THE MANAGER

MANAGEMENT STRATEGIES FOR IMPROVING HEALTH SERVICES

In This Issue

Case Study

"Better Health" Plans for Leadership Transition

Planning for Leadership Transition

Editors' Note

NO LEADER OF AN ORGANIZATION can last forever, but staff often behave as if their leader were immortal. Understandably, the staff may not want to spotlight the need to plan for a transition if their current leader is effective, or if the leader is ineffective but powerful and well connected. Leaders may imagine themselves indispensable, or deny that they must create a life or identity that no longer includes their organizational title. Organizations, or boards of directors in particular, may deal with the inevitable transitions in a proactive or reactive way.

Yet the need for planning is undeniable—an effective successor is essential for the sustainability of the organization. Preparations for a transition should allow for a long lead time and well-balanced consideration of relevant issues.

THIS ISSUE OF *THE MANAGER* considers strategy and process for managing a leadership transition. It describes how current leaders, staff members, and boards of directors can engage their organization in navigating the uncertainties of a search for a new leader. It explores ways to prepare for future transitions by developing leadership talents within the organization. ∎

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Why Plan for Leadership Transitions?

An effective change in leadership from one chief executive to another is key to an organization's survival. A transition tests the organization's ability to renew itself, so that it can continue to fulfill its mission in a changing environment. A successful change in leadership preserves the organization and the trust of its stakeholders, and allows it to grow and adapt to meet new challenges with imagination and enthusiasm.

In some places, planning for leadership transition may conflict with traditional values and practices that protect the dignity and "face" of leaders and all other members of a group. To succeed in today's globalizing society, however, leaders may need to modify their management style in order to promote their organization's interests in a world that rewards flexibility, transparency, interconnectedness, and broad-based use of information.

This issue of *The Manager* focuses on making changes in top leadership and developing leadership capacity among staff at all levels, in nongovernmental organizations, and—where applicable—government health programs. A key part of such transitions is reviewing the organization's strategic plan and its strategic needs, along with making the leadership changes.

In this issue, *The Manager* addresses **you** as a leader—in your organization, unit, or group of colleagues—whether you are a chief executive, chairperson, team leader, or facilitator. It should help you look ahead to when you or others will move on and new leaders take over. It can help you open conversations in your organization about these vital concerns.

If you are a chief executive or director, you can use this issue to help you assess your relationship with your organization. By drawing on your leadership skills, you can start conversations along the lines suggested in these pages, to learn what your staff think about your ways of leading and about the potential for development of leaders at different levels.

As a leader at any level in the organization, you can broaden your understanding of the organization's culture—its traditions, history, values—by participating in such conversations. You can appreciate the influence of that culture on your work and you can begin to see how your behavior influences the organization's work and evolution.

If you are a member of the board of directors, you can use this issue to take stock of the board's strategic relationship with the chief executive, and to begin learning what the board will need to do in order to manage a transition successfully.

You probably know of some organizations that should have planned their leadership transition but did not. You may know about organizations that have emerged strong from a turbulent transition, or weak from a calm transition; or organizations that have lost momentum, then morale, and finally staff members, because of unplanned or repeated leadership transitions. Years of investment and the trust of key supporters can be lost in a prolonged leadership crisis, jeopardizing the life of the organization.

Why would an organization risk so much by choosing not to plan ahead for changes in leadership? Some organizations have never had to think

about transition at the top, because they are still being led by their founder. Some do not have a strong enough board of directors to take the lead, when the chief executive should move on but doesn't want to let go, or when the staff doesn't want to let go of their director. Others have a strong-willed or shortsighted director who makes the issue of transition difficult to discuss. The topic of transition is often emotionally loaded, because it touches on issues that are not easy to discuss openly. Often the organization avoids the discussion until a crisis arises.

The biggest challenge comes when the director should leave but doesn't want to, or when the staff doesn't want to let go of their director, precisely because of the emotional hurdles that are part of transition.

Organizations that believe they do not yet need to think about leadership transitions are, paradoxically, in the best position to begin planning the process. They can start preparations in an orderly manner, putting in place the necessary systems and structures that will ensure an effective process when the time comes.

Whether transition is already a challenge for your organization, or whether you have the time to start planning, this issue of *The Manager* can help you plan for your organization's next leadership transition by:

- describing the dimensions of a transition process;

- charting the transition process;

- exploring ways for you and your organization to groom future leaders throughout the organization.

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Understanding the Dimensions of the Transition Process

Every leadership transition has three dimensions: a personal, an organizational, and a cultural dimension. When you address problems that arise in the transition process or make plans to prevent problems in a future transition, you need to deal with the relevant factors in each dimension.

Your first step in preparing to deal with leadership transitions is to understand the issues within those dimensions. You need to consider

- the "I"—the **personal** dimension of the outgoing and incoming leaders: their personality, their identity and different needs and desires, and other aspects that influence their performance on the job;

- the "it"—the **organizational** structure of governance: the board of directors and its characteristics;

- the "we"—the **cultural** setting: the organizational culture and its embedded elements of local and national culture.

The Personal Dimension: Understanding the Leader's Inner World

The outgoing leader. If you are the one leaving the organization, you may find that your path to the exit is obstructed for personal as well as external reasons.

As founder or long-term leader, you may feel that the organization is like your child, whom you cannot easily leave in the care of a new director. You may feel strongly attached to older colleagues and be accustomed to playing a father's or mother's role with your staff. Your commitment to the mission, and to your own ideas of strategic decision-making, may make you reluctant to let go of key functions, such as relations with donor agencies and high-level government officials.

To your staff and the outside world, you might be so closely identified with your organization that your identity and the organization's merge. Donors or key officials may insist on dealing with you and refuse to deal with others in your organization.

While you are still in charge, such a dual identity might be useful, for example in fundraising and enhancing national and international visibility. When you do leave your organization, however, the merged identity may obstruct your departure. You might act in ways that sabotage your departure because:

- You may not be able to imagine a life outside the organization. *Some leaders, after retiring, have continued to appear at the office, working unpaid but as committed as ever, in a variety of ceremonial or consultative positions that may or may not be helpful.*

- You may feel a sense of loss, or conflicting emotions, as the time approaches when your titles and other privileges must disappear. *As a result, for example, some outgoing leaders may begin to sabotage the transition process by delaying plans or actions, by withholding important information, or by only partly delegating responsibilities to staff members who show leadership potential. Such behavior is likely to send conflicting signals or to complicate the feelings of the staff and the board.*

If you have not developed a strong, credible second and third team of executives, you might find that your staff or the key stakeholders will not want you to retire or withdraw from routine tasks. They may feel that no one has had enough experience with executive management functions to run the organization in your absence.

Exit Styles of Leaders

In his book *The Hero's Farewell*, Jeffrey Sonnenfeld uses symbolic roles to designate different types of outgoing leaders, according to the manner of their exit after the official farewell.

