



## SUCCESSFUL LEADERSHIP TRANSITIONS IN CIVIL SOCIETY

Human and Institutional Development Forum Discussion Paper 5

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## Introduction

Numerous academics have pointed out that the health of a country's civil society is directly correlated with its ability to resist totalitarianism and function as a democracy. By numerical measures, India is extraordinarily robust. According to research commissioned in 2008, the number of NGO's in India is mushrooming – with the number of registered societies doubling between 1980 and 1990, again doubling between 1990 and 2000, and the rate of registration continuing to increase thereafter. In 2009 3.3 million societies were registered, and untold others exist that are not formally listed by the government<sup>i</sup>.

Of course, the story of Indian civil society cannot be related merely through registration numbers. Civil society is currently undergoing a massive change. Research has documented the complex factors behind the change – shifting roles of Government, increasing importance and influence of the corporate sector, dwindling international funding sources, and ongoing urbanization and globalization<sup>ii</sup>. NGO's need organisational capacity to respond flexibly and proactively in this increasingly competitive environment. Without that capacity, civil society puts itself at risk for co-optation and irrelevance, not to mention significant diminishment in reach and strength.

One aspect of organisational capacity – and a notoriously difficult one to develop - is the ability to transition between senior directors. These transitions are critical, as established NGO's are more likely to have internal systems, relationships, and experience to deliver on their mission – able to direct less energy into building an organisation and more energy towards outcomes. Successful senior leadership transitions (defined as transitions which create minimal negative disruption and result in stronger organisations) allow for stable service delivery to the community as well as the potential for fresh direction and growth. No data exists on the number of NGO's in India that have successfully navigated at least one senior leadership transition. However, the subject is receiving increased attention both in the corporate sphere and in the NGO community. One well-known international foundation announced in June that they were establishing a grant program specifically designed to assist new NGO directors in the first two years of their tenure.

This paper reviews current themes in the area of leadership transition, both in the corporate sector (which influences thoughts and strategies in other sectors) and specifically in civil society. We then investigate specific dilemmas of senior leadership transition, and further develop recommendations illustrated by 10 case studies of NGO senior leadership transitions in India.

## Leadership Transitions in the Corporate Sphere

There is evidence that Indian companies are paying increased attention to leadership transition planning. This may be driven by evidence that a clear process and advance planning translates into increased shareholder confidence in the company's future, or the growing attention to transition planning worldwide. In a 2012 Spencer Stuart Board Index Governance Survey conducted on 486 S&P

500 companies, 53% of company boards listed 'CEO Succession Planning' as one of their top three concerns compared to 19% in 2008, and internationally-relevant policies are also encouraging transparency and foresight<sup>iii</sup>.

Discussion in corporate circles often revolves around leadership development in general, not only the general manager succession plan. This is obviously related to staff size and the number of leadership positions that will emerge in any given period. Companies that have instituted leadership transition planning often include program components such as identifying standout talent (perhaps through peer review, external consultants, or annual reviews of leadership strength), capacity-building programs for targeted employees, coaching/mentoring, and cross-functional assignments. Some programs also incorporate questions of how and when to include external candidates in the leadership pipeline<sup>iv</sup>. One company's transition planning process involves keeping tabs on likely candidates from other businesses and recruiting them at the right juncture. Companies with well-articulated plans (e.g. Infosys, with its talent-identification software and its leadership Institute in Mysore) are frequently recognized in the media<sup>v</sup> - even though these programs may not always deliver uniformly successful results.

These components, of course, tie in with discussions around what skills and behaviours are needed to create and fill the shoes of leaders, and especially the CEO. Corporate literature talks about top leadership succession in terms of identifying extraordinary individuals who are capable not only of stepping into their predecessor's shoes, but growing the company and inventing its future. Descriptions of searches can often take on a sort of mythical quality – the unusual challenges posed, the questions that were answered in just the right way – and of course, those stories impact public opinion<sup>vi</sup>. Companies try to create the appropriate level of transparency for the general public. Widespread media approval or disapproval of the choice will impact momentum and “branding” of the company obviously and indirectly, the behaviour and possibilities of the new leader.

Corporate-sphere articles on leadership transitions also spend significant effort investigating how to begin one's new tenure. This includes topics such as differentiating yourself from the previous leader without unnecessary overreaction to a particular style, creating teams, accumulating early wins, and establishing a forward-thinking action plan<sup>vii</sup>.

