Intent and Behavior: Examining Executive Leader Succession Planning in Select New York City Nonprofit Organizations

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Abstract
Despite the predictions of a nonprofit leadership shortage and concerns for internal leadership development, succession planning for executive level leaders has uncertain level of use within the nonprofit sector. The problem: the sector has limited interest, intent, and understanding of the impact of succession planning and therefore remains ill-prepared to engage in leadership succession planning. This study examined what relationship, if any, exists between intent and actual engagement in succession planning activities. A Likert-scaled tool was developed to obtain the opinions of board members of (501(c)3) organizations with annual revenues of no more than $5 million providing services in the NYC borough of the Bronx. Framed in the theory of planned behavior, or TPB, and the leadership pipeline model, Spearman's rho correlation and additional bivariate regression analyses of the response data were inconclusive in determining that a relationship exists between board intent and actual engagement in succession planning activities; and that organizational size (in annual revenues) is not positively associated with engagement. Covariables or moderating effects of board tenure or board role could not be supported. Due to low response rate, study replication is recommended.

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Intent and Behavior: Examining Executive Leader Succession Planning in Select New York City Nonprofit Organizations

By

Pela Selene Terry

Submitted in partial fulfillment of the requirements for the degree Ed.D. in Executive Leadership

Supervised by Dr. Janice Kelly

Committee Member Dr. Carla Smith

May 2018
Dedication

First, I owe a great deal of honor and thanks to God for the courage, strength, and resolve to engage and complete this task. To my big brother, Edward Cain, and the rest of my family: No matter the geographical distance between us, your unwavering support over the years has been felt and appreciated throughout my academic, personal, and professional journeys. To my colleagues: I appreciate the ongoing encouragement as I continue to embrace the “whats” and “hows” of high quality leadership in the human services arena. You have helped me develop many key skills along the way and have endured my constant need to explore, question, and grow. To my academic colleagues, especially the “Super 7” Ed.D. cohort members: Wow, what a privilege to have embarked on this quest with such highly accomplished group of professionals! Your inspiration and mutual support have been immeasurable. Edward Spauster, Ph.D.: You have been a constant executive mentor since we met 8 years ago. Thank you for your support throughout the years we worked together as well as your encouragement during this dissertation adventure. Dr. O’Bannon: I am grateful for your statistical support and the energetic curiosity expressed towards the study variables. To Dr. Janice Kelly and Dr. Carla Smith: Your guidance and collegial appreciation for the complexities of nonprofit leadership was a great foundation of support that allowed me to take on this new challenge of examining such a key topic facing nonprofit organizations serving the at-risk communities. Thank you all for helping me navigate the path.
Biographical Sketch

Pela Selene (Cain) Terry is currently the Corporate Compliance Officer at a Westchester County (NY) nonprofit serving individuals with autism and intellectual/developmental disabilities. She is also a co-founding board of director and executive committee member at a Queens-based nonprofit human service organization. She began working in the nonprofit sector in the Midwest in 1988. Over the years she has served in administrative and board development roles including program development and operations, revenue diversification, grant writing, and pro-bono consultancy to start-up organizations and boards. Since 2010 she began specializing in quality systems, evaluation, and corporate compliance and maintains a professional membership with the Society of Corporate Compliance and Ethics (SCCE). Ms. Terry is a graduate adjunct professor in the Master of Public Administration program at The College of New Rochelle. She obtained her Bachelor of Arts degree in Psychology and Spanish from Coe College (IA) and a Bachelor of Science degree in Biology/Health Sciences from Roosevelt University (IL). She later completed her Master of Public Administration degree with honors from The College of New Rochelle. Ms. Terry pursued her research in examining board intent and engagement in nonprofit executive succession planning under the direction of Dr. Janice Kelly and Dr. Carla Smith and received her Ed.D. degree in the spring of 2018.
Abstract

Despite the predictions of a nonprofit leadership shortage and concerns for internal leadership development, succession planning for executive level leaders has uncertain level of use within the nonprofit sector. The problem: the sector has limited interest, intent, and understanding of the impact of succession planning and therefore remains ill-prepared to engage in leadership succession planning. This study examined what relationship, if any, exists between intent and actual engagement in succession planning activities. A Likert-scaled tool was developed to obtain the opinions of board members of (501(c)3) organizations with annual revenues of no more than $5 million providing services in the NYC borough of the Bronx. Framed in the theory of planned behavior, or TPB, and the leadership pipeline model, Spearman’s rho correlation and additional bivariate regression analyses of the response data were inconclusive in determining that a relationship exists between board intent and actual engagement in succession planning activities; and that organizational size (in annual revenues) is not positively associated with engagement. Covariables or moderating effects of board tenure or board role could not be supported. Due to low response rate, study replication is recommended.
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Chapter 1: Introduction

Some of the most vulnerable members of society depend on a vast array of supports to help them meet their daily living needs. Many of these supports, especially for at-risk individuals and families, are provided through a variety of government services as well as private charitable organizations. Throughout our country’s history service delivery has become increasingly contracted out by the government to private business and service provider entities (Arnsberger et al., 2008). The shift from government to other entities as vehicles of service delivery has resulted in a third business sector, the nonprofit (also referred to as not-for-profit). As with other business sectors, the third sector has leadership and organizational sustainability concerns. In times of leadership change, poor planning may place the viability of human services organizations at risk.

When the nonprofit human services organization is at risk, the needs of individuals, communities, and society can be placed in jeopardy. The viability of these organizations - many of which serve the poor, advocate for the marginalized, treat the ill and disabled, and provide other social justice advancements through research and policy development - may be dependent upon continuity in executive leadership. As executive leaders of nonprofit organizations retire or otherwise depart their roles, the question of who will take the helm remains key in empirical and professional discussions. The planning of succession for executive leaders who oversee organizations that serve those who are traditionally marginalized and at-risk is the focus of this research study. The
purpose of this chapter is to provide a basis for understanding the significance and
breadth of the nonprofit organization and the role of its leadership. In addition, the
chapter discusses the issue of a leadership shortage for the sector, and outlines the key
characteristics of the nonprofit vehicle as an agent of social change.

**Nonprofit leadership shortage.** As previously indicated, nonprofit
organizations serve a key role in human service and social impact, as they provide an
array of vital services ranging from basic food, shelter, and wellness supports to
education, empowerment, and means to enhance civic participation. In this light, it is
well stated that the nonprofit entity “exist[s] to bring about a change in individuals and
society” (Drucker 2011, p. 3). For many nonprofit organizations, the issue of who leads
these organizations and the inevitable transitions of the leadership role are slowly gaining
attention in the literature (Froelich, McKee, & Rathge, 2011; Wright, 2013). It was
further suggested in some literature that there is a diminishing supply of committed and
skilled leaders in a time where demand continues to grow for human services that address
social justice initiatives. The loss of organizational leaders for the sector has slowly
forced a closer look at the transitioning new executive directors/chief executive officers,
as “the training and retention of effective leadership is vital to the well-being of nonprofit
organizations and to the third sector in its entirety” (Linscott, 2011, p. 31).

One core perspective that frames the research topic of succession planning for
nonprofits concerns a growing gap in leadership for the entire sector. Research has
identified a growing shortage of executive leaders and an evolving crisis for the nonprofit
industry (Tierney, 2006). Although the analysis of his study and others after it are
detailed later in the literature review, it is important to set the scene for the sense of
urgency for the nonprofit sector. Per Tierney, “by 2016 the nonprofit sector will need an estimated 80,000 executives [officers] leaders” (Tierney, 2006, p. 26). This is largely attributed to the retirement of the baby-boomer generation of CEOs. Yet the turnover of other members of senior management, which is predicted to increase by 55% by 2016, (Tierney, 2006) was also noted. It was believed that by 2016 56,000 new senior managers would have been needed to fill the void, as the number of nonprofits was believed to increase by 42% (Tierney, 2006).

In addition to projected deficits in executive leaders made by Tierney in 2006, and the passage of 11 years since his Stanford study, the leadership shortage remains a concern. Recent studies show that between 2013 and 2014 only 30% of chief executive (or C-level) positions in nonprofits were filled by internal promotions (Landles-Cobbs et al., 2015). As demand in executive leadership remains high, it is noted that these executives are leaving the nonprofits not only because of retirements, but more so via other means of departure and turnover, with some citing feeling undeveloped and under supported within their organizations (Landles-Cobbs et al., 2015). These executives are not staying around long enough to move up within an organization. Therefore, succession planning and the potential for internal organizational human capital as resources to address leadership vacancies and transition needs remain underutilized.

**Succession planning.** Examining executive transitions and the role of succession planning within the nonprofit sector is critical for most agencies (Allison, 2002; Cairns, 2011; Carman et al., 2010; Santora et al., 2007). Yet, nonprofits in transition face several threats which include: A lack of preparedness of boards for the task of executive leadership planning; a focus of filling vacancies versus looking at more strategic growth
opportunities associated with the transition itself; and the failure of boards to understand the risk (in time and costs) associated with poor hiring decision (Allison, 2002).

Some literature yields additional research on what is believed as initiators of executive succession planning. For example, it is suggested that board planning of executive leader succession is key (Froelich et al., 2011). Yet, additional concerns for nonprofits are: planning does not match the needs to be responsive to the transitioning executive leadership issue, planning is perceived as difficult to implement, and that there are few “proactive steps” being taken by the industry leaders (Froelich, 2011, p. 3). However, the initiative or drivers to address these starts by those at the top levels of the nonprofit organization (Abdallah & Langley, 2014; Johnson, 2009; Linscott, 2011).

Nonprofit organization trending has begun to bridge the connection between the leadership deficit predictions by Tierney (2006) and executive vacancy planning by beginning to look at several factors related to executive leader recruitment in the sector (Nonprofit HR Solutions [NPHRS], 2013). What was becoming clear by 2013 is that a significant number of organizations lack succession planning, as approximately 69% of polled organizations do not have a formal plan to address succession needs, particularly for executive leaders (NPHRS, 2013). It appeared that “[succession planning] is not a top priority. . . . the organization is too small to require one [or] too small to create one” (NPHRS, 2013, p. 20).

Since the alert of the growing nonprofit leadership gap (Tierney, 2006) there is a need to gain a better understanding of the challenges faced in the sector with respect to CEO/executive director transitions and the role of succession planning as means to mitigate the leadership void. From the literature reviewed, disparities in studies between
the for-profit and nonprofit sectors appear on the topic. Examples of such disparities include the use of organizational studies on HR approaches, internal leadership development, and the advantages of insider versus outside sources of executive leaders. These appear to be pervasive in for-profit corporate studies (Charan, Drotter, & Noel, 2001; Drotter, 2003; Kehoe, 2001). Yet research that focuses on nonprofit organizations in these same areas appears to be gaining attention (Froelich, 2011; Johnson, 2009; Nonprofit Solutions, 2013; Phipps & Burdach, 2010; Wright, 2013).

There is a limited understanding of what practices are in place for executive leadership succession planning in the nonprofit sector in general (Carman et al, 2010). The use of succession planning by nonprofits - and specifically their boards - to address replacing executive leaders also appears to be limited (Phipps & Burdach, 2010). Needed is a clear understanding of whether succession planning is a common or uncommon practice in the nonprofit sector. The pace of empirical studies remains slow for the nonprofit sector, and that best practices in succession planning and the potential impact of those practices on nonprofits appear to not be well understood (Harrison & Murray, 2012; Hopkins, 2014).

Nonprofit organizations and their boards can gain an understanding of best practices in succession planning as borrowed from the for-profit sector. Several of these include:

- Ensuring that the current executive leader is an active partner with the board in implementing any succession planning activities;

- Locating and grooming internal candidates who can implement leadership in support of current and future strategies that support the mission;
• Connecting the board to internal contenders as to make an eventual selection process more effective and time efficient;

• Engaging in urgent or interim succession using current internal candidates when unexpected vacancies arise;

• Engaging in leadership transitions that uses onboarding steps (including identifying role of departing leader in the process where applicable, providing ongoing feedback to the new leader, engaging the second-place internal candidates to fill gaps when the overall leadership shift occurs within the organization);

• Strengthening the partnership of the board chair and executive leader (Corporate Governance Advisor, 2013).

The nonprofit board’s role in the planning of executive leader succession is key (Froelich et al., 2011). Yet, additional concerns for nonprofits are: planning does not match the needs to be responsive to the effectively transition executive leaders; planning is perceived as difficult to implement; and that there are few “proactive steps” (Froelich, 2011, p. 3) being taken by the industry leaders. But the initiative, or drivers to address these starts by those at the top levels of the nonprofit organization (Johnson, 2009; Linscott, 2011, Abdallah & Langley, 2014).

Another facet of succession planning considers the role of leadership development within organizations. Around the time of the Tierney (2006) study, organizations were also predicted to leadership retirements as high as 50% within a 3 to 5-year period (Sonopal-Valias, 2006). As this is consistent with the assertion that the deficit in leadership is imminent for nonprofits in general (Tierney, 2006), looking to external and internal candidates have continued to be discussed (Santora, Caro, & Sarros, 2007;
Cairns, 2011); yet the options to develop talent from within is supported as viable for nonprofits (Santora, 2013; Wright, 2013). These are just some samples of factors that are not yet fully explored in empirical studies for the nonprofit sector.

**The nonprofit: Service business and its governance.** The history of the nonprofit sector as a vehicle providing often basic supports and assistance with daily living needs, advocacy, and self-empowerment cannot be underscored. At one point in our history, citizens were once fully dependent on the federal government as a first sector vehicle to meet society’s needs. Over time, practices became informed by the need for less bureaucracy and increased efficiency in government-sponsored public services (Arnsberger et al, 2008). Policy changes and updates to federal tax codes for certain corporations altered significantly throughout our country’s history as to allow many public services to be contracted out by the government to private business and service provider entities (Arnsberger et al, 2008; Osborn & Gaebler, 1992). Although for-profit private businesses thrived (referred to as the second sector), the change in tax rules and codes help thrust a new, third sector: the nonprofit.

Organizations in the third sector often apply for and receive the benefits of tax-exemption under the evolving tax codes. Per the Internal Revenue Service, at present there are approximately 35 categories of tax-exempt organizations under Sections 501, 521, and 4947 of the federal tax code (IRS, 2016). For this dissertation study the category of focus will be limited to incorporated nonprofits with designated tax-exemptions pursuant to IRS Code 501(c)(3) which includes religious, educational, charitable, scientific, literary services (IRS, 2016). The nonprofits earn their exemptions based on several key factors: Having a governance body (board) of three or more
persons (Gluck, 2016); the organization and its board create a mission; and core operations are conducted in support of that mission (Gluck, 2016; Henderson, 2016; and Lawrence, 2016).

With an estimated 10 million employees in the sector, nonprofits comprise 10% of the country’s private workforce (Nonprofit HR, 2015). The nonprofit sector serves as a formidable resource to providing social justice initiatives as well as contributing to the economic health for our nation.

In addition to the historical context of the sector, understanding the business structure of the nonprofit corporation is key to the research. Commonly known as public charities or charitable organizations, nonprofits registered with the Internal Revenue Services as of 2012 is estimated to number 942,202 (National Center for Charitable Statistics [NCCS], 2016). Of these, 74.4% are registered specifically as tax-exempt under Section 501(c)(3) (NCSS, 2016). The array of services provided by these organizations cover many needs via arts and culture, education, health, and human services.

With respect to the numbers of nonprofits throughout the country, as of 2012 the state of California had the highest number of registered nonprofit organizations at 147,134. Of these, 117,983 are 501(c)(3) organizations (NCCS, 2016). However, New York State ranks third (after Texas) and has 92,906 registered nonprofit organizations - of which 80%, or 74,269 are 501(c)(3) entities (NCCS, 2016).

In the State of New York between 2003 and 2013, the number of 501(c)(3) is estimated to have increased by 0.9% from 65,800 to 74,269 (National Center for Charitable Statistics - NCCS, 2016). The largest subgroup in New York State are public charities which are either directly supporting or operating services that benefit local
citizens and communities (NCCS, 2016). The second largest subgroup, 501(c)(3) Foundations, are categorized as either indirect support entities through grant-making or other private operations (NCCS, 2016). Through both direct and indirect support functions, 501(c)(3) organizations co-exist to meet the needs of New York state residents, business, and communities.

Tax filing summary reports published in the nonprofit database sponsored by Guidestar® reveal that for the years 2013-2014 the sizes of New York State nonprofit tax-exempt organizations, based on reported annual revenues, are wide in range (Guidestar®, 2016). It is estimated that as of 2014 over 78,000 organizations had reported revenues between $0 and $1 million; 6,421 reported revenues over $1 million to $5 million; 1,782 had revenues between $5 million and $10 million; 1,441 reported incomes between $10 million and $25 million; and 549 organizations reported revenues of $25 million to $50 million (Guidestar®, 2016). As of 2017, there are 16,489 nonprofit organizations across the five boroughs of New York City (Guidestar®, 2017). As such, most of nonprofit organizations in New York State have annual reported revenues of $5 million or less.

As vital background to the nonprofit organization, its typical leadership structure in a corporate context needs introduction as the role of oversight is key to understanding issues in leadership transitions and succession planning for this sector. The nonprofit board of directors (or “trustees”) is defined as an appointed collective which leads the organizational direction and is ultimately “liable” for the financial and other consequences of the activities of the nonprofit corporation (WebFinances, Inc., 2015, Definition section, para 1). For example, the board must engage in measures of due diligence to ensure successful organizational outputs in areas such as financial audits,
regulatory compliance, and program outcomes on behalf of the clients. As such, the role and responsibility for an organization’s leadership and success for nonprofits ultimately starts at the level of the board.

The roles and responsibilities of nonprofits boards have been defined by nonprofit incorporation law within the context of key components termed “duties” (Hopkins, 2003, BoardSource, 2010) and responsibilities (Henderson, 2016, and Lawrence, 2016). Three duties make up the key roles and responsibilities for the board: duty of care; duty of loyalty; duty of obedience. (Hopkins, 2003).

Duty of care relates to knowledge and skill sets that are expected to be exercised in decision making as a “steward of the organization” (Hopkins, 2003, para 1). The second duty, loyalty, represents commitment and loyalty to the nonprofit corporate versus using position on the board for self-interests (Hopkins, 2003, para 1). The third duty, obedience, represents the obligation of the board to fulfill the mission of the organization as evidence of the board’s oath to maintain the public’s trust in how it oversees donated or public revenues (Hopkins, 2003, para 3). These duties ensure that the responsibility for managing the corporate assets of the nonprofit organization are fiduciary, and based on trust in the eyes of the public.

The “duties” of the board of directors can also be reflected in the operational standards created by the governance body. The standards evidence that the board leads the organization in meeting the mission-based service goals specified as part of the tax-exemption application and renewal processes (Lawrence, 2016). In addition, the standards communicate that the board is responsible for overseeing organizational planning and implementation of organizational priorities (Cluck, 2016, Lawrence, 2016).
Another key responsibility of the board is fiscal: budget development and approvals, financial reporting, and due diligence with planned expenditures and revenue activities must comply with federal and local government standards (Lawrence, 2016, para 4). For example, with nonprofits considered as health care organizations there are compliance mandates as related to financial reporting and auditing, as some health and human service nonprofit organizations are reimbursed via Medicaid. At the federal level, the Centers for Medicaid and Medicare Studies (CMS) considers them as health care organizations. As such, a key piece of these organizations’ compliance programs requires that the board of directors review auditing of key financials as part of their duty of care. This is often seen in the form of an establish auditing committee of the board (U.S. Dept. of Health and Human Services – Office of Inspector General [OIG], 2015). Without contiguous executive leadership, monitoring and program operations could falter, impacting service delivery and revenue generation. To face these issues seamlessly during any impending executive leadership vacancy or transition is critical for the nonprofit. To not do so brings potential impacts the governance body’s ability to meet its fiduciary duties and ensure sustainability of its program and possibly the entire organization.