MONARCHS	"Monarchs" do not exit until they are forced out by ill health (or death) or by some form of palace revolution, such as the resignation of top managers or an action of the board.
GENERALS	"Generals" also depart under force. They leave reluctantly, while plotting their return to rescue the organization from the real or imagined inadequacy of their successor.
AMBASSADORS	"Ambassadors" leave gracefully. They frequently serve as mentors after they retire. They tend to remain on the board of directors. They provide continuity and counsel for their successor and the organization.
GOVERNORS	"Governors" rule for a limited term, then shift to another vocational outlet after their exit. They tend to maintain little or no continuing contact with the organization.

To satisfy the human need for respect and love, you need to be able to draw on your own resources of inner strength and self-confidence, when you no longer enjoy the privileges of high office that used to fulfill those needs. The more you can rely on yourself to ensure a successful transition, the better for everyone.

If you are the incoming leader, the same psychological factors come into play. You, too, need to be seen as being competent and able to make a significant contribution. You, too, need to be liked. Those desired outcomes, however, may lead you to take different actions, perhaps contradictory to one another. You must solve the dilemma in your own way. *For example, if you care greatly about the benefits from the outgoing leader, you might not immediately depart from the course set in the past. On the other hand, if you wish to establish credibility and competence distinct from your predecessor, you might make changes that create turbulence in the organization and thus alienate the previous leader and staff members still dedicated to him or her.*

Such needs and concerns, as well as the pitfalls, apply to leaders at all levels of an organization. As a leader of a unit, project, or team, you might find it just as hard to leave your position as an executive director would.

The Cultural Dimension: Understanding the Organizational Environment

The cultural dimension of leadership transition relates to the attitudes and practices associated with the

- professional and technical contexts of your organization;

- organizational environment—the way your organization does its work;

- broader culture(s) within which your organization operates, including ethnic, regional, or national cultures.

The cultural dimension determines, first of all, how easy or difficult it is to begin talking about leadership transition. It also shapes the conversation around the emergence of new leaders from within the organization. And finally, the culture will determine who is involved in the transition process—is it everyone's business, or is it the business exclusively of the board?

Board and staff members, as well as the top executive, need to understand the culture of their organization within the wider cultural environment of the organization's activities. They must find a new leader who will be credible and successful in relating to both internal and external worlds. The leader must enable the organization to operate in different ethnic, regional, and national cultures, as well as—in this era of globalization—internationally. *For example, where the organizational culture is energetic and entrepreneurial, and the organization needs to negotiate its affairs with slower government bureaucracies, the organization should find a leader who demonstrates an understanding of those contrasting needs. The new leader should offer good ideas for working effectively with the authorities while inspiring the best efforts of a creative staff.*

The following "How to…" feature, on making a "map of our journey," can help staff members to gain and share an understanding of their organizational culture. It can be applied to the whole organization or to individual departments or units within it. This exercise can also help your staff prepare to analyze strategic challenges, one of the stages in "Choosing a New Leader" (beginning on page 9).

Make the Organizational Culture Visible by Creating a "Map of Our Journey"

Mapping your organization's journey, from its birth to the present, illustrates its milestones. It allows your colleagues to gain a perspective on the results of their work and to ponder where they are going. With common images to portray the journey, you and your colleagues can explore your collective culture. You can view its strengths, as well as the tensions and traps that it creates, and how your organization has dealt with both positive and negative aspects of the culture over the years.

Creating such a map requires a good ear, a large sheet of paper, and some colored markers or crayons. One person can create a map after interviewing a cross-section of staff, including a fair number of old-timers, or a group can construct the map together.

CREATING A MAP FROM INTERVIEWS

Interview several colleagues about the history of the organization. Record key events and significant people inside and outside the organization. Identify major shifts that have occurred, such as leadership transitions, expansion or layoffs, changes in mission, large and visible events, changes in client base, and legislative or political changes that have affected the organization.

Make note of commonly used words and images that colleagues use in describing the organization and its environment. Those words and images are clues to organizational values and beliefs. Phrases such as "under siege," "a family," or "an island," the leader as "father" or "big sister" or "mother," and the leader's role as "a bridge to the cold outside world," indicate what the staff feel about their organization and their place within it.

Sketch the organization's journey on a piece of paper, and check with colleagues whether you recorded the facts correctly. Transfer the image to a large sheet of paper that everyone in the room can see, and launch a group discussion with the following questions:

- What are some of the key events, accomplishments, images, or words that characterize the journey for you?

- What feelings or emotions does this map of the journey evoke in you?

- How has the organizational culture, or specific cultural traits, influenced the journey?

- When did significant shifts occur in organizational affairs?

- What does this journey imply for the strategic plan of the organization, for its future?

- What implications should each of you pay attention to, in your own work?

- What is the relevance of this journey for your understanding of leadership?

- How should the organization plan for future leadership transitions?

Sketch the outlines of a path with some key dates along the road and then have different colleagues fill in the details. Such a group process may be somewhat messy or chaotic. In any case, it will engage you all in conversation as you wrestle with your different views of what actually happened, and when. After completing the map, you can all stand back and discuss questions similar to those listed above.

The map thus constructed becomes a vehicle for making things discussible that might otherwise have remained unspoken. The map-making exercise can help you prepare your organization to review its strategies and goals. It can help clarify, for all of you, what parts of the organization you want to preserve and what you should change. It can help you understand that what has worked in the past may not work in the future. Moreover, the conversation around the charted journey should give guidance to those who will be recruiting the new leader.

The Organizational Dimension: Understanding Governance

The governing system of your organization can help management to remain stable and objective during a leadership transition. As the principal governing mechanism of many organizations, boards of directors should ensure that a plan for transition exists.

As a member of the board, you play several roles: policymaker, evaluator, advocate, and resource gatherer. As policymaker you determine the broad lines of how the organization should conduct its activities. The board approves the strategic plan of action and various policy provisions that drive the organization's activities. Regarding transition planning, therefore, you can establish rules and procedures to guide the process.

As an evaluator, you also provide oversight of program activities, and understand the organization's strategic needs that the executive leader must address. You are responsible for recognizing problems before they become crises. To do so, you should be able to think independently of the special interests within the organization. You need to take the initiative in asking the right questions that get to the heart of problems. A leadership crisis is the type of problem that an effective board perceives and deals with, in a timely way.

You are also an advocate, speaking out on behalf of the organization and networking with constituencies in the external environment. You can use your networks to access information and potential candidates in the search for a new leader. This role also assists you as a resource gatherer, as you help the organization to acquire the funding and other support it needs.

