the authors who then independently aggregated the findings into key terms. Further reading and classification of the findings occurred until the final set of key themes emerged. An inter-rater reliability of .90 was established based on this procedure (Goodwin & Goodwin, 1985). We list themes based in order of frequency of mention based on the content analysis discussed above: similar findings from most (eight) to least (1). There were six rankings (8, 6, 4, 3, 2, and 1). "Founder Issues Insiders" appears first since this theme/factor appeared within eight (8) cases; "Insiders" and "Leadership Styles" are second as these themes appeared in six cases; "Follower Issues" were listed third since this theme/factor appeared within four (4) cases. The themes/factors of "Phases/Stages," "Succession Processes," "Politics/Influence," "Change," "No Succession Plan," "Outsiders" and "Succession Plan in Place" were ranked fourth and appeared in three (3) cases. The themes/factors "Consequences," "Succession Models, "Values," and "Interim Directors" and "Disruption" was ranked fifth and appeared in two cases. Finally the theme/factor of "Innovation" appeared last and appeared in one case. Each theme was then examined retrospectively to identify the core elements of succession in nonprofits that account for the nature of that theme.

A limitation of our discussion is that we discuss those themes only where the findings shed significant light on a particular theme (see "Founder Issues" below). On the other hand, some themes/factors (e.g., "Consequences," "Succession Models," "Values," "Interim Directors," "Disruption," and "Innovation"), provided too few details for discussion and were therefore not addressed in this paper. For example, Santora et al (2010) and Zald (1965) alluded to the disruption created by the succession issue and innovation respectively in the organizations they studied. The theme of "Founder Issues" was the dominant theme in the literature appeared in eight studies (six US and two international). In both US and international nonprofits, founders refused to "let go" (see Comini & Fischer, 2009), insisted on selecting their successors, and remained on the board of the organization (see Gilmore & Brown, 1985/1986) and assumed a non-executive director position within the organization (see Santora & Sarros, 2009). "Insiders" (those currently employed by the organization) and "Leadership Style" appeared in six cases respectively, appearing in four US cases and two international cases for "Insiders", and five US cases and one international case for "Leadership Style". The data also tell us that US and international nonprofits (see Comini & Fischer, 2009; Markham, Walters, & Bonjean, 2001) organizations were inclined to select insiders as successors. Perhaps the reigning philosophy, "better the devil you know than the one you don't know" is in play here, or perhaps is the extension of a founder's legacy philosophy. Or is this approach specifically US-centric? Are US nonprofits more likely to appoint insider successors because they believe any outside option does not meet their rigorous selection criteria? Obviously more international research on this issue is warranted. On the other hand, three cases (two US and one international) focused on "Outsiders" (those not currently employed by the organization and recruited externally) and found that outsiders were preferred over insiders (e.g., Santora & Sarros, 1997), and second and perhaps more importantly, there was no room for inside successors (See Santora & Sarros, 2001a) because outsiders brought with them a host of skills and competencies, such as fundraising and extensive networks, that insiders did not. More research is needed on the sorts of skills and competencies outsiders bring to a new appointment that insiders apparently cannot match. There are inconsistencies in the literature about succession planning. For example, in the three "No Succession" cases (Santora & Sarros, 1995; Santora et al, 1997; and Santora et al, 2010), organizational leadership did not have a formal succession plan. These finding as consistent with the findings of most nonprofit surveys on succession (see Toole, 2008).

Table 1: Nonprofit Organizations Cases

Study	Description of Case	Key Findings
1. Zald (1965)	1 large welfare agency (USA)	Succession processes and politics, influence of CEO, insiders as successors, successor continues innovation practices
2. Smith/Moschel (1973)	1 nonprofit family agency (USA)	Longtime executive departs, replaced by interim executive (who was an employee and board member), appointment of permanent successor and subsequent organizational changes
3. Gilmore/Brown (1985)	1 small nonprofit (USA)	Seven stages of the leadership transition process during departure of founder; critical issues; insider/outsider as replacement, inability of founder to let go, founder on board after departure
4. Heller (1989)	2 development corporations (USA)	Three phases of succession—pre-during-post—presents most important issues, and followers' views about predecessors/ successors during each phase, followers underwent a "conversion process" and changed views of predecessor
5. Weed (1993)	1 nonprofit organization (USA)	Discusses succession after the conflict between founder and organization
6. Santora/Sarros (1995)	1 CBO (USA)	No succession plan by founder until potential life-threatening health situation, four-stage model based on observation/ creates troika as succession plan
7. Santora/Clemens/ Sarros (1997)	4 foundations	Four foundation directors discuss views on insiders/outsiders
8.Markham/Walters/ Bonjean (2001)	12 voluntary association members- international	Successors follow oligarchy model-few want leadership roles, incumbents highly controlled selection process, turnover at the top slow
9. Gibelman/Gelman (2002)	14 large nonprofits (USA)	Departures of chief executives based on voluntary, misconduct, and political internal organizational and political internal organizational factors, impact on board, long-standing consequences /costs of departures on stakeholders

