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Rural NPO Leadership in Time of Volatility: A Study of Nonprofit Organizations in South Dakota

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RURAL NPO LEADERSHIP IN TIME OF VOLATILITY:

A STUDY OF NONPROFIT ORGANIZATIONS IN SOUTH DAKOTA

BY

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THESIS ACCEPTANCE PAGE

Mellissa J. Heermann

This thesis is approved as a creditable and independent investigation by a candidate for the master's degree and is acceptable for meeting the thesis requirements for this degree. Acceptance of this does not imply that the conclusions reached by the candidate are necessarily the conclusions of the major department.

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This thesis is dedicated to my amazing family, extended and immediate, who have loved and supported me through the peaks and valleys of this grand adventure. Thank you to my incredible husband Cody and our wonderful children Chloe, Samantha, and Gavin, who did exponentially more while I dedicated time away working on this contribution of knowledge. Thank you to my Mom for her steadfast belief that there is no limit to what I can accomplish. Thank you to my Dad for his steady faith and support. In memory and gratitude, to my Grandmother Jeanne Ortegren, who encouraged and inspired me to live a life of daring greatly. I love you all!

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ABBREVIATIONS

CEO	CHIEF EXECUTIVE OFFICER
CFO	CHIEF FINANCIAL OFFICERS
COO	CHIEF OPERATIONS OFFICER
CIO	CHIEF INFORMATION OFFICER
ED	EXECUTIVE DIRECTOR
IRS	INTERNAL REVENUE SERVICE
NPO	NONPROFIT ORGANIZATION
OMB	OFFICE OF MANAGEMENT AND BUDGET
SD	SOUTH DAKOTA

DEFINITONS

Civil Society: Civil society is the collection of social organizations, formed voluntarily by citizens to advance shared goals or interests. It does not include political parties (Bureau of Democracy, Human Rights, and Labor, 2017).

C-Suite: Executive Leadership Team including roles such as Chief Operating Officer (COO), Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

Insider: An individual who is currently employed by the organization and thus promoted into this position of ultimate authority (Bassi, Bozer, Esposito, Santora, & Sarros, 2015).

Metropolitan: The OMB designates counties as Metropolitan if they contain a core urban area of a greater than 50,000 population (HRSA, 2018)

Micropolitan: The OMB designates counties as Micropolitan if they contain an urban core of between 10,000 and 50,000 population (HRSA, 2018)

Nonprofit Organization (NPO): NPOs include any organization that works on any issue other than generating profit. Members, including its directors and officers, receive no income from the organization (Weedmark, 2018).

Non-Governmental Organization (NGO): NGOs undertake a wide array of activities, including political advocacy on issues such as foreign policy, elections, the environment, healthcare, women's rights, economic development, and many other issues. They often develop and address new approaches to social and economic problems that governments cannot address alone (Bureau of Democracy, Human Rights, and Labor, 2017).

<u>Outsider:</u> An individual who has not had any direct executive experience with the organization (Bassi, Bozer, Esposito, Santora, & Sarros, 2015).

<u>Rural:</u> The OMB designates counties as rural that contain an urban core of less than 10,000 in population (HRSA, 2018)

<u>Small NPO</u>: The Center for Charitable Statistics defines a small NPO as having annual revenues of less than $500,000 (McKeever, 2018).

<u>Succession Planning in Nonprofits:</u> A deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual's advancement (Bassi, Bozer, Esposito, Santora, & Sarros, 2015)

<u>Turnover:</u> The rate at which there is a new hire for the Executive position such as the Chief Executive Officer (CEO) or Executive Director (ED) (Crist/ Kolder Associates, 2018).

<u>Volatility</u>: The speed of change in your sector, market or the world in general (Kraaijenbrink, 2019)

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ABSTRACT

RURAL NPO LEADERSHIP IN TIME OF VOLATILITY:

A STUDY OF NONPROFIT ORGANIZATIONS IN SOUTH DAKOTA

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2020

This exploratory study determined the legitimacy of the leadership gap in Nonprofit Organizations (NPOs) in South Dakota by collecting quantitative and qualitative data and then comparing the results with national studies. It aimed to understand if NPOs were more vulnerable to leadership transitions and the costs associated with them. It also provided additional insight for future research opportunities.

While there were studies on larger NPOs, such as the United Way, or NPOs in more highly populated regions, there was a gap in research for rural NPOs that potentially would not be financially able to research these trends on their own. This gap in research was addressed through a sequential mixed-methods approach. An electronic survey, developed and designed for this research, was submitted to obtain quantitative data. After which, a smaller subset of small NPO leaders and board members were selected, based on their responses, to participate in a qualitative phone interview. These findings were then compared to national data.

Chapter 1. Introduction

The Nonprofit Sector has been approaching a time of potential instability, based on a leadership deficit predicted by multiple studies over the last decade (Tierney, 2006; Bassi, Bozer, Esposito, Santora, & Sarros, 2015; Stewart, 2016). Executive transitions are complex, but may become even more so due to elevated levels of executives nearing retirement age (Austin & Gothard, 2016).

Some key factors influencing the leadership deficit included:

- The Baby Boomer generation reaching retirement age with a much smaller Generation X posed to take over those leadership roles.
- The quantity of Nonprofit Organizations (NPOs) nationally continues to grow, which in turn has increased the number of leadership opportunities that need to be filled.
- NPOs have found it difficult to be able to invest time and financial resources into leadership development based on donation-based funding models and small numbers of staff.
- NPOs have found it difficult to be able to provide competitive compensation and benefit packages.
- The perceived lack of interest in nonprofit leadership roles by the Millennial generation, based on their desire for work-life balance (Nonprofit HR, 2016).

Many studies indicated that the leadership deficit may have already begun, suggesting higher turnover rates for NPOs and overall instability within the sector as new leadership pools are sought out (McKee & Froelich, 2016). This made for an appropriate time to evaluate how problematic the leadership deficit is for NPOs.

There have been studies focused on the effects of the leadership deficit on large NPOs like the United Way. However, research has not yet been extensive in regard to the effect on smaller NPOs in less populated regions, who may be more vulnerable to the adverse effects and instability caused by the leadership deficit (Stewart, 2016). The analysis of this problem from a local perspective to understand the effect on small NPOs in South Dakota, will be a valuable addition to the previous research completed.

Need for the Study

The needs for this study were as follows: the United States (U.S.) workforce trends indicated a shortfall to fill key leadership positions across all industries; Census data suggested that the Midwest may be more susceptible due to the number of Baby Boomers in residence (IRS, 2019); NPO sector continued to see a rise in the quantity of NPOs as well as the variety of programs and offerings; expectations of NPO leadership roles were daunting which impacted their ability to fill these roles; a lack of succession planning and leadership development; and, a gap in research related to small NPOs who already might be more vulnerable due to lack of funding and resources. Due to lack of resources and funding by NPOs, there was also a gap in awareness of the challenges NPOs face.

United States Workforce Trends

The United States workforce trends indicated that employers were seeing the Baby Boomer generation, categorized between the ages of 53 and 72 years old, begin to capitalize on their retirement opportunities. In 2016 there were an estimated 74.1 million Baby Boomers. This number was projected to dwindle to 16.6 million by the middle of the century (Fry, 2018). Leaders across industries will be retiring, taking their experience and knowledge with them, again increasing the leadership opportunities available. This portends a leadership gap that will likely fall on mid-career NPO personnel from Generation X.

Generation X, categorized as people being born between 1965 and 1980, is a much smaller cohort as a whole, reducing the candidate pool available for these leadership roles. When reviewing the number of births by generation, estimates came in as follows: Baby Boomer Generation (76 million), Generation X (55 million), and Millennials (62 million) (Fry, 2018). Looking ahead, there will be many retirements of Baby Boomers in the coming decade. All sectors of the profit and not-for-profit industries will be affected creating higher demand for replacements, and as the next generation is smaller, there will be fewer leaders available to fill those positions.

Midwest Census Bureau Data

Census Bureau statistics also supported the need for this study when broken down regionally as shown in Table 1. The Midwest region was ranked as the second highest regional location of Baby Boomers in the United States in 2006. This supports the reasons for the study to focus on the Midwest as there likely is a greater impact in that region than in the West or Northeast. Additionally, the researcher has a strong interest in better understanding the Midwest regional specifically.

Table 1

Baby Boomer Population by Region: 2018 (CensusReporter.org, 2018)

Region	**Number of Baby Boomers**
South	35,648,697
Midwest	22,606,731
West	21,292,606
Northeast	17,313,077

NPO Sector Data

The Internal Revenue Service (IRS) reported that around 1.41 million NPOs were registered in 2013. This amount had increased since 2003 by 2.8% (McKeever, 2015). Updated IRS Charitable data reported that 1,716,242 NPOs were registered in the United States and Puerto Rico (Internal Revenue Service, 2019).

The national IRS data indicated that the NPO sector itself has been increasing in the number of registered organizations as well as growth in program offerings of these organizations. The increase in the quantity of NPOs registered should directly correlate to the need for leadership of those NPOs.

In 2013, the nonprofit sector was estimated to have contributed around $905 billion to the economy of the United States. This impressive dollar amount generated 5.4% of the U.S. Gross Domestic Product (GDP). While often forgotten about as an important economic contributor, the NPO sector has an impact on local, regional, and national economy, making for an important area of research (McKeever, 2015). In 2013 NPOs employed around 10.7 million people, making up approximately 10% of the United States' workforce (Nonprofit HR Solutions, 2013).

The data at the local level helped achieve a better understanding of the target population for this study. The data in 2016 indicated around 6,400 NPOs registered in the State of South Dakota. Those 6,400 NPOs had a workforce of 45,200 employees which equaled to 14% of the state's total workforce. NPOs generated over $6.2 billion in annual revenue that year (The Independant Sector, 2016). This number increased to 6,783 NPOs registered in South Dakota in 2019 (Internal Revenue Service, 2019). The audience for this study is significant locally and nationally.

NPO Leadership Challenges

The transition of those leading an organization can create incredible instability as well as incur direct and indirect costs. Nonprofit organizations may be more susceptible to instability based on their more variable, donations-based funding models and income sources to support the roles and structure that create stability. For example, Executive Directors (ED) complete high-level strategy and financial decisions while also dealing with daily front line, hands-on tasks. On the other hand, in a for-profit organization, a Chief Executive Officer (CEO) would focus on high level and strategic tasks, delegating the burden of operations, finances, human resources, and marketing with others in the organization. For this reason, when an NPO leader vacates a role, the board may feel inclined to try and replace them with multiple people.

In 2013, 74% of NPOs surveyed reported a desire to take the responsibilities of the organization's leader and divide them into multiple roles as opposed to rehiring one person in the same role. This appeared as a cost-savings measure. However, it was also a response to NPO employees' burnout and turnover. Additionally, 85% of NPOs surveyed reported being asked to increase their services provided over those of the previous year (Nonprofit HR Solutions, 2013). This indicated a challenging trend for NPO leaders, feeling the pressure to do more with less.

A 2016 survey noted that NPOs of all sizes were expected to grow and expand their organizations by 50% indicating the potential for newly created positions (Nonprofit HR, 2016). Similarly, the United States data also indicated a trend in the creation of new NPOs, contributing to more opportunities for leadership within a diminishing pool of available candidates, compounding the problem (Internal Revenue Service, 2019).

Succession Planning and Leadership Development

While there is a demonstrated shortfall in the pool of leadership talent, development of internal or 'homegrown' successors has been overlooked in the NPO industry. Based on limited funding and limited training opportunities, leadership development training has not always been an option. The majority of NPOs have not been able to complete intentional, strategic planning of either a succession or emergency plan. Most NPOs did not have a formal succession plan in place, which could potentially exacerbate an already unstable situation (Nonprofit HR, 2016).

Gap in Research with Midwest Small NPO focus

The published research available focused mainly on large NPOs such as a study on the United Way. No studies focused on small or startup NPOs was found. There was a gap in knowledge of what challenges the small NPOs in the Midwest may be facing.

To summarize the need for the study, U.S. Workforce trends indicated a shortfall to fill leadership positions in NPOs. The local data supported that small Midwest NPOs were likely to be more susceptible to the leadership deficit problem. NPO sector trends indicated an increased number of organizations and expansion of current NPOs. The demands made on NPO leaders have increased making sustainability and retention difficult. Small NPOs have been in a difficult position to do succession planning or leadership development due to funding and resources. Therefore, there is a gap in understanding how the national leadership deficit has affected small NPOs in the Midwest.

Problem of the Study

The problem of this study was to determine the legitimacy of the leadership deficit and understand the impact on NPOs in South Dakota, a primarily rural state. The federal government has accepted two definitions of rural from the Office of Management and Budget (OMB) and the Census. The OMB definition, used in this study, designates counties as Metropolitan, containing a core urban area of a greater than 50,000 population; Micropolitan, containing an urban core of between 10,000 and 50,000 population; and rural being any county that does not fit into the first two categories (HRSA, 2018). Out of the 66 counties in South Dakota, all but seven were classified as rural (USDA, 2000). Specifically, this study sought to understand the amount of turnover that has occurred, the effect of the turnover on small, rural NPOs, whether prior planning, such as a succession plan, had been practiced by South Dakota NPOs, and if it was found to be effective.

Purpose of the Study

The purpose of this study is to collect and analyze data that reflect the current state of Executive/Leadership Employment trends in the NPO sector in South Dakota and to develop recommendations to better prepare rural NPOs in managing their hiring needs and reducing overall instability. The results of this study will provide insight to those responsible for hiring, to proactively create a strategy for managing the leadership transitions and to determine if creating a formal succession plan would benefit their organizations.

Research Questions

1. How many NPOs in South Dakota experienced leadership turnover for the time period 2014-2019?
2. How many NPOs in South Dakota forecast leadership turnover for the time period 2019-2024?
3. What are some of the most common issues experienced by NPOs in South Dakota during leadership transitions?
4. How often are succession plans used and do they succeed in reducing the costs and time involved in leadership transitions and a new leader acclimation?

Delimitations of the Study

This study focused specifically on South Dakota NPOs to maintain the integrity of focusing on NPOs in the Midwest in a less populated rural region. Focusing on South Dakota made it possible for a pilot study to determine the validity of the concern. Conclusions from this study could lead to future research on small rural NPOs in the United States as a whole. The National Center for Charitable Statistics defined a small NPO as having annual revenues less than $500,000 (McKeever, 2018). South Dakota has 76.3% of NPOs falling under the $100,000 annual revenue range, indicating that South Dakota has a good representation of the target population for this study. The target population for this study excluded NPOs who were focused on finances such as Credit Unions, Trusts or Foundations, or Insurance organizations as their business models were less comparable and could have confounded the results.

Limitations of the Study

Limitations of this study include a smaller sample population for the electronic survey due to unforeseen challenges in obtaining the email addresses to submit the survey electronically. There was also a perceived higher ‘bounce rate’ as the survey was sent from an ‘unknown’ address and could be categorized as spam. The email addresses used were not all for organizations under $100,000 in revenue based on the method of obtaining the email addresses through a data broker. Additional limitations occurred through the email firewall, security, and junk filter functionality. Large quantities of surveys were redirected to a spam folder or filtered out completely by security firewalls, resulting in many recipients never seeing or receiving the link at all.

Description and Outline of Future Chapters

The literature review in Chapter 2 synthesizes the research and studies utilized in justifying the need for further study. The literature review focuses on the leadership deficit, U.S. employment sector needs, and the role of succession planning and leadership development in NPOs. Chapter 3 describes the research design and methodology, including the approach to data collection and analyses. Chapter 4 includes the quantitative analysis of the survey results, the qualitative analysis and results of the participant interviews, and a triangulation of findings including national data. Chapter 5 summarizes the findings and provides answers to the research questions and relevant recommendations.

Chapter 2. Literature Review

The Leadership Deficit

The leadership deficit has been on the radar for many years, as the Baby Boomer generation marches towards its retirement phase of life. The leadership deficit is the idea that due to multiple factors, there will not be enough skilled workers to fill the many executive and leadership roles becoming available in this decade (Clark, 2014). Many studies have been done on the leadership deficit, attempting to both predict and explain the concept (Johnson, 2009; Stewart, 2016; Tierney, 2006).

Tierney (2006) noted "One of the biggest challenges facing nonprofits today is their dearth of strong leaders – a problem that is only going to get worse as the sector expands, and Baby Boomer executives retire. Over the next decade nonprofits will need to find some 640,000 new executives, nearly two and a half times the number currently employed" (p. 26). This strong language was already encouraging focus on this issue 14 years prior to this study. He also spoke about the variables impacting the situation as supply or demand issues. The main characteristics pulled from the literature review also fit into this model as follows:

Characteristics increasing the demand for Leadership roles:

- NPOs sector is in a growth phase, increasing opportunities;
- Leaders are leaving NPO leadership for career growth or improved compensation and benefits;
- Workforce trends indicate a competitive market with openings across industries due to Baby Boomer generation retiring.

Characteristics decreasing the supply of people for NPO leadership roles:

- Generation X is much smaller in size, so supply is smaller simply by less humans being available;
- Perception that Millennials are not interested due to work-life balance concerns;
- Baby Boomer generation is retiring creating a gap in knowledge and experience to fill leadership roles;
- Inability to be competitive with compensation and benefits packages creates challenges in recruiting;
- NPOs are not able to invest in leadership development.

Increasing Demand for Leadership Roles

NPO Sector Needs

Every year more NPOs are created and those that are already established have plans to expand and grow their programs and offerings. Expansion plans were consistent across all sizes of organizations, with small organizations (52%), medium organizations (66%) and large organizations (59%) planning on creating new positions according to a 2016 survey (Nonprofit HR, 2016). This increased amount of positions needing to be filled, or as Tierney (2006) would say, this increased the “demand” for leadership roles while the supply is diminishing.

A 2010 survey indicated that 40% of NPO employees responded that low compensation and benefits would contribute to a decision to leave the organization. Other reasons for leaving included issues at the management level (27%) and significant lack of advancement opportunities (30%) (Carman, Leland, & Wilson, 2010). This supported the idea that NPOs may be even more vulnerable as recruiting would be much more difficult if unable to compete based on pay and benefits.

A survey of 438 C-suite executives, completed in 2015, found that 43% of their respondents indicated having to fill their C-suite positions in the last two years. That is a remarkable number of turnovers reported. The survey also revealed that if the current trends were to continue in this way, potentially every C-suite position would need to be replaced over the next eight years (Landles-Cobb, Kramer, & Milway, 2015). It is difficult to imagine the instability for the sector as a whole with these significant leadership transitions occurring consistently throughout the sector.

A 2016 survey indicated that the top three challenges faced by NPOs in 2016 were reported to be hiring qualified staff alongside budget constraints, identifying and recruiting qualified staff, and being able to maintain the salary budgets to compete with pressures in the market (Nonprofit HR, 2016).

There were many different theories on the estimated costs of recruiting, hiring, and acclimating a new Executive Director (ED). All theories agreed that there were great variances in the direct costs such as advertising a rehire position, obtaining new talent, and training, but also indirect costs such as acclimating company culture and lowered productivity due to instability and concern of the unknown. Some suggested that the overall hiring costs were as much as half of an ED’s annual salary, while others said that hiring externally could have a true cost of twice as much as the previous ED’s salary after considering indirect costs of productivity loss and gaps in fundraising. These costs have been often underestimated and generally difficult for an NPO to absorb (Landles-Cobb, Kramer, & Milway, 2015).

Overall U.S. Workforce Trends

There have been numbers of concerns within the employment sector including an aging population, a mass exodus of Executive Directors (EDs) across industries, and a more vulnerable NPO sector. While the Baby Boomer generation has begun their transition into retirement, it has also been reported that the United States is an aging population. A recent study, *Nonprofit Executive Succession Planning and Organizational Sustainability: A Preliminary Comparative Study in Australia, Brazil, Israel, Italy, Russia, and the United States,* indicated in 2015 that the mean age of U.S. Executive Directors was 56, revealing an aging population (Bassi, Bozer, Esposito, Santora, & Sarros, 2015).

The breakout of EDs older than 50 years surfaced that for-profit sector has 37% older than 50, public sector has 60% older than 50, and nonprofit has 52% older than 50 (Johnson, 2009). While NPOs reported having over half of their EDs over fifty, they still had a younger CEO pool than the public sector according to the 2000 Census Data.

In 2005 the average age at hire for CEOs was 45.9, however in recent years that age has increased to an average hire age of 53.4 years in 2018 (Crist/ Kolder Associates, 2018). This upward trend is noted in Figure 1. The oldest of the Millennial generation was preparing to turn 40 at the time of this research. This group was still considered too young and lacking the work experience needed for an Executive level leadership role such as CEO, CFO, etc.