In addition to federal regulations, newer state laws mandate additional requirements by nonprofit boards. Under the New York State Nonprofit Revitalization Act (2013), compliance in a variety of areas include, but are not limited to: policies, self-dealing and conflicts of interests, compensation and salaries, audit requirements, board chair restrictions, and requirements under the NYS Attorney General’s office (New York State Nonprofit Revitalization Act of 2013). Overall, this law increases the level and scope of governance responsibilities for tax-exempt nonprofits organizations in the State.
The significance of research in succession planning for nonprofit executive leaders will help increase understanding of the urgency and risks to not having planning in place. Also, additional research can help guide the sector’s leaders who bear the ultimate responsibility to the organization and stakeholders. Some recent survey findings indicate that overall 69% of nonprofit boards do not have executive leader succession planning processes in place (Larker et al., 2015). Often board of directors of these organizations view that succession planning” is not a top priority. . . the organization is too small to require one, or is too small to create one” (Nonprofit HR Solutions, 2013, pp. 19-20). The role played by the nonprofit chief executives and especially the board in making succession planning a priority is key to helping to address this sector’s executive leadership development deficits.

**Problem Statement**

Previous studies indicated that the nonprofit sector has limited interest, intent, and understanding of the impact of succession planning for its chief executive leaders (Carman et al., 2010; Harrison & Murray, 2012; Phipps & Burdach; 2010; Richardson, 2014; Wright, 2010) and as a result remains ill prepared to engage in leadership succession planning (Ips & Jacobs, 2006; Richardson, 2014). More specifically, “the lack of executive succession planning among executive directors and CEOs of nonprofit organizations [is of concern] because succession planning is key for the sustainability of nonprofit organizations” (Richardson, 2014, p. 14). Therefore, a central question to this research was what relationship, if any, exists between intent towards succession planning and actual engagement as perceived by those with the highest responsibilities within nonprofits: the board of directors.
More pointedly, a 2014 report of survey data on succession planning to address executive leader gaps illustrated some of the limitations in the use of succession planning in nonprofits. For example: 39% of survey respondents had no potential candidates who are ready to assume the CEO role; only 8% of the respondents believe that there is an adequate internal pool of successor candidates available within their organizations; and the average time spent by the board discussing succession planning annually was 1.14 hours (Saslow, 2014). More recent survey findings indicated that up to 69% nonprofit boards in general did not have executive leader succession planning processes in place (Harvard Business Review, 2015; Larker, 2015).

Another item to consider is that there is limited understanding of the intent, perceived importance, and actual use of succession planning in nonprofit human service organizations (Carman et al., 2010; Harrison & Murray, 2012; Phipps & Burdach; 2010; Richardson, 2014; Wright, 2010). As such, it was the study’s aim to examine intent and engagement in succession planning practices to build future research relevance specifically for nonprofit organizations.

Looking through a more general lens, it has been suggested that internal factors, such as a nonprofit’s own leadership resources, impact executive transition needs. Specifically, “delayed retirements. . . professional shifts of managers from nonprofits to the for-profit sector. . . an increase in management-level professionals becoming educated in graduate programs in nonprofit management” (Johnson, 2009, pp. 294-295) is more significant than the general leadership crisis or external shifts in policies, especially as it becomes more necessary to transition in a new executive leader. In addition, 80% of younger nonprofit professionals reported as being interesting in
remaining in the nonprofit sector in general (Carman et al., 2010); yet only 6% expressed a desire of becoming an executive director.

With internal candidates for executive leadership position possibly limited, the goal of seeking insiders versus outsides for the role has interesting implications. For example, in “legacy-led” (Santora et al., 2007, pp. 29-30) organizations where founders were at the helm, it was suggested that insider competition for a potential vacancy at the top level is limited due to a restricted pool of qualified candidate (Santora et al, 2007). It was also suggested that the traits of nonprofits leaders, and the intention and readiness of organizations to replace them is of concern. Leaders of nonprofit charitable organizations have traits that are more “difficult to replace” (Froelich et al., 2011, p. 13). In addition, as the use of search firms are reported in limited of nonprofits (16% reportedly use them), little succession of internal candidates may be planned (Froelich, 2011). Longer term employees developed expertise in service planning and delivery while amid significant shifts in regulatory policy and service delivery practices. As leaders transition in and out of executive roles, continuity of services and compliance to new regulatory mandates will likely challenge those organizations, making succession planning using internal management assets critical.

Concerns within the nonprofit sector also relate to a notion that planning does not match the needs to be responsive to: the retirement of current leaders; change in policies and regulatory mandates impacting organizations and their service delivery; and the limited interest by tenured staff to transition into executive leadership roles (Johnson, 2009). However, the key to addressing these concerns starts with those at the top levels of the nonprofit organization (Abdallah & Langley, 2014; Johnson, 2009; Linscott,
A common theme suggested in the research was that board planning of executive leader succession is key (Froelich et al., 2011). Planning by the board was noted as often absent (Abdallah & Langley, 2014). Therefore, the role of the board in succession planning for nonprofits presents an additional foundational issue that should be further explored.

Theoretical Rationale

As indicated previously, the problem as related to this research study was that the sector has limited interest, intent, and understanding of the impact of succession planning for its chief executive leaders (Carman et al., 2010; Harrison & Murray, 2012; Phipps & Burdach, 2010; Richardson, 2014; Wright, 2010) and therefore remains ill prepared to engage in leadership succession planning (Ips & Jacobs, 2006; Richardson, 2014). The theoretical approach to the study was grounded in two core frames. The primary frame first anchored the research in the context of intent (or intention), as explained by the theory of planned behavior, or TPB (Ajzen, 1991).

The second frame lies in the use of human capital as organizational assets in succession planning processes as expressed in the tenants of leadership pipeline theory (Charan et al., 2011; Mahler, 1978). It is the specific activity, based on organizational need, that defined engagement in this study. Both TPB and the leadership pipeline model had significant relevance in this research study, where the study participants were to not only inform on intent and beliefs on succession planning, but also on actual planning activities and succession practices that may or may not be in place within their organizations. Chapter 2 provides detail on TPB theory and the leadership pipeline as described in the literature. In Chapter 3, both TPB and succession planning via the
leadership pipeline are further detailed in the context of the methodology used in this study.

**Statement of Purpose**

The purpose of the study was to examine what relationship exist, if any, between intent and engagement in CEO/executive director succession planning. The study examined the topic through the lens of board of directors in select New York City nonprofit organizations. In the context of executive leader departures and transitions of the role, the use of succession planning by nonprofits and their boards for executive leaders [and what is known about this] appears to be limited (Phipps & Burdach, 2010). In the past few years the pace of empirical studies related to succession planning remains slow for this sector (Harrison & Murray, 2012). As with for-profit corporations, one of the keys to the success of nonprofits lies in understanding the role of executive leadership and how these leaders transition (Allison, 2002; Froelich et al., 2011; Carman et al., 2010; Howard, 2011; Schoenberg, 2011). Therefore, the study referred to succession planning as “a deliberate and systematic effort . . . to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage . . . advancement” (Rothwell, 2001, p. 6). An extended definition views business succession planning as “a process through which companies plan for the future transfer of ownership and/or top management” (Ips & Jacob, 2006, p. 327). To gain an understanding of the transition planning of chief executive officers (or executive directors) for New York City organizations whose missions support a diverse array of needs within in a dense urban setting presented a significant opportunity for doctoral level empirical study.
Research Questions

The core research question examined and determined if there was any relationship between the variables of intent (independent variable) and engagement (dependent variable). Specifically, the study sought the perspectives of current board members in a selected group of New York City 501(c)(3) nonprofit organizations to ascertain if these leaders reported intent to engage in succession planning for chief executive leadership roles and the actual engagement in succession planning activities. Given that the research problem was that the sector is ill-prepared, has little intent, and limited understanding of succession planning, the core question led to a series of hypothesis for testing. Through the theoretical frameworks of theory of planned behavior (TPB) and leadership pipeline, the study specifically asked:

RQ1: What relationship, if any, exist between intent/intention to engage in succession planning for chief executive leaders and actual engagement in succession planning activities as reported by NYC Bronx-based nonprofit boards?

RQ2: What relationship, if any, exist between intent/intention of nonprofit boards to engage in leadership succession and the size (in annual revenue) of the organizations they represent?

H₀ There is no statistically significant relationship between intent and actual engagement in executive leadership succession planning activities.

H₁ There is a statistically significant positive relationship between intent and engagement in executive leadership succession planning activities.
There is a statistically significant positive relationship between engagement in executive leadership succession planning and organizational budget size (in reported annual revenue).

By examining the potential relationships between these variables, the study aimed to add to the body of knowledge on board members’ views of the transition readiness in organizational leadership and succession planning. Furthermore, the information gathered identified the disconnect, if any, exists between engagement and level of reported intent. The study examined succession planning by exploring what the intentions are with respect to engaging in planning for the transition of future CEO/executive directors when the inevitable time comes for the next shift in leadership. Also, the study also attempted to determine if board tenure and/or board role played any moderating effects on engagement in succession planning activities by the survey respondents. Therefore, two additional hypotheses were tested:

H3 There is a statistically significant positive relationship between length of time served on the board (tenure), and engagement in executive leadership succession planning activities.

H4 There is a statistically significant positive relationship between board role and engagement in executive leadership succession planning.

From a practical perspective, the results can help address if and how NYC provider organizations are prepared to view their human capital as assets - to see internal managers as viable candidates for succession to the executive role as part of engagement in the leadership pipeline.
Whether organizations participating in the study reported the presence of succession planning or not, the study prompted ongoing preparations for leadership transitions that may be significant with respect to organization’s ability to maintain vital services and organizational sustainability (Bieschke, 2006). This would prove especially critical to organizations in a climate of leadership vacancies, ongoing policy shifts, and regulatory changes.

**Potential Significance of Study**

The study aimed to enhance our understanding, especially for organizations that may be most vulnerable to issues of human service discontinuity and sustainability. Specifically, for communities that are most economically challenged and in need to the supports that nonprofits offer, continuous leadership for local nonprofits agencies is essential to mitigating the risks of reduced or eliminated services in such places where the citizens are most at-risk. This study examined the nonprofit board’s opinions in one of the hardest hit communities in New York City. By addressing leadership sustainability through the lens of succession planning for nonprofits in economically challenged communities, the research aimed to help inform on factors from the beliefs of nonprofit boards and to continue to discourse on organizational leadership planning.

The question of who will be the leaders of nonprofits organizations was raised even before Tierney’s 2006 predication of the impending leadership gap (Havercamp, Tassare, Lunsky, & Garcin, 2003). The question even remains thereafter, and expands to both nonprofit provider organizations themselves as well the advocacy trade organizations representing various field of service (Shogren, 2008). A call for empirical inquiry continues to be needed on leadership succession planning even for special-needs
populations (AIDD, 2009; Tassare, 2013). To explore executive leader transitions through the lens of succession planning and how this manifests in nonprofits of the most vulnerable citizens overall would assist in filling the knowledge gap.

The call for more inquiry on succession planning has been ongoing. For example, it is believed that “. . . strategic leadership [planning] has not been widely extended to the nonprofit sector” (Phipps & Burback, 2010, p.137). As concluded in their study, Phipps et al notes that from their survey data the way to address succession planning is to increase the availability of industry knowledge and strategic action planning. The study will help fill the void for nonprofits by examining the relationship between intent and engagement, and identifying reported factors that can possible speak further to intention, the array of beliefs, and eventually potential barriers that the sector and additional research can address.

The significance of research of succession planning was to also increase an understanding of the urgency and risks to not having planning in place as to help guide the sector’s leaders who bear the ultimate responsibility to the organization and stakeholders. Some recent survey findings indicate that overall 69% of nonprofit boards do not have executive leader succession planning processes in place (Harvard Business Review, 2015; Larker, 2015). The role played by the nonprofit chief executives and especially the board in making succession planning a priority is key to helping sector’s leadership shortage and ensuring the sustainability of the nonprofit sector which builds and empowers individuals, communities, and our society.

By viewing nonprofits through the lens of corporate business, the fiduciary role of governance and executive leadership for these organizations, and nonprofits as social
change agents, the chapter introduces succession planning as related to nonprofits – especially those serving economically vulnerable communities who depend of these services for empowerment and social impact. This approach set the stage for the research problem, theoretical rationale framework, and research questions. The overall aim was to advance the body of knowledge in a way to inspire further research (and potentially improve succession planning practices) to aid the sector and those organizations serving the most at-risk citizens.

**Definition of Terms**

The following terms are defined for the context of the research study.

**501(c)(3).** One type of tax-exempt status determined under codes and rules of the Internal Review Service (IRS). Corporations having this status are typically organized and operated as nonprofit charitable entities that serve public (vs. private) interests, and are ineligible to directly lobby and influence legislation (Internal Revenue Service, n.d.).

**Board of Directors.** Persons elected to serve as a unified body in a governance role over the business, financial, and legal affairs of an incorporated entity. Board of directors are responsible and held liable for the entire organization and its activities (WordNet 3.0, n.d.).

**C-Level Executive.** The most influential and senior level management personnel whose titles contain the word ‘chief’ such as chief executive officer, chief information officer, chief finance officer, etc. (Investopedia, n.d.).

**Chief Executive Officer.** An individual who serves as the highest executive manager of an organization or business, has the highest authority, yet often directly reports to the governing body of the organization. Sometimes referred to as President,
however in the context of this research the term president does not include those roles synonymous with president and chairperson of the board (American Heritage Dictionary of the English Language, 2011).

**Control Beliefs.** One of three components of the theory of planned behavior - TPB (Ajzen, 1991) that represent beliefs about perceived factors that support or impede engagement in a specified behavior (Ajzen, 1991).

**Executive Director.** An individual responsible for the administration of a business or organization. In this study, the executive director is the vested principal officer of the nonprofit organization (Collins English Dictionary, 2014).

**Executive Leadership transition.** The process of switching from an incumbent to successor executive leader in response to a planned or unexpected leadership departure or vacancy (Charan et al., 2011).

**Governance.** The creation, implementation, and monitoring of policies by a governing body of an organization or corporation that includes the authority and power of the unified body to ensure prosperity, viability, and adherence to the service mission of the organization (BusinessDictionary.com, n.d.).

**Human Services.** Services that are broadly defined as addressing human needs - usually through a foundation of interdisciplinary skill and knowledge - with a focus on preventative and remediation supports addressing social problems with a goal of improving overall quality of life for various members of society (National Organization for Human Services, n.d.).

**Human Services Organizations.** Nonprofit organizations classified by the NTEE and Internal Revenue Service as offering an array of services benefiting society,
including (but are not limited to): alliances and advocacy; single organizational support; fund raising and distribution; human service organizations [broad]; children and youth services; adoption and foster care; family services; single parent agencies; family violence shelters; personal social services; residential care and adult day programs; etc. (National Center for Charitable Organizations, n.d.).

**Intent.** Per the theory of planned behavior (TPB), the intention to engage in a specified behavior is a result of the presence of a combination of behavioral beliefs, normative beliefs, and control beliefs (Ajzen, I., 1991).

**Leadership pipeline (Pipeline).** A model or construct used to describe the potential movement (or succession) of organizational managers through the organization towards higher levels of leadership (Charan et al., 2011).

**National Taxonomy of Exempt Entities (NTEE).** A coding system used by the National Center for Charitable Statistics (NCCS) and Internal Revenue Service to classify nonprofit organizations. Codes designated with letters “I” through “P” are reflective of the NTEE broad category of human services entities (National Center for Charitable Statistics, n.d.).

**Nonprofit.** A business entity incorporated to serve a purpose other than the generation of profits for individual stakeholders. These business organizations are often privately owned and controlled, and usually file for and receive designation as a 501(3)(3) tax-exempt status by the Internal Revenue Service. Also, referred to as not-for-profit (Osbourne & Gaebler, 1992).

Not-for-Profit. See definition for “nonprofit.”


President. See definition for “Chief Executive Officer.”

Succession Planning. A plan used to systematically engage in the identification and development of potential internal candidates for succession into executive leadership roles in response to a planned or unexpected leadership departure or vacancy. For this study, succession planning will be viewed as “a deliberate and systematic effort . . . to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage . . . advancement” (Rothwell, 2001, p. 6).

Theory of planned behavior (TPB). Rooted in psychology, a theory developed by Icek Ajzen in 1985 that connects beliefs to behavior to explain intention to engage in a specified action. TPB indicates that intent is made up of three components: personal beliefs, normative beliefs, and control beliefs. Per TPB, personal beliefs equate to an attitude; normative beliefs, social subjective norms; and control beliefs, perceived control. In combination, the three yields intention (Ajzen, 1991).
Chapter Summary

Chapter 1 introduces the foundational issues related to succession planning for the nonprofit 501(c)(3) organization. Specifically, the problem of intent and interest by executive leaders to engage in succession planning, and actual engagement of these organizations, and the overall significance of research in exploring these factors is presented. As succession planning is viewed as “key for the sustainability of nonprofit organizations” (Richardson, 2014, p. 14), Chapter 1 sets the tone for examining the relationship between intent and engagement as to approach and address one premise that in general, the nonprofit sector is ill prepared to engage the use of succession planning for the transitions of its executive leaders (Nonprofit HR Solutions, 2013; Richardson, 2014).

Chapter 1 also outlines the theoretical frameworks for answering two key research questions. Exploring what are the beliefs, interests, and intent of board members of NYS nonprofit organizations towards succession planning will be viewed through the frame of planned behavior (Ajzen, 1991). In addition, by exploring perceptions of any extent organizations engage in succession planning activities will be viewed through the frame of leadership pipeline (Charan, Drotter, & Noel, 2001; Mahler & Graines, 1983).

In summary, the study will help inform on succession planning in nonprofit organizations and its role in the transition of executive leaders. This study not only aims to continue the empirical inquiry and scholarly discussions as prompted by the initial predictions of a leadership crisis for nonprofit leaders in general; it also serves to answer the ongoing calls for inquiry to address the gap as specifically recognized by nonprofit leadership advocacy experts and trade organizations. In Chapter 2 through Chapter 5 the
supporting literature, research methodology, study results, and a discussion the findings, implications, and recommendations for future research are further detailed.
Chapter 2: Review of the Literature

Introduction and Purpose

Researchers are making a call for more inquiry on [succession] planning for nonprofit organizations. For example, in recent years it is believed that “. . . strategic leadership [planning] has not been widely extended to the nonprofit sector” (Phipps & Burbach, 2010, p.137). As concluded in their study, Phipps et al note that from their survey data, the way to address succession planning is to increase the availability of industry knowledge on strategic action planning for leadership succession.

Chapter 2 serves to provide a review of some of the literature as related leadership transition issues, and specifically succession planning. The chapter provides a context for the research study by first discussing the predicted leadership gap based on Tierney’s Stanford study (2006) and subsequent studies that followed it. Empirical studies on leadership transition issues from diverse sectors and industries then follow. Studies on succession planning include inquiries from outside the US. The literature review also includes a look at the role governance has in ensuring succession planning is in place. Lastly, a closer review of the theoretical framework for the study closes the chapter by linking the research questions presented in Chapter 1 as a transition to the research methodology that follows in Chapter 3.

Leadership Gap in Nonprofits

The literature reviewed on the leadership gap was conducting using a historical perspective starting with the alert by Tierney (2006) that predicted a deficit for the
nonprofit sector. This was an important, albeit nontraditional, approach to take given the subsequent call for more studies in the nonprofit sector that can possibly help the sector catch up to the for-profit sector’s pace of empirical review on succession planning. In addition, the recognition of a leadership gap for nonprofits by Tierney (2006) as a 10-year predictive study served as caution to a predicted deficit of executive leaders in the sector that may present potential threats to the delivery of social justice initiatives, especially in economically and resource-challenged urban communities like the Bronx.

The Tierney (2006) study aimed at exploring trends in relation to the rate of growth of the number organizations in the sector, turnover rates of CEOs (and other executive and senior management), and the growth in the sizes of nonprofits as evidence in the archival data. Projections and predictions were completed from the trend analysis of the data. For the projections, the researcher assumed a constant rate of retirement for the period of 1996 through 2016. The extensive predictive study of U.S. nonprofits used purposeful sampling of organizations with annual revenues of over $250,000 (Tierney, 2006). His study eliminated from the sample data representing “nonprofit hospitals and higher education” (Tierney, 2006, p. 26) as their specialized revenue streams, leadership development initiatives, and business infrastructures were not representative of those human service organizations of interest to the researcher. The study collected data from the period of 1995 through 2004 from databases of the National Center of Charitable Statistics (NCCS) and the Bureau of Labor statistics of the U.S. Department of Labor.