One particular area of focus in India is transition planning in family-run businesses. In these cases, leadership transitions may not only include identifying and grooming potential leaders (from inside and outside of the family), but also identifying the right place for their leadership. In some cases, family leadership is a good entrepreneurial balance to a more risk-adverse professional approach. Family may well be seated on the board where they can give strategic direction without needing to engage in day-to-day management. In other families, the struggle is to avoid inappropriate family members stepping into crucial positions. One source stressed the need for family businesses to establish clear, neutral criteria for evaluating leadership potential and for filling key roles<sup>viii</sup>.

## Leadership Transitions in Civil Society

Obviously, the organisational context of most NGO's is much different than corporations, if only because they generally have fewer staff and a different funding model. Only the largest NGO's would even have enough top leadership positions to merit developing a talent identification system on par with those described above. NGO's that are interested in creating internal leadership development programs are often constrained by donor reluctance to fund non-project costs (anything that might be labelled as overhead). An April 2013 survey of 65 international NGO directors found 70% listed "insufficient indirect cost recovery" (e.g. costs incurred for internal needs such as transition planning) as one of their major problems, and another report noted that even when donors are willing to help support key leadership transitions they are less likely to support second-line leadership development<sup>x</sup>.

Even when leadership transition planning doesn't extend below the senior director position, there are moments when it can't be ignored. Most of the literature for NGO's on leadership transitions addresses transitioning senior directors. The research primarily emphasizes the need for advance planning and explores how to create a good transition, noting the many examples of NGO's that have floundered or failed completely during that time, and the resulting negative community impacts. Compared to corporate literature on succession, the emphasis is more on the need for a top leader who will guarantee survival, health and continuity rather than on evolution, growth, and innovation (one report noted the typical disconnect between transition planning and strategic planning, and hypothesized that a closer relationship would help identify key skill sets for a future leader<sup>x</sup>).

One well-known US foundation conducted extensive research on NGO leadership transition and subsequently evolved a suggested process, all which is documented in a series of monographs. Information about their recommended approach – described as "Prepare, Pivot, Thrive" – is readily available, and seems to be current conventional wisdom for US-based NGO's. The monographs provide guidance for specific milestones along the way, case studies, checklists for assessment and planning purposes, and material targeted at transitioning leaders, interim directors, and boards. While there is no specific guidance for consultants the monographs do recommend employing outside help when possible. In brief, the approach recommends advance planning and sequential activities including organisational assessment, defining transition leadership, stabilizing the NGO, conducting the search, and building an "entry plan" for the successful candidate<sup>xi</sup>.

Part of this preparation involves considering whether transition is, in fact, required. Because of the anxiety that senior leadership transitions typically evoke in organisations, many organisations resist including this option in the range of possibilities – instead converging around a need for strategic planning, board development, or some other type of intervention<sup>xii</sup>. Conversely, transition may be presented as the only option when conflict management or role restructuring could provide an effective answer. The monograph series described above present the case study of one overworked executive director who knew he needed to recharge, but his responsibilities were so great he could not take one without causing massive disruption. Instead of transitioning, his organisation created a leadership plan and over time, developed other staff members to capably manage some of those tasks. He was able to leave, rest, and then return to a job that – even better - no longer depleted his energy<sup>xiii</sup>.

Leadership transition planning literature for civil society has much more detail about the psychological implications of significant leadership transition, both for the leaders and for the organisations as a whole. Multiple reports described how leadership transitions create upheaval and how to leverage that as an opportunity instead of a liability<sup>xiv</sup>. While there is advice geared specifically to leaders, organisations, and consultants about helping identify and navigate psychological aspects, overarching themes include careful attention to the timing and content of communication, keeping to a clear timeline, and creating rituals.

There is a particular emphasis for NGO's on transitions involving founders, although many note that transitions involving longstanding senior directors may be very similar to those with founders. Founders often share particular personal characteristics including innovative thinking, an ability to motivate people and leverage resources, and above-average drive and commitment<sup>xv</sup>. Naturally, at the beginning of an organisation's life, staff will rely heavily on the leader's direction and strengths. If, at the time of transition, the organisation has not become professionalized – with more general ownership of the vision, mission, and resource generation responsibilities – the organisation will face difficulties<sup>xvi</sup>.