The United States Department of Labor indicated similar trending of the labor force using median age data as shown in Figure 2. This information also confirms an aging workforce population. Figure 3 shows a similar message that there is a significant portion of the population in the retirement age range. This information shows that 25.05% of the overall population fit within the age range of 55-69. The percentage is even higher if looking at the employable population. High-level key leadership positions across industries are currently occupied with Baby Boomers. When focused solely on the NPO sector, 67% of these Baby Boomer Executives planned to retire from their current roles in 2016, five years after a 2011 survey was completed (Cornelius, Moyers, & Bell, 2011; Stewart, 2016; Carmen, Leland, & Wilson, 2010). As noted in Figure 4, there is great volatility predicted in the C-Suite group across industries. C-suite generally refers to Executive roles such as Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO) to name a few. Figures 1-4 are presented below.

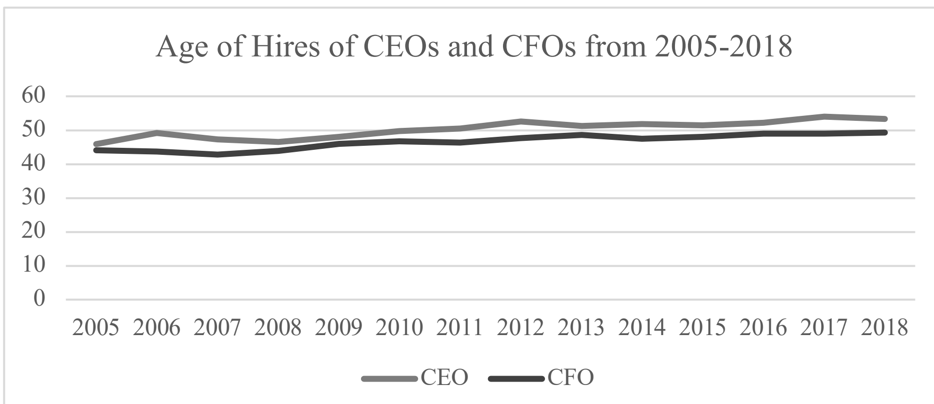

Figure 1. The entry age of CEOs and CFOs from 2005-2018 *(Crist/ Kolder Associates, 2018)*

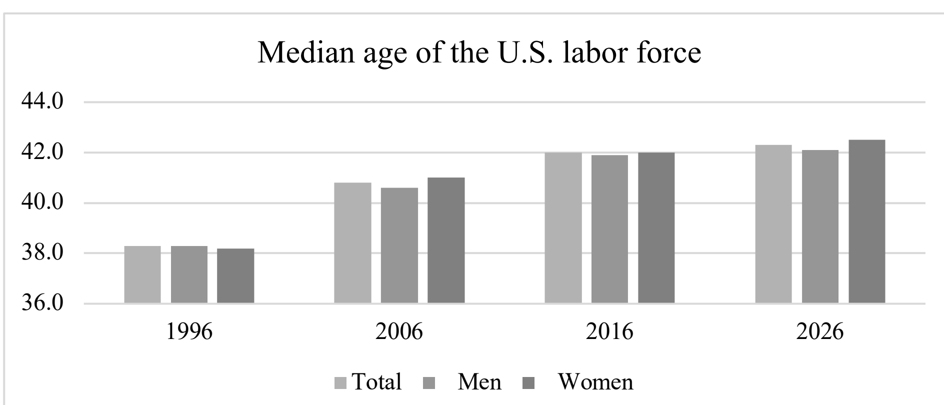

Figure 2. Median age of labor force in the United States in 1996, 2006, 2016 and projected into 2026 *(United States Department of Labor, 2017)*

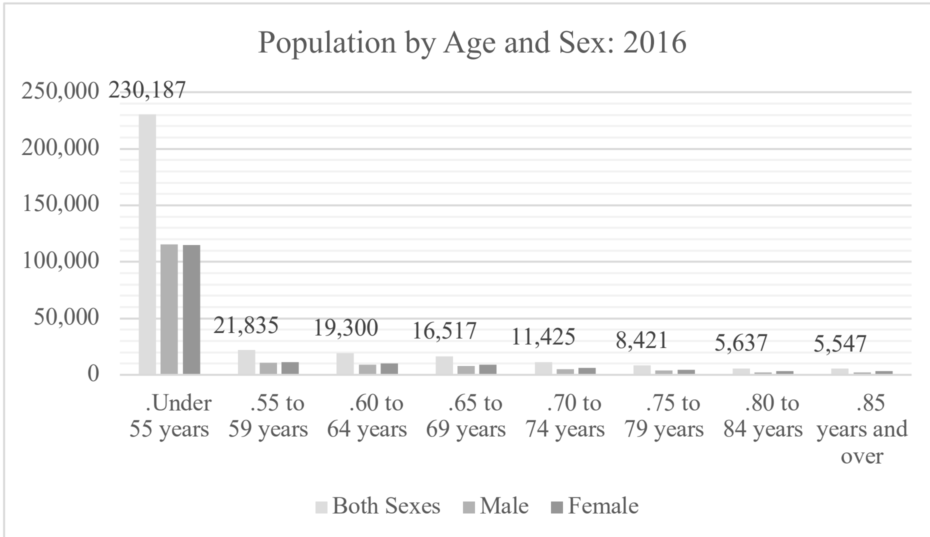

Figure 3. Population by age and sex: 2016, in thousands *(United States Census Bureau, 2018)*

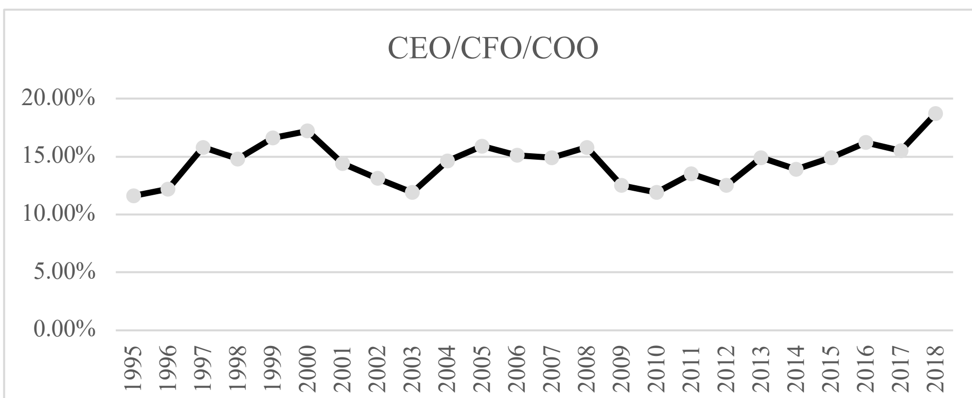

Figure 4. C-suite overall volatility from 1995-2018 *(Crist/ Kolder Associates, 2018)*

While no industries are immune to the leadership deficit, NPOs may be more vulnerable for a number of reasons. NPOs historically have not prepared for leadership turnover. The majority have not been able to dedicate time, money, or efforts toward succession or emergency planning. NPO financial stability relies heavily on grants and donations which are prone to fluctuations (Bassi, Bozer, Esposito, Santora, & Sarros, 2015). While Interim Directors may aid in the stability of transitions, NPOs who already have limited budgets, may not have the luxury of hiring an Interim Executive Director to aid in stability during the transition (Johnson, 2009; Stewart, 2016).

Decreasing Supply of Resources for NPO Leadership Roles

Baby Boomers and Generation X

The Baby Boomer retirement will open up large numbers of high-level leadership roles across industries. Roughly 80% of S&P 500 companies have a Baby Boomer currently in the role of CEO. It is also estimated that a third of that group is already older than 65. The Government statistics also appear concerning, with 80% of the House of Representatives and 86% of the Senate being older than 50. This number includes the 15-20% who are currently older than the Baby Boomer generation (Potter, 2018). These numbers really speak to the potential impact of high-level roles in the workforce that will be coming available across all industries. While Generation X is positioned to fill these roles, they are significantly smaller in number than their predecessor. This results in a smaller candidate pool just by the nature of less humans in the appropriate age range and experience level, as shown in Figure 5 (Centers for Disease Control and Prevention, 2003)

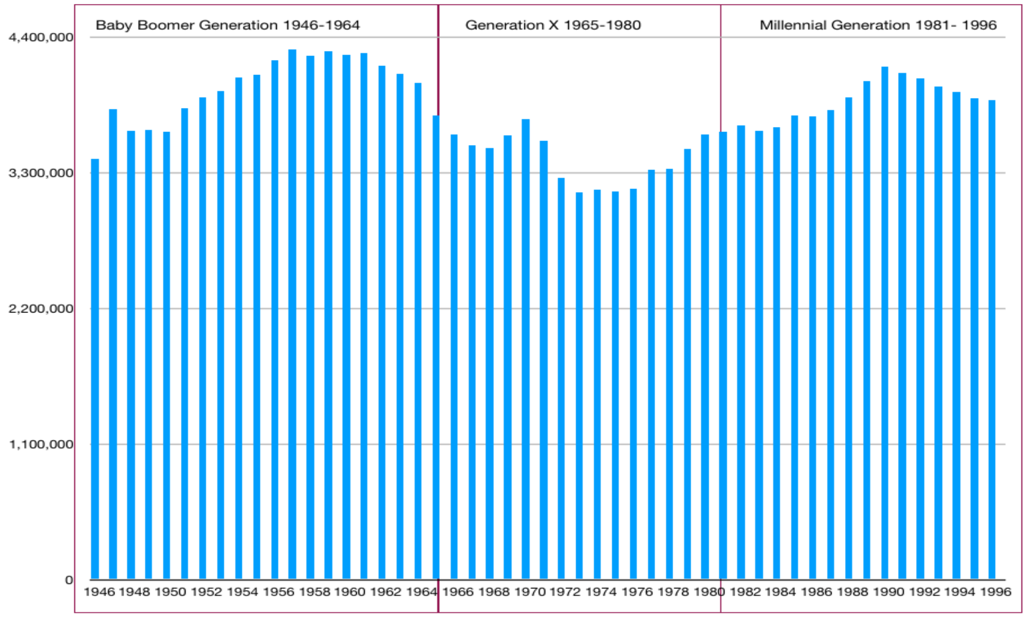

Figure 5. United States total birth numbers by year and generation, 1946-1996

In 2010, the conversation started heating up again, as demographers and economists watched to discover what reality would look like compared to their speculation over the many years prior. The first of the Baby Boomer generation was eligible to retire beginning in 2010 (Carman, Leland, & Wilson, 2010). NPOs struggled to be able to compete with compensation and benefit packages, leaving them at a disadvantage again in recruitment efforts from an already smaller pool of qualified individuals.

Millennial Generation

NPOs appear to be challenged by the Millennial generation in both understanding how to communicate with them as well as engage them in the work of service organizations. About a third of NPOs reported that retaining staff under the age of 30 continued to be a top issue. This generation seems to have a desire for leadership roles and be able to complete meaningful work. However, work-life balance is the important aspect to them, which can be a challenge for NPO leadership roles (HR Nonprofit, 2016).

NPO Succession Planning and Leadership Development

In 2015, *The Journal of Applied Management and Entrepreneurship* published a study of the Succession Process of EDs in six countries including Australia, Brazil, Israel, Italy, Russia, and the United States. The findings of Santora et al., who completed this study, provided insight into the current state of succession planning in NPOs.

Multiple factors contributed to an above average rate of turnover in these key leadership positions. Where for-profit counterparts had a succession plan in place for emergency or retirement situations, conversely, NPOs generally did not have the resources to train multiple people to that leadership level or to create and maintain a succession plan.

On average, 74% of NPOs had not completed any type of succession planning, leaving them potentially susceptible to the instability of inevitable leadership changes. This average was calculated from compiling the data over multiple surveys done between the years of 2004 and 2014 (Bassi, 2015).

NPO trend showed an increase in anticipated retirements and turnover, but low numbers of completed succession planning. On average, 69% of NPOs had not completed any preparation for leadership turnover. Succession planning was not completed for a number of reasons including it not being a priority and perceiving the effort of succession planning was not worth completing for small NPOs (Nonprofit HR Solutions, 2013).

Recently, in 2016, there was a slight increase in the amount of NPOs participating in succession planning activity as shown in Figure 6. While 59% of NPOs still did not have a succession plan, 41% indicated that they did have a succession plan. That shows that number of NPOs without any type of succession planning has changed from 69% in 2013 to 59% in 2016 (Nonprofit HR, 2016).

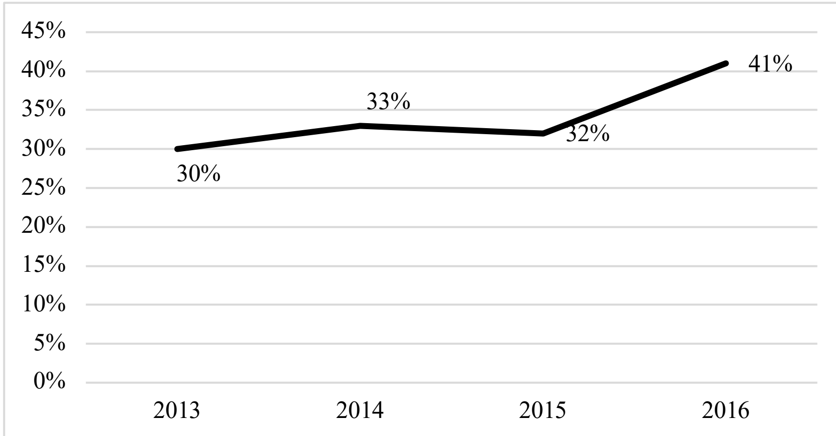

Figure 6. Percentage of NPOs created succession plans in 2013-2016 *(Nonprofit HR, 2016)*

Additionally, NPOs struggled to be competitive when hiring for new positions due to financial constraints, excessive workloads, higher than normal hours worked, and inability to grow and promote from within (Nonprofit HR Solutions, 2013). There also appeared to be a lack of training opportunities for employees based on financial constraints. Without a training program, it would be more challenging for leaders to be prepared to collaborate with their communities and gain the adoption and engagement they need for NPO success (Hodges & Howieson, 2017).

In general, NPOs did not have formal recruitment strategies in place or a budget to support the recruiting process. In NPOs under $5 million in annual revenue, the estimates indicated that 73% did not have a recruitment strategy and 91% did not have a recruitment budget allocated to support the effort. Additionally, 56% of NPOs surveyed, while acknowledging they were not prepared in this area, also indicated no future plans to remedy the situation or change their process for obtaining new talent (Nonprofit HR, 2016).

Many NPOs reported having had a total of one or two Executive Directors since the conception of their organizations. Because of this, the Board of Directors for these organizations may have had very little knowledge or experience on the recruiting and hiring of a new Executive Director. With this lack of experience also comes a lack of understanding of the direct and indirect costs associated with a poor hiring decision. They may fail to allocate sufficient resources and time to the hiring process.

Findings from a 2010 Survey of Charlotte, North Carolina found that their results echoed what the national findings reported. The majority of EDs in the sample were white females over the age of 50 who were currently holding their first Executive Director position. They also noted that 69% of the EDs surveyed reported intentions to vacate their current role within the following five years, by 2015 (Carman, Leland, & Wilson, 2010).

The findings also delivered some surprising results. While less than 23% indicated having a succession plan and 78% reported experiencing one or two Executive Directors in the history of the organization, still only a minimal 15% reported as being significantly concerned about Executive Turnover. The report did find that 85% noted a significant need for training for their Board of Directors in the role that they can play during Executive transition (Carman, Leland, & Wilson, 2010). This theme was seen in other reports as well, stating that while succession planning is perceived to be a task owned by the Board of Directors, in reality it appeared that the ED is expected to initiate the process (Gothard & Austin, 2013).

A common thread in the research was a lack of leadership development within the organization. While many NPOs reported alarming turnover rates, they also noted that 6% of leaders left to retire, while 12% took positions in other organizations, and 7% were asked to leave their current role. One third of the respondents confirmed that they also planned to vacate their position within the next two years. This does not necessarily support that the turnover was based on employees retiring, but rather a number of reasons.

Respondents consistently cited lack of growth opportunities or development as reasons to leave their post and work for another organization. There was a perception that in order to grow they needed to work at a different organization. For-profit CEOs stated that 30-50% of their time was comprised of cultivating talent, growing and developing employees, and leadership development (Landles-Cobb, Kramer, & Milway, 2015). This seems a stark difference than NPOs who cannot secure the funding for professional development of employees or their leadership.

Other Factors of Consideration

There was a study completed in 2009 which took a different approach to the severity of the leadership deficit. Johnson (2009) completed an analysis of the situation noting that things may not be as dire as they appear. Some of her reasoning included depicting a younger age distribution of CEO workforce in the Nonprofit sector. She included many factors that would play a part in lessening the severity of the Baby Boomers retirement, such as delayed retirement due to longevity and increased life expectancy, increased age requirements to receive social security for individuals born after 1937, incentives to maintain employment for better health care options, and increases seen in educational achievements coupled with accelerated learning capabilities in the younger workforce (Johnson, 2009). This contradictory perspective supports the need for further research in understanding the phenomenon that is occurring, specifically, in regard to small NPOs.

Summary

In summary, the leadership deficit has been on the radar for many years, however, now was an opportune time to collect data to analyze the effect. Some of the main items of concern included the large increase in the demand for leadership roles coupled with a decrease in supply. Small NPOs require more of their leaders while at the same time not having the ability to staff for leadership development or succession planning, and little funding is available for training. This research was additionally supported by a contradictory study noting that many of these concerns may be lessened due to market and economic factors. Having completed a review of the literature, the next section will cover the methodology that will be applied to the study.

Chapter 3. Methodology

Introduction

This study explored the situation NPOs in South Dakota face with leadership transitions by utilizing a three-pronged, sequential, mixed-methods approach. The design of this exploratory research included national NPO data, quantitative data obtained from an electronic survey, and qualitative data obtained through semi-structured interviews with participants. This triangulation of data supported validity and generalizability of the findings of the study. This phenomenological approach has proven effective in similar studies (Gamble, 2008).

This chapter describes the data utilized to support the study, the participants involved, the instruments that were designed, validated and utilized for data collection, and the plan to answer the research questions. Validity and reliability of the study are also discussed in this chapter.

Data

National NPO data were utilized to identify trends in the United States of America. Trend information was obtained from other studies as well as data from the Internal Revenue Service (IRS), United States Census Bureau, Center for Charitable Statistics, and the United States Department of Labor. These data on demographics, labor trends, geographic locations, population, age, and NPO tax information provided the foundation for the following steps in this study.

The United States Census Bureau provided the population data, age data, generation designation, and definitions for the research. The Internal Revenue Service provided the number of NPOs filing in South Dakota to determine the total population.

This Internal Revenue Service list included 6,783 organizations. This number represented the total population, which included all categories and types of NPOs in South Dakota who had filed and were in good standing with the IRS (Internal Revenue Service, 2019).

The National Center for Charitable Statistics provided contextual data for non-financial sector NPOs in South Dakota. The United States Department of Labor provided information about ages of executives and total labor populations nationally. This information was used to understand the potential number of executives close to retirement age. The organizations' names were utilized to obtain physical address information such as zip codes in understanding the total South Dakota population for the electronic survey distribution. These data supported the creation of an electronic survey tool which was designed specifically for this study to obtain quantitative data to answer the research questions. Qualitative data were collected via semi-structured online interviews to complement the quantitative data from the electronic survey and to obtain rich data for deeper understanding of the phenomena.

Population, Sample Size, Sampling Approach, and Participants

The target population for this study included all NPOs in South Dakota except for NPOs who are focused on finances such as credit unions, trusts or foundations, or insurance organizations. There were 135 NPOs that were removed from the total population number based on the delimiting factors. That brought the number for the target population to 6,648 total organizations which met the criteria of NPOs in South Dakota, had filed with the IRS, and were in good standing (Internal Revenue Service, 2019)

The Formula 1 for a finite population was used to determine the sample size for this study.

$$n = \frac{Z^2 p(1-p)/e^2}{1+Z^2 p(1-p)/e^2 N} \tag{1}$$

Utilizing the target population amount of 6,648 (*N*), a *Z*-value of 1.96 (95% confidence level), a 0.10 margin of error (*e*), and a 0.5 value for the population proportion (*p*), the sample size (*n*) for a finite population was calculated to be 96.

The original research design was to utilize a stratified random sampling from the list of NPOs in South Dakota. However, due to challenges in obtaining the contact information (email addresses) for the participants, a convenience sampling, followed by a snowball sampling, was utilized for the quantitative data collection.

The challenges to obtain valid email addresses included the following:

- Many small NPOs do not have an email domain name for their organization and because of this their leaders and board members use their personal email;
- Guidestar, the data source organization which initially confirmed availability of these data, had a very low number of email addresses available specifically in South Dakota.
- There is no a large umbrella NPO Association which already had a statewide email distribution list created for South Dakota.
- Other organizations were incredibly reluctant to share the email distribution lists that they had, even for research purposes. Participant information was requested from the following list:
    - SD Community Foundation
    - SD Secretary of State’s Office
    - Internal Revenue Service (IRS)
    - GuideStar/Candid
    - Bridgespan
    - South Dakota Arts Council

- National Council of Nonprofits
- National Association of Non-profit Professionals
- National Center of Charitable Statistics
- United Way
- Habitat for Humanity
- LinkedIn
- Hippo Direct Email Brokers
- InfoGlobal List Brokers
- Caldwell List Brokers

Ultimately, a list of contact information, including email addresses, was obtained from Caldwell List Brokers after completing a search through all identified options. The survey was then distributed to the list of email addresses that were available. All attempts were made to allow for proportional (per population density) geographic distribution of participants across the state, but all participants were from South Dakota.