From the NCCS and BLS data trends, the research findings suggested that by 2016: the average nonprofit organization would grow by 3%; 56,000 new senior managers would be needed in the sector; 78,000 – 80,000 CEOs would be needed; and
the number of nonprofits would increase by 42% (Tierney, 2006). The study also predicted that turnover of senior managers (due to retirement or other departure reasons) to have increased in 2016 by a rate of 55% (Tierney, 2006).

The strength of the study methodology was the use of archival data and purposive sampling, as representative of the period of 1995 through 2004. The study did not however generate a theoretical framework for understanding or further exploring the deficit previously predicted (Tierney, 2006). The published study limited the inclusion of the specific methods of statistical analysis used in the research to trend and predict. Yet the study informed on the potential to explore the role of building leadership capacity in the nonprofit sector, including internal talent development within those organizations.

Empirical responses to the Tierney study. Researchers have attempted to continue the use of trending analysis to add to the body of knowledge on the nonprofit leadership gap. Using a business framework of “supply and demand” (Johnson, 2009, p. 286), the literature suggested efforts to challenge the constant labor market assumptions asserted in the study by Tierney (2006). By using a similar data sampling from archival databases, Johnson (2009) eliminated the assumption of a constant rate of retirement for the period of 1996 through 2016. The study suggested that by removing the “static set of conditions” (Johnson, 2009, p. 287) and incorporating census data, the analysis could show more accurately what is occurring with the market and implications for the gap in nonprofit leadership (Johnson, 2009). Specifically, the findings of this research study suggested the presence of “delayed retirements... professional shifts of managers from nonprofits to the for-profit sector... an increase in management-level professionals
becoming educated in graduate programs in nonprofit management” (Johnson, 2009, pp. 294-295) were more significant than the leadership crisis itself.

One limitation of the Johnson (2009) study was the inclusion of BLS data restricted to the period of 2000 through 2008. In attempts to challenge the crisis alert in the 2006 literature (Tierney, 2006), the BLS data sampling approach in the Johnson study presented with internal validity threats, as the time frame did not mirror that of the BLS data in the previous study (as it did not reflect the same historical context). By including census data and removing the labor assumption in her design, Johnson did however inform on other themes that, in the context of the leadership gap, could further be explored.

The literature further demonstrates that the Tierney (2006) study played an ongoing impact on scholarly inquires of the leadership gap, and inspired additional explorations of executive succession for the nonprofit sector. In one example, the use of questionnaires and interviews in a 2007 study aimed at understanding succession from the viewpoint of using insiders versus outsiders as replacement leaders in nonprofit organizations. The study applied a convenience sampling method that focused on the researchers’ colleagues at the executive director level (Santora, Caro, & Sarros, 2007). Data on actual nature of transition and selection for appointment into the executive leader role was collected from leaders of 20 nonprofit Latino member associations on the East Coast. The response rate was 67%. A large proportion (50%) of the executive directors reported that they came from outside of the organization while a smaller percentage (25%) were noted as being groomed from inside the organization (Santora et al., 2007).
The findings suggested that a preference for outsider replacements predominated over insider succession for nonprofit appointments (Santora et al., 2007). The literature also suggested that in “legacy-led” (Santora, 2007, pp.29-30) organizations where founders were in place, there was limited insider competition for the vacant roles of executives due to a limited pool of qualified candidates (Santora et al., 2007).

An inherent limitation of the 2007 study was mainly in the restriction of the sample as limited to organizations that are associations (and who identified as Latino member associations). The preference of outsiders to address CEO/executive director transitions could not be generalized to a wider context of nonprofits. Another limitation in the sampling method related to the selection of full members in the association-based nonprofits (and therefore did not include potential respondents with other membership status). As such, the results may not be replicable if the study were to be repeated with the actual intended sample, which was stated to include all members of the targeted associations (Santos et al., 2007). Additionally, the Santora study only focused on one ethnic association group. The findings also would not be generalizable to the larger population of Latino membership organizations primarily due to the small size of the sample. Despite these limitations, the study did support a need to further examine the difference in preference of outsiders over insiders in executive leader transitions.

A multi-method approach (using surveys and focus groups) involving North Carolina nonprofit agencies added to the review of the literature on the nonprofit leadership gap. Focusing specifically on the issue of executive turnover and succession planning for younger nonprofit professionals, the study focused on a population of 299 nonprofits affiliated with the United Way of Central Carolina (Carman et al., 2010).
Executive directors in the Carman study were invited to participate in an online survey that used 40 questions based on a tool developed by a national foundation. The survey gathered data on demographics of the leaders, their organizations, intentions to depart, and any potential internal replacements in the event of their departure. There were 110 responses to the executive director survey. In addition, another purposive sampling of non-executive managers under the age of 40 invited participants to complete a separate survey on their career goals, view of mentors, and desires for their future careers. This survey had 48 respondents.

The second method of data collection arose from participants in a focus group aimed at exploring the use of succession planning in their respective organizations. Executive directors in this sample were invited to participate from a pool of attendees at a regional conference who were contacted by email to participate in the study. There were seven participants in the focus group.

The findings of the study revealed that 69% of the executive directors surveyed planned to depart within 5 years (Carman et al., 2010). The participants in the executive focus group revealed that the use of succession plans is limited, as only three of the seven reported having one in their respective organizations. In addition, the study revealed that 80% of younger professionals surveyed reported being interesting in remaining in the nonprofit sector. Yet the findings suggested that only 6% expressed a desire of becoming an executive director.

The goal of Carman’s study was exploratory, as the survey tools used offered descriptive analysis from the two sample groups who participated in the online questionnaire. In addition, the use of the focus group of executive directors also
supported the exploratory approach. One specific limitation to note was the use of a separate pool of executive directors in the focus group (who were sourced via a non-related conference). This convenience sampling method collected data not representative from the sample data received by the executives who responded to the online survey (as the two data collection methods aimed to elicit answers to difference types of questions). The study raised concerns on the attempt to triangulate the data. Therefore, the study presented with credibility issues. Also, the study failed to raise a theoretical framework for understanding the nature of the perceptions of the executives as well as the younger managers.

Overall, the researchers concluded that a significant number of executive leaders will depart their roles. This was consistent with the projections made in earlier literature (Tierney, 2006; Johnson, 2009). In addition, this study found that succession planning was limited (Carman et al., 2010). The findings further suggested that strategic succession planning of human capital for executive-level roles needs attention, as younger professional expressed little interest in advancing to the top level of leadership. The study implied that this was the real threat to filling the leadership void (Carman et al., 2010)

A further review of literature yields additional insight on what was perceived as drivers of the leadership gap: limited executive succession planning in organizations. For example, a study which employed the use of questionnaires to compare the executive directors of two classes of nonprofits, 501c (3) and 501c (4) organizations, yielded findings that supported the notion that the issue of succession planning for executive leaders is significant in the sector (Froelich et al., 2011). The researchers created a
questionnaire and piloted it with three executive leaders who each had a minimum of 10 years of experience in the leadership role. The questionnaire was then distributed to two different types of nonprofits: 800 CEO/executive directors from charitable organizations and 859 from cooperative organizations. The IRS database of tax filings was used to determine the population for the study (Froelich et al., 2011). There were 106 responses from the charitable group and 160 responses from the cooperative group.

The comparative study aimed at determining the traits of the organizational leaders and the readiness to replace them. Descriptive analysis of the demographic data for both categories of nonprofits were completed. The researchers then coded the additional responses and analyzed them in relation to the areas of leadership traits and readiness.

The results of the study indicated that leaders of nonprofit charitable organizations had traits that are more “difficult to replace” (Froelich et al., 2011, p. 13) as compared to the nonprofit cooperative leaders. In addition, 16% of respondents from both groups indicated using search firms to help in the potential sources of a next organizational leaders. The findings suggested that no succession of potential internal candidates was planned (Froelich et al., 2011). For both groups of participants, the reported level of readiness to replace their organizational leader was rated as low.

The findings in such research suggest that succession planning and preparation for nonprofits did not match the need to be responsive to the transitions needs for executive leadership. Additional themes found in the analysis of the respondents from both groups indicated that succession planning was perceived as difficult to implement, and that there were few “proactive steps” (Froelich et al., 2011, pp. 15-16) taken.
The use of member checking for data collection tool and the large samples sizes of both respondent groups aided in the strengthening the research study. Also by using two related (albeit different types) of nonprofits in the sample, the themes on planning were determined to be similar. Although the study did not emerge a theoretical framework, the study confirmed the importance of internal planning succession by the top levels of organizational leaders.

The Froelich (2011) study contrasted with the focus on external factors (economics, baby-boomer retirement, etc.) previously suggested in the literature (Tierney, 2006; Johnson, 2009). Yet, later a study by Abdallah & Langley (2014) paid attention to the need to address the leadership gap in nonprofits by not focusing only on external factors. The study used an extensive literature-review approach to nonprofit succession studies, and conducted coding to determine or identify themes. The study noted that planning for leader succession was significantly identified in the literature (Abdallah & Langley, 2014). Their research findings led them to conclude however that the tools for succession planning was limited. Further, their study results indicated that board leadership in succession planning was often absent. As such, the Abdallah & Langley study offered confirmation that the role of the board in succession planning was potentially a key foundational issue that may be further explored.

The literature reviewed has enhanced the understanding of what has been studied on the executive leadership gap. Early on, researchers such as Carman et al. (2010), Johnson (2009), Santora (2007 & 2011), and Tierney (2009) provides knowledge that serves to describe perceived attributes of the gap in executive leadership. However, an academic (and perhaps pragmatic) response to earlier concerns raised that on the board’s
role in filling executive vacancies from a strategic planning point of view have been slow in momentum (Abdallah & Langley, 2014). By 2010, there was a certain shift in the focus of research from the gap itself towards solutions (such as planning) and those who within the organization itself potentially serve as drivers to addressing the need for executive leadership succession planning.

Studies completed by researchers such as Froelich (2011), Harrison (2012), Hopkins (2014), Linscott (2011), Phipps & Burbach (2010), and Tierney (2006) all served to inform on the need to continue to approach and understand the drivers as part of building ongoing knowledge. Phipps & Burbach (2010) indicated that a call for more research on succession planning is clearly needed, as “... strategic leadership [planning] and the study of how nonprofits influence performance has not been widely extended to the nonprofit sector” (Phipps & Burbach, 2010, p.137). As concluded in their study, Phipps et al. noted from their survey data that the way to address succession planning was to not just focus on the external factors of economics or labor trends, but increase the availability of industry knowledge about action planning.

**General Issues in Leadership Transitions**

A gap in leadership brings concerns for organizational stability, sustainability, and the delivery of vital services (Dingman & Stone, 2007; Santos & Sarros, 2012). Within nonprofit human services, as with business in general, the prospect of a departure and subsequent transition of an executive leader brings a potential threat of organizational instability (Dingman & Stone, 2007; Ips & Jacobs, 2006; Arnsberger et al., 2008); Santos & Sarros, 2012; Tassare, 2013; Wright, 2013). The literature review now looks at some general issues in leadership transitions of CEOs/executives. As a primer to the discussion
of transitions, introduced is an exploration of how prepared organizations are with respect to the talent pool within organizations.

A general perspective of leadership transition comes from an empirical study that focuses on a mechanism for succession borrowed from the for-profit sector (Gai et al., 2010). The use of developing internal talent to build leadership skills within the organization came from a pipeline model (Charan et al., 2011). The model, derived from actual work with General Electric’s leadership development initiatives, suggested that a company fill itself with individuals who can develop key leadership skills and abilities to face increased levels of management responsibilities (Charan et al, 2011; Gai et al., 2010). The literature review revealed a quantitative study that tested the pipeline model by examining changes in worker competencies levels. Using data from 760 archival 360-feedback reports, the study aimed at testing how competencies such as decision-making in the context of the whole organizational system transcend along increasing levels managerial positions and responsibilities, and corresponding performance requisites (Gai et al., 2010). In addition to analyzing the archival data and creating competency “profiles” (Gai et al., 2010, p. 369), the researchers also used six management development experts to rate the importance of the competencies across the varying position levels. Therefore, the ratings in the study involved two scales: perceived importance of the competencies (based on the archival data) and the skills ratings assigned by the management experts.

A statistical analysis to determine the correlations between the competencies or skills ratings and the ratings for perceived importance of actual position levels within the companies was applied. The study’s findings suggest that there was a positive association
between the competencies corresponding with various levels of responsibilities within an organization (Gai et al, 2010). In other words, the findings showed a high correlation between the increasing requisite decision making skills and the importance ratings of the higher leadership roles. Components of decision-making that correspond with the position levels of increasing responsibilities suggested that the pipeline had theoretical value and could further inform on the value of building skills such as decision-making in management employees throughout organizations.

One strength of the study was in the use of multiple “subject matter experts” (Gai, et.al., 2010, p. 369) to create the rating scales used. Another strength of the study was that the researchers used a large sample of archival sources. Despite the strengths, the study limitations included a lack of clarity on the population based on the archival data, so homogeneity of the sample could not be ascertained in the review of the literature. The study also used correlational testing results to discuss the pipeline model in relation to succession planning. However, leadership competency skills outside of decision-making were not included and therefore could not completely inform leadership transition needs when the organizational change was at the very top.

The literature review on leadership succession and transition issues continues with an example of a successful transition from the education field. A case study on the transition of the founder of Liberty University explored the transition from founder to next leader (Peterson, 2014). Using interviews, focus groups, and reviews of documentation, the researcher categorized the responses and documentation data into common themes. The 21 participants in the study represented several of the University’s presidential stakeholders including the “those who had firsthand knowledge of the
succession event... [including] provosts/vice provosts, vice presidents, board members, and alumni” (Peterson, 2014, p.55). The succession records, including plan documents, were coded and analyzed for themes.

The research aimed at identifying the methods used to create and execute succession plan, the role of the relationship between founder and successor, and what made the succession successful. The initial responses were returned to the participants to complete “reviews for accuracy [via] member checks” (Peterson, 2014, p. 101). Coding of the responses was completed. In addition, collected data from documents and records was coded based on 4 selected themes reflecting the study’s research questions.

The results of the case study revealed that the planning was prompted by the failing health of the founder. The appointed person to the role of second-in-command in 2003 was engaged to work closely with the founder to eventually select a potential presidential replacement (and the replacement eventually was that second-in-command himself). The relationship between the founder and second-in-command was purposefully familial (the founder’s son). Mentoring and training defined the method to execute the transition plan. Finally, the following were suggested from the analysis of the data as contributing to the overall success of the transition: transparency of the plan by directly involving the stakeholders; mentoring and coaching; and the commitment associated with the familial bond (Peterson, 2014).

This case study added the importance of “preparation, process and execution” (Peterson, 2014, p. 111) to the body of knowledge related to leadership transition and succession. As a qualitative approach using three methods of data collection (or data triangulation), consistent coding, and member checking, the results of this qualitative
study demonstrated enhanced trustworthiness (or credibility). Implications for future studies of organizational transitions could include evaluating the relationships or associations, if any, between such variables as planning, or execution and outcomes associated with successful leadership transitions such as business growth or financial stability (Peterson, 2014).

**Succession Planning**

The literature review now turns towards the core area of interest for the proposed study: succession planning. However, to capture leadership succession planning as a concept that impacts all business systems, the review considers a variety of literature. In addition to the studies reflecting the nonprofit sector, it is key to include literature that reflects CEO replacement planning studies from the for-profit arena. Both corporate and family-owned for-profit studies lend much to understanding leadership succession planning in that this [often] more resource-rich sector of corporate business has invested more in terms of organizational leadership development and planning (Ips & Jacobs, 2006; Santora et al., 2014). Further, this section of the literature review includes global studies that can also play a role in enhancing our understanding of succession planning. A review of the literature also incorporates trends in family-owned business succession planning. As these business types are often led by founding and/or long-term leaders, the transition out of the leadership role has some parallels to that of the nonprofit sector; where an increasing number of long term founders are now seen as beginning to depart their roles (Biggs, 2004; Tierney, 2006; Ip & Jacobs, 2006).

Learning from the for-profit sector on general succession planning issues can possibly inform the nonprofit arena. Business planning for CEO transitions have been
analyzed in systematic literature reviews. An intensive literature review completed in 2006 aimed at identifying patterns in business succession planning by analyzing 400 data sources on family-owned enterprises that included business articles, academic journals, magazines, databases, and archival reports (Ip & Jacobs, 2006). The approach to this study was anthropological and rooted in kin relations (Ip & Jacobs, 2006). By coding and categorizing the information reviewed, the researchers grouped key findings into several themes that they concluded as impacting succession planning in family-owned businesses. Organizational context (such as business environment, culture, and history), legal issues, business infrastructure, finances, methods used in succession, and the mindset of the key business player were identified as the predominate themes impacting the business succession process.

The findings in this study (which is noted as occurring at the same time of Tierney (2006) study at Stanford on nonprofit leadership gap) suggested that themes arose around legal, fiscal, and family business succession (and its founder-related transition issues) presented as significant barriers to planning succession. One limitation noted in the Ip & Jacob examination was the absence of a theoretical foundation at the time it was conducted (Ip & Jacob, 2006). Yet, early on the study contributed to understanding the themes that then help to fuel empirical approaches to increasing the knowledge around succession planning issues for nonprofits. The study also further channeled attention and ongoing interest in leadership succession planning to ensure business continuity, profitability, and sustainability in times of leadership changes (Ip & Jacobs, 2006).
Leveraging additional inquiries from the for-profit sector, a look at the role of leadership traits on succession planning can further inform on the practice for nonprofits. Using the theory of servant leadership, a case study by Dingman & Stone (2007) explored succession in the context of a Virginia-based automotive company. The three-stage qualitative approach included data collection from a 4-month observation period, review of company business information (including human resource records), and in-depth interviews. The subjects in the study were purposefully sampled and included the owner, a previous owner, and six trustee members. The primary questions for the study addressed: how the leadership style of the former owner/leader of the company influenced the leadership transition event; and how was the process of planning impacted specifically by the servant leadership style (Dingman & Stone, 2007).

The findings of the study suggested that the firm had no “formal written succession plan for the executive level leadership roles” (Dingman & Stone, 2007, p. 139). Yet the results of the study indicated a significant use of informal processes for succession in the transition from former to current owner/leader. The leadership traits reported to be leveraged in the succession process were equated with servant-leaders who are described by the researchers as inclusive, earnest, and promoting autonomy and trust in employees. This was purported to influence stability of workforce and continuity of the business’ performance. Dingman & Stone also reported an “integrated succession process” (Dingman & Stone, 2007, p. 142) also suggested by the respondents in the study.

What was noteworthy about this qualitative study is the use of a three-stage data collection methodology. By collecting data in this fashion, triangulation enhanced
trustworthiness. Another significance of the study was that purposeful sampling was used to include the 2 actual business leaders (past and present) as well as executive members from the group of trustees. The findings lent an assumed positive relationship between servant leadership traits and succession planning based on the perceptions reported by the sample (Dingman & Stone, 2007). Furthermore, it opened a path for additional inquiry where a future study could test for statistical relationships of the two through quantitative methods.

Using a different approach to explore succession planning, a University of California, Berkeley study combined perspective from the for-profit, public (government), and nonprofit arenas to explore executive succession planning applications for the third sector (Gothard & Austin, 2013). Using a literature review approach of 12 research studies on leadership succession in the context of executive departures, the study aimed at finding themes and features of planning practices that are applicable to leadership succession in nonprofit organizations (Gothard & Austin, 2013). The analysis of the coded data from literature yielded several succession planning frameworks categorized by sector. Furthermore, the literature analysis resulting in the emergence of common themes related to effective succession planning around key elements: the use of strategic approaches, planning and communication, and staff and board engagement in the succession planning process (Gothard & Austin, 2013).