10. Golensky (2005)	1 child day care (USA)	Description of succession process in a U.S. human service organization; boards approach executive succession through sub-committee; full board involved when finalists selected
11. Santora/Sarros (2007)	1 community-based organization (USA)	Founder/leader of CBO changed leadership succession plan over time, from identifying successor to no successor, leadership style reverted to original style
12. McKee/Driscoll (2008)	1 health care (Canada)	Discusses antecedents to departure of executives, succession process, time line for succession, organizational values in place
13. Neville/Murray (2008)	1 (Canada) (Teaching Case)	Outside executive director brings change to organization, executive director and board members depart, asks if successor \outsider/insiders, experienced/inexperienced
14. Santora/Sarros (2008)	1 USA	Abrupt departure of long-term executive director replaced by internal interim executive
15. Comini/Fischer (2009)	8 non-governmental organizations (Brazil)	Less than 40 percent have formal succession plans, almost all appointed insiders; founders remain close to organization after "departure" difficulty handing over reins, successor management style similar to predecessor, attempt to preserve organizational values with insiders
16. Santora/Sarros (2009)	1 community-based organization (USA)	Long-term founder departs, long-term friend assumes position, founder retains control, assumes another position within organization. Institutional concerns about follower loyalty
17. Balser/Carmin (2009)	1 nonprofit (USA)	Founder departs, organizational identity and change, and views of change by stakeholders as threat to identity of organization and core values
18. Santora/Sarros/ Clemens/Esposito/ Seaton (2010)	1 human service organization (USA)	No succession plan, abrupt departure of long-term executive director, board selects successor, uses interim successor model, deputy director selected as permanent successor

Table 2: 17 Themes in Nonprofit Sector Succession Case Studies

Theme	Founder Issues	Insiders	Leadership Style	Follower Issues	Phases/ Stages	Succession Processes	Politics/ Influence	Change	No Succession Plan
# of Cases:	8	6	6	4	3	3	3	3	3
	Gilmore/Brown (1985/86)	Zald (1965)	Santora/ Sarros (1995)	Grusky (1959)	Gilmore/ Brown (1985/86)	Zald (1965)	Zald (1965)	Smith/ Moschel (1993)	Santora/ Sarros (1995)
	Weed (1993)	Gilmore/ Brown (1985/86)	Santora/ Clemens/ Sarros (1997)	Heller (1989)	Heller (1989)	Santora et al (1997)	Santora/ Sarros (2001b)	Santora/ Sarros (2009)	Santora et al (1997)
	Santora, Clemens/ Sarros (1997)	Markham, Walter/ Bonjean (2001)	Santora/ Sarros (2007)	Balser/ Carmin (2009)	Santora/ Sarros (1995)	Golensky (2005)	Gibelman/ Gelman (2002)	Santora et al (2010)	Santora et al (2010)
	Santora/ Sarros (2001a)	Comini/ Fischer (2009)	Santora/ Sarros (2009)	Santora/ Sarros (2009)					
	Santora/Sarros (2001b)	Santora/ Sarros (2009)	Comini/ Fischer (2009)						
	Comini/Fischer (2009)	Santora et al (2010)	Santora et al. (2010)						
	Santora/Sarros (2009)								
	Balser/Carmin (2009)								

Table 2: (con't.) 17 Themes in Nonprofit Sector Succession Case Studies

Theme:	Outsiders	Succession Plan in Place	Consequences	Succession Models	Values	Interim Directors	Disruption	Innovation
# of Cases:	3	3	2	2	2	2	2	1
	Santora, Clemens Sarros (1997)	Markham, Walter/ Bonjean (2001)	Santora/ Sarros (2001b)	Gibelman/ Gelman (2002)	McKee/ Driscoll (2008)	Smith/ Moschel (1973)	Gibelman/ Gelman (2002)	Zald (1965)
	Santora/ Sarros (2001a)	Santora/ Sarros (2001?)	Santora/ Sarros (2007)	Santora *et al* (2010)	Balser/ Carmin (2009)	Santora/ Sarros 2008	Santora *et al* (2010)	
	Neville/ Murray (2008)	Santora/ Sarros (2007)						

On the other hand, three cases (Markham, Walter & Bonjean, 2001; Santora & Sarros, 2001; Santora & Sarros, 2007) found that the leadership in these organizations had a succession plan in place. While we acknowledge that these sample sizes are indeed small (three respectively), they were the only cases that presented the issue of succession planning. Finally, the theme of innovation appears in only one US case (Zald, 1965). It is rather odd that innovation did not appear in the other US and international nonprofits given its importance for organizational survive and growth, and reasons for this omission warrant further examination.

RECOMMENDATIONS AND CONCLUSION

Our paper illustrates the utility of the case study approach in research on executive succession in nonprofit organizations, and as a means of identifying key dimensions of the succession planning process. Exploration of succession planning using cases could provide superior and richer data for comparative purposes. Moreover, our paper makes a significant contribution to the field. It can serve as a resource to executive directors of nonprofit organizations as well as to other researchers interested in this area of inquiry.

Further, we suggest that researchers begin to expand their research into nonprofits organizations where fewer themes have been identified to date such as "Disruption" and "Innovation." These emerging themes may be an indication of more important trends in succession not yet fully explored. We suggest that the themes of interim directors, disruption and innovation will play more vital roles in the future when we consider the increasingly dynamic and competitive environments of nonprofit organizations internationally. Scholars who conduct nonprofit research in any setting should consider these succession issues as part of their research agenda. Moreover we suggest that researchers transcend the single case study in favor of multiple case analyses, and finally that cross cultural research be conducted to determine similarities and differences in succession practices between countries.

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