The electronic survey was distributed to 1,820 potential participants that were listed in a leadership or Board Member role within a South Dakota based NPO. In this study the term "leader of the organization" represents the many titles used in the sector including President, Director, Executive Director, CEO, etc. In an ideal scenario, having one leader and one board member from each NPO would have provided incredible value. While over 6,000 NPOs are active in South Dakota, the study was limited by the small number of valid email contacts meeting the following criteria:

- Participants needed to be from South Dakota;
- Participants needed to be a leader of the organization or board member;
- Only one leader per organization, two if a board member role was also available;
- Proportional distribution of respondents across the state of South Dakota.
- All counties across the state of South Dakota were represented in the sample.

Additional participant email addresses were also allowed through a field in the electronic survey. If a participant knew of additional leaders willing to complete the electronic survey, they were able to add an email address and the survey would be sent to those individuals as well, as long as the contact was not redundant. Many participants asked for the link to the survey that could be shared with their organizational network. However, in order to meet target population criteria, and focus of the research, links specific to each individual participant were needed.

Data Collection Instruments

Electronic Survey

There were two instruments used in this study, an electronic survey and a interview questionnaire. The electronic survey was designed around the research questions, validated, and distributed to identify issues and trends based on self-reported quantitative data. The electronic survey was created and distributed using QuestionPro software. This software allowed for individual, personalized links to the survey to avoid any redundant responses. It also was able to submit the electronic survey to a large number of email addresses with less time and difficulty. QuestionPro scheduling capabilities allowed for reminder and thank you emails to be sent in a streamlined way. This software made it possible to have more efficient data collection, management, and storage.

Care was put into the number of questions that would need to be answered and how each related back to the research questions. The intention was to avoid interview or question fatigue, which might cause respondents to quit, not submit, or skip steps. In total, the electronic survey contained 57 items. There were 55 multiple choice, Likert-type, a fill-in that allowed the participant to share an email of an additional participant, and lastly an open-ended question giving respondents an opportunity to describe other challenges that were not in the survey. The average time to complete the survey was 11 minutes.

The questions were designed to allow for branching depending on the role indicated by the participant and the choices made while progressing through the survey. This approach provided feedback from both sides and two perspectives of a leadership transition. Often the Board of Directors is responsible for hiring the leader of the organization and this sub-group provided context around the interview experience, costs, and candidates. The leader of the organization group provided context on the leadership experience, challenges encountered in the first six months, and descriptions of intentional steps they took to facilitate their own transition into a leadership role.

Semi-Structured Interview Questionnaire

The second tool utilized in data collection was the semi-structured interview questionnaire to gather rich data and complement quantitative data from the electronic survey. This questionnaire contained open-ended questions that were utilized in 30-minute interviews with selected participants. It included the same items to answer research questions three and four of the study. Additional open-ended questions allowed the respondents to share information about their individual experiences during a leadership turnover, lessons learned, recommendations for others, and possible topics for future research.

The electronic survey and the interview questionnaire were validated prior to use. It was reviewed separately by two experts: Dr. Meredith Redlin and Dr. Jessica D. Ulrich-Schad from the Department of Sociology & Rural Studies. They reviewed for bias and leading questions, as well as how effectively the items aligned with the research questions. There was also a small group of six persons selected as a pilot group to complete the survey in the QuestionPro tool as well as the provide feedback on the questions being asked. Out of the six persons who were personally invited to participate in the pilot, four completed the survey and shared feedback. The survey instrument was modified based on the feedback from the experts and from the pilot group.

Data Collection Procedures

Quantitative Data Collection

In QuestionPro, an introduction email was sent first discussing the project and the survey involved. This included a link to a YouTube video description of the researcher and the study. The intent of the video was to allow the participants to feel more at ease in completing the electronic survey, as participants likely had an uneasiness to click on links from an unknown source.

The survey was sent through the QuestionPro software to 1,820 individual participants on October 14th, 2019. An incentive was offered to complete the survey prior to October 28th to be entered into a random drawing for an Amazon gift card. This initial email garnered 49 completed surveys. Conversely, 572 emails were rejected as undeliverable. One week later a reminder email was submitted through QuestionPro on October 21st. This email emphasized the importance of their contribution to this research, as well as the incentive. From this second email, 38 surveys were completed and QuestionPro noted that another 68 emails could not be delivered. A final reminder email was submitted through QuestionPro on November 4th, 2019 to which 12 additional participants completed the survey. On November 17th, in an effort to obtain additional participants, emails addresses were exported from the QuestionPro software tool. This list was then used to send one final correspondence to participants that QuestionPro showed as not having viewed the emails or having received an notification that the email was rejected by the server. This email was sent from a South Dakota State University email account having removed all pictures and links in an effort to get past the firewalls so participants would have an opportunity to complete the survey. After this effort, an additional nine participants completed the survey. Of those nine, all had noted they had not seen any of the previous communication. This speaks to the difficulty in of getting email through the junk and security filters to potential participants.

The quantitative phase of data collection took five weeks and produced the follow: 452 people viewed the survey, 144 people started it, and 43 people dropped out during the survey. There were 112 participants who completed the survey, 11 of them were removed as QuestionPro indicated they were not within the state of South Dakota when completing the survey. This reduced the sum of useable responses to 101, which met the required 96 for a finite population. A ‘thank you’ note was issued to all participants who completed the survey emphasizing gratitude for contributing to the study.

Qualitative Data Collection

After review of the data collected in the electronic survey, some trends appeared. All participants were divided into three sub-categories: organizations with a succession plan, organizations without a succession plan, and organizations that were currently creating a succession plan. Additionally, participants were analyzed based on the following criteria: a transition experienced in the last five years, participants in retirement age currently, and a high chance for a retirement in the next five years. From this cursory analysis, a subset of survey participants were selected for interviews and scheduled for a 30-minute time period. The list of potential participants was pulled from QuestionPro survey pool. The selection process was focused on ensuring a mix of males and females, leaders and board members, and geographic distribution.

After participants were identified as meeting the criteria, an email requesting a 30-minute interview was sent to 19 participants. The interview process was completed by nine individuals, three who had a succession plan in place, three who were in the process of creating a plan, and three who did not have a plan. Zoom was utilized to schedule the meetings as well as record the audio.

This additional step added to the validity of the study in many ways. The semi-structured research interview was a medium to allow for additional follow up questions, clarifications, and the opportunity to get more granular in the details of the landscape of the NPO experiences.

Data Analysis Procedures

Quantitative

Quantitative data analysis began after the final deadline passed for survey responses. Reliability was tested utilizing Chi-square when testing two nominal variables. The Mann-Whitney-U test was also utilized in testing the nominal and ordinal variables. The quantitative data analysis of the descriptive data, to establish the current state of the phenomenon, was done, and last, correlational analysis which sought to reveal the relationships between the variables. After this data was initially analyzed, significant themes began to emerge. These themes were utilized in conjunction with the research questions to identify which type of interview participants would provide the most value in the interviews.

Qualitative

The electronic survey was open from October 14^{th}, 2019 through November 17^{th}, 2019. The interviews occurred from December 19^{th}, 2019 through January 29^{th}, 2020. *SimonSays* software was utilized to convert the audio files of interviews, recorded in Zoom, into transcriptions. The researcher closely reviewed and confirmed the accuracy of the transcripts. To remove pauses and misinterpreted words as noted in Table 2, a sample of transcripts was also transcribed using intelligent verbatim prior to sending to the participants for their review and validation. Intelligent verbatim for this transcription was prepared using the following guidelines summarized in Table 2 (McLellan, E., MacQueen, K. M., & Neidig, J. L., 2003):

Table 2
Intelligent Verbatim Table

Characteristic	**Criteria to Prompt the Characteristic**
[Laughter]	Laughter that occurred during the interview by either participant or interviewer
[Long Pause]	Any pause in conversation that lasted longer than 3 seconds
[NPO Name]	Removing identifiable information from the transcript and replacing with bracketed item
[Inaudible]	Words could not be discerned due to audio issues
[Crosstalk]	Conversation between the participant and interviewer overlapped
?[Text]?	A word could not be understood or discerned, questionable text
[City Name]	Identifiers such as location, name of city, or community identifiers were removed
	Removed: False starts in sentences, repeated words, or filler words such as but not limited to; uh, um, err, you know, I mean, hmmm, etc.

Intelligent verbatim was utilized by the researcher for a number of reasons. The nature of the research topic is not interwoven with linguistics, emotion or behavior as in demographic studies. Thus, the items being removed were not adding value. When participants were asked questions on the spot, without having an opportunity to compose answers ahead of time, they often required time to pause or reflect or restart their responses. There was a strong desire on behalf of the researcher to prevent any participant from feeling embarrassed about speech patterns that often naturally occur in these settings. In an article published by the International Institute of Qualitative Methodology, the author described that interviewees may feel embarrassed when faced with grammatical errors as would be seen in the post-interview transcript (Mero-Jaffe, 2011). The interviews were intended to be a positive experience and it was important that this be mutual between the researcher and the subject to enable collaboration as well as open the door for possible future research.

After the last interview was completed and transcripts were validated by the respondents, analysis began on the qualitative data. Initially all of the transcriptions were reviewed thoroughly for broad themes. Qualitative analysis of interview data has been described as “a multi-step “sense-making” endeavor” (DeCuir-Gunby, Marshall, & McColluch, 2011). Codes are described as “labels that assign symbolic meaning to the descriptive or inferential information compiled during a study” (Miles, Huberman, & Saldaña, 2020. p. 63). This analysis began initially with a set of *a priori* codes based on the research questions as a place to begin the iterative process of coding. Next, open coding was utilized to identify the main themes that were revealed from the interview transcriptions. After which, axial coding was utilized to better understand the relationships between themes.

Boyatzis (1998) determined that coding should be theory-driven, data-driven coding derived from the raw data, or structural coding derived from research questions. This design utilized *a priory* coding followed by data-driven coding to ensure there were no gaps in knowledge that would be missed otherwise. The steps involved included reduction of raw information, identification of subsample themes, comparison of themes across subsamples, code creation, and confirmation of reliability. It also provided the opportunity to identify emerging themes that were valuable in ways that were unforeseen as framed by the original research questions (Boyatzis, 1998).

A sample group of three transcripts were initially reviewed in an attempt to condense the information down to their basic themes. The three samples included one from the three following groupings: organizations that have a succession plan, those that do not, and those that have a plan currently in progress. Identification of common themes within this sample group then lead to themes which were contrasted with a *priory* codes. At this point, the researcher was able to identify data driven codes and modify the a priory codes.

The researcher created a codebook which included the following information: label (name) of the code, full definition along with inclusion and exclusion criteria, and examples (DeCuir-Gunby et al., 2011). The codebook was then used to analyze the rest of the interview responses. After confirmation of reliability, the qualitative analysis was completed in NVivo 11 Software.

Mixing Quantitative and Qualitative Measures

At the next phase of the study, quantitative and qualitative data were compiled to answer the research questions. The findings were compared with published studies in the field. Triangulation between the national studies, the electronic survey, and the interview results contributed to the overall integrity and validity of the study.

Data Analysis to Assure Reliability and Validity

Research Question 1: How many NPOs in South Dakota experienced leadership turnover for the time period 2014-2019?

The survey data provided percentages of responses from leaders and board members representing NPOs who have experienced turnover within specified timeframes. These data indicated the quantity of executive transitions that have occurred, the number of transitions per organization, and the frequency and timeframes of turnovers. This information provided a reliable depiction of the current phenomenon. These data were then compared to national data trends. There were multiple questions asked in varying ways around this research question which contributed to reliability of the data.

Research Question 2: How many NPOs in South Dakota forecast leadership turnover for the time period 2019-2024?

The survey asked participants directly if they had received notice from the leader or if they were aware of potential future transitions. There was redundancy built into questions around this topic to describe the possibility of additional future transitions in organization leadership.

Research Question 3: What are some of the most common issues experienced by small NPOs in South Dakota during leadership transitions?

The survey asked participants to rate common challenges by level of difficulty. The interview contained questions about organizational culture, intentional steps they took to help the transition, advice for other NPOs, and challenges experienced in the first six months of their last leadership transition. Open-ended questions provided greater depth and details of the transition experience and supported a better understanding of those common issues.

Research Question 4: How often are succession plans used and do they succeed in reducing the costs and time involved in leadership transitions and new leader acclimation?

The survey contained questions to determine how many NPOs surveyed have a succession plan, how many have used the succession plan, their rating of effectiveness or cost reduction in the overall process. The interview contained questions around preparedness of the NPOs for the transition and what steps were taken by the leader and organization to prepare and ease the transition. These questions revealed the organizations experienced other hardships.

Ethical Considerations

The survey and interview questionnaire instruments were submitted to the Institutional Review Board (IRB) for approval. A copy of the survey can be found in Appendix A. This was in accordance with federal and institutional regulations, which require that any research project in which University faculty, staff, or students collect and analyze data on human subjects must receive approval prior to initiating data collection. IRB approval was received, IRB-1906002-EXP, and the study received the classification of exempt from human subjects special treatment.

Quantitative and qualitative data were collected, handled, and stored in compliance with Human Subject requirements and per IRB approval. Survey responses were collected and stored on the QuestionPro server, which was a password-protected resource. Both quantitative and qualitative data where de-identified, cleaned, and stored on the password-protected drive. Quantitative data sets, after removing all possible identifying factors, will be available for future researchers who want to replicate the study. Qualitative data will not be publicly available in order to protect the respondents' privacy of potentially sensitive information, because it is impossible to completely remove all identifying data. De-identification of data occurred after the data collection and before the data analysis, using participant codes to de-identify the data. After codes were assigned to the participants, all keys linking identifiers to participants were destroyed.

Validity and Reliability

Multiple measures were taken into consideration to ensure validity, reliability, and generalizability of findings of the study. First, the researcher completed multiple reviews for validation of data collection instruments by external experts in the field of sociology in reviewing the research methods as well as the electronic survey and interview questions. They were also tested with a pilot group comprised of local NPO leadership and board members. Second, 144 participants who received the QuestionPro email with the survey link started the survey, and 101 were deemed complete after data were cleaned for statistical analysis, which was greater than the minimum sample size of 96 at the 95% confidence interval and a 10% margin of error. Although a convenience, not random, sampling was used for the quantitative data collection, the sample frame was thoroughly reviewed to meet the specified criteria and to assure proportional representativeness from all counties across the state of South Dakota. Third, qualitative data were collected, analyzed, and used to compare and contrast with the quantitative data and national trends for triangulation purposes. Fourth, the qualitative data and the initial coding were validated by interview participants to confirm accuracy, completeness, and correct interpretation.

Finally, all analysis procedures and the researcher's logic were documented in the research log/journal. Researcher biases are covered in the next section. A sample of the researcher's log can be found in Appendix B.

Documenting the Researcher Biases

The researcher selected this topic based on an interest in the NPO sector and desire to contribute to the body of knowledge in a way that would provide valuable information and insight to support the nonprofit sector. The researcher has had experience working at an NPO previously as a Mentorship Program Manager and found that the leader did an incredible number and variety of tasks. This experience led to a personal bias that NPO leaders are asked to do more than their for-profit counterparts, but usually for less money. For example, a leader of an NPO may set the strategy, budget, and high-level program development. At the same time, they may also manage office operations such as ordering printer ink, light bulbs, payroll, etc. The researcher's main motivation is to build a body of knowledge that can help support smaller nonprofit organizations as they have leadership transitions.

The researcher studied multiple research methodologies as well as completed coursework on research methods as part of the degree program at South Dakota State University. The researcher has collaborated closely with Drs. Teresa Hall and Ekaterina

Koromyslova to review and edit the approach to this study and the methodology. The researcher also defended her design proposal for this research with the thesis committee, who approved the research design.

Chapter 4. Data Analysis and Results

A detailed description of the data analysis collected with the survey, the participant interviews, and the triangulation of those data with national data are included in this chapter.

Quantitative Analysis

Respondent Demographic Data

Once the electronic survey was closed the demographic information was analyzed to understand the distribution of respondents. There was a total of 144 respondents that started the survey and/or partially completed it, while 101 respondents completed the entire survey. Although some surveys were not completed all the way through, the partial answers were still included in the data for consideration, where appropriate, in order to utilize the largest data set possible. However, scrubbed and complete responses were used for regression analysis and hypotheses testing.

Table 3 describes the respondent demographics as well as the general descriptive statistics. Some questions included branching functionality, meaning that the number of responses to follow-up questions varied depending on their answers to previous questions. Variation in total number of responses between questions may be due to the branching, participants' decision to not answer a certain question, or respondents dropping out at various locations in the survey. There was a normal distribution of age ranges, confirming a wide variety of perspectives were accounted for. The respondents included 58 males and 71 females. The combined ages of male and female indicated that

55.04% of respondents were above the age of 50. There is a large percentage of respondents who are categorized in Generation X, currently between the ages of 40-55.

Table 3

Demographic Participant Data

Characteristic	n	%	Mean	SD
Gender	129	100%	1.55	0.5
Male | 1	58	44.96%		
Female | 2	71	55.04%		
Age	129	100%	3.59	1.19
20-29 | 1	4	3.10%		
30-39 | 2	23	17.83%		
40-49 | 3	31	24.03%		
50-59 | 4	39	30.23%		
60-69 | 5	28	21.71%		
70-79 | 6	4	3.10%		
Number of years in role	128	100%	1.98	1.2
0-4 Years | 1	59	46.09%		
5-9 Years | 2	37	28.91%		
10-14 Years | 3	18	14.06%		
15-19 Years | 4	4	3.13%		
20+ Years | 5	10	7.81%		
Undergraduate Degree	118	100%	1.08	0.28
Yes | 1	108	91.53%		
No | 2	10	8.47%		
Master's Degree	89	100%	1.57	0.92
Yes | 1	42	47.19%		
No | 2	43	48.31%		
In Progress Currently | 3	4	4.49%		

Professional titles varied in response including Executive Director (36.63%), Director (20.79%), CEO (13.86%), President (9.9%), Board Member (7.92%), and

Founder (1.98%). Many respondents, 42.57%, wrote in a number of other titles including Pastor, Executive Pastor, CFO, Leader, and Operations Manager among others. These roles were full-time positions 86.05% of the time, while 6.98% reported part-time, 2.33% noted a temporary status, and the final 4.65% specified they were on a volunteer basis.

Table 4 describes the educational backgrounds and main fields of study of the respondents. A majority of 91.53% of respondents completed an undergraduate degree. There were numerous majors that were offered, including Sociology, English, Animal Science, Communication, Early Childhood Education, Religion and many more. There was not a primary theme that could be identified among the many varied responses. Additionally, 47.19% achieved advanced degrees in programs such as Master of Divinity, Master of Business Administration, Administration, Counseling, and Human Resources.

Table 4

Educational Background Demographic Participant Data

Characteristic	n	%	Mean	SD	Variance
Undergraduate Degree	89	100%	1.56	0.92	0.84
Bachelor of Arts (B.A.) | 1	53	59.55%			
Bachelor of Science (B.S.) | 2	30	33.71%			
Bachelor of Fine Arts (BFA) | 3	2	2.25%			
Bachelor of Applied Science (BAS) | 4	0	0%			
Other | 5	4	4%			

Participant Leadership Experience Data

The results showed that 45.83% of the respondents had been in their current role for four years or less and 74.16% had been in their leadership role for nine years or less.

Table 5

NPO Leadership Experience by Age Range

Characteristic	n	%	Mode	Mode Frequency
Age 20-29	4	100%	1	3
0-4 Years | 1	3	75.00%		
5-9 Years | 2	1	25.00%		
10-14 Years | 3				
15-20 Years | 4				
20+ Years | 5				
Age 30-39	22	100.00%	1	16
0-4 Years | 1	16	72.73%		
5-9 Years | 2	5	22.73%		
10-14 Years | 3	1	4.55%		
15-20 Years | 4				
20+ Years | 5				
Age 40-49	31	100%	1	15
0-4 Years | 1	15	48.39%		
5-9 Years | 2	13	41.94%		
10-14 Years | 3	3	9.68%		
15-20 Years | 4				
20+ Years | 5				
Age 50-59	39	100%	1	17
0-4 Years | 1	17	43.59%		
5-9 Years | 2	11	28.21%		
10-14 Years | 3	7	17.95%		
15-20 Years | 4	1	3%		
20+ Years | 5	3	7.69%		
Age 60-69	28	100.00%	5	7
0-4 Years | 1	6	21.43%		
5-9 Years | 2	5	17.86%		
10-14 Years | 3	7	25.00%		
15-20 Years | 4	3	10.71%		
20+ Years | 5	7	25.00%		
Age 70-79	4	100.00%	1	2
0-4 Years | 1	2	50.00%		
5-9 Years | 2	2	50.00%		
10-14 Years | 3				
15-20 Years | 4				
20+ Years | 5				

Most of the respondents between the ages of 20-49 and 70-79 were nine years or less. However, respondents between the ages of 50-69 showed more variety of responses in time spent in their current role. This work experience was then compared alongside their previous leadership experience. Respondents confirmed that 73.64% (95) had performed the role of leader for a different organization while 24.81% (32) responded no, and the final 1.55% (two) responded citing job titles. Out of the 59 who had been in their role four years or less, 62.7% (37) of those respondents came to the role with previous experience leading a different organization. This suggested additional experience not evidenced by their time in their current role, and potentially additional turnover in the last five years if they had left a different organization to accept their current role.