A unique addition to this study methodology was the inclusion of case study of a local Bay Area nonprofit to test for some the emergent themes. This portion of the Gothard & Austin (2013) study followed the efforts of the co-founder (who also served as the CEO) who applied for and received a grant. The funding opportunity supported the
use of a CEO “sabbatical leave [to test] the organization’s readiness for an executive transition” (Gothard & Austin, 2013, pp. 283-284). As the organization embarked on the grant application [and subsequent approval], the researchers observed the CEO, the other co-founder, board, and management. Gothard & Austin (2013) found that:

In writing the [sabbatical grant] application, [the CEO] realized that she was not only putting together a sabbatical proposal, she was laying the groundwork for both an emergency succession plan and a departure-defined plan. . . . citing the incredible competence of her executive team and their deep internal experience with the organization, [the CEO] was able to articulate with confidence the specific ways each member would step up to do additional tasks in her absence. . . . [the CEO was] reminded of all the ways in which the organization has already established and depended on a culture of planning. (Gothard & Austin, 2013, p. 284)

Gothard & Austin (2013) used a dual approach to explore succession planning. Their methodology of literature review (yielding theme development) coupled with a case study allowed the findings to suggest a link in strategic approaches and planning (as found in the literature the researchers reviewed) to a real nonprofit case where planning for the departure of the executive leader was evidenced as reported by the CEO. Although the sample size of the selected literature was small (12 sources), the usual commentary on research reliability and/or validity is unremarkable (and perhaps not applicable) for the overall study. However, it is noteworthy that the organizational “culture of planning” (Gothard & Austin, 2013, p. 284) in the context of the CEO’s
departure suggested that the key themes of strategic approaches, planning, and staff engagement support and readiness for succession planning.

The role of business founders and long-term executives in relation to succession planning expanded into dissertation work done on nonprofit human service organizations. Using a framework of the theory planned behavior (Ajzen, 1991), where intention serves as motivation to action, Wright (2010) conducted a qualitative exploration of the intentions of organizational leaders to develop and implement succession as well as leadership development strategies in nonprofit organizations (Wright, 2010). The organizations in the population were described as those serving individuals who are at-risk and “vulnerable” (Wright, 2010, p. 63). Using phone, in-person, and email-based interviews to gather feedback, the study sampled 10 executive leaders using a national member database of human service providers.

The core questions in the Wright (2010) study aimed at “exploring phenomenological events and seeing those events behind the eyes or from the perspective of the subjects” (Wright, 2010, p. 64). The data collected revealed that founding executives in the response group reported a need for succession planning; continuity of service provision is a high priority as time and financial resources are barriers; and yet preparations for the support of the inevitable transition of the executives are not yet present in their respective organizations (Wright, 2010). In addition, the results of the study determined that the strength of intention was reportedly strong, as the respondent favorable viewed the role of succession planning as a means of preparing imminent CEO/executive director transitions due to retirement in their organizations.
There were a few limitations to the Wright (2010) dissertation study. The sample came from a single organizational membership association and looked at succession through a small sample of respondents. As such, this limited the ability for the results to be generalizable to the broader arena of nonprofits. In addition, one format for data collection via email may have influenced the quality of the array of response data mainly as due to the respondents’ varied levels of comfort and skill with technology (Wright, 2010).

The Wright study offered much promise for future inquiry of succession planning in other nonprofit human service organizations. Specifically, Wright called for researchers to link the intentions of executive leaders with respect to succession planning by including a broader respondent pool in the sampling methods of future research (Wright, 2010). This study also supported additional comparative research studies between different executives to help provide insights that could emerge new theoretical foundations related to succession planning of executives in nonprofit human service organizations.

In 2014, a study at Cappella University analyzed secondary data to study nonprofit executive succession planning (Richardson, 2014). The goals were both to determine associations and predictability. In her study, the researcher chose a population of U.S. nonprofit executive director from a 2011 national leadership survey that measured attitudes towards succession planning and the of succession planning in their respective organizations. By using a convenience sampling, she selected 3,067 of the survey’s responses and conducted regression analysis to test for associations between nine factors (which included variables such as age, gender, race, level of education, years of service,
etc.) and succession planning (Richardson, 2014). She also then applied chi-square analysis to determine to what extent each factor was predictive of succession planning.

The study’s findings suggest that there existed a strong relationship between some factors and attitudes towards succession planning. For example, her analysis found that there was a statistically significant association by age of the respondents (Richardson, 2014). The study in this light reported that 61% of the respondents under age 50 opposed planning while 39% favored succession planning (Richardson, 2014). This suggested that younger executive leaders under age 50 had unfavorable attitudes towards succession planning.

By reporting predictions between the factors and whether succession planning is likely to be in place, this study found that three of the nine variables (age, years of service, and membership on a board of directors) were found to significantly predict whether the survey respondent did or did not have an executive succession plan (Richardson, 2014).

A second aspect of the same study by Richardson (2014) used a predictive secondary data analysis of nonprofit executive succession planning and the role of governance (Richardson, 2014). In this part of the study Richardson conducted chi-square regression tests using primary data to determine associations between several board competency and organizational culture-based variables defined by her literature review as associated with “succession models” (Richardson, 2014, p 6). The study’s findings of significance for examining the role of governance showed the following: some factors in board competency (i.e., experience, tenure) and organizational culture (i.e., transparency in board-management relationships) could be predictive of whether
there exists executive leader succession planning (Richardson, 2014). However, another limitation of the Richardson study is that the core data used to conduct the secondary analysis originated from executive directors and not the board itself. Richardson concludes in her study that little importance of the board’s role was attached to the primary data. Therefore, this study presented with both reliability and validity concerns as the population was limited. Yet if repeated using a different population, the study could stimulate potential interest related to predictive analysis of board responses if it uses primary data analysis gathered from a more relevant population (board members).

Overall, the study’s limitations primarily concerned the integrity of the data, as the Richardson dissertation study made use of secondary data. In addition, respondent data across some of the factors were incomplete or missing, and the overall quality of the data could not be verified (Richardson, 2014). Despite the limitations, the Richardson study encouraged this researcher’s inquiry via testing for statistical significance using primary data and the theoretical foundation of planned behavior (Ajzen, 1991) to examine intentions and behavior (engagement) by board members in addressing succession planning for executive leaders of nonprofits organizations.

In the same year of the dissertation study completed by Richardson (2014), international researchers Santora, Sarros, and Esposito (2014) conducted a literature review of 30 years of their own research. They selected four case studies to create a trait “typology” (Santos et al., 2014, p. 16), or profiles supported by the analysis of previous data obtained from interviews with founding leaders and the manner that they addressed succession in their organizations (Santora et al., 2014). Using a descriptive approach, their study aimed at determining the characteristics (or types) of the sampled founders’
[leadership] and the transition of replacement leaders based on “insider [vs.] outsider” (Santora et al., 2014, pp. 16-18) succession approaches. The tenure of each founding leader ranged between 20 and 30 years. There were there men and one woman in the sample.

The four types of founding CEO/executive director types described in this study were as follows: “the destroyer, [the] conscientious, [the] maverick, and [the] controller” (Santora et al., 2014, pp. 17-18). From the case descriptions from the original interviews (treated as archival data), the research team could identify and describe different approaches to the transition process and how each founder engaged therein. Overall, the researcher found that the leaders described as destroyer, conscientious, and controller eventually selected women, inside employees as their respective successor; the maverick selected an outsider who was male (Santora et al., 2014). Upon evaluating the profiles, the researchers determined that all founders [in the sample] were emotionally vested and felt entitled to have the lead voice on the successor; some looked to sustain heritage as founders; and not all founders could be assumed to share any one leadership type (Santora et al., 2014).

The limitations of the study were transparently stated by the researchers in that they purposely “illustrate this typology through four case examples. . . therefore [we] are fully aware of the limitations and [limited] generalizability” (Santora et al., 2014, p. 16). However, the value of this approach was in its call for future scholarly inquiries of potential longer-term effects on organizations facing leadership transitions - specifically in cases where founders may be reluctant to engage in a succession planning process. This study provided a promising dimension to the examination of CEO succession
planning processes by highlighting a core element: the founder. As such, local (New York) human services organizations that have founders at the helm would make an appropriate population for any future scholarly inquiry of leadership traits and associations of these traits, if any, with succession planning processes.

Whether a founder is the current leader of a nonprofit facing a departure of executive leadership or not, the transition itself was thought to bring a potential threat of organizational instability (Arnsberger et al., 2008; Dingman & Stone, 2007; Ips & Jacobs, 2006; Santos & Sarros, 2012; Tassare, 2013; Wright, 2013). Considering strategic approaches to succession, the relationships between planning and fiscal health, as well as planning and successor stability (in the new role) has been also suggested in the literature as potentially promising additional inquiry.

The Role of Governance

The role of governance in nonprofit executive leadership transitions and succession planning has certainly gained more attention since the Tierney (2006) alert of a leadership gap for the nonprofit sector. However, from a historical perspective, the role the board plays in succession planning was raised well before Tierney. The question of who leads the process to respond to potential executive leader departures was raised as early as 2002. Michael Allison, a consultant for Compass Nonprofit Services, used data obtained on consulting projects for 28 nonprofits undergoing executive transitions (Allison, 2002). Looking across a 3-year period, Allison’s review suggested that three threats existed for nonprofits in transition. One threat was a lack of preparedness of boards for the task of executive leadership planning; another was the focus of boards in filling vacancies versus looking at more strategic growth opportunities associated with
the transition itself. The third threat noted was that boards failed to understand the risk (in time and costs) associated with poor hiring decision (Allison, 2002). As suggested by Allison, leadership starts at the top of any organization. As such, Allison’s study involving a data analysis indicated an early and promising start to examining the role of the governance body in the succession planning and addressing leadership transitions.

There has been an increased interest in studying and measuring attitudes of board members. Varhegy & Jepsen (2009) looked at the board’s general perceptions towards succession planning. Using a newly developed survey of to measure attitudes to succession planning and overall board leadership effectiveness, 158 board directors were contacted to complete a survey. The population included Australian clubs representing sports and leisure associations. There were 88 respondents. The average respondent was age 65 (Varhegy & Jepsen, 2009). The researchers established two hypotheses based on literature reviews. The first was that board of directors view succession planning as an event requiring the input of multiple stakeholders. The second hypothesis was that board effectiveness and succession planning have a positive correlation.

The results of the respondent data suggested that the majority surveyed reported that planning did require the input of multiple stakeholders within the organization. With the second hypothesis, the use of Spearman’s rho correlation analysis findings (with a reported the value of ρ=0.62) suggested that a positive correlation exists in perceived board effectiveness and succession planning. The study concluded that the perception was that multiple stakeholder input is needed, board effectiveness was indeed positively associated with the use of succession planning (Varhegy & Jepsen, 2009). Their findings suggest that some boards of Australian nonprofits were likely to use succession planning
in their organizations. The larger sample sizes support that the findings of the result had validity. However, as the researchers did not member check or pilot the self-designed tool, it is unclear if the tool measured what was intended (and reliability in this case was unremarkable). However, the study overall suggested that future research on the role of the board could continue to test and perhaps explain board-led succession planning.

In another study using a mixed-method approach to explore the role of board leadership in succession planning, Harrison and Murray (2012) sampled nonprofit board members and CEOs from Seattle [WA] and Victoria, Canada over a 2-year period. Using purposive sampling, the study selected board chairs, CEOs, and stakeholders. Aimed at examining the insights the behavior board-leader (or chairperson), and the perceived organizational impact of those on the use of succession planning for the board, it was suggested that research on succession and transition in for-profit board leadership exceed that of the nonprofit sector and “little attention is given to the nonprofit board chair’s role in organizational leadership” (Harrison & Murray, 2012, p. 411). Furthermore, their research findings also helped make the assertion that nonprofits boards must identify a need for “leadership planning” (Harrison & Murray, 2012, p.437). Their study reinforced a growing theme that succession planning led by the board may be absent.

The role of the governance body in CEO/executive director transitions continue with additional studies from outside the U.S. In a case study approach involving three state-level sports organizations in Australia, interviews with board presidents, CEOs, and other members of the board of directors aimed at exploring transition planning processes, board practices to select new CEOs, and the onboarding processes used (Schoenberg, 2011). The research approach combined interviews (to gain primary response data), and
the review of archival data (such as reports, strategic plan documents, and executive candidate interview guides). Data coding and analysis resulted in identification of several themes as informed by the literature.

One theme revealed by the data was involvement of the board. The study results suggested that there was a lack of involvement by the governance body in the transition of CEOs and this (in Australia) was a departure from established themes in business practices in the sporting industry (Schoenberg, 2011). Another theme was the quality of the onboarding process. The onboarding process was suggested to be poorly executed in that “boards rarely took an active role in introducing their new CEO to external stakeholders” (Schoenberg, 2011, p. 461) thereby leaving the new appointee to navigate the new terrain alone. A third theme determined by the data analysis related to CEO induction. The findings suggested that board members did little in way of introducing the new CEO to the departing leader, internal staff, and organizational goals and needs. Although board members report that they were involved in the induction process of the new hire, CEO respondent data suggest little or no involvement of the board (Schoenberg, 2011). The limitation of this study included a lack of theoretical foundation relative to leadership transition and planning. However, the study involved two methods of data collection, which did add credibility (or trustworthiness) to the findings.

The literature review looked to another study completed outside of the US on the role of governance in addressing CEO transition needs. For example, a 2012 Swiss study completed by Lichesteiner & Lutz adds to the knowledge on the behavior and practices of nonprofit boards. Their study applied a qualitative case study methodology using questionnaires to determine the use of self-assessment tools by boards in Switzerland
The themes identified in self-assessments gathered from 407 Swiss nonprofits centered on determining the way Swiss boards plan to select, support, and on-board of nonprofit CEOs, as well as the selection and support of board members. The researchers then gathered the perceptions of 112 respondents on board commitment and action planning. The findings of the Lichesteiner & Lutz study were that the use of self-assessments by boards were low. In addition, the perceived level of board engagement was found in the study to be low, with “commitment in context of good governance resulting in no action or with limited follow-through” (Lichesteiner & Lutz, 2012, pp. 497-499). The results had interesting implications for action planning that is specific to engagement in succession planning.

The overall significance of the above Swiss study would be its consistency with the themes later acknowledged in a study completed by Abdallah & Langley (2014). One theme was the idea that having a tangible tool in which to frame board planning activities and their specific behavior in leading succession planning would be relevant to advancing knowledge on succession planning efforts. However, a significant limitation in the Swiss study was in the research design. The questionnaire respondents excluded board members, but only focused on CEOs who transitioned into the organizations. Therefore, the attempt to measure the how boards are committed was limited to the perceptions of others. This presented validity issues, in that the perceptions of board commitment were not measured through the lens of the boards themselves.

Further literature here in the US informed on another driver in the discussion of who leads leadership transition succession planning. Inspired by what they termed as Canada’s “nonprofit leadership competency” studies, a University of Albany (SUNY)
study applied a grounded theory method to evaluate the leadership of nonprofit board chairs (Harrison & Murray, 2012). Across a 2-year period, the research team used a mixed-method approach to first conduct in-depth interviews with experienced nonprofit CEOs and board members through nonprobability sampling. The second method of data collection focused on a questionnaire to solicit profile and perception data.

The first phase of the study (during 2006) engaged purposive sampling to select 21 participants who were known to the researchers. The sample included 10 CEOs and 11 board members. The interviews aimed at collecting information on the participants’ experiences with board chairs and their perceptions of effectiveness and impact of the chair. The second part of the study (conducted during 2007) then used data from the first phase to develop a survey. The survey was distributed using databases and lists of nonprofits in Canada and the US and included some chain referral sampling methods (or word of mouth). This was reportedly a lengthy, but more appropriate way to try to capture a large enough sample pool of those who would likely have contact with board chairs (Harrison & Murray, 2012). The efforts resulted in the participation of 563 respondents: 303 from Canada, 173 from the US, 18 from both, and 14 from other countries but with operations in either Canada or the US.

The analysis of the qualitative data led the researchers to emerge and identify four “theoretical perspectives” (Harrison & Murray, 2012, pp. 428-430). The findings from the quantitative data suggested that conclude that the perceived relationship between the CEO and board chair is critical to the operations and overall success of the organization. However, the limitation of the study is that the survey aimed to only explore general relational or dynamic issues of leadership without fully using additional the data analysis.
to help explain the impact of those dynamics. The significance of the study is that there is a suggested strength in the positive CEO and board chair relationships and a potential to leverage such in any collective attempts to plan CEO transitions in the eventual context of leadership changes.

Literature included in this review further suggested that the time has come for boards of nonprofits to learn from errors made in the past. For example, using a narrative case study approach, Santos & Sarros (2012) followed the case of a U.S. nonprofit organization that experienced two consecutive CEO transitions (Santos & Sarros, 2012). The first executive to depart had served 22 years as the organization’s executive director. The announced departure was sudden and the exit was immediate (Santos & Sarros, 2012). From the interview data collected in their study, the research team concluded that failed planning by the governance board appeared to be related to failure to obtain and retain CEO leadership, and this placed organization in a dangerous state (Santos & Sarros, 2012). The finding of their study also suggested that nonprofit organizations without succession planning in place were not able to effectively plan for the pursuit of new program or service opportunities that could help sustain and eventually grow the organization. This was noted in the study as a significant mistake by the board that is prevalent in the sector. The research resulted in the recommendation that board makes CEO succession planning a part of the nonprofit organization’s overall “strategic toolkit” (Santos & Sarros, 2012, p. 10).

Santos & Sarros (2012) suggested (but did not empirically examine or test for) negative impacts on nonprofits in the absence of executive transition planning. The literature here provided practical implications related to the board’s role with succession
planning based on real, lived experiences in nonprofit leadership transition. Despite having been led by seasoned research experts in the field, one of the limitations of the study was that the findings may or may not have been generalizable, or representative of all nonprofits who experience sudden and consecutive executive departures.

Using theories related to governance in nonprofit service organizations, Spanish researchers Viader and Espina (2014) addressed governance practices and succession planning using several theoretical frames found in their literature review of for-profit businesses. Their goal was to see any if there is any crossover to nonprofit organizations with respect to theories of governance practices. By completing an inquiry using a questionnaire given to 285 organizations, data was collected regarding the board’s perceived roles in top level organizational oversight activities, the executive leaders’ role in organizational operations, and the relationship between governance and executive (CEO) leadership members itself. With an overall response rate of 18% (51 nonprofit organizations), the findings helped the researchers construct an alignment with common theories of governance as found in the researcher’s literature review. Their finding showed that the prevailing nonprofit governance models were mostly driven by agency theory of governance (52% of the response); and stewardship and resource-dependence theories in governance (by 28% of the response) (pp. 13). In addition, their study results suggested that a small number of respondents (20%) presented with hybrid theories of governance. The researcher concluded that nonprofits in their study have shown evidence of learning from for-profit companies by associating with several governance theories found in the for-profit sector.
Viader and Espina’s (2014) study provided a potential, yet diverse, array of theoretical foundations relating to governance in nonprofits. However, one limitation of the study concerned the smaller response rate of participants in the study (51 out of 285) which could have potentially affect the study’s generalizability. Yet, it is noted that the diversity of organizations in their study, by both type and sizes, possibly helped provide a newer opportunity to frame theoretical foundations of governance to investigate succession planning.

**The Theoretical Framework: Detailed**

As introduced in Chapter 1, the primary framework for this study, the theory of planned behavior (TPB), is a predictive model based in organizational psychology that assumes that behavior can be deliberate or planned (Ajzen, 1991). In the context of this dissertation study, TPB framed the examination of intention through the opinions of the study participants. In addition, the specific behavior, engagement in succession planning activities, was defined using five core elements of succession planning based on the leadership pipeline (Charan, Drotter, & Noel, 2011).

**Theory of planned behavior (TPB).** The opinions and guidance of individuals involved in decision making is key in looking at planned behavior in organizations. Under TPB, intent and subsequently deliberate action, are guided by three primary factors: Individual attitudes or beliefs about the behavior in question (personal behavioral beliefs); beliefs that may be shared by peers (normative beliefs); and beliefs on what facilitates or impedes carrying out a specific behavior (control beliefs) (Ajzen, 1991). Intent is therefore characterized by all three elements. In the context of this research, an examination of what is considered “subjective norm[s]” (Ajzen, 1991,
p.188), established perceptions of social expectations (and more specifically, professional action) with the use of succession planning.

