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TRANSCRIPT

# PAUSE OR PIVOT

UNFORESEEN C-SUITE  
VACANCIES DURING  
THE COVID-19  
PANDEMIC

Nonprofit**HR**

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# PAUSE OR PIVOT: UNFORESEEN C-SUITE VACANCIES DURING THE COVID-19 PANDEMIC

Uncertain times aren't a time for inaction. While it might not be the best time for permanent executive leadership decisions right now, considering shorter-term solutions to address more acute leadership needs could be an effective way to move your organization forward. Listen to this recording to learn the key benefits of hiring an interim leader in a time of uncertainty, the key success factors that every interim leader should have, and how to make the most of the interim engagement experience.

## SPEAKERS:

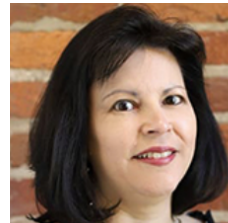


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**Alicia Schoshinski:** Hello everyone and welcome. Thank you for joining us this afternoon for Nonprofit HR's Virtual Town Hall on Unforeseen C-Suite Vacancies During the COVID-19 Pandemic. My name is Alicia Schoshinski, I am the Co-Leader of Nonprofit HR's Knowledge practice and a Senior HR Business Partner. I will be your moderator for today. We have a lot of great content to cover, so let's get started. But before we do, I'd like to go over a few items so that you know how to best participate in today's event.

You've joined the presentation listening using your computer's speaker system by default. If you would prefer to join over the telephone just select telephone in the audio pane and the dial-in information will be displayed.

You will have the opportunity to submit text questions to today's presenters by typing your questions into the questions pane of the control panel. You may send in your questions at any time during the presentation and we will take breaks during the presentation to answer them or we also have time at the end during a Q&A session to address each question.

Today's webinar is being recorded and you will receive a follow-up email within the next few days with a link to view the recording. You will also receive the SHRM HRCI recertification credits for today's webinar at that time.

Today, you'll hear from Lisa Brown Alexander, President and CEO of Nonprofit HR, and Myra Briggs, Executive Search Consultant and Practice Leader at Nonprofit HR.

Under Lisa Alexander's direction, Nonprofit HR has served some of the most prominent nonprofits in associations in the country. With more than 25 years of human resource management experience working with nonprofit and for-profit organizations, Lisa and Nonprofit HR have helped hundreds of social sector organizations realize improved impact through talent. Lisa provides strategic level guidance to Nonprofit HR's clients and works closely with C-suite leaders and nonprofit boards of directors on client engagements.

Myra Briggs serves as the Lead Search Consultant of Nonprofit HR's search engagements and brings over 12 years of experience in Executive Search recruitment to Nonprofit HR. Myra is a talented, results-driven international staffing and recruitment professional with a proven record. She's accomplished in planning and leading comprehensive recruiting strategies and teams in support of business goals and objectives. Myra has also effectively managed high-volume recruitment needs through substantive communication, organization and attention to detail. She has expertise in directing the creation of marketing tools and steering the execution of recruitment marketing programs.

So without further ado, I will hand it over to Lisa and Myra.

**Lisa Brown Alexander:** Thanks, Alicia. Good afternoon everyone for those of you who are on the East Coast. Good morning for those on the West Coast. We thank you for joining us. This is part of our ongoing COVID-19 series. We're attempting to provide resources that can be helpful to you as you navigate through this difficult time. This afternoon, we're going to spend some time talking about unforeseen C-suite vacancies and also D-suite vacancies during this pandemic. Myra Briggs is going to lead most of our discussion, so I'm going to turn it over to her at this time to get us started.

**Myra Briggs:** Thank you, Lisa. Welcome everyone. I just wanted to discuss what we will focus on today, so we'll jump right in and cover questions as we go along to keep the conversation engaging. We'll start by discussing the process of making the decision to pause or pivot. We'll go into things you should consider as you're making that decision, we'll talk about the benefits of interim leadership and we'll also talk about how you can effectively manage the transition as well as key competencies that you should be looking for in your interim leader, should you decide to go that route.

To quote Jay Samit, "Pivoting is not the end of the disruption process, but the beginning of the next leg of your journey."

As we look forward to how we might make the decision on whether to continue with a full-time executive search or whether we are ready for an interim or permanent leader, we recognize that many organizations facing unforeseen leadership departures also often find themselves without a solid form of a succession plan.

Succession planning overall is becoming a subject that more and more boards of directors are considering. However, other more pertinent issues usually receive immediate focus. It's only in times of crisis that we see how important that succession planning that we should have been doing actually is. During a time of crisis, making good decisions is more important than ever and the pressure of circumstances makes that process that much harder. It's a good idea to use the untimely departure of a key executive to consider succession planning for all key roles across the organization, starting with asking internally who has the interest, the skill and the trajectory to get there.

A good question to answer as we are beginning this assessment is: What are some of the differences between an interim leader and a permanent CEO? It's important to highlight these differences to make sure that you're getting the most out of an engagement, if you should go the interim leader route. While the permanent executive will have overarching fiscal, operational/programmatic responsibility and focus across the organization, an interim executive has a different focus.

Interim leaders differ from traditional leaders in several aspects. The most evident being that they first are temporary leaders. As such, their approaches and projects as leaders are transition focused. They act as agents of organizational change and evaluate closely the functionality and viability of the organization to build sustainability and success for the permanent leader. More than anything, their role is really to set a firm foundation and launching pad of which a permanent and visionary leader can take off. It's a good idea to start your analysis by taking stock and asking questions. Do you understand the current performance and capabilities of the business or this particular function? Do you understand your current culture? Is everyone in the right seat on the right bus? It's a question we asked often. Hiring an interim executive can be like an energy shot to your organization, so take careful consideration to effectively deploy this valuable resource.