Leadership Turnover Data

This section related directly to research question one and how many organizations had experienced leadership turnover in the last five years. Almost 63% of respondents that have been in their role four years or less had also been in the current organization for five years or less. This indicated a possibility that the majority of this specific group were recruited from outside of the organization into the leadership role or have had a small length of time in the organization prior to leading it. Out of the 37 leaders who had also joined the organization in the last four years, 27 listed their total previous leadership experience was between zero and five years. This indicated a total leadership experience range of between two and nine years for these individuals.

Table 6 shows that in every category, 0-4 years received the highest responses. This suggested instability and a consistent turnover in leadership in NPOs over the last five years. When asked how many years the previous leader occupied the role before departing, 42.22% had been in the role of leader between zero and five years.

Table 6

NPO Leadership Experience and Turnover

Characteristic	n	%	Mean	SD	Variance
Time in Current Role	128	100%	2.57	1.41	1.98
0-4 Years |1	59	46.09%			
5-9 Years | 2	37	28.91%			
10-14 Years | 3	18	14.06%			
15-20 Years | 4	4	3%			
20+ Years | 5	10	7.81%			
Time in Previous Leadership Roles	116	100.00%	2.55	1.5	2.25
0-4 Years |1	43	37.07%			
5-9 Years | 2	19	16.38%			
10-14 Years | 3	20	17.24%			
15-20 Years | 4	15	12.93%			
20+ Years | 5	19	16.38%			
Time Previous Leader was in Role	90	100%	2.51	1.73	2.99
0-4 Years |1	38	42.22%			
5-9 Years | 2	14	15.56%			
10-14 Years | 3	18	20.00%			
15-20 Years | 4	5	5.56%			
20+ Years | 5	5	5.56%			
I am the First Leader | 6	9	10.00%			
Organization last rehired	100	100.00%	2.54	1.74	3.02
0-3 Years | 1	37	37 %			
4-6 Years | 2	27	27%			
7-9 Years | 3	11	11%			
10-12 Years | 4	8	8%			
13-15 Years | 5	6	6%			
15 + Years | 6	9	9%			
I don't know | 7	2	2%			

A separate question asked participants if they had experienced a transition in the last five years and if so, how many. One transition occurred with 45 of the respondents, two transitions occurred with six of the respondents, and three or more transitions occurred with 6 of the respondents. Table 7 shows the transitions in relation to the primary reason for leaving, and while retiring is a top reason it is not the sole factor. This aligns with what the national studies had indicated as well.

Table 7

NPO Leadership Transition Timeframes with Primary Reason for Departing

Characteristic	n	%	Mode	Mode Frequency
1 Leadership Transition	45	100%	4	12
Don't Know | 1	3	6.67%		
Retiring | 2	12	26.67%		
Higher Pay and Benefits | 3	3	6.67%		
Career Growth | 4	12	27%		
Moving | 5	5	11.11%		
Work Life Balance | 6	4	8.89%		
Other | 7	6	13.33%		
2 Leadership Transitions	6	100.00%	4	2
Don't Know | 1	2	33.33%		
Retiring | 2	0			
Higher Pay and Benefits | 3	0			
Career Growth | 4	2	33.33%		
Moving | 5	1	16.67%		
Work Life Balance | 6	1	17%		
Other | 7	0			
3 + Leadership Transitions	6	100.00%	1	2
Don't Know | 1	2	33.33%		
Retiring | 2	0			
Higher Pay and Benefits | 3	1	16.67%		
Career Growth | 4	1	16.67%		
Moving | 5	0			
Work Life Balance | 6	1	16.67%		
Other | 7	1	16.67%		

Organizational Demographic Data

The next topic included understanding the organizational demographics provided. The researcher's original intent was to focus the study on small NPOs in South Dakota.

Though difficult to design into the respondent pool and based on the challenges in obtaining contact information for participants, 86.9% of respondents employed 30 employees or less, indicating the objective was accomplished.

Additionally, 53.57% of respondents noted the annual revenue of their organizations was less than $500,000, 16.67 % reported annual revenue less than $100,000. The Board of Directors respondents for the participating NPOs reported 95.06% serving on a volunteer basis. This data confirmed that the majority of respondents were representing smaller NPOs, as was the intent of the study. Additionally, any response that could not be confirmed to be a person living in the state of South Dakota was removed from the results.

Table 8 shows the amount of transitions relative to the range of years since needing to rehire. The researcher wanted to understand if there was a relationship between the frequency of turnover in organizations and the most recent turnover. The majority of organizations, (67.5%), who had filled the role of leader in the last zero to three years had experienced only one transition in the last zero to five years, 16.2 % had experienced two transitions and 13.5% had experienced three or more transitions. It was interesting that the only responses for three or more transitions in the last five years fell into the category of needing to rehire in the last three years.

Respondents provided the following data with regard to how frequently they had needed to rehire the role of leader: zero to three years (36.56%), four to six years (26.88%), seven to nine years (11.83%), ten to twelve years (8.6%), 13-15 years (5.38%), and 15 years or more (8.6%), with the remaining 2.15% not knowing. Additionally, 63.44% of participants reported having a leadership transition in the last six years. That was a noteworthy outcome which also supported the idea of instability and helped to answer research question one. Retiring (23.08%) and career growth or new opportunity (28.85%) were the highest categories identified as reasons for the previous turnover. Career growth and work-life balance held the highest frequency of turnover rates over the last five years for the respondents.

Table 8

Number of Transitions in Leadership by Range of Years Since Last Rehire

Characteristic		n	%	Mode	Mode Frequency
0-3 Years since Rehire		37	100%	2	25
	No | 1	1	2.70%		
	Yes, 1 Transition | 2	25	67.57%		
	Yes, 2 Transitions | 3	6	16.22%		
	Yes, 3+ Transitions | 4	5	14%		
4-6 Years since Rehire		27	100.00%	2	14
	No | 1	13	48.15%		
	Yes, 1 Transition | 2	14	51.85%		
	Yes, 2 Transitions | 3	0	0.00%		
	Yes, 3+ Transitions | 4	0	0.00%		
7-9 Years since Rehire		11	100%	1	9
	No | 1	9	81.82%		
	Yes, 1 Transition | 2	2	18.18%		
	Yes, 2 Transitions | 3	0	0.00%		
	Yes, 3+ Transitions | 4	0	0.00%		
10-12 Years since Rehire		8	100%	1	7
	No | 1	7	87.50%		
	Yes, 1 Transition | 2	1	12.50%		
	Yes, 2 Transitions | 3	0	0.00%		
	Yes, 3+ Transitions | 4	0	0%		
13-15 Years since Rehire		6	100.00%	1	4
	No | 1	4	66.67%		
	Yes, 1 Transition | 2	1	16.67%		
	Yes, 2 Transitions | 3	0	0.00%		
	Yes, 3+ Transitions | 4	1	16.67%		
15+Years since Rehire		9	100.00%	1	7
	No | 1	7	77.78%		
	Yes, 1 Transition | 2	2	22.22%		
	Yes, 2 Transitions | 3				
	Yes, 3+ Transitions | 4				

Respondents were asked to rank a list of common challenges seen by NPO organizations going through leadership transitions from one (1) being the most challenging to six (6) being the least. Table 9 shows that finding qualified candidates, maintaining organizational culture and security, and getting the day-to-day tasks done were rated as the most challenging. National studies by *Nonprofit HR* indicated similar ratings with "Hiring qualified staff within budget constraints" as the top challenges for NPOs from 2012-2016. Their 2016 survey suggested that the top three staffing challenges included hiring qualified staff within a limited budget constraint, finding qualified staff, maintaining salary budgets against market pressures (Nonprofit HR, 2016).

Table 9

Transition Challenges Ratings

Characteristic	Mean
Finding a qualified candidate to be the leader of the organization	2.81
Maintaining organizational culture and security	3.08
Getting the day-to-day tasks completed in the meantime	3.32
Maintaining relationships with key donors	3.49
Avoiding additional employee turnover caused by uncertainty	3.89
Costs of recruiting a new leader of the organization	4.40

Note: The rating scale included 1 as most challenging and 6 as least challenging

Forecasted Leadership Transitions

Research Question Two sought to determine how many NPOs are forecasting leadership transitions in the next five years (2019 - 2024). There were a number of survey questions focused on securing this information. Table 10 details the responses related to forecasting future transitions. It should be noted that these responses are reflective of estimations based on information currently known to them. In the majority of cases, notice of vacating the role had not been given, however, 55.55% of responses indicated chances of a transition being Average, High, or Very High, 35.35% responded that chances were High or Very High. The *Daring to Lead 2011* data indicated that 66% of those surveyed would be departing their executive role in five years or less and 33% would depart in 3-4 years. The South Dakota data appears to align well with the national data (Bell, Cornelius, & Moyers, 2011).

Table 10

NPO Leadership Transition Forecasting over Next Five Years (2019 - 2024)

Characteristic	n	%	Mean	SD	Variance
Prepared for Future Transition	100	100%	3.06	0.96	0.93
Very Unprepared | 1	7	7.00%			
Unprepared | 2	16	16.00%			
Somewhat Prepared | 3	47	47.00%			
Prepared | 4	24	24%			
Very Prepared | 5	6	6%			
How likely is a Transition in the next 5 years	99	100.00%	2.94	1.35	1.81
Chances are Very Low | 1	15	15.15%			
Chances are Low | 2	29	29.29%			
Chances are Average | 3	20	20.20%			
Chances are High | 4	17	17.17%			
Chances are Very High | 5	18	18.18%			
Has Notice Been Given?	99	100%	1.93	0.36	0.13
Yes | 1	10	10.10%			
No | 2	86	86.87%			
I don't know | 3	3	3.03%			

Succession Planning and Preparedness Data

The researcher then compared the respondents' rating of preparedness with their succession plan status for their organizations. Table 11 indicates that where the mode of those feeling somewhat prepared, unprepared, and very unprepared, there is no plan. While where the mode is prepared or very prepared, there is a plan.

Table 11

Transition Preparedness Compared with Succession Planning

Characteristic		n	%	Mode	Mode Frequency
Very Unprepared | 1		7	100%	2	6
	Yes | 1	1	14.29%		
	No | 2	6	85.71%		
	WIP | 3	0	0.00%		
	I don't Know | 4	0	0%		
Unprepared | 2		15	100.00%	2	10
	Yes | 1	5	33.33%		
	No | 2	10	66.67%		
	WIP | 3	0	0.00%		
	I don't Know | 4	0	0.00%		
Somewhat Prepared | 3		47	100%	2	20
	Yes | 1	13	27.66%		
	No | 2	20	42.55%		
	WIP | 3	10	21.28%		
	I don't Know | 4	4	8.51%		
Prepared | 4		24	100%	1	11
	Yes | 1	11	45.83%		
	No | 2	9	37.50%		
	WIP | 3	3	12.50%		
	I don't Know | 4	1	4%		
Very Prepared | 5		6	100.00%	1	5
	Yes | 1	5	83.33%		
	No | 2	1	16.67%		
	WIP | 3	0	0.00%		
	I don't Know | 4	0	0.00%		

The data indicated a significant number of NPOs were not comfortable or prepared for a future leadership transition. A Pearson correlation analysis is shown in Table 12. When the feeling of preparedness is compared with whether the organization had a succession plan in place, there is a weak negative correlation, which means organizations feel more prepared for a transition when they had a succession plan in place, but there are other factors which affect their feeling of preparedness for a transition.

Table 12

Pearson Correlation Matrix

Variables	Y	X11
Feeling Prepared for a Transition	**1**	**-0.344**
Do you have a Succession Plan	**-0.344**	**1**

Notes: Values in bold are different from 0 with a significance level alpha=0.05

Research Question Four sought to determine how often succession plans were used and if they succeeded in reducing the costs and time involved in leadership transitions and new leader acclimation. The data showed that 35.35% of respondents had a succession plan with another 13.13% currently working on completing a plan, as shown in Table 13. It was reported that 80.95% of those with a succession plan would rate it at average effectiveness or higher, however, this group of individuals was small only including 21 responses. Additionally, 72% reported an average or higher chance of recommending a succession plan to other organizations. It was also interesting to see that 78.79% of respondents indicated never having had to use a succession or emergency plan. This suggested that though efforts were made to put a plan in place, it hasn't yet been needed, which means is may have been recently crafted or put in place in close proximity to the last leadership transition of the organization.

Table 13

Succession Planning Data

Characteristic	n	%	Mean	SD	Variance
Experience with Succession Plans	100	100%	2.56	1.02	1.04
Very Low Experience | 1	19	19.00%			
Low Experience | 2	24	24.00%			
Average Experience | 3	41	41.00%			
High Experience | 4	14	14%			
Very High Experience | 5	2	2%			
Do you have a Succession Plan?	99	100.00%	1.88	0.82	0.68
Yes | 1	35	35.35%			
No | 2	46	46.46%			
Currently in Progress| 3	13	13.13%			
I don't know | 4	5	5.05%			
How long have you had a Succession Plan?	54	100%	3.3	2.12	4.51
I don't know | 1	9	16.67%			
0-4 Years | 2	20	37.04%			
5-9 Years | 3	8	14.81%			
10-14 Years | 4	2	3.70%			
15-19 years | 5	1	1.85%			
Longer than 20 years | 6	6	11.11%			
We are currently creating one | 7	8	14.81%			
How Effective was the Succession Plan?	21	100.00%	3.24	1.09	1.19
Very Low effectiveness | 1	2	9.52%			
Low effectiveness | 2	2	9.52%			
Average effectiveness | 3	8	38.10%			
High effectiveness | 4	7	33.33%			
Very High effectiveness | 5	2	9.52%			
Would you Recommend a Succession Plan?	100	100.00%	3.18	1.28	1.64
Chances are Very Low | 1	16	16.00%			
Chances are Low | 2	12	12.00%			
Chances are Average | 3	24	24.00%			
Chances are High | 4	34	34.00%			
Chances are Very High | 5	14	14.00%			

There were a variety of plausible explanatory variables that could have related to the feeling of preparedness. Additional analysis was required to understand the relationships between variables. A stepwise regression model was used to reduce the number independent variables from 14 to three. The criteria used included independent variables where the beta coefficient had the p-value less than or equal to 0.05. The dependent variable was the ‘feeling of preparedness for a leadership transition’. The three remaining independent variables are shown in Table 14.

Table 14

Effect of Independent Variables on Feeling of Preparedness

Model Parameters (How Prepared is your Organization for a Transition? (Y)

Source	Value	Std error	t	Pr > $\lvert t \rvert$	Lower bound (95%)	Upper bound (95%)
Intercept	3.755	0.403	9.313	**<0.0001**	2.954	4.555
Ability to find an Interim Leader within the Org	0.137	0.072	1.890	0.062	-0.007	0.280
How likely are you to recommend a succession plan?	0.122	0.056	2.189	**0.031**	0.011	0.233
Does your organization have a Succession Plan in place?	-0.376	0.109	-3.454	**0.001**	-0.592	-0.160

Goodness of fit statistics are described in Table 15. There were 99 observations taken into account and 95 degrees of freedom seeing as there were four categories considered. While the model is statistically significant, the R^2 (coefficient of determination) indicated that only 19.3% of the variation of ‘feeling prepared’ was explained by the three independent variables described in Table 14. A mean square error (MSE), the root mean square error (RMSE), and the mean absolute percentage error

(MAPE) indicate a reasonable forecasting ability of the model, although, the lower the values the more accurate the forecasting ability.

Table 15 – Goodness of Fit Statistics (How Prepared is your Organization

Goodness of fit statistics (How Prepared is your Org for a transition? (Y)):

Statistic	Training set	Validation set
Observations	99	1
Sum of weights	99	1
DF	95	-3
R^2	0.193	
Adjusted R^2	0.168	
MSE	0.771	
RMSE	0.878	
MAPE	29.975	

A Chi-square analysis was also completed on separate variables of 'Does your organization have a Succession Plan' and 'How disruptive are transitions to your organization?' The results are noted in Table 16. In this case, the null hypothesis suggests the variables are independent while the alternative hypothesis suggests a link between the variables. Because the p-value was greater than 0.05 alpha, the researcher failed to reject the null hypothesis.

Table 16

Chi-square Analysis of Disruption and Feeling Prepared

Test of independence between the rows and the columns
(Does your organization have a Succession Plan / How disruptive are transitions?):

Chi-square (Observed value)	14.445
Chi-square (Critical value)	21.026
DF	12
p-value	0.273
alpha	0.05

An additional component of research question four included the ability to understand the financial costs and contrast those with when a succession plan is in place. An ANOVA was completed using the level of financial difficulty caused by rehiring as the dependent variable, and annual revenue, estimated cost to rehire, and if costs to rehire were currently in the annual budget as independent variables. Again, the p-value indicated statistical significance as shown in Table 17.

Table 17

ANOVA – Rate of Financial Difficulty to Rehire a Leader

Source	DF	Sum of squares	Mean squares	F	Pr > F
Model	12	25.577	2.131	2.290	**0.014**
Error	86	80.059	0.931		
Corrected Total	98	105.636			

A Chi-square analysis was completed on two variables: ‘rating the financial difficulty to rehire’ and ‘the estimated cost to recruit’. The null hypotheses suggested that the variables were independent of each other while the alternative hypotheses suggested a correlation between the two variables. Because the p-value is less than 0.05 alpha, the null hypothesis is rejected.

Table 18

Chi-square test of estimated costs to rehire and level of financial difficulty

Chi-square (Observed value)	31.914
Chi-square (Critical value)	31.410
DF	20
p-value	0.044
alpha	0.05

There were some unexpected outcomes in the data, such as the weakness in correlation between variables of a ‘preparedness’ and ‘having a succession plan in place’. Overall, the data was used to answer research questions one and two and begin describing research questions three and four. Additional information around research questions three and four is described in the following section of qualitative analysis.

Qualitative Analysis

Participants were selected based on their responses to the electronic survey. There were nine participants in total, with three having no succession plan, three currently working on a plan, and three having an established plan. Other factors that contributed to selecting participants included a variety of preparedness responses as well as role and variety of age groups. Table 19 provides demographic information regarding the nine interview participants.

Table 19
Interview Participant Demographics

	Interview Participant Demographics			
Gender	**Age Range**	**Succession Plan**	**Role**	**Prepared for Transition**
Female	50-60	No	Executive Director/CEO	Somewhat Prepared
Female	70	No	Director	Somewhat Prepared
Male	40-50	No	Board Member	Unprepared
Female	50-60	WIP	Executive Director/CEO	Prepared
Male	50-60	WIP	Executive Director/CEO	Unprepared
Female	30-40	WIP	Executive Director/CEO	Somewhat Prepared
Female	60-70	Yes	Executive Director/CEO	Prepared
Female	60-70	Yes	Executive Director/CEO	Somewhat Prepared
Female	50-60	Yes	Executive Director/CEO	Prepared

The qualitative analysis of the nine interviews primarily followed the process described in the fourth edition of "Qualitative Data Analysis: A Methods Sourcebook", written by Mathew B. Miles, A. Michael Huberman, and Jonny Saldana. Insight was also obtained from Richard E. Boyatzis (1998) as well as H. Russel Bernard and Gery W. Ryan (2010). These sources were used in understanding the common language, process, and objectives of thorough and effective qualitative analysis. This insight was used in the creation of the codebook as well as the methodology of the analysis. A priori codes were initially established as noted in Table 20. These initial codes were derived from the research questions, maintaining a focus on the research objectives.

The *a priori* codes aided in providing a starting place to begin the coding process that was rooted in the research objectives. These codes were initially utilized in analyzing three participants transcripts. This gave the researcher the ability to understand the fit of the codes and identify any gaps in the codes.