As TPB is a model for use in predicting behavior, this research using the opinions of board members towards succession planning was to gain an understanding of whether there are relationships between intent (by measuring the three belief components) and actual engagement in succession planning activities. In addition, leveraging TPB’s predictive advantage, the framework served to further examine whether intent in the context of the data gathered could yield new knowledge on the potential impact of one, two, or all three belief subcomponents of TPB that could characterize intent as predictive of actual behavior.

The use of TPB in studies of family-owned business serves as an appropriate model for nonprofits. Specifically, as these businesses face owner transition needs (due to retirement, heir/inheritance, or other circumstances), succession raised questions on replacement leadership, addressing legacy and trust issues, and beliefs towards what to plan and how. As planned behavior, succession planning in one study was shown to be guided more by personal beliefs of the current owner towards a potential replacement owner (the successor) and not by actual elements of strategic planning by current business leaders or leading stakeholders (Sharma, Chrisman, & Chua, 2007). As such, ill-preparation for succession and limited intention to engage in planning activities in family or legacy-based businesses could be parallel to some of challenges faced by nonprofits organizations (Richardson, 2014; Santora et al., 2007; Sharma, Chrisman, & Chua, 2007).

Figure 2.1 illustrates TPB and its three belief components.
Leadership pipeline. As previously indicated, this research study has two frames. The first, theory of planned behavior or TPB, assumed that behavior can be deliberate or planned and that the beliefs of individuals about behavior [and outcomes thereof] are key to looking at planned behavior. The second frame was based on an organizational model that sets the tone for how potential leader move through the organizational pipeline towards higher levels of leadership and defined specific succession planning engagement activities. These two frameworks together allowed the research to inquire on the “what” (interest in, significance of, and intent to engage) as related to succession planning, and the “how” (through the lens of leadership potential within the organization’s internal pipeline itself).

Leadership “pipeline” or pipeline theory, is a theoretical model that both illustrates and explains the levels leaders move through within an organization (Charan, Drotter, & Noel, 2011). The direction along the pipeline corresponds to responsibility level of key staff. The starting point along the pipeline represents personnel with lower
levels of responsibilities and the endpoint corresponds with the key leader who has the highest, or executive level, responsibility (Drotter, 2003). The pipeline itself is more of a construct used to address how to move people towards increasing roles within the organizational structure and the undertaking of specific activities by the organization. As one of several theoretical models of leadership succession planning (Linscott, 2011), planning through the pipeline is a strategic endeavor with action-based elements that are customized to meet the organization’s needs (Charan, Drotter, & Noel, 2011).

Figure 2.2. Succession Planning Pipeline - Conceptualized

A historical review of literature from both for-profit business practices and empirical arenas revealed that the origins of the pipeline theory lies in the for-profit corporate realm (Kehoe, 2001). Coined by Walter Mahler, General Electric’s director of executive development during the 1970s, pipeline leadership planning became a key model used for over 30 years to train and groom future executive leaders/CEOs within GE and eventually other Fortune 500 corporations (Kehoe, 2001; Gai, 2010). Early on, the pipeline model of succession planning informed best practices for organizational
leadership development, yet became increasingly tested and studied empirically to evolve from practice to theory (Mehrabani & Mohammed, 2011).

Under the direction of Walter Mahler at General Electric, Stephen Drotter along with others would eventually help expand the pipeline theory. Drotter, along with Ram Charan and James Noel, helped to evolve pipeline approaches to succession planning; they included elements beyond performance and skills and further clarified that the role of the pipeline itself is to propagate the business by keeping the organizational “pipeline full of strong performers at every level of the organization” (Charan et al, 2011, pp.458-490). The original work at GE by Mahler and Drotter on executive leadership development and succession planning significantly impacted the business world (Drotter, 2003). The pipeline theory informed practices where decision making skills in leaders (fostered and developed), along with the presence of strong, functional performers at all levels within an organization can help keep the pipeline full of future potential executive leaders in any business.

With respect to leadership development and succession within a company, the “pipeline” has two primary components that must be considered when assessing a leader’s readiness to flow through and assume higher level roles. One concerns performance; the other represents how performance impacts the employee’s competencies, aptitude, skills, and values (Charan, et.al. 2011). To further define the pipeline theory through the lens of staff performance, four performance scenarios are identified (Drotter, 2003). The first case was where the employee performs at a minimal level, not yet demonstrating full competencies. In the second scenario, the employee overcomes previous limitations, exhibits “full performance” in his/her present role, and
within the pipeline is viewed as competent and valuable to the organization. Within the pipeline model, this employee would be offered the opportunity to have skills and capacities tested further within the context of the current role or position (Drotter, 2003).

In the third performance scenario described by the author, an employee exhibits above average performance in his/her role and is viewed as having “growth potential” (Drotter, 2003, p.4, Para 3). Per the pipeline, an employee performing at this level would have had more stimulating responsibilities – even in the form of upward movement or promotion - as to begin increasing his/her performance and capacity. Finally, the pipeline model also applied to the non-performer: often someone with some tenure within the company, but who presents with poor work behaviors. Per the model, an employee at this level is at risk for discipline or removal from the pipeline (which could include dismissal from the company).

Work performance monitoring and evaluation matrixed with leadership skill development is another element of succession planning within the context of the pipeline model. As part of the pipeline model, performance is coupled with a core competency or skill set requisite of organizational leaders: decision making (Brousseau, K., Driver, M., Hourihan, G, & Lanson, R., 2006; Gai, G., Yii, K, & DeMeuse, K., 2010). Studies of the decision-making abilities in such context were found to be positively correlated with four decision making styles that each correspond with increasing levels of management responsibility (Gai et al., 2010). These styles included decisive, flexible, hierarchic, and integrative. Entry level managers were found to be associated with decisive decision-making skills, where as flexible, hierarchic, and integrative styles were linked to higher level management position. This distinction was key in illustrating essential skills
needed by leaders to promote the use advancement to higher levels of responsibility within and through the organization. Overall, this ensures that an organization’s pipeline include vested efforts to growing its internal human assets (Mahler & Graines, 1983).

The pipeline model presented a relevant construct for viewing succession planning within both the for-profit and the nonprofit arenas. In the context of leadership pipeline model, the human talent pool, through organizational pipeline engagement and development, can be leveraged to fuel succession planning efforts all the way to the top executive role. For this research, the model helped identify a specific behavior (succession planning activities) as required by the theory of planned behavior.

Chapter Summary

The literature review reflected inquiry that was diverse in many respects. Most of the studies reflected a variety of qualitative approaches (Carman et al., 2010; Dingman & Stone, 2007; Froelich et al., 2011; Harrison & Murray, 2012; Hopkins, 2014; Ips & Jacobs, 2006; Johnson, 200; Lichetsteiner & Lutz, 2012; Linscott, 2011; Peterson, 2014; Phipps & Burdach, 2010; Santora et al., 2007; Santora & Sarros, 2012; Santora et al., 2014; Schoenberg, 2011; Tierney, 2006; Varhegy & Jepsen, 2009; Viader & Espina, 2014; Wright; 2010; and Wright, 2013). These studies sought to address a leadership gap, issues in executive transitions, and succession planning. The settings for much of the literature reflected the nonprofit sector. Yet, studies from the for-profit arena were included as to inform on parallel issues in leadership transitions. Studies from both sectors reflected the use of case studies, extensive literature reviews, and comparative descriptive studies that can be applied to the nonprofit sector.
Studies to explain the associations between various factors identified in the literature was also included in the review (Abdallah & Langley, 2014; Gai et al, 2010; Gale, 2015; Richardson, 2014). In addition, the literature review incorporated the use of mixed-method, grounded-theory approach to emerge theoretical framework and explain board leadership perceptions on succession planning (Harrison & Murray, 2012). The presence of qualitative case studies, secondary data analysis, and systematic literature analysis has informed on the need for even more inquiry on succession planning, and help promote the need for more planning development by nonprofit boards in general. In general, the literature suggested that succession planning is worthy of ongoing scholarly exploration.

The literature reviewed overall was representative of the growing knowledge in the 10 years since the initial alert of a looming leadership gap (Tierney, 2006). It is indeed promising that momentum of scholarly inquiry for the nonprofit sector has changed. The research across the U.S. and globally, as well as inquiries on the for-profit and nonprofit sectors could better inform researchers and leadership professionals on the general issues related to the leadership deficit, the role of governance in addressing the gap, and various views on the evolution of succession planning in nonprofit organizations.
Table 2.1

Sample of Seminal Literature

<table>
<thead>
<tr>
<th>Area of Inquiry/Researcher</th>
<th>Summary</th>
<th>Study Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Gap in Nonprofit Sector / Tierney (2006)</td>
<td>1. 80K new [nonprofit] chief executives will be needed by 2016. 2. Retirement, economic conditions/competition from for-profits are factors identified.</td>
<td>Meta-analysis of archival BLS data</td>
</tr>
<tr>
<td>Leadership Gap in Nonprofit Sector / Carman et al. (2010)</td>
<td>1. 69% of leaders departing in 5 years. 2. 1 out of 3 organizations have succession plans in place. 3. More research needed.</td>
<td>Survey &amp; focus group</td>
</tr>
<tr>
<td>Leadership Transition Issues / Abdallah &amp; Langley (2014)</td>
<td>1. Succession planning identified as a significant need for helping transitions. 2. The role of the board in leading CEO transitions identified as key.</td>
<td>Meta-analysis of literature</td>
</tr>
<tr>
<td>Succession Planning / Gothard &amp; Austin (2013)</td>
<td>1. For-profit best practices in succession planning to identify themes 2. Concludes that strategic approaches, planning &amp; communication, and staff + board engagement is needed in nonprofits.</td>
<td>Literature review (coded data to create themes) Case Study - NPOs (to identify same themes)</td>
</tr>
<tr>
<td>The Role of Governance / Viader &amp; Espina (2014) [Spain]</td>
<td>Themes in corporate best practices (boards) apply to NPOs. 1. Leadership traits: Servant/stewardship; resource-dependence; agency oversight 2. No acknowledgement of own (board's) role in succession planning</td>
<td>Analysis of for-profit literature Questionnaire of nonprofit board members</td>
</tr>
</tbody>
</table>
The initial alert of a leadership gap for nonprofits has now passed the 10-year mark. One side of the subsequent discussion led us towards the issue of organizational responsiveness to executive departures and subsequent transitions of new leaders as a key to addressing the gap. Another side stressed an internal opportunity: leadership pipeline development and succession planning. Yet, as explored and discussed in several of the studies, the ultimate advancement in knowledge on this topic will likely come from further studies of nonprofits, and specifically the role of the board in making succession planning part of its governance agenda.

By using seminal sources, along with the other literature reviewed thus far, the study attempted to examine specific variables that might inform on succession planning in local nonprofits. Specifically, the goal of the study was to explain what relationships exist, if any, between intent and engagement in executive leader (CEO/executive director) succession planning as perceived by those with the highest responsibilities within nonprofits: the board. Inspired by researchers such as Froelich (2011), Peterson, (2014) and Wright (2010 & 2014), the study was framed in intent via the theory of planned behavior (Ajzen, 1991). Additional inspiration from Charan et al. (2011) and Gai et al (2010) will allow the dissertation study to use the model of the leadership pipeline to operationally frame engagement in succession planning. The theoretical frame of intent and the pipeline model for succession planning activities drive the methodology approach as detailed in the following chapter.
Chapter 3: Research Design Methodology

Introduction

The purpose of the research was to examine what relationships exist, if any, between intent and engagement in executive leader (CEO/executive director) succession planning. The study examined the topic through the lens of board of directors in select New York City nonprofit organizations. This chapter serves to detail the research methods employed in the study.

The problem for this research study was that the sector was believed to have limited interest, intent, and understanding of the impact of succession planning for its chief executive leaders (Carman et al., 2010; Harrison & Murray, 2012; Phipps & Burdach; 2010; Richardson, 2014; Wright, 2010); therefore, nonprofit organization remain ill-prepared to engage in leadership succession planning (Lps & Jacobs, 2006; Richardson, 2014). More specifically, “the lack of executive succession planning among executive directors and CEOs of nonprofit organizations [is of concern] because succession planning is key for the sustainability of nonprofit organizations” (Richardson, 2014, p. 14). Therefore, a central question to this research was what relationship, if any, exists between intent towards succession planning and actual engagement as perceived by those with the highest responsibilities within nonprofits: the board. This dissertation examined the topic through select nonprofit organizations in New York City to learn more about this group’s succession planning within these organizations whose
sustainability would be critical to serving a community with the highest poverty level and resource challenges for its citizens.

The core question for the study was to examine and determine if there are any statistically significant associations between the variables of intent (as the independent variable) and engagement (as the dependent variable). Specifically, the study sought the perceptions of current board members in New York City’s Bronx-based 501(c)(3) nonprofit organizations. The quantitative study used a survey containing 26 questions that was disseminated online and in hard copy. The data was analyzed using Spearman’s rho correlation test. Additional bivariate analysis was completed to address potential moderating variables using organizational size (in reported revenue), board role and board tenure. In addition, a single open-ended question was included and responses code to identify patterns and any emergent themes.

The core research questions for the proposed study included the following:

RQ1: What relationship, if any, exist between intent/intention to engage in leadership succession planning for chief executive leaders and actual engagement in succession planning activities?

RQ2: What relationship, if any, exist between engagement in leadership succession planning and the size (in annual revenue) of the organization?

H₀ There is no statistically significant relationship between intent and engagement in executive leadership succession planning activities. Therefore, H₀: p=0.

H₁ There is a statistically significant positive relationship between intent and engagement in executive leadership succession planning activities.

To test for moderating effects, additional hypotheses were addressed:
H2 There is a statistically significant positive relationship between engagement in executive leadership succession planning activities and organizational budget size (in reported annual revenue).

H3 There is a statistically significant positive relationship between length of time served on the board and engagement in executive leadership succession planning activities.

H4 There is a statistically significant positive relationship between board role and engagement in executive leadership succession planning.

Research Content

This study examined the nonprofit board’s opinions of organizations in one of the hardest hit communities in New York City. The borough of the Bronx has an estimated 30.7% of its residents living below the poverty line (American Community Survey, 2015). As this poverty level represents New York City’s most economically challenged community, the research aimed to add knowledge to the discourse on organizational leadership succession planning and possibly help strengthen the service providers’ ability to continue to support its organizations efforts on behalf of at-risk citizens in the future. Figure 3.1 illustrates the city-wide poverty levels by borough, as estimated in the U.S. Census survey for years 2011 through 2015.
Figure 3.1. Poverty Levels in New York City (2011-2015 estimates). Adapted from American Community Survey at Factfinder.census.gov.

Research Participants

The study participants (board chair and executive committee members) came from a population of 84 nonprofit organizations registered as Bronx-based 501(c)3 organizations with annual revenues of $5 million or less (as reported on their most currently filed IRS 990 tax form). The selection best represented the sector’s leaders who bear the ultimate responsibility to the organization and stakeholders, and have the duty to ensure leadership continuity for those nonprofits serving at-risk communities. With respect to the research participants, the board members in the study also represented organizations that are categorized by National Taxonomy of Exempt Entities (NTEE) in the major group of human services agencies (where core alpha coding is designated I through P). The screening of these organizations was completed initially via a search of the Guidestar®, a web-based data source for nonprofit organizations in the U.S. In addition, the current IRS 990 tax forms filed and publicly posted (and ranging from tax
year 2014 to 2015) were screened from Guidestar® and/or organizational websites to confirm annual revenue levels, federal tax-exempt status, and designated NTEE core codes. Organizations that held an additional NTEE code outside the selection range were included, assuming the other NTEE core coding criteria are also met (for example, an organization with a “P” code that also has a designated code under “B” will be included). This was to ensure that the widest possible array of human service organizations that are - by design and mission - multi-service providers would not have been excluded from participation.

Figure 3.2 illustrates the number of human services core codes represented in the population of nonprofit organizations targeted for participation in the study (reference Appendix A for a listing each core code and corresponding service types).

Figure 3.2. Targeted Bronx Organizations (N=84): Most common NTEE core codes I-P in population per 2014 and 2015 990 tax forms or charity registration (GuideStar USA, Inc., 2011).
To recruit participants for the study, the researcher initially mailed a research announcement containing a letter of invitation and flyer describing the research study (completed as hard copies mailed via USPS and electronic copies via email). The announcement was forwarded to the following nonprofit trade and advocacy organizations representing an array of human service provider interests: BoardSource (a U.S. online initiatives community for board members); The Interagency Council of Nonprofits (IAC) in NYC; The New York Council of Nonprofits (NYCON); and Guidestar (online advocacy and data-share resource).

Secondly, the invitation announcements were sent to each organization’s principal officers and board chairs (via mail and email). In the USPS mailing, a hard copy of the survey tool with a self-addressed stamped envelope was included (containing instructions for completion).

It is noted that the study initially proposed determining sample size by using a previously tested sampling spreadsheet (The Research Advisor®, 2006). For the highest degree of accuracy and lowest margin of error (ME), the confidence level of 95% and ME of ±0.05 was established. For the proposed population of 92 organizations, the resulting sample size was set for 74 organizations. The confidence level of 95% was used as opposed to a higher level of 99%, as potential limitations related to respondent traits and participant response rates to the survey tool were anticipated (see limitations described later in Chapter 5). The desired percent of the response scores (at 95% confidence) would have represented on average the true or best representative population responses to a survey tool (Vogt & Johnson, 2011). With a ME of ±0.05, this interval would have represented the potential error in survey responses as related to the research
questions. At a level of 95%, this is confidence - or likelihood – that results would not be due to chance (Huck, 2012), and thereby representative of the population of board members (and their respective organizations).

Despite the proposed sampling methodology, during preparation of recruitment and research announcement phase of the study, it was determined that due to significant changes seen in the original search results (increased revenue on subsequent 990 tax filings, merged entities, etc.) the original population was reduced. The study then targeted 100% of the resulting population, with \( N = 84 \) organizations being mailed the recruitment material and survey tool.

The final distribution of the survey was two-fold. Qualtrics was used to send links to the online survey to 46 email addresses that could be located. In addition, hard-copies of the survey was mailed via USPS to all board chairs listed on the current 990 tax forms (84) as well as the principal or chief executive officers of the organization (for a total of 178 mailings).

**Instruments Used in Data Collection**

Using the theoretical frames of theory of planned behavior, or TPB (Ajzen, 1998) and leadership pipeline (Charan et al., 2011), a custom instrument was constructed by the researcher. The survey was created using Qualtrics, as well as produced in hard-copy format. The tool included 26 questions divided into three primary sections: organizational and board traits, measures of intent and engagement [in succession planning activities], and an open-ended section. The first section, the organization and board traits, contained five questions capturing responses on organization service type, organization size (as measured by reported annual revenues), the role of the responder
(ranging from board chair, board executive committee member, and ‘other’), board member’s perceptions of their performance level, and length of service on the board. The “other” category, if selected by the responder, was eliminated as a response in the data analysis section.

The second section of the tool, covering intent and engagement, was the largest and captured data for statistical analysis as related to the research questions. This section contained 20 questions broken down as follows: Five questions on personal beliefs; five on normative beliefs; five on control beliefs; and five on the succession planning activities undertaken at the organization. The first 15 questions were framed in TPB and the last five were framed around the leadership pipeline model.

The elements of intent and engagement comprised the two variables used to test the null and first alternative hypotheses to determine what relationship, if any, exists between the two. The organizational size (by revenue) was used as a third element to conduct an analysis of the specific relationships between engagement and organizational size as a test of the second alternative hypotheses. All questions in this array were Likert-scaled and ordinal in nature. Therefore, nonparametric measures were primarily used for analysis.

The third section of the survey was a single open-ended question that prompted the respondent to briefly list or describe any other factors he/she believes as impacting the organization’s ability to engage in succession planning.

