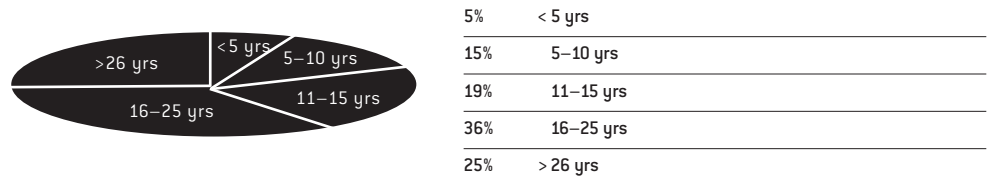


V. TENURE, ATTRITION, AND SUCCESSION PLANNING

Key findings:

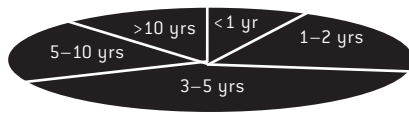
- Seventy-six percent of EDs were first-timers, and 32% were founders.
- The median tenure of the ED was long (7–8 years), and 47% of EDs had been in their current position for more than 8 years.
- Predicted turnover was high, with 70% of EDs and 90% of ELs planning to leave their current position within the next 5 years.
- A solid majority of EDs and ELs planned to stay in the nonprofit arts sector, and about 50% of current EDs planned to be an ED in their next job.
- Three out of four organizations reported having no leadership succession plan.

EXECUTIVE DIRECTOR TENURE IN THE NONPROFIT ARTS



ED Tenure: There is a wide range of tenure both in the nonprofit arts field (see chart above) and in the current ED position. Twenty-nine percent have held their current position for 5–10 years, 47% for 8 years or more, and 23% for over 15 years. These ranges reflect longer tenure than the CompassPoint survey’s reported average 3–5-year ED tenure range. Different types of nonprofit arts organizations may well have different turnover dynamics, but our sample is too small and too diverse to make such distinctions.¹³

EXECUTIVE DIRECTORS: PROJECTED LENGTH OF STAY



8%	< 1 yr
21%	1-2 yrs
40%	3-5 yrs
19%	5-10 yrs
12%	> 10 yrs

ED Turnover: While 70% of EDs reported that they plan to leave their current position in the next 5 years, only one-quarter of EDs plan to retire after their current position. Nonretiring EDs report that their next position is most likely to be in the nonprofit arts sector, and almost half of those (46%) report that their next position is likely to be executive director, while 23% report that it is likely to be consultant.

Founder succession is widely considered to be an especially difficult case. Founders make up 32% of our ED sample, 50% of which plan to retire after their current position. However, these retirements will be spaced over a long period of time, since half of these EDs anticipate remaining in their current position for at least 10 years.

Is there a leadership crisis pending as great numbers of EDs in Chicago, many of them founders and many others first-timers, leave the recruiting pool in the coming years?

CompassPoint's first report, *Leadership Lost* (1999), reported that most EDs were first-timers, and that among this group, only 20% would take the job again.¹⁴ EDs also reported that only 17% of their predecessors went on to another ED position. CompassPoint concluded that the ED position was frequently a "one-time event" and that the field was suffering from a lack of seasoned leaders.

In their next report, *Daring to Lead* (2001), CompassPoint reported that "only about half [of current EDs] plan to be executive directors again" (this survey did not focus on first-time EDs). Of those EDs who were not retiring and who were likely to remain in the nonprofit sector (i.e., rated a 3, 4, or 5 likelihood), 50% planned to be EDs again (which is less than half of the entire sample). Between retirement and plans for roles other than ED, CompassPoint anticipated losing at least 57% of current EDs from the candidate pool.



EL: "May I never feel my organization couldn't [continue] without me, for my goal should be that I aid it and make it run well for future generations."



Our survey returned similar results. We showed a high proportion of first-timers—76%—although if you count acting or interim ED experience, the proportion goes down to 66% (the same as in the *Leadership Lost* sample). Nonretiring EDs ranked the nonprofit arts as the sector in which they were most likely to work next at twice the rate they ranked the for-profit sector (including for-profit arts), with about 59% rating the nonprofit arts as likely. Of those who were not retiring and for whom the nonprofit arts were likely as a next career field, 40% plan to be EDs again, and 20% to be consultants.