**Lisa Brown Alexander:** If I could just add that it's also important on the culture front to recognize that if your organization is going through a cultural transition, an interim leader can be a stabilizing force. They can help your organization migrate from perhaps a dysfunctional or ineffective culture to one that is more focused and functional, and they will be able to hand that more stabilized organization over to a permanent leader.

I think culture is one of those things that we don't always talk about when we talk about interim leadership. We're oftentimes just focused on stopping the bleeding, but that individual can really help to stabilize

things. Firstly, not only do they often come in with an objective or neutral perspective, but they also have the opportunity to build trust quickly because an interim leader, particularly from the outside, typically doesn't have the same allegiances that someone internal to the organization might have. I know we don't always spend a lot of time on culture, but that's one thing I wanted to call out.

**Myra Briggs:** Absolutely, and it's one hundred percent true. It's a really unique opportunity for you to focus on issues that a permanent executive might not have the time or capacity to deal with at a certain level. Then, there also may be certain things that are embedded in the culture or day-to-day of the organization that you no longer really see or are bothered by, that people essentially become noseblind to.

Let's discuss when we should actually choose an interim executive. It's a question that I think we would all like to put in a box and just pull out the right answer, but there are a number of different situations in which an interim executive could be a good idea over moving forward with a permanent hire. One of these instances is when there is a significant disruption and change occurring in the organization. That could be cultural, it could be around talent or it could be around the finances of the organization. Any serious disruption could be an opportunity and an indication that it's time to pause or pivot.

Another time is when it is unclear what positions will be needed and/or what skills will be needed for a particular position, especially if you've experienced significant turnover and year after year and are having trouble finding some success in that particular role. It might be a great opportunity for you to pause and think, "Are we really even looking for the right things in this leader? Why has this leader not been able to find success, as we've had a number of different people in the role?" It's about really using that opportunity to take stock and fix it before bringing in someone permanent. An interim leader, as Lisa said, is going to come in with a fresh perspective and be able to highlight some things that you may not have otherwise seen.

You should also consider an interim executive when leadership is needed urgently and there is reason to believe that a high-quality search will take time. I'll pause there and let you know that all high-quality searches do take time. Time is really not a luxury that we have when it's time for you to bring in a new leader or if there is an unforeseen departure. However, a good interim executive placement can have a significantly positive impact on a permanent executive search, for all of the reasons that Lisa just mentioned, most importantly by setting a firm foundation by which a new visionary leader can launch from and get started without having to fix everything before they get into their new role.

Finally, one of the most common reasons that you might choose an interim executive would be when someone is available that can transition into the position quickly, but isn't available on a long-term basis. That's where we really begin to activate our networks and find people that may not be available for that full-time CEO role, but we do want to be able to take advantage of their advice and counsel in some of these very critical moments.

**Lisa Brown Alexander:** Myra, I'd like to add to that. I'm sure many of you have joined today's call because you are in a situation where you either need an interim leader or you have an interim leader. I'm not sure how many of you are motivated because of this COVID crisis, but let's take for example, your executive director becomes ill or worse yet, passes away as a result of the COVID-19 crisis. What would your organization do? What process would you use to select an interim executive? What kind of disruption would that pose for your organization? We know that from our previous surveys at Nonprofit HR that many organizations do not have a succession plan in place. Given the current situation and given the current

climate, what would happen if your ED or vice president or program director could no longer serve in the capacity in which they currently operate? What would you do? How would that impact your organization? What process would you use to find someone to keep that work going, particularly if it's critical to your mission and to the front line?

These are just some things that you might want to consider right now. However, I realize that some of you may have been motivated to participate in this webinar in anticipation of a situation where you needed an interim leader as a direct result of the COVID-19 crisis. Back to you, Myra.

**Myra Briggs:** Absolutely. Wonderful. This is a great place for us to move into some of the case studies that we'd like to share today because you may even find your situation and one of the ones that we will be presenting are similar. We thought it would be a good idea to share some of our background and experience with interim leadership and real-life instances when organizations have opted not to engage in a search for a full-time permanent executive at the moment of the departure of a key executive.

The first situation we'll talk about was an organization where the board of directors decided to immediately terminate the current CEO due to some severe poor financial management. It was nothing illegal, just year-over-year losses that for one reason or another were either minimized or the board just missed. The reasons are endless and we won't go into them, but the board took on the task of hiring a new executive. After interviewing a number of search firms, they recognized that in order for them to be able to find the next CEO that would be right for the organization, it would take anywhere from six to eight months, from the time where you're forming a search committee all the way through having someone in the seat. It could take longer, depending upon how long it takes for you to prep, but they really did need someone to get in there immediately and stop the hemorrhaging. What they decided to do was to hire an interim CEO to calm the waters and create an aggressive plan toward financial solvency. This is a situation where their interim CEO looked very, very different than what their permanent CEO looked like. The permanent CEO needed to be a visionary person who could speak to the members and really be an outward and externally-facing voice for the organization. However, in this moment of crisis, the organization needed someone to focus 100% inwardly and to rectify some of the very severe issues that they were experiencing.

Over the course of a year with that leader, they were able to accomplish a number of things. Namely, they made significant reduction in expenses, changes to operations and balanced the budget. They were able to create special cross-functional teams to help standardize business processes, identify and disseminate best practices and set the organization on track to see a surplus in year two of this plan after three years of million dollar losses.

