

Graceful Transitions

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Next generation leadership is a growing topic of concern across the public benefit sector. There have been a series of widely-circulated reports on the need to focus more attention on impending leadership transitions from organizations such as CompassPoint, Bridgespan and the Annie E. Casey Foundation. We know from the compelling data they present that a generation of non-profit leaders is rapidly approaching retirement age, and there's a good deal of discussion about what funders can do to help identify and bring the next cohort of leaders on line.

But missing from virtually all of those conversations is a critically important question, in my view: what are we doing to help current non-profit leaders (to whom we owe so much) with a graceful transition? Except in rare circumstances, there's typically no systematic planning or preparation for their next steps.

Instead, we talk blithely of retirement as if it were a guaranteed option ...something that's simply waiting to be claimed. But the employment compact for most non-profits has never adequately addressed the question of retirement. Pension plans or savings plans for retirement are luxuries that most community-based organizations cannot afford. For a long time, it was assumed that Social Security would be adequate, but we know that the cost of living now outstrips what it can provide. Moreover, we also know that the leaders of most community-based organizations have historically worked for below-market salaries, making savings difficult if not impossible. Mission, not money, has been their motivation.

But if a current Executive Director has no economic incentive to step down (in fact, quite the reverse) it makes the challenge of leadership transitions that much more profound. What can funders do? First, they need to recognize that it's not just a matter of preparing the next generation of leaders. Although it's not feasible for foundations to address the issue of retirement funds for current leaders, transitional options for those who have led their organizations with distinction do need to be addressed...forthrightly and with grace.

Grace is an essential quality of our response to this dilemma. We've all witnessed the profound inequities of exorbitant "golden parachutes" being handed to for-profit corporate executives, even when their companies are in the process of eliminating thousands of jobs and/or slashing benefits for their own retirees. That's obviously not a model to emulate, even if it were financially feasible.

How instead might we honor the service and the wisdom of our non-profit elders in a way that also benefits the sector at large? We can begin by recognizing that this is a sectoral issue that lends itself to collaborative solutions. In fact, it may be one of the most important investments that funders can collectively make in the future of the public benefit sector. The current cohort of Executive Directors represents an incredibly valuable resource for the sector. How might we best use their talents, while also

providing them with a graceful transition from their current positions? Here are a few modest suggestions of how we might gracefully take this on.

First, we need to provide opportunities for both Executive Directors and their organizations to “take a breather” to reflect, recharge and look ahead ... well in advance of an anticipated retirement. An effective mechanism for doing so is the sabbatical. Although common in the academic world, sabbaticals have typically been unimaginable in community-based organizations. But there are some intriguing models on the ground. In California, for example, both the Durfee Foundation and The California Wellness Foundation sponsor three-month sabbatical programs for experienced Executive Directors in their respective fields of interest.

These programs includes not only salary support for the Executive Director (who is expected to leave town and to stay out of touch with the organization) but also assistance for professional development for the staff who will step up to fill her shoes during her absence. It has proven to be a powerful experience, not only for the individual leaders but also for their boards and their colleagues, all of whom have a chance to try out life without a long-time leader. These sabbaticals are specifically not awarded to Executive Directors as a transition to retirement. But they offer the double benefit of allowing leaders to take some time off the treadmill (and to visualize the possible rewards of retirement) while helping organizations begin to more planfully address the inevitable need for leadership succession, perhaps as much as five years before the fact.

Second, I'd like to propose something even more radical for Executive Directors who are on the verge of retirement but simply can't afford to leave their current job. What if funders were to underwrite “Abrazo” Awards (Spanish for embrace) to honor their contributions with a one-time cash award and a continuing role in the non-profit community as a senior advisor to their peers? The cash could be used to pay off a mortgage or credit card debt or to provide a nest egg for an annuity.

The Abrazo Awardee would also be offered a two to three-year position with a local non-profit resource center or a non-profit trade association or even a community foundation. There they could assume the role of an executive coach for new Executive Directors or serve as an interim Executive Director for organizations in transition. They could also mentor mid-level staff within local non-profits or teach classes on fundraising or program design or personnel or other areas of personal strength. Some would also make wonderful public policy advocates. The more tech-savvy Awardees could moderate on-line discussion communities. Many, if not most, of those activities could be fee generating.

Appropriate annual community rituals could be established to appropriately honor Abrazo Awardees. Rather than feeling like they are being shunted aside, these extraordinary leaders would be offered an opportunity to share their accumulated wisdom with their peers. Another important part of the program might be to collect oral histories and digital stories from the Awardees, to be eventually uploaded as part of a regional or national “lessons bank.” What more formative experience could there be for a young person entering into a non-profit career than to participate as part of an interview team in collecting those stories?

How might such programs be supported? This would appear to be an ideal opportunity for foundations to pool funds within a city or region to do something important that none of them could (or should) do alone. What if foundations and corporate giving programs were to voluntarily “tithe” a percentage of their grants budget each year for the next ten years (or beyond) to a local Abrazo Award Fund, to be administered by the local community foundation or some other appropriate vehicle? Some might view this as an audacious undertaking, but I would argue that the time is right for boldness. The demographics are inexorable and it’s time to move beyond denial ...with grace.

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