While both corporate and NGO literature notes the tendency for defensiveness or reluctance to name a successor (stemming from a fear of losing control or status), it seems that “founder's syndrome”, or over-identification of the founder's identity with the organisation – is especially common in civil society. The solution is to recognize the problem, both on the part of the founder or within the organisation, and address it productively – acknowledging the reality, problem-solving, and creating change. In situations where the founder or board are reluctant to face the issue, transition planning can be introduced with integrity as a risk management strategy (is the organisation prepared in case of an emergency absence?), or addressed in the context of overall leadership development<sup>xvii</sup>.

There is relatively little analysis and reflection on the process of senior leadership transitions for staff and impact on the organisation as a system. However, there are obvious implications from the recommendation for leaders. These are processes that are best approached with preparation and care, and the organisation will need time to adjust as well. One source reminds us:

“Human systems’ have their own rhythms, both internal and external, and change within individuals tends to occur more slowly than external, structural change. Internal transitions can stretch out at different speeds for different people, like runners in a marathon. Typically, the most senior people are way out ahead, and must be reminded to over-communicate and bring others along respectfully.”<sup>xviii</sup>

Senior leadership transitions will, by nature, require energy and time from all involved, and leaders and governing boards should plan on a certain amount of chaos and diminished efficiency before the transition is over.

## Crosscutting Issues

Some issues in leadership transitions transcend categorization. Sources unanimously agreed that more attention should be paid to leadership transition planning. Even groups with existing plans do not always resource or implement them – one Times of India article reported that while approximately 71%

of Indian companies say they have a succession plan in place for top-tier leaders, only 27% of these organizations reported capacity to execute the plan<sup>xix</sup>. As mentioned, NGO's also struggle to earmark resources for internal planning and development.

Demographic and generational changes will also be impacting leadership transitions. Upcoming generations are more mobile – both geographically and professionally – than their predecessors, and this impacts the potential of transition planning (is it practical to groom a successor when s/he may leave before assuming the helm?<sup>xx</sup>) Worldwide, leaders are delaying retirement due to increased life spans and decreased financial security. This can lead to a situation where young potential leaders are developed, but frustrated in their attempts to reach more influential positions. Younger people who do assume leadership roles will bring a new set of influences and values. What will current structures need to let go of, and how do the new leaders need to be prepared?

Added to this, society overall is changing. Even in rural environments, the way that information is being shared is vastly different than it was even a decade ago. The increasing democratization of information and the speed of change has already challenged traditional hierarchical leadership structures, and created space for emerging ways to connect and share power- crowdsourcing, for example. Organisations of the future must be better at managing complexity, uncertainty, and diversity, and as a result, leaders must be different as well. Perhaps leadership transition planning may evolve away from a focus on the right people for the right seats, into something more diffuse.

## Leadership Transition in Indian Civil Society

### Methodology and Definitions

As a way to understand nuances of senior leadership transition within the Indian civil society context, HIDF conducted in-person or telephonic interviews with directors or past directors from 10 organisations who had personally experienced leadership transitions. In selecting interview subjects, we attempted to represent as broad a variety as possible of transition scenarios and organisational contexts, focusing particularly on internal versus external candidates, founder transitions versus organisations that had already experienced one transition, and organisations of different sizes. The organisations are classified below by scenario and type below:

Organisation	1	2	3	4	5	6	7	8	9	10
Internal candidate	√	√		√					√	√
External Candidate			√		√	√	√	√		
Collective leadership model			√	√			√		√	
Founder	√		√		√		√	√	√	√
Post-Founder		√	√	√		√		√		
Small Organisation (< 20 staff)	√	√			√					
Large Organisation (> 20 staff)			√	√		√	√	√	√	√

We also actively sought out organisations that reported both successful and unsuccessful transitions.

In 5 of the organisations HIDE interviewed both the departing and incoming director, and in one case we spoke with a longstanding board member who was able to provide perspective on more than one transition. In addition to the organisations classified above, we interviewed a pair of directors (one following the other) who both had transitioned in and out of leadership at the field office level.

In addition to the in-person interviews, HIDE broadcast a survey on leadership transition to a listserve that reaches approximately 5,000 civil society employees in India. While there were insufficient results to establish reliable trends, in some cases results from the survey have been included in our analysis.