Table 20
A Priori Codes for Qualitative Analysis

	A Priori Codes	
Code Label	**Subcode**	**Analytical reference**
Transition Challenges	Maintaining organizational culture and security	Research Question #3
	Donor Relationship continuity	Research Question #3
	Avoiding additional turnover	Research Question #3
	Costs of recruiting	Research Question #3
	Finding Qualified Candidates	Research Question #3
	Day-to-Day work coverage	Research Question #3
	Interest in the job posting	Research Question #3
No Succession Plan	There isn't a need	Research Question #4
	Organization too small to need	Research Question #4
	Time and resources aren't available	Research Question #4
	Training and acclimating new hire	Research Question #4
	Succession plan not helpful	Research Question #4
	Neutral about creating a Succession Plan	Research Question #4
Yes Succession Plan	Created out of need	Research Question #4
	Created because of National Requirement	Research Question #4
	Reduced time to acclimate	Research Question #4
	Reduced costs	Research Question #4
	Easier leader cultural acclimation	Research Question #4
Leadership Transition Intentional Steps	Collaborate with Board	Research Question #4
	Communicate with Team	Research Question #4
NPO Leadership	NPO Leader Role Description	Research Question #3
	Organizational Culture	Research Question #3
Future Research Topics		Obtaining future research topics that NPOs have interest in.
Advice for NPOs		Research Question #3

Very early on, it was clear that the "Advice for other NPOs" code would need additional sub codes that would be data-driven based on the participant responses. The code for "Succession Planning" required some additional changes also. Originally the researcher divided up the codes for succession planning, but the reality of how the conversations progressed was such that the data was easier to organize and understand by having a main code of “Succession Planning” and additional sub codes to account for the different topics. After this change was made, it was significantly easier to understand themes in the data as well as remove redundancies in codes which confused the coding process.

Many organizations discussed preparation steps for a leadership transition through things outside of succession planning, such as creating an “Operations Manual” or having policy-driven planning efforts. Sub-codes were created to better capture these additional preparations steps. The intelligent verbatim transcriptions and a brief summary of the 30-minute interviews, utilizing the high-level codes, were sent to the three participants for review. The researcher inquired about accuracy in the transcript, an overall review of the high-level themes, and confirmation that there were no information gaps in the themes or summary.

Two of the three participants responded that their transcription was accurate, and they did not identify any required changes. One participant noted that a portion of the transcript seemed difficult to understand, and the researcher inquired further to better understand which section and modified accordingly. It also became apparent that the Board Member responses were better captured as their own code. While their perspective was incredibly valuable, it was quite different than the perspective of the leaders of the organizations.

Many of these changes came about through the analytic journal or memo process. This process involved the descriptive journaling or narrative creation documenting the thoughts, reflections, and epiphanies experienced by the researcher while moving through the qualitative analysis process. It allowed for the rapid capturing of details, themes, questions, and conclusions (Miles, Huberman, & Saldaña, 2020).

The next section contains a review of the codebook one main code at a time. The codebook in its entirety is presented in Appendix C. The number of references refers to how many pieces of the conversations were highlighted in that code, while files refers to the number of interviews out of nine which contained that highlighted code. This speaks to frequency of the topic being discussed across the nine interviews.

Codebook Review Pertaining to Research Question Three

Research question three asked what the most common issues are experienced by small NPOs in South Dakota during leadership transitions. The first code described the culture and organizations of NPOs in South Dakota and included two sub codes, which were data driven based on the participant responses. Table 21 describe the code and examples of responses to “Describe your role as leader of the organization?” and “Describe the culture of your organization”.

There was only one interview participant who was a board member, but they had shared that seeking an excellent NPO leader is like looking for a mythical creature such as a unicorn. The participant shared that it can be very difficult to find an individual that can take on the various tasks that a leader of an NPO is asked to take on.

Table 21

South Dakota NPOs

Name	Description	Example Statements	Files	# Ref
South Dakota NPOs	**Descriptions or the Organization, Culture and leadership roles of NPOs in South Dakota.**			
NPO Leader Role Description	Participant descriptions of NPO leadership role overall. It also includes any context around differences seen between NPO and For-Profit industries.	"I oversee all the operations of the organization. Everything from budget planning, to execution of that budget, staffing evaluation, staff reviews, leading the staff in the different areas, leading with marketing and communications, and fundraising and programmatic decisions..."	9	36
Organizational Culture	Participant description of the culture in the organization and their perception of the current state. Also includes historical reflections on their organization or larger National organization.	"… would be described as supportive, encouraging" "We strive to be as innovative as possible always considering the needs of the communities that we serve..."	8	26

Figure 7- NPO Leadership Self-Descriptions of Role depicts visually how the responses were broken down by the researcher in order to understand the data more clearly. Within the responses nine sub-categories surfaced that encompassed the tasks noted by the participants. Those groupings include Board Management, Community Outreach, Volunteer Management, Fundraising, Management, Staff Management, Office Operations, Program Strategy, and Marketing and Communications.

It was noted in the literature review that NPO leadership roles encompass more, varied tasks that would not be included in a for-profit leadership role. From this local exploratory study, there appears to be some validity to this observation. For example, many of the tasks that fall under Office Operations, such as ordering office supplies, paying bills, and writing agendas and minutes may often fall to a separate role in a for-profit organization.

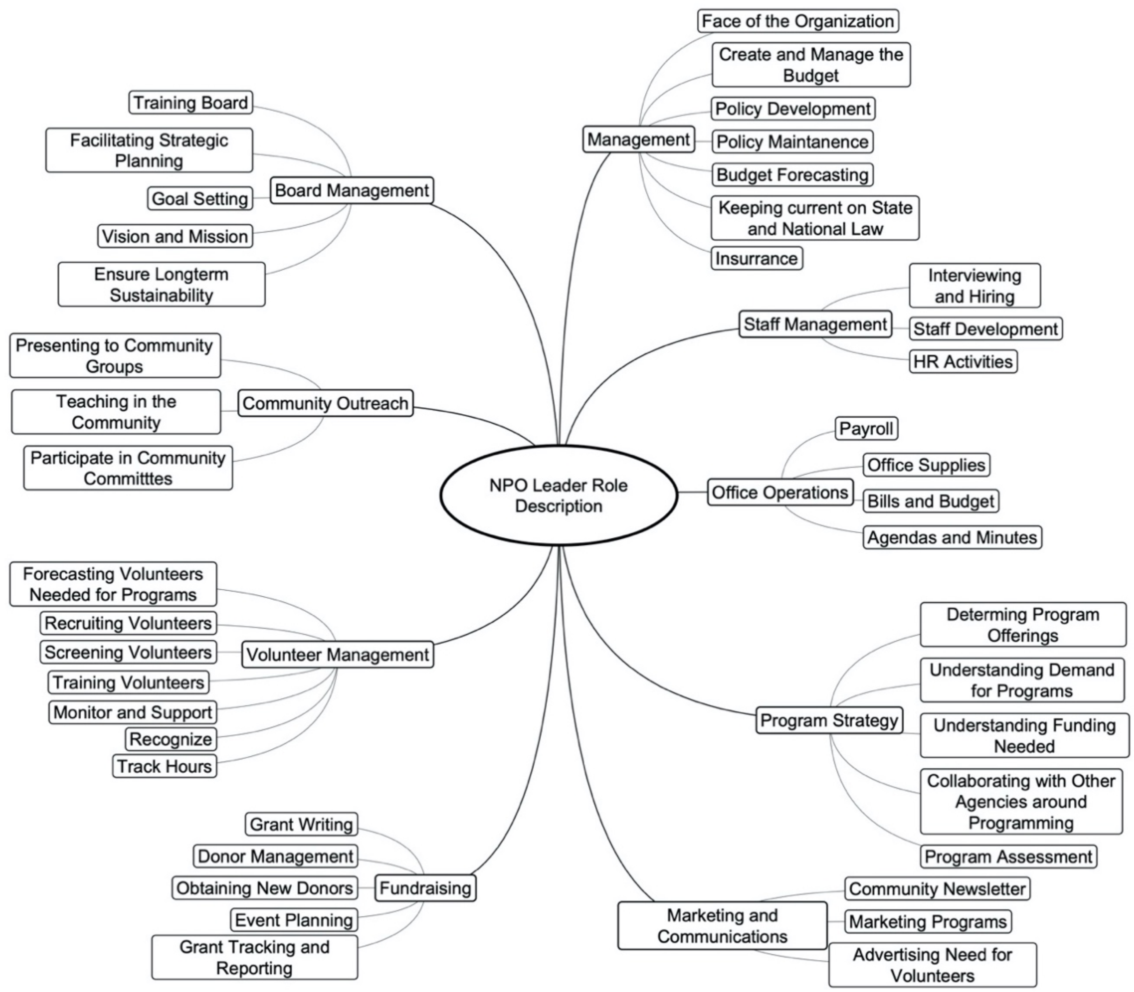

Figure 7 - *NPO Leadership Self-Descriptions of Role*

There was variety in the responses to describing their organizational culture. One participant shared that they were the only employee in the organization, so the culture was very quiet. Other participants spoke about being laid back and unstructured. Many shared that there was more work to do than resources available, so there was quite a bit of focus on the work and passion needed around the mission of the organization. One phrase that was utilized was, “All hand on deck…” in regard to trying to get the work done.

Many positive terms were used by the interviewees to describe the culture such as ‘passionate, positive, fun, happy to serve, encouraging, and driven’. ‘Innovative’ was another term that was utilized by more than one participant in the same context as ‘growth-minded’ and ‘collaborative.’

Table 22 summarizes reflections from the board member participant perspective. The board perspective was quite different from the organizational leaders’ perspective and provided a more complete understanding. Future research would benefit from focusing on the board perspective and their input regarding the details of the budgeting, marketing, and hiring of a leader of the organization.

The participant described efforts by the board in doing market analysis and studying national salary trend for similar positions. They recognized that while they were asking for someone who could do an incredible number of varying tasks, as well as potentially moving to a new town, the total compensation and benefits package needed to be increased. They still were not as competitive as they wanted to be but were glad that improvements had been made. This was consistent with reports from national data indicating the NPO compensation and benefit packages were less competitive than other sectors and industries. The participant also noted that they did not have trouble getting applications from an acceptable number of qualified candidates the last time they posted to fill the position. This counters what has been expressed in national trends. The quantitative survey data indicated that 22.22% of participants thought the interest for the position was either “High” or “Very High”.

Table 22

Board Member Perspective

Name	Description	Example Statements	Files	# Ref
Board Member Perspective	**This includes the specific perspective of the Board Member, while other opinions and perspectives shared reflect the leader of the organization.**			
Board Activities during a leadership transition	Participant responses around activities that the board participates in specific to leadership transition. This includes posting a position, reviewing the job descriptions, analyzing the gaps in skills and marketing for the new role.	"We've put a lot of effort into understanding the national trends for compensation and benefits and working toward being able to be closer aligned." "Hiring a new leader for the organization can be a really scary time for the board..."	1	6
Board Culture	Participant descriptions of the board culture including positive attributes of the board as well as opportunities for improvement from the Board Member perspective.	"The culture of our board is very positive; we are growing, and we have diversity and good representation on our board currently."	1	3
Board Management	Participant responses about training and onboarding efforts for new board members, including growing and developing board relationships.	"Training the board about our mission and focusing our activities on that mission is important."	1	2
Strategic Planning	Participant responses in regard to strategic planning activities that occur in the board during a leadership transition from a board member perspective.	"The mission has to be at the foundation of everything you do… always." "Understanding what skills your board members bring to the table and identifying any gaps is important for strategic planning"	1	3

The participant also placed a heavy emphasis on the importance of educating the board on the mission of the organization, so that it is always the foundation of all other decisions, including their strategic planning efforts for the organization. The participant recognized that hiring a new leader can be a scary undertaking. Especially, if the organization has been working under the same previous leadership for a long time.

Change can make people feel anxious and uncomfortable. They recognized the tremendous part the leader plays in the success of the organization and the weight of making the right decision can be scary. The participant also noted, that it is incredibly rewarding and exciting to see new changes and improvements that can occur throughout the organization when a new leader is hired.

Their board culture was described as having diversity in their representation, high engagement, and positive attitudes. The participant acknowledged that most boards wished that they had more board focus, different skills, efforts towards donor solicitation, or fundraising efforts, but noted that the board was doing very well. They shared efforts that had been taken to understand what skills the board already could utilize and to identify skill gaps in the organization in order to understand what skills would be critical for future leadership.

The participant shared that considerable time from the board must be placed in strategic planning efforts. They recommended taking a step back to understand the current state of the organization and the desired future state. Making strategic planning decisions based on the mission to help get the organization to the ideal future state. This perspective could prove helpful to other boards as they prepare for a leadership transition. It also provided for a more well-rounded analysis of the process being able to understand the challenges from the leader and board member perspectives.

Table 23 summarizes the challenges that the interviewers had experienced during transitions. These are activities or items that made the transition challenging from the perspective of the leaders of the organizations.

Table 23

Transition Challenges

Name	Description	Example Statements	Files	# Ref
Transition Challenges	**Participant responses that include all challenges expressed related specifically to the transition itself. This does not include challenges in the NPO sector at large or organizationally that do not pertain to transitions.**			
Board Challenges	Participant responses in regard to challenges that related to the Board of Directors during the transition.	"We had a board that was pretty disengaged " " … there wasn't an active Board recruitment plan in place"	2	5
Competitive Pay and Benefits Package	Participant responses that include issues around be able to compete in the market and provide competitive pay and benefits to hire for a new leader.	"… our biggest concern, is is the funding that we will need for a qualified director" "We were below the National standard for NPO leader pay and benefits were also very lacking."	2	5
Donor Management	Challenges experienced during the transition related to maintaining the relationship with current donors and growing the donor pool for the organization.	"We had no records to indicate who had previously donated in the past." "We had no contact information for donors to invite them to the annual event the next year"	2	5
Finding Qualified Candidates	Challenges experienced during the transition related to interest in the positions of leader. This also includes the qualification levels in the applicants who did response to the opportunity of leader of the organization.	"We have had real challenges in the past looking for qualified candidates that were also bilingual." "When you look at all the things we are looking for in a candidate, it is almost like looking for a unicorn."	2	5
Funding	Participant responses around how to fund the organization, organizing the funding and determining the programs and positions to use the funding for.	"… at the forefront of my mind all the time now is how to increase donors and grant income" "That's basically what we're concentrating now is seeking sponsorship contacts with	3	9

		potential partners, foundations, and fund raising”		
Need for standards and documentation	Participant responses around the needs they experience for standards and documentation around their process and people. This includes document management, Relationship management (CRM), and frameworks for creating consistency within the organization.	“I fell back on a National framework of best practices and incorporated that because there were no standards in place.” “There is no documentation around my role”	7	26
NPO cultural issues	Participant responses to any challenges they faced in regard to the culture of their organization.	“There was a lot of tension in the office “ “So there was just a little bit of trepidation”	2	5
Operational Concerns	Challenges experienced during the transition related to managing the work during the time without a leader. This includes the potential use of an Interim leader to solve this issue, issues with the running of any stores or profit centers.	“how were we going to survive, and what programs and projects would carry over?” “They could have found success had proper records and documentation been kept.”	5	7
Staff Turnover	Challenges experienced during the transition related to losing staff due to the instability caused by a leadership transition or indirectly because of the change in leadership. Also, may include historical references of instability in leadership and staff turnover.	“… we had to change some staff as well” “… there was a lot of turnover or a lot of people were leaving”	4	6
Training and acclimating new leader of the organization	Challenges experienced during the transition related to how the new leader received training for their new role. This also includes any challenges related to acclimating to the culture or community.	“There were regional challenges as I was new to the area” “ I really did not know the people here.”	5	11

There was a grouping of the data under challenges relating to the board. One participant shared that initially the board was less engaged and getting smaller in number of board members. Board members were not signing up for additional terms as their term limits ended and there was not a recruitment plan in place at the time. They shared the importance of rebuilding the board and engaging them in the mission of the organization.

Another participant didn't know who the Board Chair would be due to term limits and a missing set of guiding principles for the executive team of the Board of Directors. As the leader of the organization relies heavily on the Board of Directors and Board Chair, this can create additional instability.

There were many reflections of board members stepping in to lead during times of transition with varying levels of success. Often board members already have full time jobs or serve on multiple boards. The survey indicated that 86.05% of the NPO organizational leaders held a full-time leadership role, which suggests that this would be the case the majority of the time.

Having standards and guiding documents for the leadership role is noted as a challenge in a later code. Without having an "Operations Manual" or procedures for the interim leadership role, anyone might struggle. There could be many benefits to utilizing board members as a temporary fix while looking for a new leader including, they understand the mission, they have a passion for the mission, they understand the work, and may know the staff.

National data suggested that NPOs struggle to offer competitive pay and benefits. This was confirmed by many of the participants. One participant was worried about being able to find the funding for the leadership role in addition to funding for the programs the organization offers. Three participants talked about feeling that their wages and benefits were not at the level that they needed to be. Many have compared their rates to national averages and worked to find strategic ways to make their compensation and benefit packages more appealing and competitive as compared to other non-profit opportunities.

Participants shared that donor management was a gap area, specifically not having a process in place to manage their donor relationships, monetary gifts, or participation in events. One participant reflected that when they came into the role of leader there was not any documentation of who had attended their annual events in years past or who had made financial contributions or supported their mission. This made the first event challenging as it felt like starting over from scratch. Their perspective was that they were not even in a place to focus on growing their donors or building on their donor relationships, rather, they were trying to identify their donors. They talked through obtaining a Customer Relationship Management (CRM) system that could help them track and manage their donor relationships. This system would also contribute to sustainability and consistency in future leadership transitions.

Multiple participants were concerned about needing to grow the organization, expanding their donor pool, and finding additional funding options such as grants. This sentiment was consistent across organizations that were growing as well as organizations that were experiencing financial difficulty. Those in financial difficulty expressed needing additional donors in order to fund staff and stabilize their financial situation. The organizations in a growth phase expressed the need for additional funding to hire more staff and expand their program options to serve the needs of the community. There was a nice variety of organizational sizes and varying degrees of financial stability in the interview pool. This provided a wide variety of perspectives that the participants were coming from. However, the responses in most cases were that additional funding from donors and additional funding sources needed to be sought out and was a top priority.

Many participants were concerned with understanding how to properly engage and solicit donations of time and money from younger donors. This left them with a feeling of uncertainty looking into their financial funding future. Funding was needed to recruit staff and leadership, grow or enhance the program offerings, and to provide the staff necessary to monitor and support those programs.

One suggestion included that having a calendar of what events happen annually would be helpful for transitioning in a new leader. Understanding what the annual deadlines for tax filing, annual holiday or community events, regular training or conference dates, and what staff expectation were on an annual basis would help a new leader.

Many operational needs were voiced, such as where to find files, what are the steps in the paper trail, what is available online and what is in a binder in the office? These day to day tasks normally would be known and in someone’s mind but documenting them in order to aid in a seamless transition was noted as a gap. Another participant noted the need for having policies documented around how to recruit, interview, train, monitor, and ensure anti-discrimination in respect to volunteer management. Having these items documented for visibility and accessibility to all who may need the information was noted as a necessity.

Documentation and standards around how programs are created, monitored or retired was another item. One leader shared that a lot of time was spent early on aligning the programs with sector (Community Building, Child Mentorship, Education, etc.)

specific standard methodology so that there was a documented strategy in place for program management.

In one case the participant spent time initially on in the transition working with the board to document their own role and better understand what the mission and annual goals and objectives were for the organization. Lack of clarity around the leader role contributed to slowing down the acclimation and transition process as shared by the participant. One participant described the creation of an online member database. This allowed for online access as well as having all of the information available in one place. Many reflections around needing to review the job descriptions of the staff in comparison with the skill sets and top priority tasks that needed to be completed. The lack of updated and cohesive job descriptions had contributed to some cultural issues within the organizations as well.

The board member perspective also aligned with the needs for standards and documentation. The participant shared that if the previous leader has the ability to leave organized notes and documentation it is valuable to the incoming leader and assists in the transition process.

One individual reflected that there was a culture of "That is how we have always done it…" and they discussed that it was difficult to acclimate to that not being from the area and having an understanding of how it was always done. This idea is also in conflict with the idea of being innovative and checking and adjusting to improve the organization.

There were some interpersonal challenges and staffing adjustments that needed to be made right away by two participants. Some of those issues were worked through using listening and collaboration skills. Some of the issues were remedied through better documentation and understanding of the job descriptions and the process flows throughout the organization.

Discussions included operational challenges in the day to day work, potentially items that fell through the cracks during the transition, the potential use of an Interim leader, and issues managing multiple locations. One participant shared that they have a second location that is set up as a profit center where items are sold. Operationally, when the leader entered the organization this profit center was not profitable. This took time to work through these day-to-day operational issues to make corrections in order to create a financially profitable situation.

One participant expressed frustration in balancing all the tasks required of them. They noted challenges in balancing program development, staff supervision, financial and budget management, fundraising, member/ volunteer/ donor relationship management, and community involvement.

