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Leadership Transition and Employee Dynamics: A Road Map for Board Members

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Arts and culture organizations have dedicated boards and employees who are ready to do whatever it takes to ensure the mission of their organization is achieved, especially in times of need. During a leadership transition, for example, the board will create a plan to find the organization's next leader. This clear understanding of the board's role can bring new energy and purpose to each board member's leadership and participation mandates.

Similarly, employees of arts and culture organizations are deeply concerned about the organization's welfare and its ability to deliver programs and services during a transition. In some regards, employees have the most at stake during leadership change, as job stability may depend on a smooth transition period. They also want to help. However, being *able* to help is not always possible, and knowing *how* to help is not always intuitive.

In the event of leadership change, how can boards successfully manage and support employees to ensure the organization continues to advance? In this *Arts Insights* article, the impact of leadership transition on employees will be examined to provide a roadmap for anticipating interpersonal and organizational dynamics.

Mitigating Risk During Transitions

Undoubtedly, employees often bear the brunt of leadership transitions, experiencing stress, lack of clarity on roles, and frustration over lost productivity. Common threads appear during most transitions that can negatively affect an organization, especially in respect to employee satisfaction and turnover, and thus organizational effectiveness and fiscal health. If these issues are not addressed, an organization may risk declining revenue, failed collaborations and programs, and negative fallout in the community and industry.

In an effort to follow good governance practices, boards can establish a decision-making plan during a transition, although that is not always enough. While emphasis is usually placed on launching the search for a new leader, equal attention must also be paid to anticipating and addressing what is required for employees to meet organizational goals during the transition period.

Employee Dynamics: Common Behaviors

No matter how smooth a leadership transition, a variety of behaviors may surface. Withdrawal, resentment and passivity are often incorrectly assessed as "personality" issues rather than reactions to tangible obstacles faced by employees trying to do their jobs.

In any leadership transition, boards may face employee dynamics including:

- **Initial Relief:** Depending on the circumstances of the departing leader, employees may have been working in a tense or dysfunctional environment for months. They may be disappointed in the failures of that leader. There may even be an initial sense of relief that the leader is indeed gone.
- **Immediate Concern:** The transition can come as a surprise to employees. Feelings of loss, worry and even betrayal could arise. Questions about job security may also weigh heavily on the minds of remaining employees.
- **Common Bond:** In either of the above scenarios, there will be private conversations and meetings amongst employees. These positive or negative discussions are frequently the only protected place to air concerns, but that could lead to misunderstandings and distraction.

Regardless of the circumstances of the leader's departure, boards should be aware that employees will encounter and experience dynamics common to every transition. Boards may face these questions from employees or encounter other non-articulated scenarios:

- **"What is going to happen?"** This scenario arises immediately as employees wonder about the short-term work that must be accomplished as well as what will occur in the long-term.
- **"Who is going to make decisions?"** During transitions, departments and employees often begin operating in silos because the executive responsible for prioritizing, integrating and guiding the team is missing. This results in lost productivity.
- **"What is going on behind closed doors?"** This scenario is often symbolic of organizational culture. Knowing that groups of people (board members, consultants, etc.) are meeting confidentially behind closed doors may create stress. When employees are excluded from *all* meetings, it also produces a sense of not being valued as professionals.
- **"How can I help?"** Dedicated employees want to help, but what does that mean within a structure that lacks leadership? Employees might consider taking on more responsibility, convening meetings, making decisions, or stepping up as a leader. Not knowing what is appropriate, or how others may view actions, may cause even the most productive employees to become frustrated.
- **"How should I respond when a board member tells me what to do?"** During a transition, board members may check-in with staff, share ideas and make suggestions, all for the good of the organization. This can be helpful, but often creates a challenge for employees unless board members are assigned specific roles. Typically, saying "no" to a board member is not an option. Thus without a leader, these changing boundaries may cause confusion.
- **"How do I respond when someone asks me what's going on?"** Not knowing what to say is a terrible feeling for employees, even though they may have strong personal opinions. Attending an event or even answering a phone generates negative anticipation. Needless to say, the wrong response or tone can be disastrous.