**Procedures for Data Collection and Analysis**

As aforementioned, data collection occurred in two ways: An online survey and hard copy survey. The online survey distributed to the targeted respondents via email.
The online tool opened with screens detailing instructions and informed consent for participation. A special question was included to ask the responder if he/she has already completed and mailed a hard copy of the questionnaire to the researcher. In the event the responder answered “yes,” the survey would conclude and display an acknowledgment that indicates “Thank you for completing the mail version of the survey.” This was the first step to control for potential duplication of responses. If the responder answered “no,” the online survey moved forward and presented the actual survey questions. Upon completion of the online survey, Qualtrics recorded and stored the responses for later use in data analysis.

In addition to the online survey tool, the same question array was mailed via hard copy to the targeted respondents. A self-addressed stamped envelope was included with instructions indicating that the completed questionnaire can be mailed back to the researcher. A special line in the instructions was included to communicate to the responder that an online version of the questionnaire was available and only one response per organization is needed. As the hard copy responses were received by the researcher, the data was entered in the password-protected Excel spreadsheet. The hard copies were then stored in a locked file cabinet after the data was entered.

The data collected via Qualtrics and manually (on hard-copy survey) were combined in an encrypted password protected Excel spreadsheet. The data labels of the spreadsheet for the hard copy responses will follow the same format as those created by the Qualtrics online questionnaire so that data identifiers remain consistent across both data collection media.
Data Analysis

The study included three rounds of data analysis. The first round was to validate and establish reliability of the survey tool prior to distribution to the study’s targeted respondents. The second round analyzed the core response data from the actual survey respondents. The last round coded the responses to the final, open-ended question and was emergent patterns or themes identified using MS Word and Excel.

Prior to disseminating the survey, the tool was tested for internal validity. The tool was sent to six “expert” or peer board members (who did not represent the actual respondents or population of the study). The criteria for inclusion were the same for the population group (except for service on Bronx-based board of directors), and included experts who: currently are or have been a nonprofit executive leader; and/or currently serve or have served on a nonprofit board of directors. This was to ensure that the developed instrument can obtain a peer-based screening to help establish accuracy or “content validity of the instrument” (Huck, 2012, p. 81). Opportunities for open-ended feedback on potential recommendations or additional questions for the tool itself was solicited at the end of the peer-reviewed survey.

A secondary screening of the tool tested the inter-item reliability. This was accomplished by determining the alpha level using Cronbach’s alpha testing (Huck, 2012; Vogt & Johnson, 2011). Using the data responses in the peer-based response phase (excluding the open-ended array), testing in this manner was completed using SPSS. The resulting coefficient was to be best representative of internal reliability of Likert-scaled instruments (Huck, 2012). The alpha level ranges from 0 to 1.0, and results reaching closer to 1.0 convey that the tool has the highest internal reliability (Vogt & Johnson,
2011). The recommended range of .70 and above is ideal for researchers and indicates that the instrument’s index of items (specific arrays of questions) demonstrates a “intercorrelation . . . and the items are measuring the same thing” (Vogt & Johnson, 2011, p. 86).

A single Excel data file containing the combined online and hard copy survey responses was exported to SPSS. Several statistical tests were completed to obtain both descriptive and inferential data results. To complete descriptive analysis of the data the frequency, mean, median, standard deviation, and variance was calculated. A one-sample mean (M) was computed (as the study involves only one sample of respondents using a confidence level of 95% as previously indicated in the sampling methodology). This gave a confidence interval which was later applied in the inferential analysis of the data.

To complete the inferential analysis, in which the null and alternative hypotheses was tested, multiple tests of statistical significance were completed. The significance level for the study was set at $p = .05$. Overall, there were three elements serving as variables of interest in the study. Element A is the reported intent to engage in succession planning. Element B is the reported actual engagement in succession planning activities. Lastly, Element C represents the organizational budget size (as reported in annual revenues). In the first inferential test, bivariate Spearman’s rho correlation was calculated between two sets of variables. In the first set, intent (A) and engagement (B) were tested for associations at the significance level. Spearman’s rho coefficient ($r$) is being used in these two analyses as the most commonly used test to inform on the strength and direction (positive or negative) of linear relationships, if any, between the variables (Huck, 2012). In the second test, intent (A) and organizational
budget size (C) were measured. Regression analysis, despite its usefulness to analyze two or more variables to show relationships that would be predictive or explanatory (Creswell, 2014) was not indicated for this study (based on the overall findings reported in the next chapter).

All collected data analyzed as the primary independent and dependent variables in bivariate analyses were continuous. The data was representative of Likert-scale responses to measured opinions of intent, engagement in succession planning, as well as a range of organizational sizes. Therefore, the data analysis model primarily included nonparametric test. As such, Spearman’s rho was primarily used in testing the hypothesis. To test the alternative hypotheses, additional bivariate nonparametric tools were used (see Chapter 4).

Summary

The overall aim of the research was to examine what relationships, if any, exist between intent (intention) and engagement in succession planning as reported by board members of Bronx-based nonprofit human service organizations. The study was conducted over the course of approximately 4 months during the fall and early winter of 2017.

This quantitative examination of succession planning included protections of respondent identity and the collected data. All protections were communicated to the research participants. With respect to identity, the names of the respondents were not collected in the online survey tool. The instructions for the survey and the informed consent language specifically informed all participates that their individual identities were not needed to complete the survey and that data collected will be confidential.
In addition to the survey and informed consent language, the Excel spreadsheet was set up to ensure additional protections. In data cleansing phase, the name of the organization and principal officers were included for recruitment purposes only, but eliminated in the Excel spreadsheet. Each entry was also assigned a number coded R1 through R84 (where the R represents respondent). The Excel file was saved and maintained with an encrypted password.

In addition to using the R-numeric coding system for potential sample respondents, password protecting the Excel file, and non-solicitation of the participant’s actual names in the actual survey tool, additional measures were applied to ensure confidentiality. The data collected online did not have an identifiable responder name associated (as again, no survey questions solicited this information). Although IP addresses and geocodes were found, they were not transferred to the spreadsheet. In addition, the hard copy surveys were coded by respondent number on the return envelope (using the numeric coding system) only to ensure that manual responses to the survey tool can be categorized for tracking and monitoring for potential duplication (as the online tool tracked those respondents separately).

The confidentiality of hard copy data contained additional assurances. As such, any returned questionnaires were secured in a locked file cabinet and removed only to enter data into SPSS manually for data analysis. When not in use during data collection and entry, the hard copies were returned to and secured in the locked file cabinet. As a final measure to ensure confidentiality, all hard copy data, including notes, and any password encrypted data files will be destroyed 3 years after completion of the dissertation study.
Chapter 4: Results

Research Questions

The overall aim of the study was to determine what relationship, if any, exists between board member’s report of intent to engage in succession planning and actual engagement in planning activities. In addition, the study addressed the question of what relationship, if any, exist between intent/intention of nonprofit boards to engage in leadership succession and the size (in annual revenue) of the organizations they represent. The purpose of this chapter is to report on the findings of the statistical analysis of response data in support of the research questions posed on the relationship, if any, between intent and engagement in succession planning activities.

By establishing intent with its three subcomponents (personal beliefs, normative beliefs, and control beliefs) as the dependent variable, and engagement as the independent variable, Spearman’s rho analysis was used to determine probability of relationship (with a confidence level set at $p=0.05$). In addition, a bivariate analysis any moderating effects allowed the data to be interpreted to test for effects that board role and board tenure may or may not have on engagement in succession planning. Overall, the following hypothesis were tested:

$H_0$ There is no significant relationship between intent and actual engagement in executive leadership succession planning activities.

$H_1$ There is a statistically significant positive relationship between intent and engagement in executive leadership succession planning activities.
H2 There is a statistically significant positive relationship between intent to engage in executive leadership succession planning and organizational budget size (in reported annual revenue).

The study also attempted to determine if board tenure and/or board role played any moderated effects on engagement in succession planning activities by the survey respondents. Therefore, two additional hypotheses were tested:

H3 There is a statistically significant positive relationship between length of time served on the board, and engagement in executive leadership succession planning activities.

H4 There is a statistically significant positive relationship between board role and engagement in executive leadership succession planning.

Data Analysis and Findings: Survey Test Group and Inter-Item Reliability

Prior to collecting data from the targeted board members of Bronx-based 501(c)(3) nonprofit organization, the custom survey tool was tested using a panel of similar board members from non-Bronx based organization. The survey tool used a 1-5 Likert scale for continuous items/questions on intent and engagement in succession planning activities where the response options were:

1 = Strongly agrees with the statement;
2 = somewhat agree with the statement;
3 = Neutral;
4 = Somewhat disagrees with the statement; and
5 = Strongly disagrees with the statement.

Using Cronbach’s alpha inter-item reliability test for the two key question arrays representing the variables (intent and engagement), the $\alpha$ level of the tool was determined.
Table 4.1 shows the $\alpha$ level for intent, which was represented by questions 6 through 20 on the survey tool.

Table 4.1

*Inter-item Alpha Results: Intent Questions 6 Through 20*

<table>
<thead>
<tr>
<th>Cronbach's alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.809</td>
<td>15</td>
</tr>
</tbody>
</table>

Given that the ideal results for $\alpha$ level is .7 or higher (Vogt & Johnson, 2011), the tool demonstrated strong internal consistency for the intent questions with the test group.

Tables 4.2 illustrates the validity scores for each respondent in the test (expert) group for intent.

Table 4.2

*Inter-item Analysis on Intent: Test Group (n=4)*

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1.73</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>2.20</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>50.0</td>
</tr>
<tr>
<td>2.33</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>75.0</td>
</tr>
<tr>
<td>3.00</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Each respondent’s score was proportionately valid in this area of the survey tool (for intent).

Table 4.3 provides the overall descriptive analysis of the distribution of scores.
Table 4.3

Inter-item Analysis Descriptive Statistical Summary: Intent

<table>
<thead>
<tr>
<th>Intent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>4</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>2.3167</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.52317</td>
</tr>
</tbody>
</table>

As the mean response was 2.31, the data suggest that the test group of board members agreed with the TPB based intent questions for intent at their respective nonprofit organizations. In short, the test respondents expressed that there is intent on their behalf as governance leaders to engaging in succession planning activities.

Table 4.4 shows the $\alpha$ level for engagement in succession planning activities, which was represented by questions 21 through 25 on the survey tool.

Table 4.4

Inter-item Alpha Results: Engagement in Succession Planning Activities

<table>
<thead>
<tr>
<th>Cronbach's alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.919</td>
<td>5</td>
</tr>
</tbody>
</table>

With respect to this second array of questions, the tool demonstrated strong internal consistency for the engagement in the five succession planning activities questions.

Table 4.5 illustrates the validity scores for each respondent in the test (expert) group for engagement.
Table 4.5

*Inter-item Analysis on Engagement: Test Group (n=4)*

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.40</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>2.60</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>50.0</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>2.80</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>75.0</td>
<td>75.0</td>
<td></td>
</tr>
<tr>
<td>3.80</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each respondent’s score was proportionately valid in this second area of the survey tool (for engagement).

Table 4.6 provides the overall descriptive analysis of the distribution of scores for engagement.

Table 4.6

*Inter-item Analysis Descriptive Summary: Engagement*

<table>
<thead>
<tr>
<th>Behavior/Engagement</th>
<th>N</th>
<th>Valid</th>
<th>Percent</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td>2.650</td>
<td>.98489</td>
</tr>
</tbody>
</table>

As the mean response was 2.65, the data suggest that the test group of board members expressed having closer to a neutral opinion (not agreeing or disagreeing) with the questions on succession planning activities in their respective organizations. The data further suggest that their organization may or may not be engaged in the succession planning activities based on the five leadership pipeline related activities listed in the survey.
Descriptive Data Analysis: Survey Respondents

For the data collection phase with the actual targeted organizational respondents, the survey was distributed to board chairpersons of 84 Bronx-based agencies. The overall response rate was $n=6$. The respondents to the survey represented an array of human services organizations as illustrated in Table 4.7. The selection criterion as previously described in Chapter 3 included human service organizations with at least one NTEE human service core code NTEE in the range of I through P. Two of the six organizations in the response group contain more than one code.

Table 4.7

*NTEE Codes of Respondent Organizations (n=6)*

<table>
<thead>
<tr>
<th>Respondent</th>
<th>NTEE Core Code(s)</th>
<th>Human Service Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>R9</td>
<td>P99</td>
<td>Human Services - Not Elsewhere Classified (NEC) within the NTEE coding system</td>
</tr>
<tr>
<td>R15</td>
<td>P99</td>
<td>Human Services - NEC</td>
</tr>
<tr>
<td>R25</td>
<td>P85</td>
<td>Homeless Centers</td>
</tr>
<tr>
<td>R27</td>
<td>P99</td>
<td>Human Services - NEC</td>
</tr>
<tr>
<td>R53</td>
<td>P60</td>
<td>Emergency Assistance (Traveler’s Aid/Victim Services)</td>
</tr>
<tr>
<td>R84</td>
<td>P20</td>
<td>Human Services (Multi-service)</td>
</tr>
<tr>
<td></td>
<td>P40</td>
<td>Family Services</td>
</tr>
</tbody>
</table>

Note. “R” numeric coding maintained for anonymity of respondent organization as described in Chapter 3. (Guidestar, 2017)
For the participant responses, data analysis was conducted in two phases. First, all study variables were presented descriptively. Second, bivariate testing was used to test the four hypotheses involved in the current study. Due to the small sample size, non-parametric tests were used for inferential analyses. Regarding checks of data integrity, an adequate level of internal consistency was indicated for the overall intent scale (Cronbach’s alpha=.75), the personal belief (intent) subscale (Cronbach’s alpha=.79), and the engagement scale (Cronbach’s alpha=.88), but not the normative belief (intent) subscale (Cronbach’s alpha=.30) and control belief (intent) subscale (Cronbach’s alpha=.45). Data cleansing in this study was not needed, as there were no missing data points within the dataset.

Tables 4.8 through 4.11 illustrate analyses of categorical study variables. Data indicated the most common role on the board held by study participants was a member of the executive committee of the board (n=3, 50.0%). Regarding the length of time that participants served with their respective organization (board tenure), half reported 1 to 6 years (n=3, 50.0%), while half reported 7 to 10 years (n=3, 50.0%). In terms of the reported annual revenues of the organization, one-third (n=2, 33.3%) of the sample reported $3,000,000 - $5,000,000, while the remainder of the sample reported less than $100,000 (n=4, 66.7%).

Study participants also reported the succession planning activities (for the chief executive officer/executive director role) in place at their organizations. Half (n=3, 50.0%) reported having general discussions at board meetings and one-third (n=2, 33.0%) reported having strategic succession plan developed at the board-level. Furthermore, 16.7% of the sample (n=1) reported having: emergency succession planning (contingency plans); and a
CEO/executive director transition plan is in place; and [one response as] does not know regarding these activities.

Table 4.8

*Descriptive Analysis of Categorical Study Variables (n=6): Questions 1 - 3*

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which of the following best describes your role on the Board?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board chairperson</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>A member of the executive committee of the board</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>A general member of the board</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>I am not on the board, but am the principal officer</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>Other role in the organization (non-board member)</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>What is the length of time that you have served with the organization (board tenure)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 Year</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>1 to 6 years</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>7 to 10 years</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>10 to 19 years</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>20 years or more</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>What is the reported annual revenues of the organization (via most recent 990)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than $5,000,000</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>$3,000,000 - $5,000,000</td>
<td>2</td>
<td>33.3</td>
</tr>
<tr>
<td>$1,000,001 - $2,999,999</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>$100,001 - $1,000,000</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Less than $100,000</td>
<td>4</td>
<td>66.7</td>
</tr>
</tbody>
</table>
Regarding board duties, none of the study participants \( (n=0, 0.0\%) \) reported that their organization has a 3 to 5-year strategic plan that incorporates some form of succession planning. However, half or more of the study participants indicated the remaining activities as: that their board meeting agenda clearly reflects the organization’s strategic priorities \( (n=5, 83.3\%) \): the board ensures that there is a short term operational or business plan in place \( (n=3, 50.0\%) \); the board ensures that members and stakeholders have reports on how the organization uses its financial and human resources \( (n=4, 66.7\%) \); and the board sets policies for the organization \( (n=3, 50.0\%) \).

Overall, most of board members who responded to the survey represented either the chairperson or other members of the executive committee (of the board). All responded served in their role between one and 10 years. Most of the board members who responded represent organizations with revenues of less than $100,000 per year.

Another question in the survey tool solicited board members’ opinion on actual activities as defined in the context of the leadership pipeline model. Table 4.9 demonstrates the opinions expressed by responding board members on the actual executive leader succession planning activities they see as being in place at their respective organizations.
Table 4.9

*Descriptive Analysis of Categorical Study Variables (n=6): Question 4*

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which of the following best describes the succession planning activities (for the Chief Executive Officer/executive director role) that may be in place at the organization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General discussions at board meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>Strategic succession plan developed at the board-level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>2</td>
<td>33.0</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>66.7</td>
</tr>
<tr>
<td>Emergency succession planning (contingency plans)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>83.3</td>
</tr>
<tr>
<td>A CEO/executive director transition plan is in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>83.3</td>
</tr>
<tr>
<td>Do not know</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>83.3</td>
</tr>
</tbody>
</table>
Table 4.10 demonstrates the opinions of board members on their overall performance as a governance body for their respective organizations.

Table 4.10

Descriptive Analysis of Categorical Study Variables (n=6): Question 5

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do any of the following reflect how well the board does its duties:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has a three to five-year strategic plan that incorporates some form of succession planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>100.0</td>
</tr>
<tr>
<td>Our board meeting agenda clearly reflects our strategic priorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>5</td>
<td>83.3</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>16.7</td>
</tr>
<tr>
<td>The board ensures that there is a short term operational or business plan in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>The board ensures that members and stakeholders have reports on how the organization uses its financial and human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>4</td>
<td>66.7</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>16.7</td>
</tr>
<tr>
<td>The board sets policies for the organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>50.0</td>
</tr>
</tbody>
</table>
Table 4.11 presents a descriptive analysis of the continuous study variables involved in the current study. Data reflected the mean score for the overall Intent scale as 2.32 ($SD=.43$), as well as 2.13 ($SD=.80$) for the Personal belief (Intent) subscale, 2.63 ($SD=.41$) for the Normative belief (Intent) subscale, 2.30 ($SD=.31$), for the Control belief (Intent) subscale. The mean score for the Engagement scale was 2.53 ($SD=.79$).

Table 4.11

*Summary of Analysis of Continuous Study Variables (Intent/Engagement)*

<table>
<thead>
<tr>
<th>Variable Elements</th>
<th>Mean (SD)</th>
<th>Min/Max Range</th>
<th>Potential Range</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Intent</td>
<td>2.32 (.43)</td>
<td>1.73-3.00</td>
<td>1.00-5.00</td>
<td>.75</td>
</tr>
<tr>
<td>Personal belief (Intent)</td>
<td>2.13 (.80)</td>
<td>1.20-3.20</td>
<td>1.00-5.00</td>
<td>.79</td>
</tr>
<tr>
<td>Normative belief (Intent)</td>
<td>2.63 (.41)</td>
<td>2.20-3.20</td>
<td>1.00-5.00</td>
<td>.30</td>
</tr>
<tr>
<td>Control belief (Intent)</td>
<td>2.20 (.31)</td>
<td>1.80-2.60</td>
<td>1.00-5.00</td>
<td>.45</td>
</tr>
<tr>
<td>Engagement (Behavior)</td>
<td>2.53 (.79)</td>
<td>1.40-3.80</td>
<td>1.00-5.00</td>
<td>.88</td>
</tr>
</tbody>
</table>
Results: Hypothesis Testing

The study’s null hypothesis was that there was no significant relationship between intent and engagement in succession planning activities for executive leaders. Four alternative hypotheses were also tested using the respondent data. Given the low response rate to the survey, the data was analyzed to consider the various alternative hypothesis and see if the results in those bore enough statistical power to be adequately interpreted for the overall research questions posed. Table 4.12 illustrates the resulting correlation matrix for intent and engagement, as well as the subcomponent beliefs associated with intent.