Some experienced loss of staff due to instability in the leadership transition or the change in leadership itself. A number of participants noted how critical it is to have good staff that you can trust and depend on during transitions. They also noted wanting to do whatever possible to retain high performing staff. However, regardless of leadership style of the number of transitions, many participants experienced staff turnover early on. Any change in staff required the time and investment in recruiting, training, and onboarding new staff.

Some challenges experienced during the transition related to how the new leader received training for their new role. Multiple participants noted it was challenging to get acclimated to new communities and caught up with local traditions and unwritten rules.

One participant noted that introductions to key stakeholders in the community would have provided great help. Also having someone share what was working well and what was not working well and providing some historical context around programming offered was noted as something that would be helpful.

The next codes relate to research question four which asks how often succession plans are used and if they are successful in reducing the cost and time involved in leadership transitions and new leader acclimation.

Codebook Review Pertaining to Research Question Four

Table 24 describes reflections and steps that the NPO leader took specifically to aid in their own transition into the role of leader. Many of the participant responses were specific responses to the request, “Describe any intentional steps that you took, focused on the leadership transition, in your first six months to a year in your new role.” The questions was designed to draw out actionable steps that other new leaders could learn from or apply.

Board collaboration surfaced very quickly as an emerging theme. Many participants described the board as a key to the success of a new leader and their successful transition. An issue related to this included the succession plan for the board of directors and NPO executive positions. One leader described the board as supportive, but they had run into challenges managing their own terms and limits in relation to the executive board officer roles. Because standards had not been in place to plan for executive officer board transitions, the leader of the organization worked through the challenges involved in obtaining a new President of the Board. The leader essentially had to design a strategy to determine the succession plan of their boss. It was an interesting perspective on the need for planning and process for the executive leadership team of the board to accommodate term limits and prepare for that transition in leadership. Especially taking into account how important the board is during a time of transition.

There were regularly scheduled discussions with the board either through email updates, face-to-face meetings or conference calls, used to discuss issues and strategies for how to move forward with challenges.

Table 24

Steps the New NPO Leader Took to Aid the Transition

Name	Description	Example Statements	Files	# Ref
Steps the new NPO leader took to aid the transition	**Participants' responses to being asked what steps the organization has taken to prepare for a transition in leadership.**			
Collaborate with Board	Participant description of collaboration, interaction, and relationship building with the Board Members and Board Chair.	"if somebody is new into leading their organization, they really need to have a strong and open relationship with the president of the board" "I spend a lot of time of conversation with my board of directors chair."	6	18
Communicate with Team	Participant responses around communication and collaboration with other staff within the organization.	"be open and vulnerable and open to suggestions from your staff." "I think getting to know the leaders within my agency that I was supervising was probably one of the most important things I did"	6	18
Cultural Steps	Participant descriptions of intentional steps taken in regard to the culture of their organization during their transition into leadership and within the first year.	"There are steps I have taken to change that culture" "… my sense is that the culture is a little different because I'm in charge now"	3	5

Personal Improvement and Growth	Participant responses about intentional steps they took specific to their own personal improvement and growth.	"I looked into what was available as far as getting some education on running a nonprofit" "I just read a lot "	3	5
Staffing Adjustments	Participant responses around steps they took to review the skills on their team as well as the job descriptions of their team in order to better utilize the limited resources they had available. This also includes any changes in staff.	"We talked about what they do, what they like to do, and what would be helpful for them" "new position descriptions for them and making sure that those were accurate that is getting feedback from them"	7	13
Strategy and Vision	Participant responses around creating Vision or Mission to drive the organization. Also includes. Updating or clarifying vision and strategy for the organization. Includes any formal methodology or framework utilized by the organization as a standard for strategy.	"We really go back to the mission and vision, and what it stands for to decide whether it's appropriate or not appropriate" " … basically that we're keeping our mission as the focus of everything that we do"	6	11

Another emerging theme became the intentionality and importance of the board in working through the succession plan and setting the organization up for success. There was also a significant number of remarks around the board's role in reviewing the job description for the leader of the organization and they need to be clear about goals and performance expectations. Participants who did not have that clear guidance and direction shared that it was very challenging to function and ended up being one of the first steps they took in their new role, to obtain job clarity and goals.

Communication with staff in the organization was a key transition tool. The participants noted being open and vulnerable to feedback and thoughts from staff. One participant recommended reviewing the staff job descriptions with the staff member in the position, and asking probing questions about what is working well, what parts they enjoy, and what their strengths and weaknesses are. Participants shared a common sentiment that when staffing levels are low and demand is high, the resources that are available must be used as efficiently as possible. Because of this, taking the opportunity to catalogue staff strengths and abilities and look across the organization at the tasks that need completed would enable to leader of the organization to work more effectively.

While change can be difficult, they shared that all of the staff enjoyed their work more after the job descriptions had been modified, as they were better aligned with their skills and tasks that they enjoyed doing. It also provided the opportunity to build genuine relationships with the staff and allow the staff an opportunity to understand the new leader and what is important to them. The participants recommended an investment of time into communicating and building relationships with staff early and making sure that they are heard and valued, as it is a scary time for the staff as well.

In many of the cases for those interviewed, there had been one or more leadership transitions in the years before them. Because of this, some job descriptions that may have made sense initially had either not been updated or partially updated to reflect new processes or programs, leaving the roles and processes unaligned and disjointed.

One leader shared that it was just not possible to know everything that was required of the new leader to know. They focused on compensating for their own skill or knowledge gaps with subject matter experts on staff. This also required the crucial ability to truly be able to trust the staff and their knowledge and abilities.

Some leaders had to take steps to adjust the culture of their organization. One leader shared that when coming into the organization initially there was an ‘us versus them’ mentality between their main office and satellite location. This cultural challenge was something they intentionally took steps to remedy including removing multiple

Facebook pages and combining into one social media presence, combining financial accounts, and making some staffing changes as well. Others noted there were squabbles among staff that had contributed to a negative organizational culture. Some actions required making hard decisions and shifting or changing staffing. There were reflections on needing to break down invisible walls dividing people and processes and the need to be good stewards of staff skills and talents, thus empowering them to be able to be successful as well.

There were many thoughts shared around development and leadership. One leader noted that they did not have previous nonprofit experience and so they pursued reading and informal learning to better understand the role and the sector. Many participants also shared the importance of getting connected with a peer group or with someone that could serve in a mentoring relationship. The mentorship concept was a consistent theme, encouraging others to utilize the experience of other local NPO leadership and building that network.

One participant shared that it was the financial side that was the most daunting and discussed different classes and options through universities that could close the skill gap they had self-identified. There was also mention of general NPO leadership training, supervision, and process management training.

Leaders were also looking for national trend data to understand determine. Where. The compensation packages for their organizations should be in order to be fair with the market ranges. They were finding in many cases that their organization was not where the averages suggested they should be. Compensation adjustments often have to be part of a long-term strategy at NPOs. Generally, it needs to be part of an approved budget item that usually includes seeking out additional funding sources either through donations or grants.

Many participants focused on how important it is to have the organization's mission be the foundation and cornerstone driving all other fundamental decisions, such as what programs would continue to be funded, be removed, or be added as new programs for the organization. One participant shared that they had very high expectations for themselves to meet the mission of the organization in the best possible way. For organizations that had very broad mission statements, participants noted intentions to revise or create new mission statements that could be used as actionable tool do drive priorities and decision making. There was a striking different in confidence of tone between the leaders that could reliably count on a clear, guiding mission or vision statement and those that did not have one.

There are also certain NPOs that have national organizations that supply frameworks or standards. There were some participants who noted their first action items included taking the organization and aligning with those national standards and methodologies. Some of the frameworks were specific to the type of service the organization provided.

Table 25 includes intentional steps that the organization took to prepare in advance for a leadership transition. It became apparent quickly that there needed to be a sub-code to account for activities such as: creating a policy around leadership, operations manuals for the next leader, or a transition planning that was not specifically written as a succession plan.

One participant noted that they were currently working on terms of office for executive members of the board. While not specific to the succession of the leader of the organization, it has also been observed by study participants that the board is critical to success in a leadership transition. Because of this, putting time and intention to how the board rotates through terms and board leadership positions seems very important as well.

Table 25

Steps the NPO Took to Prepare for a Leadership Transition

Name	Description	Example Statements	Files	# Ref
Steps the NPO took to prepare for a transition	**Participants' responses to being asked what steps the organization has taken to prepare for a transition in leadership.**			
Additional preparation steps	Participant descriptions of steps their organization took to prepare for a transition that were not specific to Succession Planning. An example might be the creation of an "Operations Manual" or policy driven preparation steps. Also includes planning for Board turnover.	"… the organization needs to have in place a term of office for board leadership" "The previous leader left very detailed notes about different projects that the agency was currently involved with"	6	12
Internal or External Rehire	Participant responses around whether they would recommend rehiring with someone internal or external to the organization and why.	"I would like somebody in the community who already knows and believes in our mission" "I would prefer an internal candidate"	6	11
Reactions to not having a succession plan	Participant responses to not having a succession plan currently in place or documented. Includes some of the reasoning behind why a succession plan is not in place.	"I don't think there are many organizations in town that have done it. And It's something that we need to do." "I think that it's something every organization should have in place "	4	7

Succession Planning	Participant responses specific to succession planning activities or documents. This includes activity that is policy driven but maybe not formal succession documentation. This also includes any information around what the driver or catalyst was to create a succession plan.	"I'm looking at succession planning for my position" "… my job as the leader of this organization is to always ensure that this organization has long term sustainability."	7	21
Use of Interim Leadership	Participant responses in regard to their organizations utilizing an interim leader. This includes their reactions to the success of that effort.	"… it was confusing to the employees" "I do not believe it was successful... " "I believe the board just stepped into the position"	5	9

A participant shared that the previous leader had left incredibly detailed notes about programs, projects, and staffing. This information was very helpful for the new leader of the organization and contributed to the success of the transition by adding continuity and consistency to the instability of the change as a whole. This may not always be an option depending on timing and the reason behind the change in leadership.

During these discussions there was a common emotional component expressed by the participants. The researcher would describe it as a passion or longing to ensure that the organization would thrive and carry on whether they were in the role of leader or not. It was a selfless, deep desire to ensure the long-term sustainability of their organizations. This may have contributed to a sense of urgency to get standards, policies, or documentation around a plan for the future.

Some participants noted other standards put in place to ensure the future success of the organization, such as executing on full sets of policies around interviewing, screening, recruiting, training and monitoring volunteers that are part of the organization's programs. While this piece did not relate directly to succession planning, the desire to align the organization with standards does allow the organization to be more able to maneuver through a change in leadership more effectively.

One leader mentioned that the organization had adopted a transition plan, which they considered to be an intermediate step. This transition plan identified who on the board would take over which responsibilities, however, did not go into the detail that a succession plan would. This idea of a transition plan as an intermediate step may be less intimidating to some organizations than the idea of creating and vetting out a full succession plan.

Three participants talked about having something like an operations manual. They wanted to include in this manual the everyday details of how to get work done should the leader not be available. Items that it might contain would be passwords to certain computers, files, voicemail, or software programs. It would also contain locations of bank account information and codes, timelines for bills or tax filing. Sharing this day to day information may prove helpful in achieving a more seamless transition.

One participant shared that deploying an online membership database was a big step for their organization to prepare for the future. It allowed for all of the information to be stored in one place, rather than stored throughout binders, computers, excel spreadsheets, and people's minds and accessible to multiple people in real time. The participant had noted that while the organization had a leader in place originally for a long time, there had been significant transition after that, almost annually for about four years. With that much instability, it can be very difficult to maintain consistency in how records are kept or updated so this tool was a step forward in that regard as well, in preparing for future leadership to have some continuity.

The discussions around interim leadership were interesting. The researcher understood that this is generally a decision made by the Board of Directors, however, the leaders would have great insight having done the role and the work already. This was a difficult question for many of the participants who shared reasons why both might be good options depending on a number of criteria. There was a consistent theme that the smaller organizations would struggle to hire from within for a few different reasons. First, they may be the only staff in the office and thus there would not be a replacement option internally. Secondly, they may have invested in a staff member who now has a specialty skillset, and even though they may be a great candidate for the role of leader, they may not be able to manage the loss of that specialty skillset or the costs of training someone new in that specialty knowledge. Thirdly, the staff may be part time and not available to take on a full-time leadership position. There also appears to be less opportunity or capacity to train a successor in the organization as many participants shared, they are currently understaffed.

Some of the criteria that would be involved in that decision might also be the needs of the organization at that time. The role of leader of the organization involves many skillsets, and it may be something that has to be analyzed at that time to see if someone inside the organization has the skillsets needed.

Some of the benefits noted for hiring internal include the continuity of mission, knowledge of and passion for the organization and their goals, ability to have overlap in hiring to allow for transition and training between outgoing and incoming leaders, continuity in organizational culture with a historical perspective, and a shorter learning curve. Some of the benefits of hiring external that participant's shared included fresh, new ideas being brought into the organization, do not have the domino effect of backfilling an internal hire, and can potentially bring in additional skillset that may be a gap in the organization.

One participant that did not have a succession plan, noted that they were very concerned about not having anything currently in place as far as a strategy. They planned to be retiring in the next three years. Their organization had experienced significant funding challenges and their focus was understanding what a financially viable future looked like rather than leadership transition challenges. One leader shared that they believed succession planning generally does not happen until an organization is forced to complete it due to a leadership change. They believed it likely that most organizations locally would be in the same position as far as not having one established currently, although they also believed it to be important and something every organization should do. Out of the participants interviewed that did not currently have a succession plan in place, all agreed that a succession plan would be helpful and should be completed.

For the participants who had a succession plan, the discussion also included what acted as the catalyst for their organization to create a succession plan. Most were concerned around the emergency planning component and shared concerns about what would happen if they would be incapacitated. Some of their questions included: What would be the plan for the staff? Would there be an interim and who would it be? How would they get access to the financial accounts and donor or volunteer lists? How would payroll be completed?

Some of the catalysts for creating a succession plans included receiving notice that it was a requirement from the National Organization, receiving notice that a leader is vacating, board members bringing the knowledge of succession planning from the for-profit side, the leader needing to take short-term leave for a family medical situation, and receiving notice that the leader was retiring. One leader shared not being able to recall a specific catalyst, but it being a byproduct of their growth and development as an organization.

A participant who had an established succession plan that was utilized leading up to hiring them noted that it was very helpful and made a big difference from their perspective. They noted it was not necessarily something that they updated on an annual basis, but that they all had copies in known locations. The participant expressed confidence in knowing that they had a really good document that could be used in the future moving forward as well.

Three of the interviewed participants noted that their organizations had utilized interim leaders in the past to help manage the gap in leadership. In one situation, an interim leader was utilized to fill the gap while the board analyzed the financial viability of the organization. The participant shared that this was the right decision at the time, because making a full time offer to someone while in a weak financial position would not have been fair to that individual. That allowed the board time to work through the financial challenges.

Another participant noted that in smaller organizations, it is often the board that steps into the role in an interim basis until new leadership can be obtained. This may be stepping into the top, critical tasks, but there may still be some gaps depending on the abilities and time constraints of the board. Another participant noted a past experience did not go well with an interim leader, but basically attributed that to the lack of standards and documentation. It would be a challenge to be successful as an interim leader without consistency in process and documentation.

Table 26 summarizes the advice participants shared for other NPOs going through a leadership transition. One leader questioned if board members have a clear understanding of what they are getting into before joining the board. A board member may think they are agreeing to one board meeting a month where they consult, however, the reality is that many organizations are asking their boards to actively participate in fundraising, connecting the organization with their personal network, and reaching out to potential donors.

Table 26

Advice for Other NPOs Going Through a Leadership Transition

Name	Description	Example Statements	Files	# Ref
Advice for other NPOs	**"What advice would you share with other organizations going through a leadership transition?"**			
Board support of the new NPO leader	Participant responses about communication, collaboration and relationship activities between the board and the leader. This also includes different activities that the board could do to support the new leader in their role and through the transition process.	"For a nonprofit, a good board of directors can make or break a transition."	7	12
Communication	Participant responses including all communication efforts with staff, the board and the community.	"…need to spend the first short period of time, um, listening more than talking. Learning about the organization"	6	11
Continuous Improvement	Participant responses that align with a need for the NPO leader to innovate, try things and make changes in an agile way to continuously improve the organization.	"...don't be afraid to innovate and take risks and learn as you go."	3	3

Continuous learning and personal development.	Participant suggestions for new NPO leaders to learn and growth their experience, knowledge and talents. It includes activities, mentorship and formal training opportunities.	"do your homework. Take a look at all the material that you can find out ahead of time. "	5	11
Hiring for a new leader	Participant responses regarding what qualifications would support a good leader of an NPO, including suggestions and experiences.	"if they're hiring a leader, don't be afraid to take a chance on somebody, look more on their capabilities and their strengths… "	2	5
Key competencies for an NPO leader during transitions	Participant responses around competencies an NPO leaders will need during a transition such as faith, perseverance, patience, and determination.	"I think the first thing that came to my mind is patience. Transitions take time and there's just no way to speed that process along, because part of that transition is really building those relationships…"	6	16
Peer Group Support	Participant attitudes toward utilizing peers in the sector, peer support organizations, mentorship as a way to receive peer support and share knowledge.	"The biggest thing for me has always been finding a peer group of people in a similar position."	4	7
Transition Overlap	Participants' positions and opinions around having a transition of leadership where an overlap exists, and both the proviso and new leaders are in the organization for a short time as part of the transition. This could also include an interim leadership experience.	"I think having time to have a transition with whomever you're replacing is very helpful and very useful."	4	9

When taking into account the critical role the board plays in a transition, the chance that they may have to run the organization on an interim basis, and the idea that board members may not be clear about the expectations of their role, suggest that standardizing board member onboarding may be a topic of interest. Participants mentioned in different ways the idea that a new leader needs patience and time to learn and grow in their new role. This concept of having faith and perseverance through the transition process as well as the understanding that building new processes, standards, relationships, and changing organizational cultures all take time. The board can be supportive just by understanding the complexity of change and providing patience during the transition and within the first year.

There was a heavy emphasis on communication with the staff, the board, current donors, future donors, the community at large, and community groups looking to receive training or information about the organization. A solid message was received that communication needs to happen early in the transition with the board and staff to understand not only the current state, but also the vision and strategy for the future.

Strong staff communication, as early as possible, should include soliciting their thoughts and feedback on their own roles and job descriptions as well as comparing that to the staff's self-reflections of their strengths and weaknesses. Understanding the strengths in the current staff and aligning with the required tasks allows the organization to be more effective with the resources that they have available.

Some of the challenges noted by participants pointed to a lack of clear direction for the leader, clear job descriptions for staff, clear time-based objectives, and a lack of continuity between leaders. A number of participants noted the importance of listening and learning rather than speaking in the early days of a transition. They also shared a need to be open to the suggestions of staff and to lean on the subject matter experts for any personal skill gaps.

The board member perspective provided communication advice specific to getting the word out around the opening of the new leadership position when hiring. They shared the criticality of getting the posting out through every avenue that is available including social media, any NPO groups or associations, personal networks, etc. This communication is critical as the job posting is only open for a specific, and usually short amount of time. Because of this, there needs to be a focus on heavy communication that an opening exists up front.

More than one participant noted the need to continuously improve the way they do the work. There were many examples of making small incremental changes in order to move forward. A couple of participants used a lean manufacturing term, check and adjust, in regard to their process improvement efforts. It is interesting to look at this information alongside their descriptions of culture in their organizations.

Many described very small staff levels in their offices doing many, varying tasks each. In fact, one participant described that they were responsible for a newly created role that combined two previous roles together into one. They spoke about the culture of their organization being “quiet” as they were the only employee. Because so many participants noted working with less resources than they need, it seems relevant that they would work hard at removing redundancies and creating efficiencies in the processes wherever possible. Some described that they were able to capitalize on process improvements through software programs or tools to enhance access, continuity, information sharing, and volunteer or donor management.

Many described efforts to enhance their own personal and professional growth and development. This included training opportunities, conferences, and Universities as options to grow. One individual shared needing to grow their understanding of finances, accounting and operations of an organization. Another acknowledged that they couldn’t possibly master all the areas that would be required of them, as there are many hats to wear. Because of this, they indicated the strong need to hire trustworthy subject matter experts in those areas where they did not themselves have the knowledge or experience.

One individual encouraged others NPOs to not be afraid to consider applicants that have varying backgrounds. The participant advised that a leader could come from many different backgrounds and still be successful in leading the organization. A different participant raised a similar topic to this in the future research code. They had noted a potential trend that NPOs tend to reach out into the for-profit world for leaders once the NPO has reached a certain size on the larger end, rather than recruiting from the nonprofit world. These two ideas are interesting thoughts from different perspectives. One speaking to the idea that the leader of an NPO could come from many different sector backgrounds and still be successful in translating those skills and abilities into the NPO sector. The other idea proposes that there is a trend occurring where, for some reason, when an NPO gets to large, the tendency is to look outside of the NPO sector and find someone from the for-profit sector to fill the role of leader. Many root causes could be speculated for this, but it would be interesting to better understand.