Immediate Steps Boards Can Take During Transition

Communicate with employees immediately, frequently and consistently. When board members know what employees are likely to experience from the list above, a plan to mitigate these issues can be created. Boards may consider the following actions:

- Convene employees immediately to share what is known, what will be made public, and that a transition plan will be created. At the onset of a transition, the board may not have a plan. Share this with employees. What's important is that the board takes charge of the situation and conveys that transitions are a part of doing business, that staff will be kept informed, and that a plan to ensure they can continue to work at the highest professional level will be prepared.
- Designate a board member(s) to meet with employees. This may be a new protocol and could feel awkward. However, it is important that the board conveys information directly to staff. (Although the outgoing leader supervises staff, it is important that a board member convey the initial announcement to employees along with the outgoing leader, or in some cases without, and provides consistent updates throughout the transition.)
- Update employees in-person on a regular basis, even when there is little news to share. Creating a predictable meeting time also creates calm in what may be an unpredictable process.
- Listen. Ask employees what they need to continue to do their jobs effectively.

Collaborate with employees to establish an external communications plan.

Employees are on the front lines and without approved messaging, questions from donors, volunteers and members of the public become more problematic than necessary.

- Provide clear guidelines on what information may be shared. Empower employees so they can respond to basic questions in a concise manner. Ensure they know who the correct spokesperson for the organization is, and provide talking points so they can diplomatically refer more complex inquiries to the spokesperson. Avoid policies that instruct everyone to direct all questions about the transition, no matter how trivial, to one person.
- Work with staff to create approved talking points and arm the organization with the right messages to share. Remember, leadership changes happen in all organizations. Find ways to support employees in perceiving this time not as something to hide, but rather as an opportunity to tell a story of momentum. Be wary of the instinct to wait until all answers are known about what the organization is going to "do" before approaching this task.

Engage employees in the search process. Incorporate staff participation in key phases of the search process for a new leader.

- Share the board's discussions about where the organization aims to "be" in the next three to five years. Determine the skill set needed in the next leader to achieve that vision and complement the skills of staff *and* organizational culture.
- Ensure that employees know their professional perspective is valued and needed in the search process. While board perspective provides strategic direction on the search, employees can be crucial informational resources prior to the launch of, and during, the search.

Provide staff with professional leadership during the transition to meet goals and ready the organization for its next leader. If a founder or long-time executive is transitioning smoothly, there will *still* be a period of transition. While it is underway, leadership is necessary for employees to remain productive.

- Regardless of the circumstances of transition, a leadership vacancy of more than a few weeks could wreak havoc on an organization’s ability to achieve its goals. Boards may consider several options for interim leadership, including appointing a board or staff member on a provisional basis, or engaging an experienced professional interim leader who can ensure that momentum and progress continue seamlessly.

What’s Really at Stake?

The impact of transition is often measured by how quickly the organization fills the vacancy and how happy they are with their appointment, by the salary costs saved during the transition, and even how the fall-out with stakeholders was not as bad as anticipated. However, expectations for this period should be much higher. It is in these moments that employees must be empowered, confident and working toward common goals.

There is a small window in which an organization can sustain momentum, as well as advance, without day-to-day leadership. Add to that the potential concern from donors and funders who decide to “wait and see what happens” and you have a recipe for disaster.

Transition’s impact on employee turnover, and thus an organization, is also frequently overlooked. When leaving an organization, employees take with them institutional knowledge, continuity, community goodwill, history and their expertise. Dedicated employees are, simply stated, difficult to replace.

Conclusion: Taking Decisive Action

Lack of growth in revenue and staff turnover are visible *symptoms* of the complex set of dynamics that exist during transitions. By taking decisive action, boards can ensure that employees are empowered emissaries of an organization and together, all parties can continue to advance the organization’s mission and vision.

With a solid plan in place, board members will avoid finding themselves — and their newly-appointed leader — losing market share and no longer front-of-mind with stakeholders. Understand, respect and then address the dynamics employees face during a leadership transition and an organization will leverage the expertise and deep engagement of these professionals to ensure future success.



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