Clearly, there are different considerations for stages and moments in senior leadership transitions. While leadership development (defined generally as expansion of a person's capacity to be effective in leadership roles and processes) is of critical importance, we have largely restricted our analysis to the process of preparation for a specific, time bound transfer of senior leadership (leadership transition planning) and the actual period of transition (leadership transition).

## Structure

As well as provoking questions around determining the appropriateness of transition as a "solution", the research illuminated leadership transition planning on three levels: **Institutional** (issues that affect the sector overall), **Organisational** (issues that are primarily influential at this level) and **Intra-organisational** (issues that play out with small groups, between individuals, and within individuals).

For all three of these levels, we present a dilemma or dilemmas. In addition, we present best practices - consistent themes that emerged from the research, illustrating what organisations can do to maximize their chances of a successful transition.

### **Institutional Level: *How do we Define and Cultivate Leadership?***

Changes in senior leadership often reflect larger sector changes. Changes in civil society are also changing the way that leaders are cultivated and the way that leadership is ultimately defined.

**Changes in the Definition of Leadership:** Leadership has often been defined as a set of personal competencies, including intelligence, persistence and ability to motivate. Whatever the selected competencies, emphasis on the leader's personality means less emphasis on interactions between the leader and others, and the resulting systems<sup>xxi</sup>. Organisations that understand leadership as a wider organisational function create more space for innovation and organic growth.

It is particularly tempting to locate leadership in one individual when the director has a particularly strong or charismatic personality. As seen in the literature review, a strong personality carries with it obvious strengths, enabling organisations to attract and retain critical social support, especially for the NGO's launch and early stages. As the organisation matures, however, this kind of personal strength can become a liability, even if the director is committed to shared leadership and a graceful departure. These characteristics make it easier for the staff to create permanent identities as followers instead of developing leadership and ownership of their own. One strong founder-director described staff, asked what they'd need to grow into a leader role, who responded "Oh, no, it's about YOUR vision". Similarly,

some of the organisation's board members and donors have indicated that their commitment is based on personal loyalty to the current director and they may not choose to continue if there is a transition. While these dynamics are not direct results of a leadership transition process, they are "land mines" with the potential to close down the organisation if they are not addressed.

Many civil society organisations with successful transitions in our sample were cultivating a different model of leadership. Instead of direction coming primarily from one leader, it came from clear understanding and commitment to a mission, vision, and strategy across the staff. Leadership in those organisations is often defined differently – as one interviewee said, "We have leadership because we love that system". Involvement in any system, at any level, becomes an opportunity (and indeed, creates necessity) for leadership. The more leadership and responsibility for fulfilling strategy is held and defined by the entire team, the less critical individual personalities become. It becomes easier to imagine detaching any individual from a certain role and set of responsibilities and filling those responsibilities in some other way without endangering consistency and quality. It also enables those who do not identify as leaders in the traditional, charismatic sense to embrace a leadership role and make valuable contributions to their organisations.

When there is no single face representing the organisation, building a relationship with a network partner may not be as straightforward, but it also is more durable in the face of change. Typically the director is expected to be the most comfortable and articulate spokesperson for the organisation. However, when other staff have those skills, participatory organisations use them in service to their particular area of leadership. In one successful founder transition, the director said that every meeting with network partners was attended by at least two members from the organisation. This helped build the brand of the organisation and enabled the network partners to disassociate the organisation from the charisma of the founder. Again, this diminishes the pre-eminence of any one individual personality and focuses instead on available skills and current needs, lending flexibility to top leadership transitions.

**External vs. Internal candidates:** Even when leadership is assumed collectively within the staff, it can be challenging to find a new director. One organisation's leader gave 2 years' advance warning of a departure date, but even with the Board's sincere and dedicated effort to find the right candidate, the process stretched beyond that window. Multiple interim directors served – including a short return stint from the director who exited - before a new leader was appointed. Extending the candidate search beyond the boundaries of current staff creates a bigger talent pool, but also potentially bigger challenges. One interviewee who was part of the Board during the tenure of a director found outside the organisation recalled "we did get a fresher perspective, but eventually, the new director wasn't a good fit with the culture". Furthermore, when the board isn't sufficiently able to hold institutional practices and information during the transition period, external candidates are almost impossible to integrate.