Unfortunately, boards are often not well used. A key factor is the quality of their relationship with the chief executive. A chief executive may deliberately appoint a weak board that agrees with everything the chief says or does. Such a board is not going to be very helpful in a transition. Alternatively, a board may undermine the trust and confidence of the staff, by promoting the interests of the outgoing chief or a particular candidate for political reasons. Sometimes board members pursue personal interests, or the interests of their constituency, that may not coincide with those of other stakeholders.

To stay on track in a leadership transition, an organization needs a board that is engaged with staff and the outgoing chief executive in the search for the best possible replacement. Board members can also support a culture of leadership development even when an immediate transition is not planned. For instance, board members can put leadership development of senior staff on the agenda of the next board meeting. The point is to start talking about leadership in the future, far or near.

The feature "Common Mistakes in Recruiting a New Leader, and Ways to Avoid Them" applies to boards in particular, and in some respects to individuals in leadership positions. For further insights about working with boards of directors, please refer to the issue of this publication, "Working with Boards of Directors" (*The Family Planning Manager* vol. 3, no. 5, 1994).

Common Mistakes in Recruiting a New Leader, and Ways to Avoid Them

Considering candidates and the search process too quickly, before revising the strategic direction of the organization	Look at your strategic plan and ask: ■ What is our "business"? ■ What products, services, or values do we produce? ■ Why are we good at producing them? What is our relative advantage or competence compared with that of others? ■ Why do people value them? ■ How does the role of the potential leader contribute to our strategy? ■ Where should we look to find candidates who do similar or compatible work?
Failing to think about the leadership of the organization and the board together	Be sure there is stable board leadership to provide continuity and support to the new leader. Avoid choosing new boards and a new organizational leader at the same time.
Distancing yourself from the search process too quickly	Be sure that you remain engaged, even if you have appointed a search committee or hired a search firm. The board cannot delegate the search process entirely. Each board member should help in shaping specifications, suggesting candidates or sources of names, and "networking" about the vacancy.
Failing to clarify the role of staff in the search process	Decide whether staff members will serve on the selection committee or participate in the final selection. If they cannot be involved, they should at least be kept informed about the process and time frame. They can contribute by helping to translate strategy into job specifications, meeting with candidates, and offering their opinions.
Placing too much value on the interviews with candidates	Structure and focus the interviews with challenging questions. After the interview, identify areas of possible concern and check references specifically about such areas. If possible, visit the workplaces of the most promising candidates and interview colleagues and subordinates about their work style.
Relying only on written responses for references	Engage referees in direct conversation, face to face or by phone, with a skilled interviewer, to create an environment in which all shades of opinion can emerge.
Failing to use the final selection to establish expectations on both sides (new leader and board) and a process for evaluating the new leader's performance	Talk about expectations and agendas. Negotiate roles and responsibilities that are not codified in the organization's bylaws. Answer questions about the role of the outgoing leader and agree about how or when to revisit issues later.

Pulling out of the transition process too fast	During the "honeymoon" period after the new leader is recruited, the board should:
	■ help the new leader to balance needs for continuity and change, in the context of the organization's history;
	■ help connect the leader with external resources;
	■ set ground rules for how the board and leader will interact;
	■ encourage staff and outsiders with concerns to speak directly to the leader rather than complain to the board.

Source: Adapted from Gilmore 1993.

Charting the Transition Process

A leadership transition provides a good opportunity to involve the board and the staff in renewing commitment to the organization's mission. It is also a good time to reappraise managerial depth, with an eye to identifying leadership potential among staff members.

This section takes you through the transition process, describing the steps in

■ choosing a new chief executive;

■ beginning to groom future leaders within your organization.

This section charts the process for a change of the top executive. The process also applies in changes of leadership at all levels, scaled appropriately to the organizational context.

Choosing a New Leader

Preventive action is always preferable to curative medicine. You, as the chief executive, are in the best possible position to start the conversation that prepares your organization for eventual transition (and good organizational health in general). If you are already thinking about leaving—even if you feel ambivalent about the move—you can gain perspective and support by engaging your staff and the board actively in the transition planning process.

The more open the organizational culture, the more involved your colleagues will be. If they know that the board functions independently in the best interests of the organization, staff members' feedback is the more likely to be candid and truly representative.

A leadership transition involves much time, energy, and financial and human resources. It affects the organization's strategic plan, funding support, and relations with collaborating partners. The board's central role shows the vital importance of the transition for all stakeholders: clients, employees, supporters, and suppliers.

The process of choosing a new leader takes place in nine stages (adapted from Gilmore 1993).

Stage 1. Engaging the stakeholders.

Stage 2. Analyzing strategic challenges.

Stage 3. Formulating the job description: Translating strategic directions into leadership needs and job qualifications.

Stage 4. Designing a search and selection process.

Stage 5. Preparing your senior management.

Stage 6. Screening candidates.

Stage 7. Selecting the finalists.

Stage 8. Arranging for field checks and interviews.

Stage 9. Processing the transition.

Stage 1. Engaging the stakeholders

You can engage your organization's **internal** stakeholders in the transition in two ways:

- directly, in a series of organization-wide conversations; or

- indirectly, through a committee that circulates questionnaires and issues regular updates on its progress.

External stakeholders include donors, investors, partners, collaborators, customers, and other influential individuals. They need to be convinced of the organization's long-term direction and health as a consequence of a leadership change. They should take part in the search for a new leader, contributing their ideas about the organization's strategic directions and leadership needs.

Stage 2. Analyzing strategic challenges

New or changing circumstances can affect the choice of a new director. If your organization has recently conducted a strategic planning exercise, you should have a clear picture of the challenges facing the new leadership. Similarly, if you and your colleagues have already "mapped your organization's journey" (see page 6), you should have a good sense of the context for analyzing the strategic challenges facing you at this time.

Changes in the strategic challenges to your organization, when they are recognized, should translate into changes in management strategies for human resources. These considerations will certainly affect policy to "grow" rather than "buy" new talent for leading positions (grooming and promoting talent from within rather than recruiting from outside your organization). The Working Solutions feature, "A Strategy for Success at Pro Mujer" (see page 12), reflects the strategic choices and their consequences that an organization may face.

A prospective change in leadership makes a perfect opportunity to take stock of your current situation, the direction you are taking, and strategic shifts that may be required. It is a natural occasion for you to involve all the people who matter in a focused conversation. Bringing the staff together to consider the

questions listed in "Addressing Human Resources Questions" (see page 13) can be instrumental in starting the process. The conversations should clarify the thinking of the board (or its search committee) before identifying and interviewing candidates.

Large groups can hold manageable conversations that are structured carefully, if you are not wedded to any particular outcome. Smaller groups can hold more intimate or frequent meetings (such as at weekly or monthly breakfasts or lunches) to achieve the same ends.

The boundaries of the conversation need to be clearly set and can be broad-based, depending on the situation. If the conversation is guided towards a particular outcome, however, it is no longer honest, and the event becomes a manipulation. That would create cynicism and mistrust, and defeat the goal of engaging all the stakeholders, both internal and external.