EXECUTIVE DIRECTORS: RANKING OF PREFERENCES OF AREA OF NEXT JOB

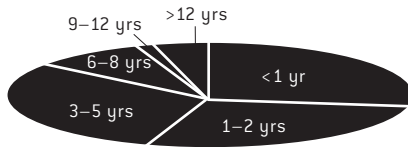
1.	Nonprofit Arts
2.	Nonprofit Sector
3.	Consulting or Freelancing
4.	Government or Public Sector
5.	For-Profit Arts/Entertainment
6.	For-Profit Sector (Other)

To make a rough calculation of the ED candidate pool based on our sample of current EDs, then, about 30% are likely to go on to be candidates for ED in the next step of their career. In other words: *About 70% of current EDs will likely be lost to the ED candidate pool.*

This figure includes retiring EDs, who should not necessarily be counted if the goal is to determine attrition from the field due to dissatisfaction. The 70% figure could be misconstrued as indicating that 70% of EDs “would not do the job again.” However, no such question was asked. One goal for further study would be to determine “healthy” rates of attrition and turnover. Not counting retirees, we can put this much more positively and say that: *About 60% of current EDs plan to remain in the nonprofit arts as EDs or consultants.*

That is, there are at least two ways to define attrition: attrition from the ED candidate pool, and attrition from any leadership role in the nonprofit arts. If the question is whether experienced ED candidates are going to be easy to find in the coming years, the answer is probably not. This should prompt rethinking of the ED job description and its demands. If the question is whether accumulated ED experience will be lost to the field rather than passed along in some way—as expert advice, mentorship, or some other positive contribution—the answer is that most of the people with this experience plan to continue to work within or with nonprofit arts organizations.

EMERGING LEADERS: LENGTH OF TENURE



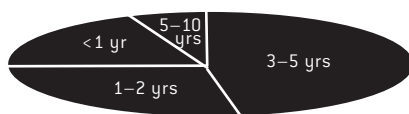
28%	<1 yr
28%	1-2 yrs
28%	3-5 yrs
10%	6-8 yrs
1%	9-12 yrs
5%	>12 yrs

EL Tenure: More than half of ELs (56%) have held their current job for less than 2 years, but nearly half of all EL respondents have worked in the nonprofit arts for over 10 years. EL respondents changed jobs often, and a large majority (91%) plan to leave their current position within 5 years (48% within 2 years).¹⁵

Job hopping has been a general workforce trend during the recent economic expansion.¹⁶ Rapid EL turnover might also be attributed in part to lack of opportunities for advancement in their current organizations. When asked if there were “opportunities for you to be promoted in your current organization,” 44% answered no, and 38% answered “yes, a few, but not likely.” At the same time, 51% of EL respondents reported that they held a previous position in their current organization.

Note that ED respondents mentioned lack of staff and underqualified staff as crucial problems much more frequently than staff turnover. “Lack of staff” could be due to vacancies (and thus difficulty recruiting or retaining workers) or to lack of funds for staff.

EMERGING LEADERS: PROJECTED LENGTH OF STAY



16%	<1 yr
32%	1-2 yrs
43%	3-5 yrs
9%	5-10 yrs
0%	>10 yrs



ED: “I think that identifying and retaining talented actors, artists, senior managers, and production staff is a far greater problem than identifying future executive leaders.”

EL Turnover: Most ELs reported plans to remain in the nonprofit arts. On a scale of 1–5, with 5 the most likely, 64% of ELs answered 4 or 5 and 83% answered 3, 4, or 5. This is a higher rate than ED respondents, so attrition from the field does not appear to be a problem for this group. The most common response for the likely next job was executive director (22%), with program and marketing director following close behind. Thus it appears that a high proportion of EL respondents who are qualified for the ED position (as opposed to other director positions) do aspire to that role. Only 5% of EL respondents reported consultant as their likely next career move.

EMERGING LEADERS: RANKING OF PREFERENCES OF AREA OF NEXT JOB

1.	Nonprofit Arts
2.	Consulting or Freelancing
3.	Nonprofit Sector
4.	For-Profit Arts/Entertainment
5.	For-Profit Sector (Other)
6.	Government or Public Sector

Succession: Three-quarters of ED respondents reported that their organization has no succession plan, and the same proportion of ELs reported either no plan or that they do not know of a plan. Slightly over one-third of EDs have identified someone on their staffs as a potential successor, and two-thirds of those have informed this person of their possible candidacy. In fact, almost all the organizations that report a succession plan have identified a possible internal successor, so having a “succession plan” in most cases may mean little more than having an internal candidate in mind (as opposed to a formal plan for recruiting and evaluating candidates). About half of all ED respondents report no succession plan and no potential successor on their staffs; this group is the least prepared for succession.

Regarding the current ED’s role in succession, slightly over half would like to and expect to participate in the selection of a successor. When asked to rate the difficulty of finding a successor, 54% rated it high (4 or 5 on a 1–5 scale).