Many organisations aspire to grow talent from the inside, but that provides no guarantee. The Board member mentioned above reflected "First level leadership is really the problem – not 2<sup>nd</sup> or 3<sup>rd</sup> line leadership. People have grown into 2<sup>nd</sup> and 3<sup>rd</sup> line leaders, but you need the total bag of skills for the 1<sup>st</sup> level". Even in organisations with collective leadership, key capabilities can be in short supply. One

exiting leader in an organisation with a collective leadership model mentioned that incoming leaders are reluctant to be trained up to take on certain tasks which the older generation saw as unpleasant, but necessary.

Organisations with successful transitions in this sample have either been able to successfully cultivate inside talent or have located talent on the fringes of their organisation – close enough to be integrated into the culture and to have built some key relationships. One new director (following the founder) commented that if she hadn't been known to the organisation, then her different work background would have been an issue. However, since she already had good working rapport with different members of the organisation, the staff accepted change relatively easily. Another organisation found two successful new leaders on the fringes (one, a member of the Board and the other, a known volunteer).

*Lessons Learned: Institutional Level*

- Locate leadership throughout the organisation
- Prioritize a fit with organisational culture when identifying new executive leaders
- Look internally and on the “fringes” for potential leadership

### **Organisational Level: *How do we leverage transition moments for growth/improvement?***

Leadership transition processes, like any other kind of significant organisational transition, typically feel uncomfortable and dangerous, but they also provide an opportunity for new ideas to flourish.

Organisational reflection and assessment suddenly takes on new urgency. Organisations wrestle with a number of dilemmas related to the logistics of the transition process – When should transitions happen? What do we maintain and what do we change? What foundations do we need, and what specific systems? Successful executive transitions work with the natural dynamics of any significant transition, both creating a sense of order and safety and allowing space for change and growth.

### **Organisational Life Cycle**

Many organisations do not have the luxury of determining the moment when transitions occur – for example, when the director leaves because of compelling personal circumstances. However, when there is opportunity for sufficient advance preparation, it is possible to create productive synergies between senior leadership transitions and organisational life cycles.

In one model of life cycles for growth-centered organisations, the author describes stages starting with informality and a focus on mission and progressing through periods of increased formalization, delegation/ decentralization, and onward – each stage emerging in cycles of evolution and revolution or upheaval. Each phase requires a new management solution as the previous answer is no longer relevant for the organisation's current context (indeed, that solution is now creating a problem). Those organisations that are not able to innovate and move beyond the previous structures face either

stagnation or collapse<sup>xxii</sup>. Organisations may choose to restrict their size and scope in order to avoid these challenges and preserve a structure that is central to their identity, but those that grow will inevitably face the need for significant change.

In the case of an NGO which has had two successful transitions, every transition was synchronised with the organisation life cycle and key leadership capabilities required at that stage. While the founder established the basic organisation and initiated its brand, leadership transitioned to a Board member for the expansion stage (which linked to her long term thinking and organisation building leadership abilities). When the organisation needed stability, efficiency and robust support functions, leadership transitioned to someone who could contribute excellence in both administration and management.

Another organisation with a collective leadership model (leadership shared across an academic-style council) was able to create the same synergies, because they had access to a larger leadership pool. As the organisation moved from a push for expansion to a more focused set of services the diverse members responded by leveraging new talents, and continued to successfully lead the organisation.

### **Commitment to Collaborative Processes and Participatory Decision-Making**

Organisations naturally develop structures for accountability, communication, and decision-making. These structures also reflect implicit trade-offs. Hierarchy and narrowly defined responsibilities increase efficiency and role clarity, but also can contribute to organisational myopia or competition between programme areas. When senior managers are responsible for all decision making it is easier to control the organisation's direction, but it is also easier to lose staff passion and commitment. Organisations that show commitment to a culture of participation and mutual responsibility – defining this not simply as equal participation from traditionally disempowered populations, but shared across all staff - have referred to its centrality in successfully navigating the transition process. In these organisations, the commitment manifests itself at multiple levels of the organisation.

**Staff:** Organisations with this commitment have evolved a variety of internal structures, hinging on meaningful staff involvement in decision-making (e.g. staff are not merely observers, but have power). Regular staff meetings and programme-area meetings with decision-making and conflict resolution on the agenda (as opposed to information-sharing) keep the culture active. One director who was promoted internally noted that as everyone had been involved and shared an understanding of the issues, it was easier to manage the inevitable psychological disruption that came with “elevating” one above the others.