For further insights about thinking strategically, please refer to the issue of this publication, "Learning to Think Strategically" (*The Family Planning Manager* vol. 3, no. 1, 1994).

Stage 3. Formulating the job description: Translating strategic directions into leadership needs and job qualifications

The conversation eventually centers on a job description and the qualifications expected of the new chief executive. Since the perfect candidate doesn't exist, you may explore tradeoffs about the most critical qualities needed in the new leader, and where you might find in your organization the people who have those essential qualifications.

A job description becomes a proxy for what people see as the new direction for the organization. The job description guides the conversation about what sort of leadership the organization will need in the future.

In developing a job description, your organization might also need to reconcile differing views of its future. Such a conversation soon makes clear what kind of leader the staff and management are looking for: the same kind of person as yourself, or someone with very different qualities and skills. The conversation is likely to return continually to a review of current strategies and whether they are suited to developments in the outside world.

Stage 4. Designing a search and selection process

The board should have a procedure outlined and ready for action that needs only minimal adaptation to the immediate situation. The board chairperson normally activates the process, if you have already resigned or publicly stated your intention to leave. If there are no obvious candidates for the chief executive post, the chairperson should put together a search committee (see "Using a Search Committee," page 14) with the mandate of recommending a suitable candidate to the board. Personal networking is often a more valuable source than data banks for relevant information and connections in the search.

Stage 5. Preparing your senior management

As the search proceeds, you may begin preparing reports to record your understanding of institutional history, vision, mission, culture, and managerial mechanisms to your senior management team. As the outgoing leader, you should gradually transfer authority and decision-making to your managers, so that they are fully ready to help the new leader get a good start.

Stage 6. Screening candidates

The search committee performs a balancing act between casting the net too close (that is, looking among familiar candidates whom your organization already knows) or too far (bringing in many inappropriate résumés and creating unproductive work).

Stage 7. Selecting the finalists

The committee selects the criteria for the short list of the most promising candidates.

Stage 8. Arranging for field checks and interviews

The committee checks the references of promising candidates to find out how the selected candidates performed on previous jobs. When visits to work sites of the short-listed candidates are possible, the committee talks with subordinates, peers, board members, and clients, and collects impressions of the work environments that the prospective new leaders have created.

Stage 9. Processing the transition

A transition generally consists of an ending, a neutral period, and the new beginning.

A change in leaders, whether hoped for or dreaded, starts with an ending that needs to be completed before the organization can move into the "neutral zone." The old leader leaves, closing that era of leadership. While everyone in the organization needs to prepare for the new era that is fast approaching, no one should overlook the need to pay attention to the ending—to grieve for the good things of the past that may no longer be applicable or relevant.

Staff members prepare for the future by reviewing and reflecting, surrendering, and regenerating. This neutral time is probably the most misunderstood period in the process, when the normal push for results and increasing productivity may interfere with a personal reorientation that gives a solid base to a new beginning.

The new beginning evolves out of the ending and neutral period. The horizon of the new working environment emerges in the new focus on the organization's mission and goals that will guide the new era of leadership. The new leader, the rest of the staff, and the board should share their expectations of how they will work together. The arrival of the new leader does not negate the past, nor should the organization ignore the legacy—the "journey"—with its good and bad parts that is the real basis for the new beginning.

A Strategy for Success at Pro Mujer

If you have the right plan for a change in leadership, a plan that suits the goals and resources of your organization, you can overcome unexpected obstacles and make the kind of transition that you want. You can make many critical decisions, survive a hurricane that turns the country upside-down, and even see your star candidate choose a different role. Yet, with the right plan and the right decisions and some good luck, you can still make it happen. That is the story of Pro Mujer in Nicaragua.

Pro Mujer (meaning "Programs for Women") is a nonprofit, nongovernmental organization that has founded microcredit programs of financing and health training services for poor women in Bolivia (since 1989), Nicaragua (1996), and Peru (2000). The head office opened in New York in 1996.

Pro Mujer selected an American woman to establish its Nicaraguan branch. Kathleen O'Sullivan arrived in August 1996 with a mandate from executive directors Lynne Patterson and Carmen Velasco to replicate the success of the Bolivian program, build a pool of 5,000 responsible clients, and prepare a new Latin American director to take over the program, all within three years. In essence, the strategy called for an expatriate leader to develop an organization in Nicaragua that provides for a widespread economic need, while cultivating the next director locally.

Community lending programs of Pro Mujer assist groups of 30 women who share the responsibility for small loans that support microenterprises, such as making or marketing a commonly used product. Loans begin at approximately $50 and increase according to the maturity of the business. Each loan is repaid in a 16-week cycle. Field staff offer concurrent training in organizing and managing a micro-enterprise. As a means of sustaining entrepreneurial efforts, the staff also support the women with a health program of preventive advice, primary-care services, and referrals for treatment.

From her first day, O'Sullivan kept an eye out for a successor, while following a work plan of hiring and training staff to develop the program, identify promising communities, organize credit groups, and support their initiatives. Along the way, Sonia Morin, a Nicaraguan sociologist who had evaluated the impact of microcredit services on rural families, and who had been a Fulbright scholar in the United States, joined Pro Mujer to manage the health services. Morin saw how difficult it was for the emerging entre-preneurs to apply their health training in their everyday lives. She therefore tailored the health services to fit their day-to-day needs, creating the "human development" program in 1997.

By early in 1998, Morin's leadership capability had earned her promotion as "sub-director" and the prospect of appointment to the directorship. She grew into a role of shared management of program operations with O'Sullivan. Morin became the program representative to the Nicaraguan Government funding agency, and a key contact for the US donors.

At the start of its third year, in mid-1998, Pro Mujer was well underway in Nicaragua. Credit groups counted some 3,500 members in two regions. The staff decided that they could start expanding into three other regions where development prospects looked promising. That effort would call for improving the quality of their credit products and support system, and for training new field staff. In October 1998, however, Hurricane Mitch hit Central America.

The devastation caused the Nicaraguan team to suspend its development plans for six months and turn to helping its clients to cope with their losses. Fortunately, all the women's groups could recover from the disaster by mobilizing personal savings to put themselves back in business.

Pro Mujer could resume its expansion in mid-1999, but the delays had changed the strategic outlook in ways that interfered with the plan for a leadership transition. As expected, some experienced staff relocated to the new regions in order to establish the program and train new staff. The range of loan products and marketing approaches now needed upgrading to suit the demand. In addition, Pro Mujer had launched a new program in Peru that relied on the Nicaraguan team for support in training staff.

On the personal side, Morin had decided she could no longer give the extra time that would be required of a full project director. O'Sullivan therefore agreed to postpone the planned transition for another year. Pro Mujer's Board of Directors wanted O'Sullivan to stay, so she could lead the expansion under the changing, challenging circumstances.