This is a feat that a permanent CEO would have handled by completely putting all programmatic functioning to the side to 100% dig in and focus on this. I think it's important for us to all recognize that if, for a year, a CEO is not focused on the program side of the organization, we will see something suffer. What we needed here was for someone to come in, be laser focused on the main issues that the organization was encountering, and fix them to prepare for the visionary leader that the organization needed long-term. It worked out very well for them, so it's one of the instances in which an interim can be a great help to an organization. Lisa, anything to add there?

**Lisa Brown Alexander:** Yes, I want to just call out the fact that the skill set of being a visionary versus a skill set of being focused on financial recuperation can be very different. Oftentimes, the person who is big-picture thinking about the broad strategy that can paint a really clear path that people are going on or will

need to go on is very different than someone who's very operationally focused. This particular case study calls out, what we already mentioned earlier, that the skill set that you might need on an interim basis could be very different from the skill set that you need on a longer-term basis. Sometimes getting that short-term need fixed and addressed better positions the longer-term leader for success. Don't be afraid to look for somebody different than perhaps you had before to get you through what the priority is for your organization right now. You may need to fix the culture. You may need to fix your finances. You may need to fix your programs. Whatever the organizational strategies and priorities are right now, those could be oftentimes addressed by a short-term leader and then the longer-term vision and strategy can be addressed by a long-term leader. Recognize the difference and recognize that the skill sets in this particular case were very different from each other.

**Myra Briggs:** Absolutely, and another point to make there is that it's going to really be important to relay and have effective messaging to your team and your staff around the differences between a permanent CEO and an interim CEO.

If you have a certain culture at your organization that is heavily focused on programs and the softer side of the business and you bring in someone who is laser focused on the finances (cutting costs, expenses and generating revenue or all of the things that someone will need to do in a very short sort of pressure cooker type of environment), it's going to be important for you as a board member or another leader in the organization to relay to the staff that you're not changing your mission. You're not changing who you are. You're not changing your culture unless that is the reason that the interim executive was brought in. You have brought someone in for a purpose, to be able to make sure that your mission is sustainable into the future. Make sure that they understand the difference between hiring someone for a temporary role and actually changing the makeup of who's going to be the chief executive or whatever leader you end up replacing or filling in with an interim.

Our next case study is around a Chief Human Resources Officer. In the midst of an internal employee related scandal, the CHRO of this organization ended up resigning. There was some significant turnover in the role for the past three years and staff had subsequently lost all faith in human resources. The CEO was beginning to question, as they should have, whether or not the structure of the team or even the competencies of this particular role are what the organization needed. As a result of that assessment, they opted to hire an interim Chief Human Resources Officer to focus on compliance, organizational development and conduct a comprehensive cultural assessment to determine the actual needs of the organization.

During the time that the interim CHRO was on board, this person was able to create affinity groups that are still in practice at the organization. They were created across the organization to activate a culture of diversity, equity and inclusion, which was a glaring take away from the cultural assessment. This person also conducted extensive compensation analyses and helped to define career paths across the organization, which was another piece that came out of the assessment. Also, in a survey taken three months after the permanent CHRO was hired, 80% of staff indicated that they considered human resources to be a valued resource and advocate. Thus, we have, in this situation, very tangible results of where issues were identified and there was a good evaluation of the engagement done on the back end to see if there was really a change made. I think the other thing to add to this is that the survey was done after the new permanent CHRO started, and the interim CHRO was a very different type of executive than who the permanent person ended up being. It's a perfect example of how one person can fix the issues and package it in such a way that

they can turn it over to the person who is going to be the long-term and visionary leader so they can take it, move forward and continue to do the good work that they are tasked to do.

Our last case study is one that is likely very interesting to you all. It's for an interim Chief Development Officer. An interim Chief Development Officer is one that, in speaking with a lot of clients and just in my network, many people consider. Yet, because it is a role that requires developing long-term relationships and things of that nature, in many cases organizations don't necessarily think that it's a place where you could use an interim leader. However, this case study will show that there are instances in which a Chief Development Officer can come in an interim capacity and make a very real difference in a tangible way.

A large organization was setting a goal to double income from their upcoming capital campaign over the previous year. As these things happen, the Chief Development Officer of the organization submitted their notice just as they were preparing to launch the campaign and as they were entering a heavy event season with an annual gala, etc. The CEO quickly recognized that they did not have the leadership competencies on the board necessary to meet any of the goals that they had set for the year and because they could not back out of them, they decided to hire an interim Chief Development Officer. What they did here is they hired someone that had an extensive network that was very specific to the type of organization that they were. It was someone that could activate very quickly, could bring in best practices and also be able to activate the team around the solutions and the processes that were being implemented. They were able to see a very successful event season. The capital campaign revenue increased by 125%. The person came in and downsized the Development Team. No one was downsized from the organization. I'll make that point as well. They downsized the Development Team in a right seat, right bus exercise and one of the examples was moving the Digital Communications Manager to the Marketing Department instead of being a part of the Development Team. They were also able to facilitate three large corporate partnerships, deferring out-of-pocket costs for the gala and race expenses by an additional 30%.

We can see very tangible ways that an interim leader can come in and make a difference, but I will tell you that this Chief Development Officer was not an option for the full-time role for this organization. It was a very simple reason in this case, the person one was not interested in doing anything other than consulting, but at this caliber the organization would not have been able to afford the salary of a person that was at this level. They were able to, in a very short period of time, take advantage of the expertise and network of a leader that was able to come in and fix every issue that they had without incurring the full-time permanent long-term financial cost of that investment.

**Lisa Brown Alexander:** Thanks Myra. I see that we have a few questions from those on the line. Let's pause to see if we can take a few. Alicia?

**Alicia Schoshinski:** Great. Thank you. We had a couple people asking about the timeline for an interim. How do you define interim? How long is it that somebody is typically in this role before you actually put a permanent CEO in place?