To make sure that staff concerns are represented at all levels, one organisation created a one-year elected position of staff representative. The representative – elected without any involvement by the director - sits on regular committee meetings with the director, Board chair, and Board treasurer to make sure that staff ideas are shared and their concerns are represented in decision-making. In a further expression of transparency, the entire staff is also present for a half-day as observers during annual general meetings of the Board. Other organisations have selected staff representation in Board meetings, both as presenters and observers.

**Board:** The participatory culture extends to the role of the board. In several organisations, board members were not just present at their own meetings, but engaged with staff and the director more informally (e.g. dropping in for key strategic staff meetings, making themselves readily available for brainstorming conversations with the director). Instead of blurring their role, directors found this facilitated focus. Board members who were well-informed and involved felt more confident in leaving programmatic decisions to the director and staff, and concentrated on asking critical questions around overall organisational direction and impact.

In another organisation staff initiated a process that resulted in leadership shared between two executive directors. As the organisation grew staff saw a need, as well as the potential that one of their team members could meet that need. They took a decision in a staff meeting to nominate a second director, and proposed the idea to the secretary and the Board, who implemented the decision. This case demonstrates a unique solution that was facilitated by free interaction and discussion between the staff of the organisation and the Board - a participatory environment leading to even more shared leadership.

Collective and participatory leadership, as described above, is fundamentally different from delegated leadership in isolation. One organisation in the sample had evolved into 3 independent programmes, led by 3 members of the Board. Each programme had developed its own unique values, culture, systems, processes, and procedures, to the point where the interaction between these systems was more competitive than collaborative. Each programme had lost their connection to the vision and mission of a central organisation and had developed their own. When senior leadership transition was necessary, the organisation was not able to address these issues, and collapsed.

### **Well-Developed Governance and Internal Systems**

Another clear result from the interview sample was that strong and well-functioning systems in governance and daily operations (such as donor reporting, financial accounting, and staff/management communication) support a transition process – minimizing the disruption to daily practices while new leaders find their footing.

**Staff:** One director who followed a founder – and who entered with a clear goal to improve the organisation and then transition away – recognized the importance of strong systems in that process. She prioritized streamlining support functions and increasing efficiency, and in turn enjoyed a successful exit. She felt her deadline helped motivate others to assume a similar dedication to systems improvement: “The real challenge will be to prepare people when no crying need exists for transition”. Still, decentralized leadership may provide some answers. Another leader helped his upcoming transition by distributing authority and creating new interdependencies – for example, giving the head administrator the ability to sanction staff leave time. This kind of delegation facilitates smooth day-to-day functioning while the larger system is in flux.

Even less intuitive systems should ideally be in good shape before a transition process begins. One director noted that the organisations’ recruitment systems needed improvement before the transition.

In the staff churn that followed the change in leadership, several candidates were hired that ultimately weren't the right fit, and that prolonged the disruption.

**Board:** Transitions place unusually heavy and sophisticated demands on the board. In an ideal process, the board will provide consistent strategic direction during the changeover, support and challenge both the outgoing and incoming directors, and may also need to spend time interviewing and selecting candidates. Boards that are unfamiliar with the demands of organisational governance and unused to managing differing opinions (perhaps serving more to support a strong founder) are often baffled and overwhelmed, and add further confusion to the process.

Like many other elements of top leadership transition, success depends on foundations that have been built over time. Board success starts with careful recruitment – for example, one organisation made sure not to include any members that their organisation would work with directly. This allowed board members to consider the organisations' best interest separately from their own. Another organisation mentioned that their diverse (in terms of age, gender, profession, corporate/non corporate mix) Board resulted in a diversity of opinions that ultimately worked to the benefit of the organisation.

Interviewees stressed the central role a well-informed and independent board can play in successful transitions. Board roles varied based on the strength and commitment of the group – one Board created a committee designated to handle the transition, and another collectively directed the organisation for a year when there was a gap between directors. One director mentioned that 'the Board held the transition' – they saw the need for the transition, owned the process for finding the right candidate, took decisions in the transition period and supported the new leader.