Table 4.12

*Spearman’s rho Non-Parametric Correlation Analysis Between Intent and Actual Engagement in Executive Leadership Succession Planning Activities (n=6)*

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engagement</td>
<td>--</td>
<td>-.60</td>
<td>-.66</td>
<td>-.32</td>
<td>-.53</td>
</tr>
<tr>
<td>2. Intent</td>
<td>--</td>
<td>.94**</td>
<td>.44</td>
<td>.97**</td>
<td></td>
</tr>
<tr>
<td>3. Personal Belief (Intent)</td>
<td>--</td>
<td>.35</td>
<td>.97**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Normative Beliefs (Intent)¹</td>
<td>--</td>
<td></td>
<td>.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Control Beliefs (Intent)¹</td>
<td>--</td>
<td></td>
<td></td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>

*Note: **p<.05

¹Recall the Cronbach Alpha for this scale is less than .70 for respondent data, which indicates the psychometrics of this scale are not sufficient.

Alternate hypothesis 1 states that there is a statistically significant positive relationship between intent and engagement in executive leadership succession planning activities. Bivariate analysis indicated that engagement was not associated with the overall intent scale, $\rho=-.60$, $p=NS$, as well as the personal belief subscale, $\rho=-.66$, normative
beliefs subscale, $\rho = -.32$, control beliefs subscale, $\rho = -.53$, at a statistically significant level. Therefore, hypothesis 1 is not supported by the data. It is noted that the Cronbach’s alpha for the normative and control beliefs subscales were less than .70, which indicates the psychometrics of this scale are not sufficient and these correlations are therefore inconclusive.

Alternate hypothesis 2 states that there is a statistically significant positive relationship between organizational budget size (in annual revenues) and engagement in executive leadership succession planning activities. Table 4.13 presents a non-parametric independent-samples t-test (Mann-Whitney U) analysis examining intent to engage in executive leadership succession planning by organizational budget size.

### Table 4.13

Non-Parametric Independent-Samples t-test (Mann-Whitney U) Analysis Examining Engagement in Executive Leadership Succession Planning By Organizational Budget Size.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean (SD)</th>
<th>Mean Rank</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Size (Annual Revenue)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3,000,000 - $5,000,000</td>
<td>2</td>
<td>2.50 (.42)</td>
<td>3.50</td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Less than $100,000</td>
<td>4</td>
<td>2.55 (.98)</td>
<td>3.50</td>
<td></td>
<td>1.00</td>
</tr>
</tbody>
</table>

From this correlation matrix, data indicated that the mean level of engagement did not differ at a statistically significant level for study participants reporting a budget size of $3,000,000 - $5,000,000 ($M=2.50$, $SD=.42$, $Mean Rank=3.50$), relative to those reporting
Less than $100,000 ($M=2.55, \text{SD}=.98, \text{Mean Rank}=3.50), Z=0.00, p=1.00. Therefore, the data did not support hypothesis 2.

Hypothesis 3 states that there is a statistically significant positive relationship between board tenure and engagement in executive leadership succession planning activities. Table 4.14 presents a non-parametric independent-samples t-test (Mann-Whitney U) analysis examining intent to engage in executive leadership succession planning by length of time served with the organization. Data indicated that the mean level of engagement did not differ at a statistically significant level for study participants reporting serving 1 to 6 Years ($M=2.12, \text{SD}=.64, \text{Mean Rank}=2.67$), relative to those reporting 7-10 Years ($M=2.93, \text{SD}=.81, \text{Mean Rank}=4.33$), $Z=-1.09, p=.28$. Therefore, the data did not support hypothesis 3.

Table 4.14

\begin{table}[h]
\centering
\begin{tabular}{lllll}
\hline
Variable & N & Mean (SD) & Mean Rank & Z & p \\
\hline
Length of Time Served with the Organization & & & & -1.09 & .28 \\
1 to 6 years & 3 & 2.12 (.64) & 2.67 & & \\
7-10 years & 3 & 2.93 (.81) & 4.33 & & \\
\hline
\end{tabular}
\caption{Non-Parametric Independent-Samples t-test (Mann-Whitney U) Analysis Examining Engagement in Executive Leadership Succession Planning By Length of Time Served with the Organization (Board Tenure)}
\end{table}

Hypothesis 4 states that there is a statistically significant positive relationship between board role and engagement in executive leadership succession planning activities. Table 4.15 presents a non-parametric one-way ANOVA (Kruskal-Wallis H) analysis
examining board role and intent to engage in executive leadership succession planning.

Data indicated that the mean level of engagement did not differ at a statistically significant level for study participant board role of board chairperson ($M=2.60$, $SD=NA$, $Mean Rank=4.00$), A member of the executive committee of the Board ($M=3.00$, $SD=.72$, $Mean Rank=4.67$), A general member of the Board ($M=1.40$, $SD=NA$, $Mean Rank=1.00$), I am not on the board, but am the principal officer ($M=2.20$, $SD=NA$, $Mean Rank=2.00$), $X^2(3)=3.67$, $p=.30$). Therefore, the data did not support hypothesis 4.

Table 4.15

*Non-Parametric One-Way ANOVA (Kruskal-Wallis H) Analysis Examining Board Role and Engagement in Executive Leadership Succession Planning*

<table>
<thead>
<tr>
<th>Board Role</th>
<th>N</th>
<th>Mean (SD)</th>
<th>Mean Rank</th>
<th>F(df)</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board chairperson</td>
<td>1</td>
<td>2.60 (NA)</td>
<td>4.00</td>
<td>3.67 (3)</td>
<td>.30</td>
</tr>
<tr>
<td>A member of the executive committee of the board</td>
<td>3</td>
<td>3.00 (.72)</td>
<td>4.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A general member of the board</td>
<td>1</td>
<td>1.40 (NA)</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am not on the board, but am the principal officer</td>
<td>1</td>
<td>2.20 (NA)</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The last question (26) in the survey tool asked participants to briefly describe or list any specific factors that may impact their organization’s succession planning efforts. All respondents ($N=6$) completed this question. As the overall response rate was low, the data was transcribed from the survey tool and coded using Excel (word counts, synonymous word use, etc.). Table 4.16 shows the two primary themes evolved from the response data,
attributes of existing staff and financial resources. In addition, several other factors that did not occur with a frequency to collapse into a single theme were included. It is noted that several respondents gave multiple answers in their listed factors.

Table 4.16

*Emergent Themes: Open-Ended Question (Q26):*

<table>
<thead>
<tr>
<th>Themes (2) [Prominent]</th>
<th>Subthemes [Categories]</th>
<th>Verbatim Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attributes of Existing Staff</td>
<td>1. Leadership traits of current staff</td>
<td>1. “Leadership attributes of internal team”</td>
</tr>
<tr>
<td></td>
<td>2. General strengths and weaknesses of current staff</td>
<td>2. “Existing strengths/weaknesses of staff”</td>
</tr>
<tr>
<td></td>
<td>1. External financial resources to the organization</td>
<td>1. “Funding”</td>
</tr>
<tr>
<td></td>
<td>1. Level of succession planning practiced at organization</td>
<td>1a. “Succession planning not well practiced”</td>
</tr>
<tr>
<td></td>
<td>1b. “. . . we are in the process of putting into place the various components of what the board considers effective leadership.”</td>
<td></td>
</tr>
<tr>
<td>Other Inputs</td>
<td>2. Stakeholders</td>
<td>2. “Stakeholder expectations”</td>
</tr>
<tr>
<td></td>
<td>3. Traits of actual CEO departure</td>
<td>3. “Timing and type of CEO departure”</td>
</tr>
</tbody>
</table>

**Summary of Results**

The overall research question was to determine what relationship, if any, exist between intent [to engage in succession planning for nonprofit executive leaders] and engagement in succession planning activities. Based on the results from the array of statistical correlation tests, the overall finding is that there is no relationship between these
two variables. Therefore, the null hypothesis is accepted as true; A type I error is suggested by the analysis as the study failed to reject the null hypothesis.

The use of Spearman’s rho alone for non-parametric testing was not indicated for use in this study. The Mann-Whitney U independent sample t-test was used to test for associations that might have identified as co-variables. Independent variables used in separate test were organization budget size and board tenure. This was key: Engagement as the dependent variable (DV) represented one sample type (scaled ordinal data) that was different from the nominal data traits of size and role in the respective analyses. For both (IV), the results did not support that an association between organization size and engagement nor board tenure and engagement.

Another test, the one-way ANOVA (Kruskal-Wallis H) analysis was indicated for use in this study to determine associations between board role and engagement. This test was important in determining if associations exist between the two variables, and to see if board role acted as a moderating co-variable. Unlike with Spearman’s rho and independent sample t-test, the independent variable in this analysis, board role, contained several categories (role types) on the survey tool. One-way ANOVA uses analysis of variances to determine statistical difference in respondent mean scores (W. O’Bannon, personal communication, December 29, 2017). With this test, the mean level of engagement did not vary significantly across the respondent board types (dispersion across the mean values were minimal especially), and therefore no associations could be supported by the data.

As suggested by the results of the Spearman’s rho and bivariate tests used to account for associations, overall there was low statistical power of the study due to low sample size (response rates), the failure to product a significant difference in several of the
mean values, and the lack of survey tool reliability for the subcomponents of normative and control beliefs. Therefore, an actual association between overall intent and engagement in succession planning was not supported by the data.

Table 4.17

Summary of Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Statistical Test</th>
<th>Association value / p -value</th>
<th>Conclusion</th>
</tr>
</thead>
</table>
| H$_0$: $p=0$  
(No statistically significant relationship between Intent [overall] and Engagement) | Non-parametric Spearman’s rho | $rho = -.60 / p = NS$ | Inconclusive / Association not suggested by data. Null hypothesis is accepted. |
| H$_1$: $(rho>0, p \leq .05)$  
Statistically significant positive relationship between Intent [overall] and Engagement) | Non-parametric Spearman’s rho | Bivariate analysis of subscale (Intent) and engagement | Alt Hypothesis not supported by the data. (Insufficient psychometrics of the scale). |
| H$_2$: $(Z > 0, p < .05)$  
(Statistically significant positive relationship between org size ($) and Engagement) | Independent samples t-test (Mann-Whitney U) analysis | $Z=0.00$  
$p = 1.0$ | Alt Hypothesis not supported by the data. |
| H$_3$: $(Z > 0, p < .05)$  
(Statistically significant positive relationship between board tenure and Engagement) | Independent samples t-test (Mann-Whitney U) analysis | $Z= - 1.09$  
$p = .28$ | Alt Hypothesis not supported by the data. |
| H$_4$: $(p < .05)$  
(Statistically significant positive relationship between board role and Engagement) | One-way ANOVA (Kruskal-Wallis H) analysis | $F(df) = 3.67$ (3)  
$p = .28$ | Alt Hypothesis not supported by the data. |
Chapter 5: Discussion

Introduction

The issue of succession planning efforts for CEO/executive director transition needs within nonprofit organizations was the basis for this study. Some research efforts in the past 11 years responded to an alert in the form of a Stanford study that predicted a significant leadership shortage by the year 2016 (Tierney, 2006). However, as we approached the 10-year mark of the milestone study, the varying interest, levels of intent, and understanding of the use of succession planning to address executive transition needs by nonprofits remain active. This study therefore attempted to examine succession planning in place at select New York City nonprofit organizations by determining if any associations exist between intent and engagement in succession planning activities through quantitative means using correlational and regression analysis of board member response data.

The overall goal of this chapter is to discuss the findings of the study. This is accomplished in four ways. The first approach allows a discussion of the research questions, what relationship, if any, exist between intent [to engage] and engagement in succession planning activities. The test results of the key hypotheses are discussed to determine if there were statistically significant results from the various analyses completed. The next approach links the study’s findings to the literature reviewed in Chapter 2, specifically focusing on the themes in the literature on intent and other factors related to engagement in succession planning practices by nonprofit board members. The third
approach of the chapter is to discuss the implications of the research findings. Lastly, the chapter presents recommendations for potential future research.

As aforementioned in Chapter 1 and Chapter 3, the theoretical basis of the study lies in TPB, or Theory of planned behavior (Ajzen, 1991). The theory suggests that engagement in a specified behavior is guided by three core beliefs: personal beliefs, normative beliefs, and control beliefs. The beliefs are directly linked to an individual’s opinions and yet targeted towards a specific behavioral outcome. To define the behavior, the study relied on succession planning steps as defined in the contest of a leadership pipeline (Charan, Drotter & Noel, 2001). The pipeline model gives an operational context by which succession planning, using internal human assets, is conducted in five behavioral steps. In this dissertation study, such was used as the specific behavior (engagement) that the theory, or TPB, required.

As suggested by Abdallah & Langley (2011), the role of the board in leading CEO transition efforts through succession planning was a key finding in their study. Their research involving a meta-analysis of existing literature at the time revealed that the governance body is identified as core to planning efforts. As such, this helped ground the significance of the dissertation study with its focus on board member’s opinions. However, the descriptive analysis of the first part of the survey tool used in this study (measuring organizational demographics and board traits) showed a mixture of survey participants. Specifically, out of six respondents, two were not executive or chairman level board members. One respondent was the CEO/principal officer (and co-founder) of the organization. A second respondent was a general member of the board. Yet, given that most of the respondents in the study included the board chair and members of the executive
committee, the study did reach the audience members that Abdullah and Langley (2011) suggested were most significant to CEO/executive leaders succession planning efforts.

Gothard and Austin (2013) concluded from their intensive literature review and case study research that succession planning themes identified from the for-profit sector serve as a model of best practices for planning in nonprofits. Specifically, strategic approaches, planning, and communication, and staff and board joint engagement is needed in nonprofits. The results of the dissertation study as seen in Tables 4.9 and 4.10 showed that according to the board respondents, despite the existence of three to five-year strategic plans for the organization overall, those plans do not incorporate some form of formal succession planning \( (N=6) \). Yet, the survey results suggest a disconnect in the above. For example, for Question 4, half of the respondents indicated that general discussions on succession planning do take place at board meetings; one third reported that a strategic succession planning is developed at the level of the board; and one of the six indicated that they did not know whether a transition plan is in place. Overall, the descriptive analysis of the respondent data suggested that there continues to be a disconnect by board members in leading succession planning (and the study cannot dispel nor support the findings of the Gothard & Austin research). More importantly, the results of this study would continue to support the contention made by Carman et al. (2010) that more research is needed.

In looking at predictive factors, the dissertation study initially aimed at determining if associations in intent and engagement could be determined using a regression analysis model. However, due to the low response rate, a multi-linear regression analysis of intent (and its subparts), organizational size, and board tenure could not be used with such a low sample. However, this study attempted to test the findings of Richardson (2014), where her
secondary data analysis and Chi-square predictive tests indicated that board role and tenure favor engagement in succession planning. In this dissertation study, bivariate analysis model was used as previously stated. By focusing on the variables board role and board tenure, this study’s results (as reported in Tables 4.14 and 4.15) suggest that the data did not support the hypotheses that board role or board tenure have a positive association with engagement in succession planning activities. The data analysis results from the Bronx-based board members who responded does not support the premise that the role of the board or their length of service has any predictive value with respect to the organization engaging in succession planning. However, given the low statistical power of the overall results, the dissertation study does not have the strength to say if the Bronx respondents’ results were by chance or not. Therefore, due to the low response rate in the study and subsequent limited power, there is not enough strength in the results to support or dispel any potential moderating effects in this study as suggested by Richardson (2014).

With respect to the board’s intention towards succession planning engagement, another researcher used data from a board questionnaire and extensive literature reviews to suggest that commitment to engage does not result in actual engagement in succession planning practices (Lichesteiner & Viader, 2012). By first identifying themes in the literature, and testing these within their questionnaire, it was suggested by the findings that intent does not equal action (engagement). This dissertation study also aimed to look at the relationship between the two variables via the null hypothesis: that no statistically significant relationship exists between intent and engagement. However, the study’s finding could not determine an association as suggested by the data from the Bronx-based
board members. The results therefore were inconclusive and does not have value with respect to dispelling or supporting the findings of Lichesteiner & Viader (2012).

The primary research question for the dissertation study was what relationship exist, if any, between intent and engagement in succession planning activities. The null hypothesis presented was that there is no statistically significant relationship or statistical association with these two variables. As reported in Chapter 4, the Spearman’s rho correlation matrix shown in Table 4.12 at first review suggest that this is true: For the board members who participated in the study, there is no relationship between intent and engagement in succession planning activities for the organizational executive leader. The resulting $r$ value of -.60 gives a first impression that there is a negative association (and the null would be accepted as true). However, the psychometrics of the scale was not sufficient, specifically for the normative and control beliefs as subcomponents of intent. Therefore, the null hypothesis could not be rejected (or accepted) as anticipated as the findings are inconclusive.

Although testing the null hypothesis for associations between overall intent and engagement in succession planning activities were inconclusive, data analysis of the remaining hypothesis was attempted. The first alternative hypothesis, which looked at the relationship between organizational size and engagement, was tested via both Spearman’s rho and bivariate analysis (independent sample t-test). However, the results show that the data failed to support that organizational size (in annual revenues) is positively associated with engagement in succession planning activities.

In addition, the third and fourth hypothesis used additional bivariate analysis testing to determine if board tenure and board role had act as co-variables or suggest moderating
effects on engagement in succession planning activities. The results of the independent t-test suggest that the data did not support any statistically significant positive relationship between tenure and engagement. In other words, the longer the board member served the organization is not positively associated with engagement in planning. Similarly, the results of the One-way ANOVA test suggest that the board role (where board chair was ranked highest) has no positive association with engagement. The findings in these cases indicated that the data did not support either board tenure or role as predictive variables on the engagement in succession planning activities.

**Implications of Findings**

The low psychometric power of the research had significant implications. The findings related to the null hypothesis (that there is no relationship between intent and engagement in succession planning activities) suggest that there is a strong need to retest the hypothesis. It cannot be determined if overall intent is a factor in engagement by nonprofit board members in who participated in the study. It also could not be determined conclusively whether personal beliefs, normative beliefs, and/or control belief each impact engagement in Bronx-based nonprofit organizations. Admittedly, the small sample size (response rate) was not sufficient to say with certainty which component, if any of them, or if overall intent is associated with engagement. The study results indicate the need to assess this again with a larger sample of respondents to see if future results might yield a more conclusive outcome. Therefore, the implication of the study is that what we understand about intent and its relationship with actual engagement for succession planning is still limited, vague, and needs ongoing empirical study.
In addition to the implication on the findings related to the null hypothesis, the study results could not support one of the alternatives: Organizational size (in revenues) has a positive (and predictive) association with engagement. Although the data did not support such, it is important to note about this is that within the open-ended questions, funding/financial resources was an emergent theme identified by the respondents. This suggest a possible disconnection, as respondent board members expressed that financial resources do impact their ability to engage in succession planning. However, as the study was limited in statistical strength, the non-parametric analysis suggests that revenue (financial resources) may or may not play a role in engagement, despite the results of the open-ended array question. This disconnect may also be worthy of further exploration.

With respect to identifying covariables or moderating variables, the study results suggest that neither board tenure or role are factors in board member’s engagement in succession planning. This implies that several alternative factors related to the role of the board could further be explored. Specifically, additional explorations on board traits other than their role on the board or tenure could support further understanding of governance factors that may or may not be associated with the board’s engagement in succession planning activities. For example, as suggested by Harrison and Murray (2012), board effectiveness in eliciting multiple stakeholders in succession planning process may produce clearer outcomes as related to engagement in executive leadership succession planning. With this as an example of another variable that potentially may impact succession planning engagement, the empirical focus can be turned from the role on the board and board tenure to other factors, such as board facilitation of stakeholder involvement.
Continuing to stress the responsibility of the board in succession planning, this study’s results leaves the question of why no association could be clearly established. If the limitations of sample size were eliminated, what could a similar study’s outcome have been? And further, could we then examine or explore a key concern that remains within the sector: the notion that incumbent CEOs are poorly on-boarded, or hired and transitioned into the leadership role (Schoenberg, 2011). As such, to further explore governance in this light would also help address the issue that boards continue to fail to fully acknowledge their key role in succession planning for the organizational executive leadership role (Viader & Espina, 2014).