Participants noted a number of key competencies that should be considered in someone filling the role of leader of the organization. This grouping of competencies included many soft skills such as listening, patience, relationship building, conflict management, perseverance, and open mindedness. Dedication and commitment came up as adjectives for NPO leaders that that they admired in other organizations as well as passion and enthusiasm for the mission of the organization. Participants also noted that a leader needs to be able to innovate and adapt to an ever-changing climate and culture in the sector. The idea of being a leader that encourages fun as part of the organizational culture was also surfaced.

Peer groups or peer support were highlight recommended by most of the participant group. Finding a peer support group online or within the community who has experience in donor management, funding, financial operations of the organization, etc. is key to success in a new leadership role. They noted maintaining open communication with the previous leader if at all possible, from a historical knowledge perspective, as well as reaching out to others in the community for mentorship opportunities.

There was also a recommendation to have overlap in the transition of leadership. This means that the previous leader and the new leader would both be available in the company for a specified amount of time to support the transition process. This topic received some varying responses to the success of an overlap in leadership. One participant noted that it was incredibly helpful to have that source of knowledge and information in transitioning, while others noted it was confusing for many of the staff as they did not have clear direction on when to go to which of the leaders should an item arise. This might be interesting to better understand.

Codebook Review Pertaining to Future Research Topics

Table 27 represents topics that the participants would be interested in seeing future research on. Most participants had at least one or more potential topics, and some of the topics were hit on by multiple participants.

The first topic of interest was a potential trend around changes in leadership hiring practices as the organization grows in size. Their perception is that as an organization grows larger, there seems to be a certain size where the board starts looking in the for-profit sector for leaders rather than in the NPO sector. The participant questioned if perhaps it has to do with the board members originating from the for-profit side and having a sense of comfort with those candidates. There would potentially be a number of root causes to discover and validate.

Three participants all shared a similar concern that NPOs are not quite as prepared to effectively engage the younger generations. They shared challenges in understanding how to market to, engage, and solicit time, talents, or monetary donations effectively from the generation X and Millennial generations. One concern was the lack of understanding of technology and different social media formats to fundraise and build relationships with donors. Participants noted a general unpreparedness in how to accommodate this new way of engaging with them. One participant noted that in the United States we are currently on the edge of one of the greatest transfers of wealth from one generation to another.

Table 27

Future Research Topics

Name	Description	Example Statements	Files	# Ref
Future Research Topics	**This includes responses from participants who were asked what topics related to NPOs, that they would like to see future research focused on.**			
Do NPOs hire for-profit leaders when they get large in size	Participant response around the potential trend that NPOs look for external candidates from the for-profit sector once the organization has grown to a certain level of size that is on the larger end of the spectrum.	"When a nonprofit becomes large, all of a sudden there seems to be the belief that you need to bring in a leader from the for-profit world, as opposed to bringing in somebody who's been in the nonprofit world and elevating them to that position"	1	2
Engaging younger generations in service and giving	Participant responses specific to concerns around how to market to, communicate with, and solicit time and talents from the younger generations.	"… baby boomers are passing their estates on to their children" "… organizations aren't currently very good at raising	3	5

		money from Millennials and Generation X”		
Financial Resources	Participant responses specific to the need for a new funding method, strategy, or source.	“I think we're all struggling financially...” “… who will partner with us where we can pool our resources.”	3	5
New Board Members Understanding of their role	Participant response around understanding the soliciting and onboarding of new board members and if their expectations for a role on the board match what is needed from a board member.	“… be interesting to research would board director thinks that they're getting into when they join the board.” “… we're asking them to do things like reach out to other people and to bring in funding”	1	4
Nonprofit Association for South Dakota	Participant response specific to creating a South Dakota Nonprofit Association, similar to Minnesota’s program.	“But that association provides so many resources. One of the things, just like group insurance...” “… where maybe we could get group insurance policies or other benefits like that because we're a small organization”	1	1
Organization size determines challenges	Participant response indicating that the NPO size determines greatly what challenges they will be facing.	“… the size of the organization really does affect a lot of these things”	1	1
Perception around suitable salary for NPO leaders	Participant response questioning the perception that NPOs should not make any money, and thusly also should not pay their leaders significant wages.	“… perception that nonprofits should not make any money” “… perception that people who are working in nonprofits are just volunteers”	1	2
Quantifying NPO Services	Participant response requesting to better understand how the services that NPOs provide could be quantified. How could the value of NPOs find their quantifiable value to the community?	” … the question of what would taxes have to be if the state provided all the services nonprofits do.” “… an economic model that can describe the role of the nonprofit and help us communicate what the world would be like without us.”	1	1
Trend of Increasing quantity of NPOs	Participant response indicating that the number of NPOs is increasing every year. This topic would include root cause for this	“Does that indicate altruism? Does it indicate there's economic needs that aren't being met by the current economic culture in the States”	2	5

	happening and potentially the effect on the NPO sector.			

A perception shared in regard to the younger generation, is that they want to give in a way that they have control over and visibility to. They want to be able to give monetarily but may not be as excited to sign up for meetings, committees, or boards with one to three-year terms. An additional topic brought forward on the same financial line, is understanding how to secure consistent funding models for the organization. There were a couple of organizations that noted this was a real struggle.

Two different participants shared that they were trying to figure out how to survive, when asked about why they did not have a succession plan in place. They shared how it really was not on their radar because they were just focused on trying to determine if they had financial viability to make it through the year. Taking this topic alongside the previous one provides a greater understanding of where the concern comes from. For those organizations that are already struggling financially, looking into the future to an unknown financial situation in a generation with a different mindset for service and giving, would be worrisome.

One participant was concerned about new board members' understanding of their role on the board. There is a sense that a new board member believes that they are going to show up for one meeting a month and act as a consultant. The reality is that many board members are asked to solicit new donors, to fundraise, and to introduce their personal network to giving in the organization. This topic would get to the bottom of the onboarding process for new board members and determining if their understanding of the role is in alignment with the need and organization expectation of the board role.

Another topic noted was the need for an association of NPOs in South Dakota. Minnesota has an association currently and it is very successful as a shared resource for NPOs. Currently South Dakota has many small NPOs that are all reinventing the wheel, whereas an association could provide many resources that would be helpful. One example the participant offered is group insurance or potentially other group benefits. From a researcher perspective, if future research was done on any of these topics, it would be incredibly helpful to work through a state association either to receive the contact information, to add validity to the study, and to collaborate further on opportunities to support NPOs in South Dakota.

A quick topic added was the idea that challenges are relative to the size of the NPO. One example was the researcher question around if a candidate should be hired internal or external really only matters if you are large enough to have staff that could be built as a pipeline. One participant noted having a staff of one person and thus having the resources or capacity to develop that pipeline for leadership could be challenging. This topic is broad around what challenges effect the different sizes of NPOs.

Another concern brought forward included that society believes NPOs should not make a profit that could be used in additional programs or paying staff. Another perception shared is that NPO staff should be mostly comprised of volunteers or staff that is paid incredibly conservatively. This perception appears to carry over to the leadership role as well. Even though the role and tasks may be similar or even more challenging than in for-profit, NPOs are supposed to be able to find competent and talented leaders for the organization that don’t need to be paid well. The participant felt that this is a challenge for NPOs.

The next topic pertains to the quantifiable benefit or value that NPOs provide. The participant would like to be able to see quantified in some way what the value, in dollars or hours or resources, to the community or state is that NPOs together contribute. How much would it cost the government to fill the gap if they were not providing the services that they are providing. It was felt that this information would be incredibly helpful in telling their story and sharing the value they bring to communities. The participant shared that some kind of economic model describing the role of NPOs would help in advocacy and long-term vision and strategic planning for the organization.

Finally, there was a desire to understand why the number of NPOs is increasing. The questions included in understanding this phenomenon might include: Are there gaps in the services provided? Is there a valid need for the creation of another NPO? Does it indicate altruism or economic need? There may be a number of complications that are created because of it as well. The number of NPOs is increasing, as we know from our National Statistics data, as well as the number of programs and services that they are offering. This is an interesting idea that may warrant further attention.

The next Chapter 5 will include the summary and conclusions as well as information around triangulating and comparing the data from the quantitative analysis, the qualitative analysis and the national trend data.

Chapter 5. Summary and Conclusions

Problem of the Study

The problem of the study was to determine the legitimacy of the leadership deficit and determine to what degree it was impacting NPOs in South Dakota. Additionally, the problem included determining the relationship between organizational planning for transitions versus not having a plan in place. As shown in the literature review, a number of studies indicated a shortfall in people able to fill leadership roles. Relevant factors influencing the deficit included the retirement of the Baby Boomer generation, the smaller Generation X, the perceived lack of interest by Millennials to take on NPO leadership roles, and the increased number of NPO opportunities nationally. This study sought to determine the amount of turnover occurring, the effect on small NPOs in South Dakota, and if prior planning was valuable in the process.

This research validated the legitimacy of volatility in the NPO sector in small NPOs in South Dakota. A correlation was established between an organization feeling prepared for a transition and the completion of a succession or emergency plan. It also confirmed that it is not just retirement, but a number of factors contributing to the volatility such as generational differences, compensation packages, work-life balance, and career growth. Additionally, a number of strategies were shared by NPO leaders in how to navigate leadership transitions which will aid other organizations going through similar experiences.

Research Questions

1) How many NPOs in South Dakota experienced leadership turnover for the time period 2014-2019?

The quantitative data indicate that 64% of participants had experienced a transition in leadership over the last five years. Additionally, 46.09% of leaders indicated being in their role for four years or less and 42.22% of their successors had been in the role for five years or less. When asked a different way, 45% indicated having 1 transition, 6% indicated having two transitions, and 6% indicated having three or more transitions in the last five years. The quantitative data does suggest that turnover is occurring in small NPOs in South Dakota.

2) How many NPOs in South Dakota forecast leadership turnover for the time period 2019-2024?

When asked to forecast if a transition would occur in the next five years, 35.35% indicated that chances were either high or very high. While only 10.01% had received formal notice that the role would be vacated, 36.44% responded that they have a date in mind for when they planned to retire. Out of that grouping, 20% indicated it would be in six years or less. This quantitative data suggests that there will continue to be many transitions occurring through the next five years.

3) What are some of the most common issues experienced by NPOs in South Dakota during leadership transitions?

Many topics were surfaced in the qualitative interviews such as challenges with the Board, competitive compensation and benefits packages, donor management, finding qualified candidates funding, need for standards and documentation, cultural issues, operational concerns, staff turnover and training and acclimation of new leaders into the organization and communities. The quantitative data also suggested the following ranked most challenging to least challenging: (1) Finding qualified candidates to lead the organization (2) Maintaining organizational culture and security (3) Getting the day-to-day tasks completed during the transition (4) Maintaining relationships with key donors (5) Avoiding additional employee turnover (6) Costs of recruiting a new leaders to the organization.

4) How often are succession plans used and do they succeed in reducing the costs and time involved in leadership transitions and new leader acclimation?

Quantitative data indicates that 35.35% of participants have a succession plan in place while another 13.13% are currently in the process of creating one. Out of 21 participants, 38.1% said the succession plan had average effectiveness, 33.33% said it was highly effective while another 9.52% the effectiveness was very high. Out of 100 participants, 24 % indicated chances were average they would recommend a succession plan, 34% indicated chances were high and 14% indicated chances were very high. Interviewees recommended that all organizations have a succession plan in place. (Nonprofit HR, 2016)

Purpose of Study

The purpose of this study was to collect and analyze data that speaks to the current state of Executive/Leadership/Employment trends in the NPO sector in South Dakota to better prepare NPOs in managing their hiring needs and reducing overall instability in the sector. It aimed to support NPOs in proactively creating a strategy for managing the leadership transitions and hiring needs. This knowledge will support their decision making in determining if creating a formal succession plan would benefit their organizations.

There were a number of trends in the study results aligned with national data. Trends that work-life balance is a problem for NPO leaders was confirmed in both the quantitative and qualitative data. National data from 2016 indicated 43% turnover rate in the last two years and similarly the quantitative data indicated that 37% of organizations had turnover in the last zero-three years and 46.9% of leaders indicated they had been in their role for four years or less. Additionally, top challenges of finding qualified candidates aligned with the national study findings as well. National studies indicated that 41% of NPOs had created a succession plan, while our local study found that 35.35% had completed a plan and another 13.13% were in the process of creating one. Overall, the study results were aligned with many of the national studies.

Recommendations for Future Research

There is a section recommending topics for future studies. One future research topic might include better understanding the role Board Members have in a transition as well as the onboarding strategy for new Board Members. A research study focused on engaging the younger generations into the nonprofit service sector would be impactful to many. Additionally, understanding how a state association or umbrella organization might work similar to Minnesota's NPO Association and the benefits or drawbacks of that association would help NPOS. Lastly, discovering the root cause of why the creation of NPOs continues a growth trend, whether that be economic, community need, altruism, or other factors.

In future studies, the researcher might consider a state or region that had a well-established NPO association and work in conjunction with that umbrella organization to contact participants and also gather data. If the electronic survey could have been emailed from the NPO association, it would have reduced the risk of emails bouncing or being moved into junk filters, which was a limit of this study. This study would easily translate into a larger region, perhaps looking at the entire Midwest as a whole for a larger data set.

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APPENDICES

Appendix A: Electronic Survey Tool

South Dakota
State University

Organization Leadership Survey

Hello:

You are invited to participate in a research survey dedicated to better understanding and supporting the leadership needs of small Nonprofit Organizations (NPOs) in South Dakota. In this survey, you will be asked to answer questions about the NPO that you belong to. It will take approximately 15 minutes to complete the survey.

Please note that the term "leader of the organization" is used to represent the many titles used in the industry including President, Director, Executive Director, and CEO. This survey is for board members as well as the leader of the organizations. The questions will adjust according to your responses based on your role. Your participation in this study is completely voluntary.

There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. I would like to share my sincere gratitude in advance for your participation in this important research. Better understanding of the current situation will allow us to gauge the level of impact, share mitigation plans that NPOs are finding successful and share industry employment needs with Universities and those responsible for Human Resource Departments.

Your confidentiality is only as secure as your equipment; no guarantees can be made regarding the interception of data sent via the internet. If you have questions at any time about the survey or the procedures, you may contact Mellissa Heermann at 605-695-3980 or by email at Mellissa.heermann@jacks.sdstate.edu.

For questions about your rights as a participant in this study or to discuss other study-related concerns or complaints with someone who is not a part of the research team, you may contact SDSU's Research Integrity and Compliance Officer at 605-688-5051 or SDSU.irb@sdstate.edu. You must be 18 or older to participate.
Your consent is implied by participating.

Thank you very much for your time and support. Please begin the survey now by clicking on the Continue button below.

* The first set of questions are about you and your work experience.

What range best describes your current age?

- ○ 20-29
- ○ 30-39
- ○ 40-49
- ○ 50-59
- ○ 60-69
- ○ 70-79
- ○ 80 and above

What is your gender?

- ○ Male
- ○ Female
- ○ If other, please specify:

* What is your current title in your organization?

- ☐ President
- ☐ Executive Director
- ☐ Chief Executive Officer
- ☐ Director
- ☐ Interim Executive Director
- ☐ Founder
- ☐ Board Member
- ☐ If other, please specify:

* Please select which answer below most accurately describes your current role type?

- ◯ Full Time Employee
- ◯ Part Time Employee
- ◯ Interim Employee
- ◯ Temporary Employee
- ◯ If other, please specify:

How many years have you been in your current role as leader of the organization with this organization?

- ◯ 0-4 Years
- ◯ 5-9 Years
- ◯ 10-14 Years
- ◯ 15-20 years
- ◯ 20 Years or longer

How many total years have you been with your current organization in any role?

- ◯ 0-4 Years
- ◯ 5-9 Years
- ◯ 10-14 Years
- ◯ 15-19 years
- ◯ 20 Years or longer

In your previous work history, have you performed the role of leader for another organization?

- ◯ Yes
- ◯ No
- ◯ If other, please specify:

Please indicate the total number of years spent as leader of any previous organization(s) you were employed by before accepting your current role.

- ◯ 0-5 Years
- ◯ 5-10 Years
- ◯ 10-15 Years
- ◯ 15-20 years
- ◯ 20 Years or greater

As you plan for the future, do you have a year already selected in your mind for when you plan to retire?

- ◯ Yes
- ◯ No

In how many years do you estimate that you will retire?

- ◯ 0-3 Years
- ◯ 4-6 Years
- ◯ 7-10 years
- ◯ 11+ years

Have you completed an Undergraduate degree?

- ◯ Yes
- ◯ No
- ◯ Currently In Progress

Please indicate the field in which you completed your Undergraduate degree.

- ◯ Bachelor of Arts (B.A.)
- ◯ Bachelor of Science (B.S.)
- ◯ Bachelor of Fine Arts (BFA)
- ◯ Bachelor of Applied Science (BAS)
- ◯ If other, please specify:

Please indicate the major that you completed in your undergraduate work.

Have you completed a Master's Degree?

- Yes
- No
- Currently in Progress

Please indicate the name of the Masters Degree program that you completed.

The next set of questions will be related to your organization.

How many people does your organization currently employ?

- 0-30
- 31-60
- 61-90
- 91-120
- 121-150
- Greater than 150
- I don't know

How many years did the previous leader of the organization stay in the role of leader?

- 0-5 Years
- 5-10 Years
- 10-15 Years
- 15-20 years
- 20 Years or greater
- Not applicable, I am the first leader
- I don't know

Describe the type of board your organization has currently.

- ◯ The board is comprised of paid positions
- ◯ The board is comprised of volunteer positions
- ◯ We don't have a board
- ◯ If other, please specify:

What is the average annual revenue of your organization?

- ◯ Less than $100,000
- ◯ Greater than $100,000 but less than $500,000
- ◯ Greater than $500,000 but less than $1,000,000
- ◯ Greater than $1,000,000
- ◯ I don't know

Is the founder of your organization still actively involved in the organization?

- ◯ Yes
- ◯ No
- ◯ If other, please specify:

Is the founder of your organization currently the leader of your organization?

- ◯ Yes
- ◯ No
- ◯ If other, please specify:

The next set of questions is related to leadership transitions within your organization.

Has your organization experienced turnover in the role of leader of the organization in the last five years? (between 2014 and the present)

- No
- Yes, 1 transition occurred
- Yes, 2 transitions occurred
- Yes, 3 or more transitions occurred
- If other, please specify:

If your organization did have a transition in leadership between 2014 and the present, what was the primary reason provided by the individual for vacating the role?

- I don't know
- Retiring
- Higher compensation and/or better benefits
- Career growth or new opportunity
- Moving
- Work/life balance
- If other, please specify:

How long has it been since your organization needed to rehire for the role of leader of the organization?

- 0-3 Years
- 4-6 Years
- 7-9 Years
- 10-12 Years
- 13-15 Years
- Longer than 15 years ago
- I don't know

On a scale of 1-5, how prepared is your organization for a leadership transition/turnover?

- ◯ 1 - Very Unprepared
- ◯ 2 - Unprepared
- ◯ 3 - Somewhat prepared
- ◯ 4 - Prepared
- ◯ 5 - Very Prepared

On a scale of 1-5, how likely is a transition in leadership of the organization between now (2019) and five years from now in 2024?

- ◯ 1 - Chances are Very Low
- ◯ 2 - Chances are Low
- ◯ 3 - Chances are Average
- ◯ 4 - Chances are High
- ◯ 5 - Chances are Very High

Has notice been given that the current leader of the organization is going to be vacating the role?

- ◯ Yes
- ◯ No
- ◯ I don't know

What is the primary reason that the current leader is leaving the role?

- ◯ I don' know
- ◯ Higher compensation and/or better benefits
- ◯ Career growth or new opportunity
- ◯ Moving
- ◯ Work/life balance
- ◯ Retiring
- ◯ If other, please specify:

On a scale of 1-5, how disruptive is it to your organization when the leader vacates the role?

- 1 - Disruption is very low
- 2 - Disruption is low
- 3- Disruption is average
- 4- Disruption is high
- 5- Disruption is very high

Reflect on the last time your organization had turnover in the role of leader of the organization. Review the list below and prioritize which items were the most challenging for your organization during the time of transition, 1 being the most challenging 6 being the least.

Maintaining organizational culture and security

-- Select --

Maintaining relationships with key donors

-- Select --

Avoiding additional employee turnover caused by uncertainty

-- Select --

Costs of recruiting a new leader of the organization

-- Select --

Finding a qualified candidate to be the leader of the organization

-- Select --

Getting the day-to-day tasks completed in the meantime

-- Select --

During the last transition of leadership in your organization, did you utilize an interim leader?

- Yes
- No
- If other, please specify:

On a scale of 1-5, rate the success or effectiveness of utilizing an Interim Leader?

- 1 - Very low success
- 2 - Low success
- 3- Average success
- 4- High success
- 5- Very High success

On a scale of 1-5, rate your ability to find someone in your organization today who could step in as in Interim leader of the organization.