The systems extend to relationships. Once the director has exited, the board needs to maintain a delicate balance between actively supporting and inappropriate "crowding" of the new director. One director mentioned asked for a 3-4 hour long meeting jointly with the founder and one Board member every alternate week to understand their views, seek advice and discuss issues. Members of one organisation's Board committed themselves to monthly mentoring conversations, but stipulated that they would not volunteer that time or advice - the new director needed to ask specifically for it. Another director who had no board mentoring after the transition cited lack of support as one challenge in the process.

It often feels natural to incorporate the exiting director onto the board. However, one director recommended that the exiting director not move immediately to that service, and this is supported in research conducted outside of HIDEF. While the exiting director has invaluable institutional memory, it is often too difficult for that person to separate their own interests and investments from a clear view of how the organisation can evolve with new leadership, and conflicted loyalties may make it more difficult for other board members to do their jobs as well – "The lenses of the previous director are used to assess the new director's work". While the board provides value by maintaining overall strategic continuity, they must also engage the new director's vision and personal style.

### *Lessons Learned: Organisational Level*

- Consider relevance of organisational life cycle; coordinate with transitions where possible
- Create opportunities for participation and shared decision-making within staff, as well as functional communication between staff, the director, and the board
- Assess and strengthen internal systems in advance of a senior leadership transition
- Strong, empowered governing boards are critical for successful transitions
- Clearly define the new role of the exiting director and the relationship between the exiting and new directors

### **Intra-Organisational Level: *How do we Manage Psychodynamics of Transition?***

People who are drawn to work in civil society are often highly motivated to create widespread social change. Similarly, their organisations often emphasize commitment to ideology and underplay commitment to individual people. Some manifestations of this culture include less attention to benefits or work/life balance (the work is the reward) or disinterest in investing time or resources in organisational development (the focus should be on more “important” things). Leadership transitions, however, evoke very personal reactions in leaders, staff, as well as in the board and wider network: stress, anxiety for the future, hope for change, resistance to change - to name just a few. There will inevitably be moments of conflict and strong emotions. Suppressing or ignoring this part of the transition makes it more likely that the emotions will surface in unproductive ways.

**Leaders:** Clearly, transition presents potential for significant impacts on the leaders themselves. Devotion and investment in the organisational vision – a natural and healthy feeling for any leader - may naturally also make it difficult to move on. One director recalled discomfort after the exit at seeing the group make choices and set directions that did not match her original vision. She described the process as profoundly maternal – beginning with incubation of an idea and nurturing of an infant organisation, followed by the pain of letting go.

It can be equally hard for new leaders to feel at home in their role. One reflected “one of my key challenges was to fill in for the charismatic leadership of [the predecessor]”. The board and staff have expectations that are calibrated on the strengths, experience, and leadership style of a different person. More than one leader felt the transition process suffered from others’ inability to break down their relationship with the past director, re-create a relationship with the new director, and be flexible around their expectations.

Research yielded a number of ways that leaders positively addressed the internal challenges of transitioning. One is simply factoring emotional upheaval into their expectations of the process. The maternal metaphor mentioned above normalized the exiting director’s feelings and gave a potential framework for future relationship. Several other exiting leaders decided both for the sake of themselves and their organisations, they would make a clean separation - “When I let go, I really let go”. This was demonstrated through such things as communication (e.g. I will wait for you to call me) and physical distance (moving offices, taking extended sabbaticals before rejoining the organisation in any other role, and in one case spending time abroad). This provided time and space for something new to emerge,

both in the organisation and for the leader. Two entering directors also mentioned the importance of allowing sufficient time and space, both from an emotional standpoint as well as a practical one. One incoming director recalled “the first 100 days were a blur. I lived in constant anxiety” – but at the end of six months, with many significant “firsts” out of the way, confidence levels had increased.

The separation of personality from role mentioned above also yielded dividends when looking at individual leaders’ psychological adjustment. In the process of transition, one founder-director learned “my identity is tied to my competencies, my relationships, and my connectedness to myself – not from the position”. This self-knowledge has eased subsequent leadership transitions. The incoming director following a charismatic founder achieved the same awareness. After the first three months, she realised “I can let the role define me”. Instead of worrying about whether she was personally as magnetic, popular or successful, she could focus on achieving the goals she had established for the organisation’s growth.

