



How Does a Leadership Transition Differ From an Executive Search? by Priscilla Rosenwald

A leadership transition is the management of the entire **anticipation-departure-recruitment-integration process** in a holistic fashion. It focuses on minimizing the risk and capturing all of the opportunities that a change in long-term and founding leaders offers.

Leadership transitions begin with the chief executive's decision to depart — or the Board's commencement of transition planning — and extends through the hiring and successful on-boarding of the new executive.

The transition management process includes:

- Helping the organization better understand its history, present situation, and future prospects as it relates to the selection of a new leader;
- Identifying and addressing any organizational challenges or legacy issues that might hinder the success of the incoming leader;
- Considering the need for an interim executive to shore up systems in preparation for new leadership;
- Ensuring that the governance team (the board and executive team) has a clear and effective social contract that includes consensus on overall direction and key initial priorities. It is critical that they have a clear understanding of their respective roles and their contributions toward the achievement of the organization objectives; and
- Establishing performance goals and jointly-determined expectations.

Research indicates that poorly managed leadership transitions incur high costs to organizations and communities. Too frequently, following the departure of a founder or long-term executive, there is repeated executive turnover leading to extended periods of under-performance.

The costs of a failed leadership transition, or one that results in a poor or strained fit between an executive and their board, occur on multiple levels:

- Direct costs of the transition: including advertising, compensation, relocation, and other related expenses.
- Cumulative organizational costs: ranging from additional staff and Board turnover to missed opportunities for program growth and loss in revenue.

Given the high stakes, which would your organization prefer: transition planning or crisis management?