By February 2000, the new staff were handling their activities well and the Peruvian staff had completed their training. O'Sullivan could refocus on recruiting a new project director. Staffing needs had, however, become complex. Business development in the post-hurricane expansion called for greater financial expertise than the team currently commanded. The most promising solution was to recruit a new country director with a financial background, who could rely on the widely respected Morin as sub-director during the transition period.

The luck factor then came into play. Personal networking led O'Sullivan to Wilma Linares, a Venezuelan national who had just left the financial directorship of a much larger micro-credit program in Nicaragua, and who could lead the program through its next stage of develop-ment. In June, following the appointment of Linares as the new director, O'Sullivan spent a week with her in the main office and accompa-nied her on visits to project sites to meet the staff and see operations firsthand. During the following two weeks, Linares consulted regularly with O'Sullivan, who worked off-site to complete new project funding proposals. On June 30, O'Sullivan departed—"One of the hardest parts of my job was to see it actually leaving my hands, after four years of intense and personally rewarding activity. But I was most happy to see the program in the right pair of new hands, and with a seasoned and well-knit team of leaders."

Addressing Human Resources Questions

Once you have assessed your organization's current strategic needs, you are in a good position to review human-resources strategies and to clarify what your organization wants in its new chief executive. Consider the following questions:

Organizational structure. What changes are needed if we pursue new strategic directions?

Human resource planning. What changes are needed in the number and types of people and talents that we will need in the future? *For example, increasing emphasis on youth programs requires recruitment of younger staff, representing the diversity of the commu-nity.* Is a planning process in place to help answer hu-man-resources questions?

Management skills. How will changing strategies affect current management skills? What new manage-ment capabilities and resources will be required? What will be the implications of attracting highly talented individuals to the organization? What current manage-ment strengths or capabilities will be affected by a change in priority or emphasis? What will be the best tools (performance appraisal, compensation, training, labor relations, or other management strategies) to ac-complish needed changes?

Consequences of failure to implement human resources programs. What would the organization lose by not making any changes in current human resources practices? What factors (such as safety, pay, unions, government regulations, and opportunities for promotion) would enhance the organization's ability to attract, retain, and develop the kind of employees you need?

In large or small discussion groups, your colleagues can:

- begin reflecting on the extent that they may feel dependent on you, and exploring the prospect of life without your leadership;

- participate in planning your organization's future wellbeing, as they formulate ideas about the leadership qualities that are needed at this stage.

Your colleagues can share the responses you receive to these questions, together with your thoughts, proposals, or plans for next steps.

Using a Search Committee

The board chairperson usually names a board member to head a search committee. The committee chairperson forms the search team that should reflect the stakeholder groups and include other members, possibly some senior management staff, and—when required—outside executive recruiters. The key to a successful search is an active approach that depends on close linkages in the process of identifying candidates and managing information generated by the search. The whole process can take six months or longer.

WORKING WITH
A SEARCH
COMMITTEE

- Develop ground rules for the committee (on confidentiality, decision-making procedures, recourse after decision-making, and transparency in taking actions).

- Review the organizational context, strategic plan, and cultural environment, and how they shape the profile of a new leader.

- Conduct a survey among staff and volunteers for developing selection criteria.

- Use the criteria to develop a job description for the new leader.

- Specify minimum requirements to screen out inappropriate candidates.

- Develop a system for managing and sharing information.

- Identify where candidates may be found and sources of leads for candidates.

- Identify the most promising candidates for interviews.

- Strengthen interviewing skills among committee members (if necessary).

- Develop interview questions and interview process (number of interviewers, duration, place, recording, and reporting).

- Conduct interviews and reduce the pool of candidates.

- Inform rejected candidates.

- Complete background and reference checks for remaining candidates.

- Conduct site visits to workplaces of remaining candidates.

- Conduct final interviews.

- Make the final choice and recommendation to the board.

Grooming Future Leaders

Your organization's long-term success and viability depend, to a great extent, on its capacity to develop a strong leadership base within its ranks, not just at the top layer.

Grooming from within. The experience of a leadership transition brings into focus the issue of "growing" or "buying" new talent, and ultimately, whether to select the next chief executive from existing senior management staff or hire one from outside. A policy to develop all levels of leadership actively within the organization, not only for the top position, benefits staff members and the whole organization.

In times of rapid change in the operating environment, however, the strategic demands on the organization are ever less predictable. Consequently, leadership needs are unpredictable. Formal succession systems, in which the potential new director is identified early on and groomed for leadership, become unreliable. A useful twist to the system, however, is the candidate for a top position who serves the organization, departs for challenging management experience elsewhere, and returns after having gained the kinds of experience that the organization eventually seeks.

If you are developing leadership in-house for all your senior management positions, you need to decide on a balanced mix of specialists or generalists. To develop specialists, your managers should follow a skill-based plan and increase their responsibilities over time. To develop generalists, you should plan to expose them to a variety of job experiences. In both cases, the development process requires a plan and a series of challenges, feedback, and support, as described in the accompanying examples.

Recognizing leadership potential and nurturing it. Certain qualities set potential leaders apart from other employees. Here are some questions to help you find them:

- Is this person among the first to see changes or opportunities in the outside environment that relate to the organization?

- Is this person aware of:

  - who the organization's many different stakeholders are?

  - what kind of service each type of stakeholder needs?

  - how the organization can satisfy those needs?

- Is this person able to build coalitions and networks, internally and across organizational boundaries, to achieve the goals?

- Does this person take responsibility for her or his actions and mistakes, and—by doing so—present a convincing model of desired behavior?

Leadership renewal. The word "leadership" is still usually reserved for people in the highest ranks of an organizational pyramid. The more hierarchical the organizational culture, the harder it is for people in the lower ranks to see themselves as leaders. If you are serious about encouraging leadership growth in your organization, you can replace this conceptual block with a concept that should also promote your organization's developmental prospects: leadership renewal.

Leadership renewal is about developing the individual's performance for an impact on the product of the organization. In the flow of an organization's human resources, people enter the organization, work their way closer to its central tasks, and then leave, as new people take their place. Anyone can develop personal capacity to lead and everyone leads, or needs to lead, in their job at different times.

Renewal works effectively when talented staff with leadership potential learn from more experienced members of an organization. Those senior staff in turn make place for the newcomers, while evolving into their own new responsibilities. Such a system of renewal means that everyone in the organization is learning and growing all the time, while counteracting the staleness and rigidity that are precursors of organizational death.

Leadership as a means of organizational renewal embraces notions of leadership as a collective activity. It contrasts with the more conventional leadership by dependency, whereby an individual leads and others follow. The two approaches to leadership, as being individual and collective, are contrasted in the chart, "Individual and Collective Visions of Leadership," on page 17.