**Lisa Brown Alexander:** Generally speaking, we see successful interim opportunities last anywhere from six to 18 months. After the 18-month period, it starts to feel more permanent and so that's the range that we see. It varies completely by organization and by the dynamics or the input of the board. All of those things can impact how long an interim sits in the role, but generally speaking anything more than about 18 months is not really seen as interim anymore. It starts to feel more permanent. Do you want to add to that, Myra?



**Myra Briggs:** I wholeheartedly agree. It's very important because with the issues that your interim leader is going to be tackling, you really do need to broaden that focus after about the 18-month period. Depending upon the role that the person is in, especially if it's a CEO role, around the 18-month mark is where you're really going to be able to need to begin diversifying that focus.

**Alicia Schoshinski:** Okay, thank you. In relation to that question, do you document this in an employment contract with that individual? How do you designate the time frame through an agreement?

**Myra Briggs:** Great. Well, I would say there are a couple of different ways that you can do it. I would say you definitely want to have a contract in place no matter which way you decide, but if you use a recruitment partner, I'm sure they have a number of options available for how you handle that. You can hire them as a consultant through the organization, the friend that you use or you can have them on board as a 1099 or through an actual employment agreement. The choice is yours. It really depends on what is the best fit for your organization.

**Alicia Schoshinski:** Okay, and we also have a related question. What are the types of compensation and benefits that would be reasonable for an interim CEO?

**Lisa Brown Alexander:** I'll take that one. Again, it goes back to the type of arrangement you establish. If you are bringing on someone in a 1099 or independent contractor capacity, there would be no benefits associated. If you hire this person on as an employee for an interim period of time, you would want to offer this individual essentially the same types of benefits you would afford other people in similar roles. You would treat them as an employee, bring them on your payroll and offer them the standard benefits. If you decide to hire someone on a part-time basis and the number of hours that they work fall below the threshold that you would offer other employees, again, if you're doing this on a payroll basis, you just want to be consistent. Many times, we see organizations in the interim leadership space bring individuals on as independent contractors or through a third party in which the third party becomes responsible for handling that individual's benefits, if that's applicable. It really depends on the model that you choose and then you'd want to just be consistent in your actions to be sure that you're handling that role as you would any other 1099 or any other employee.

**Alicia Schoshinski:** Okay, thank you. Another question is if an interim is tapped from the current staff, what is the likelihood that this staff member will step back into their former role after being in the lead role especially in regards to board and staff relations?

**Lisa Brown Alexander:** That can be tricky. That's a really good question. What we've seen is that it can be difficult for someone to step back into their previous role unless that's what they want. You'll want to understand the interests and motivations of the staff person that you're putting in an interim role so that you can manage expectations. If this person is stepping into the interim role as a way of auditioning for the senior role or the CEO role on a permanent basis, you should know that going in. Conversely, if this person is stepping up because they want to just help to save the organization, they want to serve on an interim basis and are perfectly comfortable with returning to their role once a permanent person is selected, then you should know that too. However, that requires a conversation and clear understanding so that you can manage expectations throughout the process. Myra, do you have anything you want to add to that?

**Myra Briggs:** All of those things are exactly what I would have said, managing expectations is the absolute most important thing.

**Alicia Schoshinski:** Okay, terrific. Thank you. I think we can proceed and then we will answer the remaining questions at the end.

**Myra Briggs:** Wonderful. We'll jump right in to discuss the benefits of interim leadership.

We've talked about them quite a bit throughout the entire presentation, but we'll just spend a bit of time focused on them here. Probably the most tangible benefit of interim leadership is the diversity of experience that you have when working with an interim leader. Especially if you go the route of engaging a consultant who spends all of their time working in an interim capacity for other organizations and the reason is very simple and evident. It's really just because they have more experience, they've likely encountered a situation very similar to, if not exactly like, the things that you're bringing them on board to handle and so you will have the benefit of all of that experience when working with an interim leader.

Additionally, an interim leader is going to come on board and immediately conduct an organizational assessment and a needs assessment in order to determine the structural and physical health of the organization and its operation. This is a golden opportunity to identify those challenges within the organization and course-correct, as well as really set a plan for this person to focus on a very tangible set of goals on the outside. This person is also good at board and staff development, ignoring the impact of a sudden leadership departure on culture and the people's functions of the organization is a recipe for disaster. After all, we are dealing with people on a day-to-day basis, people that are connected to our organizations as well as people who are connected to the missions of our organizations. You have to consider the impact of these drastic unforeseen changes on just the overall morale. While an interim leader will be more focused on organizational and structure and operations, they also do valuable work around board and staff development. This is also another opportunity for even a smaller organization that is looking for some assistance around board development and governance to select an interim leader that does have that experience or has worked with organizations that have boards that operate in the way that you all are aspiring to.

Another thing that is a benefit of interim leadership is the luxury of focus. We've already mentioned all of the things that a permanent executive has to focus on. A long-term executive has to deal with everything, every part of the organization is under their purview and they do not have the luxury of acute focus for long periods of time. That interim leader can come in and pose a needs assessment to really focus on what those issues are. Whether those issues be cultural, whether they be the budget or whether they be in the development function of the organization or talent related, they can focus and get those things done while the rest of the organization is continuing along.

Next, we've already talked about being noseblind and we've all seen the commercial about how people go noseblind to smells in their homes. But I like to use the analogy as it pertains to best practices and processes. Going noseblind to the challenges we've learned to live with is often a point of contention when its interim leader comes on board. Practices that have, in many cases, been adapted to account for a lack of resources, time or capacity generally become a part of an organization day-to-day in the same way that traditional best practices should. People become invested in their systems and overprotective at times of their way of doing things, and an interim leader will come in and shine light on some of these inefficiencies and inconsistencies. They will then begin to hold teams accountable for developing and maintaining systems and procedures to support the strategic goals.