Another implication of the study concerns the use of the leadership pipeline. Specifically, the data obtained from the board respondents on the level of engagement in succession planning activities as defined in the context of the leadership pipeline model (Charan et al, 2001). For example, the data collected on fourth question in the survey tool (selection of up to five succession planning activities) demonstrate that although the boards reportedly discuss succession planning at the governance meetings (half the survey respondents) the remaining data suggest that there is little consistency with respect to engagement in the remaining choices (strategic approach to succession planning, emergency or contingency planning, and having an actual transition plan in place). The implication here is that there may not be a focus by the board on personnel within the organizations as an option to creating succession planning in a formalized way. The data suggest that the use of leadership pipeline within these respondent organization also presents as limited and/or vague.
A final implication of the study concerns the use of primary data. This study engaged a survey tool to collect information from nonprofit board members. Much of the literature reviewed from the time of the alert from the Tierney study (Tierney, 2006) contained an array of qualitative and quantitative approaches that relied on secondary data. This study may help advance the empirical approaches by attempting to create a research model, using hypothesis testing, to examine one of the key variables to succession planning as suggested in the literature - intent. This aimed to determine by use of primary data to what degree (if any) does intent play a role in the nonprofit board’s engagement in executive leader succession planning activities (Abdallah & Langley, 2014; Gothard & Austin, 2013; Lichesteiner & Lutz, 2012; Richardson, 2014; and Viader & Espina, 2014).

**Limitations**

There are four significant limitations with respect to the study. The most significant concerns the sample size and resulting statistical power of the study. Typically, failing to reject the null hypothesis results in a Type I error (Vogt & Johnson, 2011). In the case of this study, this error would be a result of concluding that intent and engagement are related when they are not. However, the results of the Spearman’s rho analysis did not support a case to argue the likelihood of the results being due to chance or not ($p = NS$). Therefore, the null could not be rejected. However, by increasing the sample size (or response rate in this case) may reduce the risk of having a Type I error. In this study, the overall results were simply inconclusive.

In addition to the impact of sample (or response) size on the tests for associations, another limitation appeared in the form of the survey tool. As aforementioned in Chapter 4, the test group data yielded very high Cronbach’s alpha levels for both variable questions.
(overall intent and engagement). In the analysis of the respondent data, despite high alpha levels for overall intent ($\alpha = .75$) and engagement ($\alpha = .88$), the analysis suggested poor inter-item reliability levels for two of three components of intent: normative beliefs and control beliefs. This limitation may have impacted subsequent analysis of associations of overall intent and engagement with the respondent or study group. The test group data did not assess the components of intent and therefore the study missed an opportunity to see this potential limitation in the tool prior to dissemination to the study participants. Yet, the study’s overall small sample size may have play a more significant role in the resulting low psychometric strength of the tool and subsequent results (Huck, 2012) as evidenced in this study.

A third limitation of the study relates again to the low response rate and impact on validity. As such, the study’s results cannot be said to be representative of board opinions from the overall population of Bronx-based nonprofit organization selected for inclusion in the study.

A final limitation concerns issues of response duplication. Although this was considered in the initial design of the research project, duplication did not appear in actual execution of the project. For example, a concern for duplication of response by having both a hard copy and online version was initially predicted. To mitigate the risk for such duplication, a R-numeric coded was assigned to each organization recruited and the distributed surveys were tracked (where the code was subtly included on the return envelopes of the mailed surveys). This allowed for tracking of organizations in a manner to pose little risk to anonymity of responder. However, as only one response was received
via mail, and no duplications were discovered with the online survey, the risk of
duplication was averted.

**Recommendations**

The study on examining relationship, if any, between intent and engagement in executive leadership succession planning yielded inconclusive findings. However, the need to continue to examine intent and perhaps other factors on board level use of planning is warranted. Due to this study’s findings and implications, several future studies could continue to help fill the knowledge gap.

One recommendation is to repeat this quantitative examination of the variables of intent and engagement in succession planning. A partial replication of the study may allow for an increase in response rate. However, to minimize the risk of participant pre-exposure to the survey questions, a future study could select another geographic location, an area in an urban setting (New York City or other locale), while keeping the remaining selection criteria as detailed in Chapter 3 in place. Analysis using Spearman’s rho, bivariate and even multi-linear regression tests could be attempted with a different (and perhaps larger) response rate. It should be noted that in the event a full replication of the study establishes that no statistically significant relationship (between overall intent and engagement in succession planning) is supported by new data, such findings could potential give rise to another key question to empirically entertain: Why is there no relationship?

Another quantitative approach that is recommended is a variable modification the independent variables of the current study. Given that the results for determining associations with overall intent and engagement was inconclusive, it is suggested that data one of the subcomponents of intent (personal beliefs, normative, or control beliefs) be only
analyzed for correlational and potential predictive associations with engagement in succession planning. As suggested above, the geographic location may be modified to avoid pre-exposure to the survey. These first two approaches would allow the theoretical foundation, TPB, to remain in place as framework for examining intention and engagement.

Another different approach may help address the question of what beliefs are expressed by board members as influencing their engagement in succession planning. This qualitative approach would more fully explore opinions of board members. A focus group could be convened to address this study’s open-ended question that asked the same. However, in such a qualitative exploration, the researcher could dig deeper with respondents and perhaps develop more themes (than were obtained in this study). As an alternative, it is recommended that intent be removed, as to explore only the use of leadership pipeline for a closer dive into the use of succession planning activities.

Another recommendation is the use of a mixed method approach. In such a study, one component of intent towards succession can be selected and used to obtain survey data on board member’s beliefs (as related to that one component). Thereafter, the researcher can further explore via interviews with targeted board members based on the outcomes of the survey data and ground themes related to that one specific component of intent toward succession planning (removing engagement itself as a variable for measurement and inferential analysis). This approach may help evolve a grounded theory related to nonprofit board members’ specific beliefs as a subcomponent of intent that perhaps further informs on limitations in engagement in succession planning. In short, the above recommendations support the ongoing examination (or exploration) of the initially identified variables of
intent, its sub-component beliefs, and actual engagement in succession planning for executive leaders of nonprofit organizations. However, as aforementioned in Chapter 1 and later in the literature review in Chapter 2, future research can continue to push our understanding of succession planning engagement to include factors beyond intent.

This study attempted to look at potential moderating effects to engagement, (such as board role, board tenure, and organizational size in revenue) as additional factors in the research. It is noteworthy that despite the overall low response rate, more than half of the respondents identified as being from organizations with less than $100,000 in annual revenue ($n=4$). Could a similar revenue category [of nonprofits] be selected for closer study and could we see any mean differences in their reported engagement in succession planning activities? More so, organizations that fall in each of the five revenue categories framed in the survey tool (reference question 3 in Appendix D) could be selected for participation in future studies that compare engagement in succession planning across all revenue levels. Or it could be asked how does engagement in succession planning compare between organizations with revenues that are higher than $5$ million and those with less? Such studies would help increase our understanding of the role revenues potentially play in nonprofits’ engagement in succession planning. This would better clarify and/or validate a possible belief that some nonprofit organizations are too small to have [or need] succession planning (NPHRS, 2013).

In addition to revenue, questions on other potential moderators of engagement in succession planning are also worth noting. What relationship, if any, does cultural traits of nonprofit board leaders, the external community, or geographic location have on engagement? Also, what role, if any, does [board] gender play on engagement in
succession planning activities? Is there a likelihood of high engagement in organizations led by persons of color? As aforementioned in for-profit leader transition studies, what is the role, if any, an organizational founder plays in succession planning? More specifically, what is the likelihood that founding nonprofit board members and/or executive leaders favor and engage in succession planning (versus non-founders)?

The role of the governance body remained as a constant in many of the studies used to support this research; yet additional factors related to board remain unclear. For example, is there a board capacity issue as related to understanding how to improve engagement in succession planning (beyond discussions in board meetings)? What are the board’s perceptions or beliefs about the talent pool and their organizations’ leadership pipeline. Are the competencies and skills of internal staff strategically sought out by board members and acted upon within the context of succession planning? The answers to any of these questions could be addressed in future studies and help in the advancement of knowledge that could inform on ways to further evolve the use succession planning in the nonprofit sector for executive leader roles.

Conclusion

In summary, the research question of what relationship exists, if any, between overall intent and engagement in succession planning for nonprofit executive leaders could not be answered, as the overall findings were inclusive. The study’s findings also presented inadequate support to the premise that a nonprofit organizational size has any positive association with engagement in succession planning activities. Although it is suggested in the literature (as well as by the six respondents who responded to this survey) that an organization with more revenue is likely to engage in succession planning, there
was limited statistical significance in the study data to fully accept this as an alternative hypothesis.

The survey tool that was created and utilized in the study yielded positive alpha levels for overall intent and engagement variable questions in the test phase by expert board members. This suggested high inter-item reliability of the tool. However, the two of the three subscales or components for intent (normative beliefs, and controls beliefs) bore poor inter-item reliability in the respondent data. No moderating variable impacting engagement in succession planning activities could be determined, as the non-parametric bivariate analysis results suggested that the data did not support the respective alternative hypotheses that either board role or tenure has a positive association with engagement in succession planning by the survey respondents.
References


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Retrieved from http://dx.doi.org/10.1108/CG-11-2014-0083


## Appendix A

### NTEE Core Codes and Service Types as Identified by Targeted Bronx Organizations

<table>
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<tbody>
<tr>
<td>I12 Fundraising &amp; Fund Distribution</td>
<td>J20 Employment Preparation</td>
<td>K31 Food Banks and Pantries</td>
<td>L20 Specialized Housing Development</td>
<td>M40 Safety Education</td>
<td>N30 Physical Fitness and Community Recreation</td>
<td>O01 Alliances/Advocacy</td>
<td>P20 Human Services</td>
</tr>
<tr>
<td>I19 Support Not Elsewhere Classified (NEC)</td>
<td>J32 Vocational Rehabilitation/Goodwill Industries</td>
<td></td>
<td></td>
<td></td>
<td>N50 Recreational Clubs</td>
<td>O20 Youth Centers/Clubs</td>
<td>P28 Neighborhood Centers</td>
</tr>
<tr>
<td>I44 Prison Alternatives</td>
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<td></td>
<td></td>
<td></td>
<td>O50 Youth Development Programs</td>
<td>P33 Child Day Care</td>
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<tr>
<td>I51 Dispute Resolution and Mediation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>O55 Youth Development – Religious Leadership, O99 Youth</td>
<td>P40 Family Services</td>
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<tr>
<td>I72 Child Abuse</td>
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<td>P60</td>
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<td></td>
<td>Development (NEC)</td>
<td>Emergency Assistance</td>
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<tr>
<td>P73 Group Homes</td>
<td></td>
<td></td>
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<tr>
<td>P75 Supportive Housing for Older Adults</td>
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<td>P80 Centers to Support the Independence of Special Populations</td>
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<tr>
<td>P81 Senior Centers</td>
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<td>P99 Human Services (NEC)</td>
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**Appendix B**

Survey Tool Framework

<table>
<thead>
<tr>
<th>Frame</th>
<th>Detail</th>
<th>Detail</th>
<th>Detail</th>
<th>Detail</th>
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</thead>
<tbody>
<tr>
<td><strong>Survey Question Groups</strong></td>
<td>Intent [A] (Q6 - Q20)</td>
<td>Engagement in succession planning activities [B] (Q21 – Q25)</td>
<td>Descriptive Traits (Q1, Q2, Q4, &amp; Q5)</td>
<td>Open-ended (Q26)</td>
</tr>
<tr>
<td><strong>Type of Data</strong></td>
<td>Ordinal</td>
<td>Ordinal</td>
<td>Nominal (non-ranked)</td>
<td>Nominal (text)</td>
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<tr>
<td><strong>Use in Hypothesis testing</strong></td>
<td>Relationship analysis (Spearman’s rho &amp; ( p ) values)</td>
<td>Relationship analysis (Spearman’s rho &amp; <em>Bivariate analysis</em>): A-B &amp; Intent subscales ( p ) values</td>
<td>Independent Sample t-test: ( \text{Org Size ($)} – \text{Engagement} ) &amp; ( \text{Board tenure – Engagement} ) ( Z ) values ( p ) values</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Other Analysis</strong></td>
<td>Descriptive: Frequency, mean, sd, (distribution around mean)</td>
<td>Descriptive: Frequency, mean, sd, (distribution around mean)</td>
<td>Descriptive: Frequency, mean, sd, (distribution around mean)</td>
<td>Bivariate: 1. Respondent role (IV) and Engagement (DV)</td>
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<tr>
<td></td>
<td>1. Overall responses (Aggregate)</td>
<td>1. Overall responses (Aggregate)</td>
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<td>1. Respondent role (IV) and Engagement (DV)</td>
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<tr>
<td></td>
<td>2. Respondent role</td>
<td>2. Respondent role</td>
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<td>2. Board tenure (IV) and Engagement (DV)</td>
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<td></td>
<td>4. Each belief category</td>
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<td><strong>Open-ended Q26</strong></td>
<td></td>
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<td>Transcribed and coded for themes</td>
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</table>

*Note: Survey tool submitted for copyright protection under title *Intent and Behavior: A Survey Tool for Nonprofit Board Members on Intention and Engagement in Succession Planning Activities (12/2017).*
## Appendix C

### Recommended Future Research

<table>
<thead>
<tr>
<th>Research Approach</th>
<th>Research Design</th>
<th>Modifications (or Notes)</th>
<th>Detail</th>
<th>Desired Empirical Contribution(s) (Outcome)</th>
</tr>
</thead>
</table>
| **Replication of Terry (2018)** | Quantitative Full or Partial Replication | Select alternative geographic location (high poverty) | Maintain selection criteria Maintain theoretical framework (TPB) and model of Leadership Pipeline for succession planning activities | - Increased sample size / response rate  
- Improved validity of findings  
- Enhanced inter-item reliability of survey tool  
- Clarity/ conclusive outcome on null hypothesis  
- Potential to better determine nature of associations, if any. |
| **Partial Replication of Terry (2018)** | Quantitative (With variable modification) | Focus on subscale item of intent only (personal, normative, or control belief) as IV and engagement as DV. | Conduct bivariate analysis | (In addition to above):  
Present new null: Determine if Personal (or other subscale) beliefs have associations with engagement in succession planning activities. |
| **Other** | Qualitative Focus Group | Explore what components of intent are held by NPO board members | Use components of survey question array as an interview tool with group participants | Provide opportunity to conduct a deeper dive into intent and its subcomponents and emerge themes |
| **Other** | Qualitative Focus Group or Comparative Case Study | Remove intent and further explore succession planning activities (leadership pipeline model) | Use components of survey question array as an interview tool with study participants | Provide opportunity to conduct a deeper dive into succession planning activities (via pipeline) and discover/emerge potential themes |
| **Other** | Mixed-method | N/A (Contingent on additional literature, researcher interest, etc.) | Using any of the recommended qualitative approaches, develop hypothesis and test accordingly for associations with emergent themes as variables. | Potentially evolve a grounded theory |

Note: All recommendations assume maintaining most or all elements of the selection criteria used in this study (specifically, targeting NPO board members of organizations with IRS 501(c)3 status, organizational revenues range, and NTEE Codes).
Appendix D

Survey Tool

Board Survey: Succession Planning

Hard Copy - 2017

Please return your completed survey in the self-addressed stamped envelope provided.

Thank you

Pela Selene Terry
Ed.D. Candidate & Nonprofit Board Member
St. John Fisher College – Executive Leadership Program
Survey Tool (Terry, 2017)

**Instructions**

*Use a check mark to select your answers. All survey responses are anonymous.*

*Total time to complete survey: 10-15 minutes*

[INFORMED CONSENT]
Q1 Which of the following best describes your role on the Board? (Select one)

- Board chairperson (1)
- A member of the executive committee of the board (2)
- A general member of the board (3)
- I am not on the board, but am the principal officer (4)
- Other role in the organization (non-board member) (5)

Q2 What is the length of time that you have served with the organization (board tenure)?

- Less than 1 Year (1)
- 1 to 6 Years (2)
- 7 - 10 Years (3)
- 10 – 19 years (4)
- 20 years or more (5)

Q3 What is the reported annual revenues of the organization (via most recent 990)?

- More than $5,000,000 (1)
- $3,000,000 - $4,999,000 (2)
- $1,000,001 - $2,999,999 (3)
- $100,001 - $1,000,000 (4)
- Less than $100,000 (5)
Q4 Which of the following best describes the succession planning activities (for the chief executive officer/executive director role) that may be in place at the organization? (Select all that apply)

- General discussions at board meetings (1)
- Strategic succession plan developed at the board-level (2)
- Emergency succession planning (contingency plans) (3)
- A CEO/executive director transition plan is in place (4)
- Do not know (5)

Q5 Do any of the following reflect how well the board does its duties? (Select all that apply)

- Our organization has a three to five-year strategic plan that incorporates some form of succession planning. (1)
- Our board meeting agenda clearly reflects our strategic priorities. (2)
- The board ensures that there is a short term operational or business plan in place. (3)
- The board ensures that members and stakeholders have reports on how the organization uses its financial and human resources. (4)
- The board sets policies for the organization. (5)

Your Opinions
Q6 As a board member, I am willing to help drive internal leadership succession planning (for the chief/executive leadership role) that is tailored to fit our organization’s needs.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q7 Most nonprofit board members are willing to help drive internal leadership succession planning that is tailored to fit their organization’s needs.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q8 I am confident that succession planning in our organization is supported by the board.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q9 As a board member, I believe the organization should have standards for work performance and leadership potential that fits our organization’s needs.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
Q10  Most nonprofit board members believe their organizations should have standards for work performance and leadership potential that fit their organization’s needs.

- Somewhat disagree (4)
- Strongly disagree (5)

Q11  There is consensus among the board that our organization should have standards for work performance and leadership potential that fit the organization’s needs.

- Somewhat disagree (4)
- Strongly disagree (5)

Q12  As a board member, I believe the organization should document and communicate its succession planning standards to staff throughout the organization.

- Somewhat disagree (4)
- Strongly disagree (5)
Q13  Most nonprofit board members believe the organization should document and communicate its succession planning standards to staff throughout the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q14  There is a sense of responsibility by the board to ensure that the organization documents and communicates its succession planning standards to staff throughout the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q15  As a board member I believe the organization should engage in practices to evaluate internal candidates for leadership by using a matrix that includes current work performance and their leadership potential.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Q16  Most nonprofit board members believe the organization should engage in practices to evaluate internal candidates for leadership by using a matrix that includes current work performance and their leadership potential.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q17  There is a belief that our board can obtain the resources needed to engage in evaluation practices of internal candidates for leadership with a matrix that includes current work performance and their leadership potential.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q18  As a board member, I believe the organization should frequently and seriously review our succession planning and its progress throughout the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Q19  Most nonprofit board members believe the organization should frequently and seriously review their succession planning and its progress throughout the organization.

- [ ] Strongly agree (1)
- [ ] Somewhat agree (2)
- [ ] Neither agree nor disagree (3)
- [ ] Somewhat disagree (4)
- [ ] Strongly disagree (5)

Q20  The board for our organization has the ultimate responsibility for and control of making sure the organization frequently and seriously review our succession planning and its progress throughout the organization.

- [ ] Strongly agree (1)
- [ ] Somewhat agree (2)
- [ ] Neither agree nor disagree (3)
- [ ] Somewhat disagree (4)
- [ ] Strongly disagree (5)
Q21  The organization has internal leadership succession planning that is specifically tailored to fit the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q22  The organization has standards for work performance and leadership potential that fit our specific organizational needs.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q23  The organization documents and communicates our standards to staff throughout the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)
Q24 The organization engages in practices to evaluate internal candidates for leadership by using a blend of current work performance and their leadership potential.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

Q25 The organization frequently and seriously review the succession planning and its progress throughout the organization.

- Strongly agree (1)
- Somewhat agree (2)
- Neither agree nor disagree (3)
- Somewhat disagree (4)
- Strongly disagree (5)

LAST QUESTION (Open-ended)

Q26 Below, please briefly describe or list specific factors that you feel may impact your organization’s current succession planning efforts for the role of chief executive officer/executive director.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

THANK YOU FOR COMPLETING THIS SURVEY.
Please use the self-addressed stamped envelope to return the completed survey to the student-researcher.