Some leaders extended this separation of identity and role to articulate their own expectations for tenure. One reported “I set a target for growth and the day I had achieved that growth, I was ready to leave”. Another did not establish particular growth targets but nevertheless assumed the role on the condition that it would not extend beyond a set number of years, while a third (a founder-director) considered the importance of “setting it early in the organisation’s DNA” that the leader would and could transition, and made that a part of individual decision-making around longevity.

**Staff:** The psychological repercussions of senior leadership transition are present in many circles and have broad implications. One organisation’s donor partner wished to reduce a potential 3 year grant to an 18 month grant, given their own anxiety about the potential pitfalls of transition processes. One unsuccessful transition might have evolved differently given better systems and clearer roles, but psychodynamics also played a significant part. The Board’s lack of mutual trust snowballed, leading to “ugliness and bitterness”. According to one trustee: “we didn’t imagine that the differences would spiral so fast down the organisation”. Inability

#### Case Study: Handling Psychological Aspects

One organisation was faced with changing leadership at the field office level – losing the staff member who had initiated field operations in that area. Headquarters resisted the departure and did minimal transition planning. When a new staff member assumed leadership, headquarters staff withdrew and communication became very irregular. Eventually, the disconnect between headquarters and the new leader grew to the point where funding proposals did not reflect field realities, and programs lost critical resources.

At the same time, both incoming and exiting leaders were able to process difficult emotions with field staff and help identify and correct unproductive responses related to the transition. Field staff capacity grew, and the team was able to operate smoothly and deliver results.

The new leader was energized by performance at the field level but eventually left the organisation because of the dysfunction in upper management.

to handle the unexpected emotions eventually led to the organisation's shutdown.

Even if the leader intends to divorce him or herself from a "heroic leader" role, the staff or community may still invest this power in them – thereby diminishing their own agency and creating a vacuum for the leader to fill. When the leader embodies the hopes of the organisation's mission for change or assumes a more protective parent role, leadership transition can be seen as catastrophic, akin to death. Obviously, this approach to leadership makes transitions much more difficult.

Preparing to address staff worries and hopes in a transition requires some of the same skills that directors need for their internal processes – including space and time to process. One director of an organisation with access to solid organisational development expertise reported that attention to the psychological and emotional state of the staff served them well: "being process-oriented, checking in with people – all that helped".

Specifically, directors mentioned how important it was to discuss and listen to staff process effects of the transition (communication and conflict resolution skills), and to help others reflect on their own internal processes (skills in surfacing unconscious group processes). As part of this, one organisation held a "transitions workshop" after the new director entered, creating the opportunity for staff to air their concerns. Both leaders were present to clarify their new roles, which helped the staff buy into the new leadership.

Skills in creating positive space for psychological processes can come from a variety of directions. While few of the directors in the sample and survey used group process or transition consultants, several were part of an extended network with unusually deep organisational development skills – something that other organisations can source externally. In one case, the exiting director relied heavily on organisational development skills throughout her term and particularly in the design of the transition process. While the incoming director did not have the same expertise or passion in that area, the organisation had learned enough so that those functions could be taken up and maintained by the management team as a whole.

**System-wide:** Again, we see best practices yielding dividends on multiple fronts. Having strong systems around transition planning create psychological comfort for leaders, staff, and board members. Those directors that had a clear timeline for the transition referred to it often as a key to their success. No matter how extended the timeline (in one organisation the process took 3 years) everyone benefited from knowing fixed milestones – including a final decision on whether there was a sufficiently strong internal candidate to avoid recruiting externally.

*Lessons Learned: Intra-Organisational Level*

- Expect and make room for psychodynamic impacts of leadership transition for leaders, staff, board, and other key stakeholders
- A focus on goals or legacy for the organisation can facilitate a graceful transition
- Establish a clear timeline, milestones, and systems for the transition

## Conclusion

Top leadership transitions surface and illuminate dynamics in institutions and organisations that are critical for NGO's at this point in India's history. The social context and increased competitiveness in civil society has led to demand for collaborative and participatory leadership, increased professionalism in systems and governance, and skills in handling personal and interpersonal dynamics. Organisations that face the inevitability of change, plan for succession, and build foundations that will support the process not only benefit from successful leadership transitions, but also find that their organisations are strong and vibrant - yielding relevant, powerful results.

## ENDNOTES

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