



Hiring social sector CEOs: Three ways boards should engage employees

To make a social sector CEO search successful, boards and leaders should work to align their purpose with their employees, balancing employee perspectives with the financial, legal, and governance needs of the organization.

Finding the right leader for a social sector organization has never been more critical or complicated. As more organizations consider their impact on global and local communities and expectations for transparency, philanthropy, and social responsibility proliferate, a successful social sector CEO will need to be able to communicate purpose and demonstrate authentic commitment to their organization's cause—as well as possess more traditional strategic organizational leadership capabilities and the strong financial acumen necessary to lead a complex and visible organization.

The right balance between transparent, inclusive, and authentic commitment and traditional governance requirements is an area where we are increasingly seeing disconnects between the expectations of boards and their frontline staff. This is happening as understandings of social justice shift, calls for greater diversity and representation continue to intensify, and a younger, generally more progressive generation—often empowered by social media to make their views known—enters the workforce. This disconnect has, in some cases, led to the failures of incoming CEOs at some high-profile organizations; because their search process did not set them up well for success, they were unable to build initial credibility and connect with their teams.

To position their next CEO for success, nonprofit boards can and should do more in the CEO search process to consider the role the staff should play and balance staff needs and perspectives with the board's view of the leadership needs of the organization.

The following are three straightforward steps boards can take to do so.



Build trust and ensure clarity on roles and responsibilities

Boards and staff must have a very candid understanding of the fact that ultimate decision-making authority is with the board. However, board members should also realize that the input of the staff on the front lines of the organization, those who regularly interact with or are from the communities it is meant to serve, will provide valuable insight into the organization's needs, culture, strengths, and areas in need of improvement.

Board members should clearly articulate the roles and responsibilities of all parties involved in the hiring process and instill in the staff a sense of confidence and trust that the board is driven by the same mission as the employees. Heidrick & Struggles' research on organizational acceleration shows that organizations where employees feel they have clarity about a company's fundamental purpose perform better. This is because purpose energizes leaders by providing them with the opportunity to inspire employees and make everyone feel as if they're working toward some greater good.¹

In social sector organizations, this effect is even more pronounced because, from board members to entry-level employees, people work for these organizations primarily because of their passionate commitment to the cause, whatever it may be. The board can create a sense of organizational and cultural unity based on that shared purpose. In our experience, that sense of unity significantly increases staff members' comfort with everyone's roles in the hiring process.

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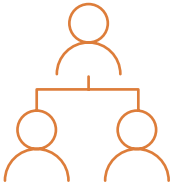


Align expectations and engage employees early

Boards and senior leaders should engage employees early in the hiring process, before any potential candidates are even contacted. Board members should clearly communicate what kind of person they seek and solicit employees' perspectives on what kind of person they see as an ideal next leader of the organization. We have seen this happen effectively through surveys, town halls, or small group meetings. Clear communication and awareness of staff expectations early in the process will increase alignment, candor, and prevent uncomfortable surprises later on.

In recent years, there have been multiple examples of employee blowback in response to nonprofit CEO appointments, overshadowing and destabilizing a leader's arrival. The ease with which employees can use social media to amplify their concerns as well as an increase in traditional media coverage of the social services sector is a new dynamic (and organizational risk) of which boards must be aware in their CEO search processes.

¹ For more on the benefits of purpose-driven leadership, see Alice Breeden, Rose Gailey, and Duncan Wardley, "Activating organizational purpose," Heidrick & Struggles, June 29, 2020; and Karen Rosa West and Megan Herbst, "The hard business benefits of inspiring leaders," Heidrick & Struggles, November 4, 2020, heidrick.com.



Create a formal role for staff

If appropriate, boards can create a formal role for the staff in the process by, for example, appointing employee representatives on the search committee or inviting them to sit in on interviews with finalists for the position. We have seen a number of approaches work well, all with trade-offs and downstream implications that need to be considered. Clear communication of expectations is key. For example, if a staff committee is established, the board needs to clearly charge the staff committee and define when the staff committee will engage in the process and what the board wants to receive from the staff committee (for example, a summary of the key strengths of the semi-finalists). There are two positive byproducts that typically occur: first, the board and staff build a shared understanding of the strategic direction for the organization and, second, the CEO can use this increased trust as a platform to get off to a positive start.

The board and staff build a shared understanding of the strategic direction for the organization.

When searching for a CEO, boards can and should take a few simple steps to balance their employees' needs, insights, and perspectives with the board's view of the leadership needs of the organization. Not only is staff input valuable, but a more open hiring process will increase the board's chances of finding a leader who will be readily accepted and immediately effective in working toward everyone's shared purpose.



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