Finally, going back to talk a little bit more about the people, the effect that these types of departures can have on people is positive messaging to your stakeholders. Whenever there's a crisis, everyone is looking to leadership to find out: What are we doing to fix this? What are you all doing to fix the problems that we're having? These questions are asked while, in many cases, people are looking for the new CEO or new human resources officer or the new programs director.

It's up to the board to convey to those stakeholders that they've made a decision that they believe is the best for the business at this time by bringing someone in to tackle the issues that they have head-on before moving any further. This is a very positive message to stakeholders because people just want to know that something is being done and that the board is being thoughtful about the solutions. The great thing is once you hire an interim executive, they also are very experienced in strategic communications and working together hand-in-hand with the board of directors will continue to convey the messaging around those solutions and the path forward.

**Lisa Brown Alexander:** Thanks, Myra. I just want to call out a couple of pieces of this particular segment in our presentation today. The benefits of interim leadership really are not to be feared. Sometimes people feel all of this is going to contribute to instability in their organization if they don't jump from one permanent leader to another. I want to call out the diversity of experience as one of the most significant benefits that an organization can realize in interim leadership. Having someone come in and look at your organization through a fresh set of lenses and stimulate the kind of change and agility that is needed for today's organizations is so important. We are in the middle of a global pandemic. This COVID crisis has shown us, other than some of the holes in our healthcare system, the extent to which organizations are able to pivot as a result of this change. We, along with many organizations, quickly moved to being virtual. A lot of organizations shifted how they were providing services to the community. So, what an interim leader can do is bring that knowledge and experience to the table and help your organization move more quickly than it may have with your permanent leadership. Finding that person who's got experience coming in and quickly making change in an organization in a positive and impactful way is just so critical to this process.

I also want to highlight the accountability and transparency piece because what an interim leader can do for an organization is really question the why. Why are we doing it this way? Tell me how we've benefited? Tell me how the community stakeholders have benefited from doing certain things in certain ways? What that does is it forces other leaders within the organization to look at their work and look at how they deliver their work to be sure that they're really making an impact and that they're being held accountable for doing it. Which, when you have a permanent leader, sometimes gets lost in the sauce.

Those are two areas that I just wanted to highlight as some of the most significant benefits of having interim leaders: diverse experience and the kind of accountability that a new leader can sometimes foster where a permanent leader may be challenged with doing so.

**Myra Briggs:** Thank you for that, Lisa. Another piece that I think I would highlight would be how an interim engagement can really help bolster and ensure the success of a long-term search, of the search for your permanent executive.

One of the reasons that I can say in instances where we've seen a lot of turnover in a specific role, it happened because there was a pause needed that didn't take place. It happened where you have an organization who is dealing with a set of competencies that are 25 years old, in many cases, which is also the

last time that you actually looked at the profile for this particular executive. The real reason that the hires are unsuccessful is because you're looking for the wrong person for who your organization is today.

Thus, it's very important that in the midst of a crisis, whenever something like an unforeseen departure takes place, that we really go against the urge to move immediately. We need to move semi-immediately, if you will, but pause and think about what steps we can take as we are moving forward to the future to make sure that we don't find ourselves right back here in six months.

We need to make sure that we're pausing to ensure that we have longevity and sustainability in this role and with this function. In many cases, we do need to pause when we don't want to and pivot when it does end up being a bit scary because our timelines may begin to extend, we may begin to get calls from funders and we may be getting looks and sneers from staff members who don't like the turnover. The truth of the matter is that the onus is always going to be on the board of directors as well as the leadership that are making these decisions to make the right decision for moving forward. The only way that we can do that is to evaluate all of the components that got us to the current place.

**Lisa Brown Alexander:** Myra, I could not have said that better. Look for an executive for your organization today and not a replicant or duplicate of your previous ED. We see a lot of organizations just look for the same person over and over again when in fact their organization has either already changed or needs to change. What are your strategic priorities? What is it that you're trying to accomplish? How are you accomplishing that work? Who's the best person to get you from A to B?

The last one is a question that a lot of organizations skip over. They know the ED's leading or they have a crisis that requires or calls for the ED to be gone and the tendency is to jump right in to find that person all over again. When in fact, what the organization needs today is very different from what it needed 15, 20 or even five years ago. I would dare say that in the middle of this COVID-19 crisis, we're learning things about our organizations that we may not have realized before and so let's take stock of what we're learning.

If you're in a situation where you're in between leaders, take stock of what's going on in your organization, how quickly you're able to adapt to this changing environment, what sort of agility skills you need of your new leader and factor that in as you look for someone new. Don't hire today for the person you had 20 years ago. This is a chance, during this interim period, to find a leader who will help you be the organization that you are today or the organization that you're trying to be in the future.

All right. We'll get off our soapbox now.

**Myra Briggs:** Okay, wonderful. I'm thinking about the competencies that we're looking for here, there are some general competencies that work well in every interim engagement. Executive operations are always going to be important and that is inclusive of finance, administration, human resources and information technology.

You may not find that every interim leader that you encounter has all of them, but they will have a mixture that creates what ends up being their special sauce, so to speak. There is an entire network of interim executives that do fantastic, absolutely mission-changing work for nonprofit organizations throughout the world and there's a thing that you get when you get them. There are some that are wonderful at fundraising, some that are wizards with finance and operations, some that are masters at human resources and others that are just geniuses at technology implementation. It's a matter of you deciding what your needs are and then holding out until you find the person that you really need.