Techniques for Grooming the Next Generation of Leaders

Cultivating leadership skills through the following examples of systems or procedures can help your organization counter the stresses of a leadership transition.

IDENTIFYING AND GROOMING POTENTIAL LEADERS WITHIN THE ORGANIZATION	One African organization began implementing such a program in 1996. (See "Working Solutions—Africa" on page 18.) The intentional grooming of successors can generate promising beginnings, as well as disappointment and false starts. Planning for such a program should include a long lead time. Real learning can happen only when staff members are encouraged to undertake serious development efforts, which always imply some degree of risk.
DELEGATING INCREASINGLY IMPORTANT TASKS	The Center for Creative Leadership has identified a combination of challenge, feedback, and support as the most effective model for grooming new leaders. (See "References," page 21.) Delegating significant tasks to future leaders becomes a mark of trust and indicates the leadership's commitment to developing talent from within. Grooming becomes real when a director asks a subordinate to lead a project or make a presentation at a meeting, where success realizes benefits for the organization and failure has serious consequences. Coaching and support in preparation for each task, with honest feedback afterwards, reduce the chances of failure. Repetition of this mentoring process through different assignments creates a bond of trust between leader and protégé that promotes the chance of success of the venture.
ESTABLISHING AN APPROXIMATE TIME FRAME FOR THE DIRECTOR'S RETIREMENT	One organization made such a plan 10 years before the director planned to retire. That allowed for systematic grooming and testing of potential successors, including their sponsorship for academic studies. Promising candidates were placed throughout the organization's branches for exposure and field experience, and encouraged to develop personal networks of contacts. After a number of prospects came and went, one "heir" remained at the end of the training period, ready to take over from the founder.

You may now understand the relationship between leadership (at all levels) and organizational sustainability, as a continuous sharing and shifting of responsibility for leading. It does not depend on a periodic search for an exceptional human being on whom the entire burden rests.

If you accept this view of collective leadership for your organization, the organization will need to evolve a culture of information sharing, transparency in decision-making, and accountability. You and your colleagues will need to understand what all of you are committed to, so you can collaborate in building and using a common base of understanding and a common vision. When that happens, you will see the renewal process start to work among colleagues who know what they are doing, who carry out their tasks with conviction, and who take responsibility for the results.

Individual and Collective Visions of Leadership	
Leadership by an individual is. . .	**Collective leadership is. . .**
One person or a few with dominance and social influence over followers	A process of creating something significant—a framework, shared vision, common understanding—within which people connect, relate to each other
An individual who motivates passive followers to action	A leader(s) who helps others to direct their activities to a common purpose
One person or a few people at the center who control resources and wield power	People who constantly move closer to the center by building their expertise and increasing their impact on the common work
The authority figure—the chief—as the important or only leader of a community	The authority figure as a participant in the process of leadership
Leadership development as individual skill-building	Leadership development that involves the whole community, and for which everyone takes responsibility

Using Transition as an Opportunity to Develop a Leadership Culture

Good leaders care about results and feel responsibility towards the stakeholders who depend on those results. Organizations that foster a leadership culture can develop and nurture such a mindset among staff members at all levels. Leadership transitions are most likely to succeed for such organizations.

If the leader at the top is not the only one who embodies the organization's entire set of values and principles—if the leader is supported in that job by all staff, the tent will not collapse when the central pole is taken out. Transitions cannot always be foreseen nor planned for. The supporting structure for managing leadership transitions lies in the renewal of leadership among all staff at all levels. Such a long-term investment pays off when a transition is imminent.

Leadership transition is a particular and significant form of change. In the Chinese language, the calligraphy or written character for change consists of the two elements of "danger" and "opportunity." If transitions are not managed by the organization in its best interests, the danger element might threaten the organization. If, on the other hand, transitions are used to initiate or confirm a policy of leadership renewal, the element of opportunity will drive the change process.

When transition becomes a trigger for organizational renewal, leadership passes to the next generation that is fully prepared, yet brings its own views, perspectives, and energy to the evolving challenges.

A Transition to Participatory Leadership

A combined budgetary and leadership crisis was threatening the existence of the Centre for African Studies (CAFS) in 1996, when a new director was installed at its headquarters in Nairobi, Kenya. Against great odds, Pape Syr Diagne was able to renew the institutional sense of purpose and establish a business strategy. The lesson in the CAFS leadership solution is not just the intervention of an exceptional person at the top. It is an organizational transformation through the collective commitment of all staff members to a clear mission, following the vision of a leader who believes in doing what is right.

An African resource for research and training in reproductive health and family planning, CAFS saw its funding slashed after two decades of reliance on its parent organization, the African regional office of the International Planned Parenthood Federation (IPPF), and its other significant donor, the Regional Economic Development Support Office/Eastern and Southern Africa (REDSO/ESA) of the US Agency for International Development. The life of the organization was at stake: its professional credibility, funding sources, and its staff's careers and reputations. To revive itself, CAFS had to show economic viability.

During his first two years as director, Diagne formed a consensus among staff members and the board of trustees and led a transition to a business strategy based on marketing. Reorientation to a radically different approach to work was painful for all. The director faced enormous challenges in pervasive irregularities, skepticism, and misdirected energies. His vision was to mold individual talents and build a motivated management team that could develop new, transparent business systems. CAFS also needed to revise its governance by establishing a new constitution and terms of reference for its board.

CAFS succeeded in rebuilding and launching itself as an international, nongovernmental organization by 1998. Within a year of Diagne's appointment, a new management structure and operating systems was enabling CAFS to begin implementing its ambitious marketing strategy and think creatively about expanding its financial base. Technical staff members became accountable for bringing in new business, producing high-quality services, and contributing to CAFS's reputation and visibility. Their individual bottom lines were enough new business to cover their annual salaries, plus benefits and all individual overhead costs, in order to provide the revenue to support their work. CAFS was finally poised to pursue its aim of becoming a first-rate African provider of technical assistance in reproductive health.

Opening up. To realize his vision of autonomy and a marketing strategy, the director had to make the organization hospitable for staff communication and collaboration, by introducing transparency in the office environment. To encourage creativity in the staff, Diagne flattened the hierarchy of supervisors so that everyone could feel free to exchange views and collaborate, rather than just follow instructions from a senior colleague. Access to the new flow of information and ideas also followed suit—everyone, from senior management to the drivers, was given access to new computers for e-mail and information

sharing, including interoffice communication between Nairobi and Lomé, where CAFS has a second center of operations.

To encourage the new working relationships, Diagne and the staff transformed the office space—dark corridors with closed doors to individual offices were removed to create a bright, open, welcoming space. Staff at all levels now work without walls. Their desks are far enough apart to permit privacy and concentration, but close enough to encourage informal communication. The door to the director's office usually stands open.