- 1 - Very Difficult
- 2 - Difficult
- 3 - Average amount of difficulty
- 4 - Easy
- 5 - Very Easy

Has your organization experienced any duration of time where a new leader of the organization was not able to be obtained?

- Yes
- No
- I don't know
- If other, please specify:

What was the duration that your organization was without a leader?

- Less than 6 months
- more than 6 months but less than 1 year
- more than 1 year but less than 2 years
- If other, please specify

Are the costs of recruiting and hiring a new leader of the organization currently included in your annual budget?

- I don't know
- Yes
- No
- If other, please specify:

On a scale of 1-5, rate the level of financial difficulty the organization would see if you had to advertise and hire for a new organizational leader today?

- 1 - Very low financial difficulty
- 2 - Low financial difficulty
- 3- Average financial difficulty
- 4- High financial difficulty
- 5- Very High financial difficulty

What is your organization's estimated cost to recruit and hire a new leader of the organization during the previous transition?

- Less than $5,000
- $5,000-$10,000
- $10,000- $15,000
- $15,000-$20,000
- $20,000 - $25,000
- Greater than $25,000
- I don't know

The next set of questions is related to interviewing and hiring for the role of leader of the organization.

On a scale of 1-5, rate the interest you received in the role of leader of the organization last time you advertised to rehire?

- 1 - Interest was Very Low
- 2 - Interest was Low
- 3 - Interest was Average
- 4 - Interest was High
- 5 - Interest was Very High
- I don't know

How many applications did you receive the last time you hired for the leader of your organization?

- 0-3
- 4-6
- 7-9
- 10-12
- 13-15
- 16 or more
- I don't know

Please select the Educational field of an ideal candidate for leader of the organization.

- Bachelor of Arts (B.A.)
- Bachelor of Science (B.S.)
- Bachelor of Fine Arts (BFA)
- Bachelor of Applied Science (BAS)
- If other, please specify:

Please indicate the major that would be ideal for the role of leader of the organization.

On a scale of 1-5, rate how qualified the applicants were the last time you interviewed to rehire the leader of the organization.

- 1 - Qualifications were Very low
- 2 - Qualifications were Low
- 3 - Qualifications were Average
- 4 - Qualifications were High
- 5 - Qualifications were Very High
- I don't know

The last time you interviewed for the role of leader of the organization, how many applicants had previous Nonprofit experience?

- 0-25%
- 25%-50%
- 50%-75%
- 75%-100%
- I don't know

On a scale of 1-5, how easy was it to find qualified candidates for the role of leader of the organization?

- 1 - Very hard to find qualified candidates
- 2 - Hard to find qualified candidates
- 3 - Average ease of finding qualified candidates
- 4 - Easy to find qualified candidates
- 5 - Very east to find qualified candidates
- I don't know

When hiring a new leader of the organization, how may years of previous NPO leadership experience would be ideal?

- 0-3
- 4-6
- 7-9
- 10-12
- 13-15
- 16 or more

The next set of questions is related to Succession Plans or the use of Emergency or Interim Plans for your organization.

On a scale of 1-5, how would you rate your experience with succession planning or Emergency/Interim Plans?

- 1 - Very low experience level
- 2 - Low experience level
- 3 - Average experience level
- 4 - High experience level
- 5 - Very high experience level

Does your organization currently have a Succession or Emergency/Interim Plan in place?

- ◯ Yes
- ◯ No
- ◯ We are currently in the process of creating one
- ◯ I do not know

How long has your Succession or Emergency/Interim plan been in place?

- ◯ I don't know
- ◯ 0-4 Years
- ◯ 5-9 Years
- ◯ 10-14 Years
- ◯ 15-19 years
- ◯ Longer than 20 years
- ◯ We are currently in the process of creating one

Have you needed to use the Succession or Emergency/Interim Plan for your organization?

- ◯ Yes
- ◯ No
- ◯ In Process currently

On a scale of 1-5, rate how helpful or effective the Succession or Emergency/Interim Plan was during the time of transition?

- ◯ 1 - Very low effectiveness
- ◯ 2 - Low effectiveness
- ◯ 3 - Average effectiveness
- ◯ 4 - High effectiveness
- ◯ 5 - Very High effectiveness

On a scale of 1-5, rate how likely you would be to recommend a Succession or Emergency/Interim Plan to another organization.

- 1 Chances are Very Low
- 2 Chances are Low
- 3- Chances are Average
- 4- Chances are High
- 5- Chances are Very High

The final set of questions are related to the founding of your organization.

How many years has it been since the founding of your organization?

- I don't know
- 0-4 years
- 5-9 years
- 10-14 years
- 15-19 years
- Longer than 20 years

Since the Founding of your organization, how many leaders have there been?

- I don't know
- 0-2
- 3-5
- 6-8
- 9-11
- 12-15
- 16 or more

Please select the Organizational type that most closely reflects your organization.

- Human Services
- Advocacy/Social Justice
- International/Foreign
- Affairs Mental
- Health/Counseling
- Environment
- Healthcare
- Arts/Culture
- Religious
- Housing
- If other, please specify:

Are there additional challenges and hardships that your NPO is experiencing that were not covered in in this survey? If so, please list them below.

The link to this survey is specific to you and will not work if forwarded to others. However, if there is someone else that you believe would have an interest in completing this survey that is a leader of a Nonprofit organization in South Dakota, please share the email below and a link can be sent to them to complete the survey.

Appendix B: Qualitative Analysis Journal Sample

Qualitative Analysis Memo/Journal

Date	Participant Number	Journal Entry
2/8/20	46432198	Starting my first round of coding utilizing the a priori codes. I found that "Advice for NPOs" code will likely need more clarifying sub-codes. These will be data-driven and added and refined as I go along. This individual has been in a brand new role, 2 combined roles, for about 1 year and provided a very fresh, operational, hands on type of feedback. This participant is unique supporting two separate boards/organizations in 1 combined. role. I also recognized that under Succession Planning I needed to account for some other items. One, for example, is additional steps to help with transitions that did not include succession planning. Adding "Additional Preparation Steps" for now, but will need to think through the verbiage after I complete more of the coding.
2/8/20	46439406	I am kicking myself for not asking a question specifically around Donor relationship management.
2/8/20	46752987	The participant said they had not gone through succession planning, and I didn't ask why? It seems that I got a little too focused on the script and getting through all the questions in 30 minutes and less thoughtful about the follow up questions in this case.
2/8/20		The three transcripts along with a brief summary were sent to the participants today for review.
2/8/20	46752987	I have recognized that not all of my coding seems appropriate for Board Members. Although I only had 1 Board member interviewed, I still feel like separate codes should be created to encompass those thoughts. Otherwise it might muddy up the other nodes which have been performing pretty well. I then added a high level "Board Member" with sub-codes for "Board role in transitions", "Culture of the board", "Strategic Planning".
2/9/20	46504399	When reviewing this participants responses in the first cycle coding I am seeing a trend of new leaders reviewing the job descriptions/roles/and skill sets of their staff. I have added an additional node for this under Intentional steps, but I coded previous ones as Communication with Team. It might be worth breaking that out as it is a more operational step. So I need to go back and review completed transcripts for this node of Review job descriptions and staff skillsets.
2/9/20	46504399	I am also seeing a trend of needing an emotional component to successfully get through a transition. The participants have used words such as patience, faith, persistence, belief… etc. Not sure what the note name should be to capture this but currently assed Patience and perseverance so that I don't loose track of it. Will need to go back to previous transcripts and look for this theme as well and code appropriately.
2/9/20	46552573	I am seeing that many people are referencing an overall lack of standards and documentation. Many are referring to an operational "BIBLE" that they either have, or are creating or wish they had for consistency sake thought a transition. This is different than a succession or emergency plan. This is more of a daily operations manual or sorts. This might be something that falls under additional steps taken to prepare for transitions.

Appendix C: Qualitative Analysis Codebook

Name	Description	Example Statements	Files	# Ref
South Dakota NPOs	Descriptions or the Organization, Culture and leadership roles of NPOs in South Dakota.			
NPO Leader Role Description	Participant descriptions of NPO leadership role overall. It also includes any context around differences seen between NPO and For-Profit industries.	" I oversee all the operations of the organization. Everything from budget planning, to execution of that budget, staffing evaluation, staff reviews, leading the staff in the different areas, leading with marketing and communications, and fundraising and programmatic decisions..."	9	36
Organizational Culture	Participant description of the culture in the organization and their perception of the current state. Also includes historical reflections on their organization or larger National organization.	"... would be described as supportive, encouraging" "We strive to be as innovative as possible always considering the needs of the communities that we serve..."	8	26
Board Member Perspective	This includes the specific perspective of the Board Member, while other opinions and perspectives shared reflect the leader of the organization.			
Board Activities during a leadership transition	Participant responses around activities that the board participates in specific to leadership transition. This includes posting a position, reviewing the job descriptions, analyzing the gaps in skills and marketing for the new role.	"We've put a lot of effort into understanding the national trends for compensation and benefits and working toward being able to be closer aligned." "Hiring a new leader for the organization can be a really scary time for the board..."	1	6

Board Culture	Participant descriptions of the board culture including positive attributes of the board as well as opportunities for improvement from the Board Member perspective.	"The culture of our board is very positive, we are growing and we have diversity and good representation on our board currently."	1	3
Board Management	Participant responses about training and onboarding efforts for new board members, including growing and developing board relationships.	"Training the board about our mission and focusing our activities on that mission is important."	1	2
Strategic Planning	Participant responses in regard to strategic planning activities that occur in the board during a leadership transition from a board member perspective.	"The mission has to be at the foundation of everything you do… always." "Understanding what skills your board members bring to the table and identifying any gaps is important for strategic planning"	1	3
Transition Challenges	Participant responses that include all challenges expressed related specifically to the transition itself. This does not include challenges in the NPO industry at large or organizationally that do not pertain to transitions.			
Board Challenges	Participant responses in regard to challenges that related to the Board of Directors during the transition.	“We had a board that was pretty disengaged “ “ … there wasn't an active Board recruitment plan in place”	2	5

Competitive Pay and Benefits Package	Participant responses that include issues around be able to compete in the market and provide competitive pay and benefits to hire for a new leader.	"… our biggest concern, is is the funding that we will need for a qualified director" "We were below the National standard for NPO leader pay and benefits were also very lacking."	2	5
Donor Management	Challenges experienced during the transition related to maintaining the relationship with current donors and growing the donor pool for the organization.	"We had no records to indicate who had previously donated in the past." "We had no contact information for donors to invite them to the annual event the next year" "When I started there was nothing written down about our donors"	2	5
Finding Qualified Candidates	Challenges experienced during the transition related to interest in the positions of leader. This also includes the qualification levels in the applicants who did response to the opportunity of leader of the organization.	"We have had real challenges in the past looking for qualified candidates that were also bilingual." "We had an acceptable number of qualified candidates apply." "When you look at all the things we are looking for in a candidate, it is almost like looking for a unicorn."	2	5

Funding	Participant responses around how to fund the organization, organizing the funding and determining the programs and positions to use the funding for.	"… at the forefront of my mind all the time now is how to increase donors and grant income" "That's basically what we're concentrating now is seeking sponsorship contacts with potential partners, foundations, and fund raising"	3	9
Need for standards and documentation	Participant responses around the needs they experience for standards and documentation around their process and people. This includes document management, Relationship management (CRM), and frameworks for creating consistency within the organization.	"I fell back on a National framework of best practices and incorporated that because there were no standards in place." "There were administrative concerns such as in managing payroll correctly" "There is no documentation around my role"	7	26
NPO cultural issues	Participant responses to any challenges they faced in regard to the culture of their organization.	"… there wasn't really any systematic way that they trained" "There was a lot of tension in the office " "So there was just a little bit of trepidation"	2	5

Operational Concerns	Challenges experienced during the transition related to managing the work during the time without a leader. This includes the potential use of an Interim leader to solve this issue, issues with the running of any stores or profit centers.	"how were we going to survive, and what programs and projects would carry over?" "We had a profit center that was not profitable." "They could have found success had proper records and documentation been kept."	5	7
Staff Turnover	Challenges experienced during the transition related to losing staff due to the instability caused by a leadership transition or indirectly because of the change in leadership. Also may include historical references of instability in leadership and staff turnover.	"… we had to change some staff as well" "…. my week started by my employee telling me that she accepted an unsolicited full time job offer" "… there was a lot of turnover or a lot of people were leaving"	4	6
Training and acclimating new leader of the organization	Challenges experienced during the transition related to how the new leader received training for their new role. This also includes any challenges related to acclimating to the culture or community.	"There were regional challenges as I was new to the area" " I really did not know the people here."	5	11
Steps the new NPO leader took to aid the transition	Participants responses to being asked what steps the organization has taken to prepare for a transition in leadership.			

Collaborate with Board	Participant description of collaboration, interaction, and relationship building with the Board Members and Board Chair.	“if somebody is new into leading their organization, they really need to have a strong and open relationship with the president of the board” “I spend a lot of time of conversation with my board of directors chair.”	6	18
Communicate with Team	Participant responses around communication and collaboration with other staff within the organization.	“be open and vulnerable and open to suggestions from your staff.” “I think getting to know the leaders within my agency that I was supervising was probably one of the most important things I did”	6	18
Cultural Steps	Participant descriptions of intentional steps taken in regard to the culture of their organization during their transition into leadership and within the first year.	“There are steps I have taken to change that culture” “… my sense is is that the culture is a little different because I'm in charge now”	3	5
Personal Improvement and Growth	Participant responses about intentional steps they took specific to their own personal improvement and growth.	“ I looked into what was available as far as getting some education on running a nonprofit” “I just read a lot “	3	5
Staffing Adjustments	Participant responses around steps they took to review the skills on their team as well as the job descriptions of their team in order to better utilize the limited resources they had available. This also includes any changes in staff.	“We talked about what they do, what they like to do, and what would be helpful for them” “new position descriptions for them and making sure that those were accurate that is getting feedback from them”	7	13

Strategy and Vision	Participant responses around creating Vision or Mission to drive the organization. Also includes. Updating or clarifying vision and strategy for the organization. Includes any formal methodology or framework utilized by the organization as a standard for strategy.	"We really go back to the mission and vision, and what it stands for to decide whether it's appropriate or not appropriate" " … basically that we're keeping our mission as the focus of everything that we do"	6	11
Steps the NPO took to prepare for a transition	Participants responses to being asked what steps the organization has taken to prepare for a transition in leadership.			
Additional preparation steps	Participant descriptions of steps their organization took to prepare for a transition that were not specific to Succession Planning. An example might be the creation of an "Operations Manual" or policy driven preparation steps. Also includes planning for Board turnover.	"… the organization needs to have in place a terms of office for board leadership" "The previous leader left very detailed notes about different projects that the agency was currently involved with"	6	12
Internal or External Rehire	Participant responses around whether they would recommend to rehire with someone internal or external to the organization and why.	"I would like somebody in the community who already knows and believes in our mission" "… there are pros and cons to both of those" "I would prefer an internal candidate"	6	11

Reactions to not having a succession plan	Participant responses to not having a succession plan currently in place or documented. Includes some of the reasoning behind why a succession plan is not in place.	"I would say is it's a topic that organizations do not address until they have to." "I don't think there are many organizations in town that have done it. And It's something that we need to do." "I think that it's something every organization should have in place "	4	7
Succession Planning	Participant responses specific to succession planning activities or documents. This includes activity that is policy driven but maybe not formal succession documentation. This also includes any information around what was the driver or catalyst to creating a succession plan.	"I'm looking at succession planning for my position" "… my job as the leader of this organization is to always ensure that this organization has long term sustainability."	7	21
Use of Interim Leadership	Participant responses in regard to their organizations utilizing an interim leader. This includes their reactions to the success of that effort.	"… it was confusing to the employees" "I do not believe it was successful… " "I believe the board just stepped into the position"	5	9
Advice for other NPOs	**The responses included are reflective of the following question. " What advice would you share with other organizations going through a leadership transition?"**			

Board support of the new NPO leader	Participant responses in regard to communication, collaboration and relationship activities between the board and the leader. This also includes different activities that the board could do to support the new leader in their role and through the transition process.	"For a nonprofit, a good board of directors can make or break a transition." "When an organization is going through a transition, a board of directors being available to help that new director is really key."	7	12
Communicatio n	Participant responses including all communication efforts with staff, the board and the community.	"…be in contact with your base with the grass roots." "…need to spend the first short period of time, um, listening more than talking. Learning about the organization" "I think communication is the most important thing. So, I think if they were going to transition to a new leadership role, everyone who's been a part of that organization should provide some input ..."	6	11
Continuous Improvement	Participant responses that align with a need for the NPO leader to innovate, try things and make changes in an agile way to continuously improve the organization.	"...don't be afraid to innovate and take risks and learn as you go."	3	3

Continuous learning and personal development.	Participant suggestions for new NPO leaders to learn and growth their experience, knowledge and talents. It includes activities, mentorship and formal training opportunities.	"do your homework. Take a look at all the material that you can find out ahead of time. " "a book called non-profits are messy and actually that might be the title of her blog as well. But I just I just tried to learn as much as I could as quickly as I could."	5	11
Hiring for a new leader	Participant responses regarding what qualifications would support a good leader of an NPO, including suggestions and experiences.	"if they're hiring a leader, don't be afraid to take a chance on somebody who doesn't have the exact training that you're looking for or the exact resume or experience maybe look more on their capabilities and their strengths…"	2	5
Key competencies for an NPO leader during transitions	Participant responses around competencies an NPO leaders will need during a transition such as faith, perseverance, patience, and determination.	"I guess you need a lot of faith and perseverance and patience..." "…be open to those suggestions and the resources that are available." "I think the first thing that came to my mind is patience. Transitions take time and there's just no way to speed that process along, because part of that transition is really building those relationships…"	6	16

Peer Group Support	Participant attitudes and activities toward utilizing peers in the industry, peer support organizations, mentorship and or other leaders in the community as a way to receive peer support and share knowledge.	"I knew the director who I replaced. So when I had questions come up, I mean, I just wasn't afraid to call." "The biggest thing for me has always been finding a peer group of people in a similar position." "...the resources on bylaws or budget, but finding that peer group..."	4	7
Transition Overlap	Participants' positions and opinions around having a transition of leadership where an overlap exists and both the proviso and new leaders are in the organization for a short time as part of the transition. This could also include an interim leadership experience.	"I think having time to have a transition with whomever you're replacing is very helpful and very useful."	4	9
Future Research Topics	This includes responses from participants who were asked what topics related to NPOs, that they would like to see future research focused on.			
Do NPOs hire for-profit leaders when they get large in size	Participant response around the potential trend that NPOs look for external candidates from the for-profit industry once the organization has grown to a certain level of size that is on the larger end of the spectrum.	"When a nonprofit becomes large, all of a sudden there seems to be the belief that you need to bring in a leader from the for-profit world, as opposed to bringing in somebody who's been in the nonprofit world and elevating them to that position"	1	2

Engaging younger generations in service and giving	Participant responses specific to concerns around how to market to, communicate with, and solicit time and talents from the younger generations.	"… baby boomers are passing their estates on to their children" "… organizations aren't currently very good at raising money from Millennials and Generation X" "… younger generations give differently and their mindset is differently"	3	5
Financial Resources	Participant responses specific to the need for a new funding method, strategy, or source.	"I think we're all struggling financially..." "… who will partner with us where we can pool our resources."	3	5
New Board Members Understanding of their role	Participant response around understanding the soliciting and onboarding of new board members and if their expectations for a role on the board match what is needed from a board member.	"… be interesting to research would board director thinks that they're getting into when they join the board." "… we're asking them to do things like reach out to other people and to bring in funding"	1	4
Nonprofit Association for South Dakota	Participant response specific to creating a South Dakota Nonprofit Association, similar to Minnesota's program.	"But that association provides so many resources. One of the things, just like group insurance..." "… where maybe we could get group insurance policies or other benefits like that because we're a small organization"	1	1

Organization size determines challenges	Participant response indicating that the NPO size determines greatly what challenges they will be facing.	"… the size of the organization really does affect a lot of these things"	1	1
Perception around suitable salary for NPO leaders	Participant response questioning the perception that NPOs should not make any money, and thusly also should not pay their leaders significant wages.	"… perception that nonprofits should not make any money" "… perception that people who are working in nonprofits are just volunteers"	1	2
Quantifying NPO Services	Participant response requesting to better understand how the services that NPOs provide could be quantified. How could the value of NPOs find their quantifiable value to the community?	"… the question of what would taxes have to be if the state provided all the services nonprofits do." "… an economic model that can describe the role of the nonprofit and help us communicate what the world would be like without us."	1	1
Trend of Increasing quantity of NPOs	Participant response indicating that the number of NPOs is increasing every year. This topic would include root cause for this happening and potentially the effect on the NPO industry.	"Does that indicate altruism? Does it indicate there's economic needs that aren't being met by the current economic culture in the States"	2	5