Change management is also essential for all because every single interim leader that comes on board in the midst of a disruption is going to have to manage change. Effective change management includes strategic communication as well as a number of other factors and they're all very important, in addition to organizational development. In many cases, interim leaders are brought on board to assist with the next phase of strategic planning. Many of them are asked to come on board and assist with talent functions, moving people around, reorganizing teams and setting up career paths and structures. It's really important that as you are considering an interim leadership engagement, you figure out which of these things you need someone to do and drill down into those competencies. As you are interviewing and looking for people, you want to ask for references. You want to be very candid about what your needs are and ask them to give you the number of a client that they've done this for before. This is not the time that you want to take people at their word, unless you know their work because there are instances in which you will, but you need to be just as stringent in terms of holding people to their competencies as you would for a permanent leader along these needs.

**Lisa Brown Alexander:** Let's talk about managing the transition. I think it's really important as you consider your interim leadership needs, particularly during this time while we face this global pandemic, to really be careful around your expectations for managing the transition. Not only are organizations going through a transition and crisis right now, but also people are going through crises and so communicating throughout the process about what you're facing with decisions you're encountering or who you even might be considering, if that's appropriate, is important during this time of transition. Use the time to, as Myra has already said, assess, reflect and plan the transition to the extent that you can. If you lose an executive director or one of your executive staff tomorrow as a result of this crisis for example, you may not have time to plan, to reflect and assess, you may feel compelled to jump straight into action mode. However, I would argue, take a second just to look around and say what is it we need to accomplish right now? What are our short-term needs? What is burning on fire for us as an organization? And who is the best person to do that? Then, you can actively start to define that reality and come up with a position profile based on what's happening right now and where it is you need to go.

You know this notion of using urgency as an alignment ally is really spot-on. What we mean by that is the crisis that we're living in right now, the COVID-19 crisis, is urgent. It's pandemic in nature, it's global in nature. As a result of that, it doesn't necessarily afford us time.

Everyone is in the race for a cure, the world is in a race to contain the virus, to flatten the curve and all these things that you've heard. What urgency does this crisis create for your organization if you're in an interim period? What does this mean for the programs you deliver to the communities that you serve? What does it mean for keeping staff on board or not?

All of these things can help you manage your transition and get through it in a way that aligns with priority and urgency. Whatever you do, ultimately, it's important to communicate to your staff and your stakeholders what you're going to be doing and when. Set clear goals, communicate those goals regularly, move forward and then start thinking about both external and internal candidates. But first, you first need to know what you need, why you need to do it and in what time frame you need it. Then, you can think about whether or not your interim leadership can come from within or whether or not you need to either use a third-party or tap your network or your board for an external candidate. Myra, anything you want to add to that?

**Myra Briggs:** Absolutely. All of those points are spot on and there are a couple of things that I would like to highlight that we can do internally with the team and hand in hand with your interim leader. One of those things is communicating the score. In the midst of the crisis, we hear bad news all the time, we hear about how we're having to realign to ensure financial solvency, we're thinking about potential layoffs or we're thinking about any number of things our constituents need, depending upon the mission of our organization. What we really just need is some good news at different points in time. As your interim leader comes on board and actually begins to work through these tasks and there are victories to share, share them. Let your team know that us rallying around this urgency in this crisis hasn't been for nothing, that we have actually seen some movement here and that bringing in an interim leader has actually afforded us the ability to maybe increase the revenue from our capital campaign by 125%. As you are clear about the problems, you need to be just as clear about the fixes and the victories.

Also, when we're talking about internal candidates, this goes back to one of the questions that we had during the middle period, it's important to note that they can be a valuable resource for an interim role. However, it's going to be very important that we recognize the differences between a permanent candidate and an interim candidate. If you are moving someone from a current role within the organization into the interim role, then that means you have identified the competencies and the skills that are required in order to move the organization forward during this crisis. It's not because this person is a high performer on a day-to-day basis and it's not because this person gets five out of five on their annual performance reviews every year. While those things will be true, what also must be true is the fact that this person possesses the skills and competencies that are required to maneuver through the crisis. If that answer is not yes, that person is not a fit for this role. That also will help to answer the question about what you will do when the interim period is over. Does that person go back to their previous role? Well I've seen situations where, for instance, the general counsel of an organization has been inserted into the interim CEO role. That's an amazing opportunity for the general counsel to get in there and do an assessment. They're perfectly qualified to handle the issues that the organization is facing during the crisis. However, a general counsel is not going to be a clear fit for the CEO or executive director. That is going to be a person who will also feel comfortable moving back to the role that they had prior to the crisis, once the issues have been resolved. These are just some ways that we can maneuver around it and considerations that should be made as we are thinking about hiring internally or externally and really making sure that the skills and competencies that are required to maneuver through the crisis are at the forefront of our minds when we're making all of these decisions. Not the person and not the position that they currently hold in the organization. It really is about fixing the issues.

Great. In thinking about the takeaways for today, Lisa, did you have something you wanted to add there?

**Lisa Brown Alexander:** No, please go ahead.

**Myra Briggs:** Okay, as we're thinking about takeaways today, we want you all to remember a few things. First of all, uncertainty is not an excuse for inaction in many cases. We get paralyzed by the fear of making the wrong decision or paralyzed by just not knowing which way to turn. However, understand that your role as a leader within your organization requires you to make a move and requires you to pivot, so that you can take the organization forward. Uncertainty is not an excuse for inaction.

Second, you want to make sure that you are considering all elements of the business when making the decision whether or not to go with its interim leader or another course of action. You want to think about the finances, the talent implications, the culture of the organization, and the subsequent impact of hiring too

quickly could have on the culture. Think about the past and about the present and think about where you want to go in an effort to make the best decision.

Thirdly, you want to use your interim executive as a trusted advisor, not an outsider.