In the culture of transparency and organization-wide communication, all staff stay informed about how current developments are affecting CAFS's mission. Everyone can contribute her or his perceptions in management decision-making, so that the results are based on what makes sense and what is good for CAFS. People take calculated risks because they feel encouraged to learn from their mistakes, rather than penalized for them.

Participatory decision-making at CAFS means that the director and executive staff listen to the opinions and concerns of staff at all levels, and are open to making innovations on the basis of well-considered views. One driver, for instance, used his new

computer skills to design a new form to help control fuel costs. A photocopy technician asked training staff why the materials he was reproducing had stayed the same over several years, a question that sparked a review and improvement of training materials.

Perhaps the most far-reaching change is the sense of leadership through collective responsibility that has become part of the work culture at CAFS. The leader of a project gradually passes responsibility for that activity or its component parts to colleagues. Eventually that leader moves on to start new assignments or join others. Thus, all technical staff have a chance to shoulder responsibility for individual CAFS products.

Economically, that approach becomes an investment of resources in staff development that pays off. Individuals grow in their jobs and the organization takes on more work than it could otherwise have done.

The greatest payoff is the growing sustainability of CAFS. Leadership characteristics are developing at all staff levels. The emphasis on building teams, whose members know what they are doing and conduct their tasks with conviction has developed an organization for which everyone shares responsibility, and in which everyone takes pride.

*A forum for
discussing
concepts and
techniques
presented in
this issue*

On the gap between needs and possibilities…

An adviser observes, "In countries and organizations where the culture of rotation and tenure are not common, leadership change is very difficult to achieve and is painful to all concerned. Methods such as 'grants with strings attached,' or pressure from public authorities on the would-be 'permanent leader,' have been used to sensitize organizations to make such a change. The main lesson for the governing body of the organization is to introduce a system of leadership tenure and development. Principles of good governance should be cultivated in many places, usually as a long-term 'project' because of the undemocratic environment surrounding many NGOs. Ultimately, the key to development of healthy leadership is to contain the vested interests that may jeopardize it."

On a "positive" transition experience…

An African manager writes, "In one transition that I witnessed, the leader (whom I would describe as a 'monarch' with very strong technical and managerial skills) was asked by the board to take up a larger responsibility. The outgoing leader resisted the offer, being very attached to his current post. His transition finally went smoothly, although he left feeling worried about the continuity of the initiatives he had started. The incoming leader established a less hands-on managerial style, delegating more than the outgoing one had. In this instance, the outcome was good, because the incoming leader established a different work climate whereby staff gained in self-confidence and productivity."

On testing yourself on the importance of forward planning…

An observer of many transitions notes, "I like the suggestion that organizations need to think about planning for leadership transition, just because they have so much at stake in the person of the leader. One useful recommendation would be for a board, each year, to imagine that the executive director had left for some wonderful job. The board should reflect on how desperate they would feel without their executive colleague—as a measure of their avoidance of this topic."

On the practical need for in-house leadership training…

A practical reviewer compares planning for leadership transition with "…making a plan regarding who would care for your child if you should die. It is simply the responsible thing to do. It is also a parental responsibility to prepare each child to become an independent adult. Every leader will be gone some day. Leaders should groom their staff to assume responsibility when the leader can no longer head the organization, for whatever reason."

On the collective benefit of developing leadership skills…

An academic consultant remarks, "Leadership development is like giving blood— everyone should do it, but you don't know who will need the blood when. Every organization should feel that its obligation is to add to the pool of talent for the domain or field. Few nonprofits can retain staff for long periods who have the drive to be at the top. So these organizations will often need to seek a new leader outside."

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Checklist for Planning for Leadership Transition

■ Review your concerns about the value of planning for leadership transition.

■ Understand the three dimensions of the transition process, as you:

- Probe the personal dimension of the leader's inner world.

- Understand the organizational dimension of governance and the role of the board.

- Explore the cultural dimension and map your organization's journey.

■ Chart your organization's transition process, by choosing a new leader according to the following steps:

- Engage the stakeholders.

- Analyze strategic challenges.

- Formulate the job description.

- Design a search and selection process.

- Prepare your senior management.

- Screen candidates.

- Select the finalists.

- Arrange for field checks and interviews.

- Process the transition internally.

■ Groom future leaders inside your organization and develop a leadership culture.

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THE MANAGER

CASE STUDY FOR TRAINING AND GROUP DISCUSSION

"Better Health" Plans for Leadership Transition

Scenario UNDER THE LEADERSHIP OF Dr. José Arce, Better Health for Rural Families has grown from three clinics to 15. Throughout this 30-year period of growth, Dr. Arce handled most official contact with the "outside world" of funding agencies and government departments. He also kept responsibility for day-to-day operational decisions. His staff rely on him to make many decisions on a daily basis.

After talking for months about his plans to retire, Dr. Arce has finally called a meeting of board members and senior staff to draw up a plan for the transition process. "As you all know, I am preparing to retire within the next 12 months. We must begin planning now for a successful transition to a new director. Your involvement in this process is essential."

Dr. Arce asks the group to consider two questions: Given the changes taking place in our external environment, such as anticipated reductions in donor funding and the increased incidence of HIV infection in our client population, what should our strategic priorities be? How should they inform our search for a new director? He asks the 15 people participating in the meeting to write down all the ideas they come up with. He participates as well. The participants spend about 45 minutes discussing their ideas and selecting the best ones.

Four strategies emerge: 1) prepare a draft plan for engaging stakeholders; 2) split the director position into two separate functions—an executive director, with an external focus, and a deputy director with an internal focus—and develop job descriptions for each position; 3) use the transition as an opportunity to create a leadership culture throughout the organization; and 4) develop a transition plan with measurable outcomes for the next 12 months.

Dr. Arce ponders the four strategies. He knows that he must set an example for leadership development and transition. "Who wants to step forward and take responsibility for the four strategies we have identified?" he asks. There is a moment of silence. Dr. Arce has never before asked either his staff or the board to take the lead on an important task.

Two board members and two staff members volunteer to lead the strategies. Dr. Arce asks them to form a steering committee. Each of them will take responsibility for a strategy and lead task forces to develop implementation plans. He then invites the others to join one of the task forces.

Dr. Arce can tell by the level of energy in the room that he is taking the right steps. Each task force meets briefly to set a date for their first meeting. People leave the meeting with enthusiasm and a sense of ownership and participation in the transition process.

The steering committee meets weekly to discuss progress and coordinate the task forces' efforts. Sometimes Dr. Arce is present, but his busy schedule makes his attendance irregular. Dr. Aurelia chairs their meetings. Today they are meeting for the fourth time. "Hello, everyone," she begins. "Today we will share our progress and develop an outline for our presenta-

tion to the board and senior staff in two weeks. Let's start with our progress reports."

Ing. del Mar begins. "My task force has been working with Dr. Arce to write job descriptions for the executive director and deputy director. We have agreed that the executive director will be responsible for external relations, fundraising, and strategic planning. The deputy will oversee internal management functions such as financial operations and human resource management. We also agree that one of these positions requires someone with experience integrating HIV/AIDS services into other health care services. We hope to finalize the deputy position description next week. We want to recruit internally for this position."

Dr. Aurelia continues. "My task force has collected information to develop a plan for engaging stakeholders. First we made a list of Dr. Arce's outside contacts. Next, we asked project managers about their funding needs and gathered ideas for new projects and community initiatives. We have set up fact-finding appointments with funding agencies and a liaison officer at the Ministry of Health to learn about their project preferences and proposal guidelines. At first they were reluctant to agree to meet with us, as they are used to working with Dr. Arce, but he told them that he has given us complete responsibility for this initiative.

"We are also developing a plan for increasing community commitment to Better Health's program. Next week we meet with community leaders to explore with them the types of HIV/AIDS services they see a need for and discuss how we can work together to reduce the rate of new HIV infections."

Ing. Oliveira speaks next. "My task force is seeking ways to develop a leadership culture in our organization. Very soon we will discuss with all clinic directors the types of authority that they would like to decentralize to the clinic level. Later, we will establish procedures for implementing this change in policy.

"We have also reviewed staff job descriptions. They do not include sufficient information on decision-mak-
ing responsibilities. We would like your concurrence on developing a plan for writing new job descriptions for all staff and providing funding to train two staff from each clinic in financial management and human resource functions. This will help prepare staff for their new decision-making responsibilities."

Mrs. Garcia speaks last. "We have identified several major outcomes on which to gauge our progress over the next four to six months. These are 1) finalize the job descriptions for the executive director and deputy director; 2) establish a search committee; 3) begin the recruitment process; and 4) hire the deputy director. Other important outcomes for this period include 5) write new job descriptions for all staff; 6) develop a list of HIV/AIDS service priorities that community leaders will support; 7) develop a database of outside contacts; and 8) develop a list of initiatives that interest our funding stakeholders. We seek your reactions to this list and suggestions of others to include."

The group briefly reflects on its progress so far. "To a great extent, this steering committee is responsible for ensuring that the organization continues to thrive, despite a change in leadership at the top," says Dr. Aurelia. "Thank you for your excellent work. Now let's discuss our upcoming presentation and review our implementation schedules."

Discussion Questions

1. What are the factors that could facilitate leadership development and transition at Better Health? What are the factors that could inhibit leadership development?

2. What steps are the director and his staff taking to plan for leadership transition?

3. Based on your experience and/or the information contained in the main issue of *The Manager,* how could the board members and senior staff have approached the leadership transition process differently?

What are the factors that could facilitate leadership development and transition at Better Health? What are the factors that could inhibit leadership development?

Factors that could facilitate leadership development and transition for Better Health include:

- The director is taking concrete steps to begin a leadership transition process.

- The director is delegating responsibility for planning and implementing the transition process.

- The changing environment (particularly the prospect of reduced outside funding) brings a sense of urgency to this process.

- Board members and senior staff are taking responsibility for leading the transition strategies.

- The group understands that this effort goes beyond finding a new leader, and that it is an opportunity for leadership development at all levels.

Factors that could inhibit leadership development and transition for Better Health include:

- The staff have depended on the director to work with funding agencies and the government and to make operational decisions on a daily basis. They will have to learn to take charge of these responsibilities themselves instead of relying on him.

- Headquarters has held most decision-making authority for the organization to date.

- Funding agency and government staff are used to working directly with the director.

- Senior staff are for the first time taking on tasks that were the domain of the director, and their inexperience in this area may cause them to make some missteps in the beginning.

What steps are the director and his staff taking to plan for leadership transition?

The director took an important step in meeting with his board and senior staff to begin the leadership transition process. In a successful brainstorming session, they identified four key strategies for leadership transition. Two board members and two staff volunteered to form a steering committee and lead task forces to develop implementation plans. The steering committee appears to be collaborating well, and its members meet on a weekly basis. Other steps they are taking include:

Preparing a plan to engage stakeholders

- Developing a list of Dr. Arce's outside contacts

- Interviewing project managers to learn what contact they have had with funding agencies, learn about their funding needs, and gather ideas for new projects and community initiatives

- Setting up meetings with funding agencies and a nongovernmental liaison at the Ministry of Health

- Meeting with community leaders to explore the types of HIV/AIDS services they want and how to reduce the rate of new HIV infections.

Redefining the role of the director

- Choosing a steering committee chair

- Writing job descriptions for the executive director and deputy director

Creating a leadership culture

- Involving clinic directors in determining what types of authority to decentralize to the clinic level and establish procedures for this new policy

- Reviewing job descriptions at all levels and rewriting the descriptions so they include information on decision-making responsibilities

- Providing funding to train two key staff from each clinic in financial management and human resource procedures and functions

Developing a transition implementation plan with measurable outcomes

- Identifying critical outcomes for the next 4 months

- Sharing these outcomes among themselves and revising them as suggested by the steering committee members

> QUESTION 3 Based on your experience and/or the information contained in the main issue of *The Manager*, how could the board members and senior staff have approached the leadership transition process differently?

The team is approaching the task in a fairly mechanical way. For example, the job descriptions they are developing for the executive director and deputy director are not very different from what Dr. Arce has always done. They may also be approaching the task superficially. The board and senior staff should take time to reflect more fully on how the environment they work in has changed and the challenges these changes create for their organization. Also the group may have come to closure prematurely on what their needs are. It might be helpful to discuss the outcomes of their first meeting with some key stakeholders, such as donor organizations, community leaders, and other staff. The process feels a bit rushed.

The board members and senior staff who participated in the initial meeting may not really have a unified vision of the organization and its environment. They should talk further about where the organization has come from and where it is heading. (See the exercise on "Mapping Our Journey," page 6 in the main issue.) Such a conversation might help them articulate the values that have guided Better Health up to this point, and that would in turn help them to decide

which values to hold on to. They could use these critical values to help them develop new job descriptions for all staff.

The case does not include any discussion about a recruitment process for the new executive director. Is the current director going to be involved in the recruitment process? Will the board play a role in the recruitment process? Will the organization hire a search firm to handle the recruitment process, or will the steering committee assign this task to one of the task forces?

The chairman of the board may also want to have a private conversation with the director about what happens after the new candidate is recruited. Will the outgoing director be available to the new director for a specified period of time? Will the outgoing director have a seat on the board? Who will mediate differences of opinion between the outgoing and new directors? The board should discuss these types of potential problems now, before they actually occur.

It will be difficult for the director to disengage after 30 years, and he will likely have conflicting emotions and feelings during this time. The transition process involves humans, not machines, and the board must take into account the feelings of the many people involved.