We touched on a bit throughout the presentation about how we might be a little sensitive about some of the best practices that we develop in times of crisis or some of the things that we may not want someone from the outside to know about our organization. However, understand that the only real way to get through a crisis is through honesty and transparency, especially with the leaders and the resources that you bring on board to help you maneuver through it. Treat that person as a trusted advisor. Make sure that that person does not feel like you're working against them because that person is going to also need the sponsorship of the board. They're going to need the sponsorship of the CEO, if they are not at the CEO level, in order for them to be able to get any implementation to stick. The truth is without your sponsorship and without really embracing them, you are wasting money on the engagement because no one is going to take direction from an outsider without the sponsorship of their internal leadership.

Next, you want to make sure that you are fully present in the process in order to get the most out of it. This is not a situation in which you just hand the interim leader the list of tasks that need to be fixed and you show up a year later hoping that everything else has been fixed. The board of directors, as well as any other senior leadership in the organization affected by an interim hire, are working more than ever to ensure the success of the interim engagement. Also, needs assessments need to continue as you are making changes throughout the organization because you don't know how one change is going to affect another, so you need to be sort of in a constant stage of assessment to make sure that you're getting the absolute most out of this engagement.

Then finally, as you are making this decision, always, always, always remember the differences between an interim and a traditional leader. Your interim leader is going to be laser focused on a set of tasks that come out of the needs assessment, whether those issues end up being operational, financial, cultural, talent related or any number of other things. Your traditional and permanent leader is going to be that visionary leader, the forward-facing external leader, that handles all of the issues day-to-day and longer-term strategic goal setting for the organization. It's important to recognize the value of both and then it's also important for you to recognize how the success of one is tied into the success of another.

**Lisa Brown Alexander:** Thanks so much, Myra. I'm not sure I have anything to add but we know that many of you have questions. We know that many of you are facing a period of transition right now as you navigate through the coronavirus and the crisis that it creates within your own organizations. In this way, we want to be sure to allocate enough time to answer any additional questions. Your questions can be incredibly helpful to others on the line as well, so feel free to share them with us now. Alicia, we'll turn it to you to field any questions that we do have.

**Alicia Schoshinski:** Great. Thank you so much, Lisa and Myra, for all this great information that you shared. If you have any questions, you can type them into the questions pane on your control panel. We do have some questions, here is one that is kind of a two-part question.

How prepared is a board for getting what they need or what they've asked for from the interim executive? And, are there differences in expectations of a board that uses an outside organization to secure an interim versus a board that simply secures one on their own?

**Lisa Brown Alexander:** I'll take the second part of that. In terms of the preparation, the board's role, whether they do the search themselves or use a third-party, is essentially the same. What are the organization's priorities right now? These are questions they should ask before launching any search, whether it's internal or otherwise. What are our priorities right now to get through this interim period, however long that interim is defined? Who do we need to do it? What kind of skill sets do we need? What are our expectations for that leader during this time? Then, decide who can find you that talent most quickly. Typically, in an interim situation, you need to move quickly and so if your board's culture is such that they are not agile, then you could probably benefit from using a third-party. If you have an agile, decisive board that understands the urgency, that can move quickly through the process and that has the time, then I would say doing a search internally can work successfully. However, it really should be dictated by your organization's priorities and goals and the amount of time available for someone to dedicate to this process. Finding an interim leader does take time and it requires someone or a group of people who have the time and the agility to lead the process quickly, so that would be my advice.

**Alicia Schoshinski:** Okay, great.

**Myra Briggs:** What I think I would add to that really quickly is about the added benefit of working with a partner. Depending upon the role, many organizations do keep pipelines of interim executives going, especially whether it be the CEO, executive director or CFO level where they have interim executives in their network. Also, a search would go much faster in those cases. However, that would be the same as a board of directors that has a robust network and that could activate that just as quickly.

**Alicia Schoshinski:** Okay. Thanks, Myra. Who typically is the decision maker on determining whether an interim should be hired and how do they recognize the value of doing this?

**Lisa Brown Alexander:** If it's the executive director, the board makes that decision. If it is someone other than the executive director, then it may be the board in partnership with the leadership team because the leadership team is going to know what the needs of the organization are probably more intimately than the board would. It also depends on the size of your organization. If you are with a very small nonprofit and your board has an active role in decision-making for your organization, then it's definitely going to need to be a joint decision about who should come on board and when so it varies based on your organization's dynamics.

**Alicia Schoshinski:** Somebody had a question related to what you just said, Lisa. Does organizational size factor into a board decision to hire an interim executive or does it apply across the board?

**Lisa Brown Alexander:** It absolutely can be taken into consideration. As I said, if you've got a decisive, agile and active board and you're a smaller organization, then the board can take on this responsibility and hopefully move quickly. Conversely, if you have a board that is not agile and decisive or very large, they may carve off a segment of the board to handle this specific task rather than have the whole board engaged. It can vary based on the size of the board, based on the size of the organization and based on the urgency with which you need to have an interim leader in place.

**Alicia Schoshinski:** Okay, and somebody had a question about how best do you determine the salary/cost of an interim consultant or interim executive?



**Myra Briggs:** Sure. It really does depend on you. What you want to do is look at the organization's budget and take a look at what you would be paying your permanent executive. It would always be a good idea to do a compensation analysis with a partner if you have an opportunity to do so. If you don't and timing is an issue, look internally at your budget and look at what you would be paying the executive if they were to come on board in a full-time capacity. Then, the idea would be to mark that up to account for any fringe benefits if that person is a 1099 or a consultant. If that person is going to be on board with your staff, meaning that you're going to have them on board of the W2, then it can be very simply in line with what you would pay the executive if they were on your team. However, thinking about it from a consulting perspective, I would think that you'd need to mark up your salary that you have internally around the 30% mark.

**Lisa Brown Alexander:** I would also add to that if you are looking at an interim person and your previous executive director was in that seat for a long time, chances are there may be some gaps between what the current market calls for and what you were paying that executive director. That compensation analysis can be incredibly important and critical to the success of that interim placement.

Be careful not to underprice the interim role. As a matter of fact, what we see more often than not is that there's a premium on the compensation during the interim period rather than a discount. What do I mean by that? This is not the time to look to save money just to see if you can hire someone cheaper, particularly if your executive has been in the seat for a long time. Just know what the compensation levels are for someone in the role, based on your organization's size, budget and geography. If you don't know how to get that information, that's a perfect opportunity to partner with a third party. We can get you that data quickly to ensure the success of your search. If you underprice the role, you're likely to get the wrong level of talent. You have to pay for the talent that you need and be prepared to do so based on today's realities, not the realities of 10 years ago.

**Alicia Schoshinski:** Okay, thank you. How does someone in transition, who is willing to support an organization in an interim role, go about marketing themselves for such a role?

**Myra Briggs:** You want to consider yourself a business if you are a consultant that wants to market to organizations that are in search of interim leaders. What I mean by that is all of the marketing and networking that you would be doing on social media in terms of making connections on LinkedIn, and it's not just about making the connections on LinkedIn, is really about being engaged. You have to be engaged in groups that would include leaders from organizations that you hope to work with. You need to comment on discussions and post discussions. What that does is that generates traffic and guides traffic to your profile, you begin to pop up in feeds for people that are looking for that type of work, you'll begin to pop up in the feeds of boards of directors as well as other types of leaders that can connect you with the work.

Another thing is to get in contact with others who are also doing the same type of work that you're doing currently. I've found that interim leaders do provide a great referral network and the reason mainly is because they don't have a firm of their own, they're only one person who can likely only work on two or maybe three engagements at a time. However, if they've been doing it for a while, they are consistently getting phone calls and referrals from people and they pass those on because they really physically do not have the capacity to do the work. It's about connections. It's about networking. There are also a number of groups that you can join that provide, at no cost to some nonprofit organizations, lists of other interim leaders that they can access. There are a number of ways of doing it, but I would say the first thought is to

consider it a business, consider yourself offering a service to an organization and present yourself in that way.

**Alicia Schoshinski:** Okay, great. Thanks, Myra. Are there any considerations when you're hiring an interim executive with respect to liability exposure in terms of if they are covered under D&O insurance, etc?

**Myra Briggs:** That individual should have their own insurance policies as a professional, but you'll also want to check with your liability insurance carrier to determine whether or not your specific policy would cover them. They will make decisions based on that interim basis, particularly if you're hiring them on a consulting basis or a 1099 basis or through a third party. Double-check your liability insurance policy to see whether or not that individual's actions would be covered or not covered as part of your coverage. That's really important to check with your broker or your current insurance provider.

**Alicia Schoshinski:** Okay, and then how many levels into the organization should you be thinking about doing succession planning for?

**Lisa Brown Alexander:** Well, we recommend as best practice that you do it from the executive assistant to the executive director, all the way through. However, we also recognize that most organizations will focus succession planning on at least the top level of leadership, the executive directors and those who report to the executive director are typically what we see organizations do when they are in the succession planning space. At a minimum, your top leadership, optimally across the organization, should look at those who are high performers and those who demonstrate the skills and competencies that you determine are critical to success. Then, look at those individuals to see what roles they could potentially fill should anyone in your organization need to step away or become unable to perform their duties. Who could step into that role and what positions would be vacated as a result of them moving? Going through that exercise all the way through the organization is ideal, but at a minimum certainly do it at the leadership level.

**Alicia Schoshinski:** Okay, thank you. Then, how do you manage staff transition to a new interim leader, in terms of communicating the change and assimilating staff to that leader?

**Lisa Brown Alexander:** Communicate, communicate, communicate. You not only need to communicate with your stakeholders, but also with your staff. We've worked with clients who sometimes have done a great job communicating to external stakeholders, such as the board or the community, but they forget to keep the staff in the loop and they're the ones who have to work with this executive director.

Talk about the fact that you have determined a need and throughout the process keep your staff and your stakeholders apprised of your progress. This means telling them you've launched the search, you're in the middle of the search, you're at the end of the search, you've identified three potential candidates for the role, you've made a selection, this person will start on X date. Keep everyone apprised of what's going on throughout the process. I would say this is one of the most neglected but important aspects of an interim engagement, to make sure everyone has brought along the way.

**Alicia Schoshinski:** Okay, great. Thank you so much, Lisa and Myra, that's all the time we have today for Q&A, but we want to thank everyone who attended today's webinar. We certainly hope you found it to be valuable. Thanks again to Lisa and Myra for leading today's discussion and you will receive an email within the next couple of days with the slides and the recording for this webinar along with the SHRM HRCI

recertification credits. We will also be hosting another Virtual Town Hall next Monday, April 20th discussing staffing options and virtual hiring and onboarding during this particular period of time.

A feedback survey will pop up at the end of the webcast, so we ask that you take a few minutes to complete that quick survey. If you'd like more information about available services and support from Nonprofit HR, please email us at [info@nonprofithr.com](mailto:info@nonprofithr.com) or you can visit us on the web at [www.nonprofithr.com](http://www.nonprofithr.com).

We also have a lot of COVID-19 resources available on our COVID-19 portal [www.nonprofithr.com/covid-19](http://www.nonprofithr.com/covid-19). We hope all of this is very helpful to you as you navigate these unseen waters. We hope you have a wonderful day and continue to see you on future webinars. Thank you so much.