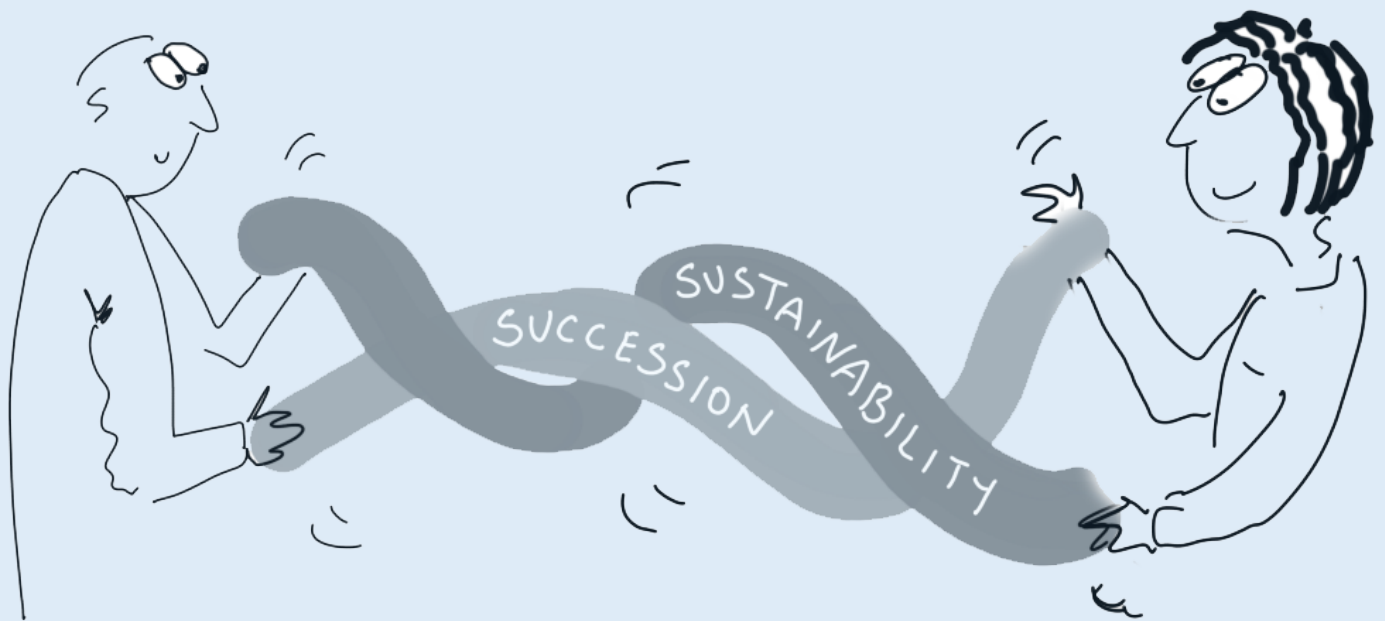


# Supporting CSO Leadership Succession Voices from Ethiopia

Hiwot Alemayehu and Rick James  
April 2021



## Introduction

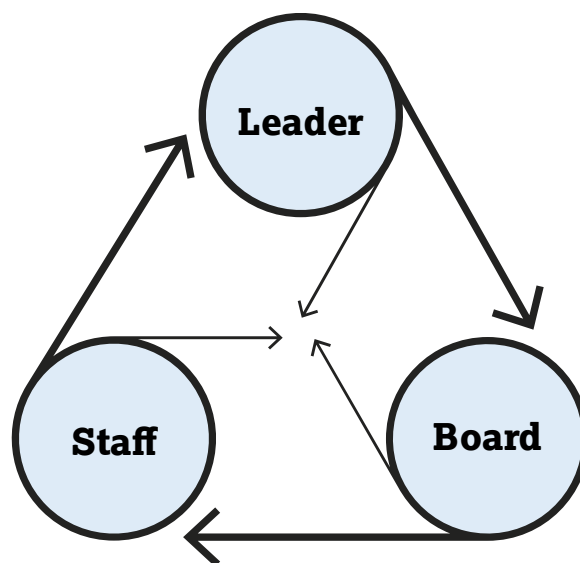


Leadership succession is a major issue everywhere, in all spheres of life, in all parts of the world. The recent convulsive, conflict-ridden Presidential transition from Donald Trump showed that, even with clearly established legal processes and centuries of precedence, it is not always smooth. Leadership transition, particularly from founders, is also a critical issue for civil society. Without healthy leadership transitions there is no organisational sustainability. The civil society sector is littered with distressing examples of founders staying on too long, so that when they eventually leave the organisation collapses. Poor leadership transition undermines institutional learning and blocks the emergence of new, energetic civil society leaders.

To strengthen civil society as a whole we therefore need to understand more about what causes the difficulties in leadership transition and what can be done to make this inevitable process more healthy and life-giving. As a contribution to this learning, Oak Foundation commissioned a short research project with CSOs in Ethiopia. The aim of the research was to learn what they could do as an outside funder to better support healthy leadership transition in partners.

This paper will first describe the research study site, the methodology, its limitations, and its benefits. It then explores the particular constraints on healthy leadership transition that emerge from the context in Ethiopia; the individual leaders, the staffing and organisational issues; the poor governance as well as the unhelpful contributions of funders. While CSOs in Ethiopia are not generally well-equipped for leadership transition, there are some enlightening examples to learn from.

The paper highlights the key factors that enabled healthy transition, again identifying the key parts played by leaders, by the staff, by the boards, by the government and by funders with foresight. Leadership transition, particularly from founders, is never easy, but it is certainly possible with the right ingredients. The paper concludes that **leadership transition largely depends on the inter-relationship of three key actors – the leader themselves (how self-aware, humble and open to change they are); the board and how much they play a genuine governance role; and the staff and organisational systems established prior to transition.**



*Acknowledgement*

*The illustrations in this paper are made by ©Bill Crooks.*

Leadership succession depends on the pre-existing health of the organisation. Just as a bad tree cannot bear good fruit, a weak, dependent NGO can rarely transition well. The paper concludes with practical recommendations for funders, like Oak Foundation, if they are to act in ways that contribute to healthy leadership transition and avoid the all too frequent transition crises.

## The research

The research took a qualitative approach, building on a review of global literature about leadership. Researchers used purposive sampling to focus on:

- Ethiopian CSOs who had been or were becoming Oak Foundation grantees of the Prevent Programme. Both the CEO (often founders) and the board chairs of these partners were interviewed separately to elicit their differing perspectives.
- targeted key informants, such as CSO founders in Ethiopia who had successfully transitioned; the head of the Government's Charities and Societies Agency; as well as an Ethiopian psychiatrist (see list in Appendix 1).

There are obvious limitations in terms of sample size. We only gathered data from a fraction of the 3000 registered CSOs in Ethiopia.

Furthermore, due to COVID travel restrictions, the sample was drawn exclusively from CSOs operating from Addis Ababa and nearby towns like Adama. All of the NGOs were working in the same field of child protection. There were only a few examples of 'successful' transition to learn from (and most came from International NGOs) and, common to Ethiopian CSO leadership generally, women leaders were under-represented in the sample.

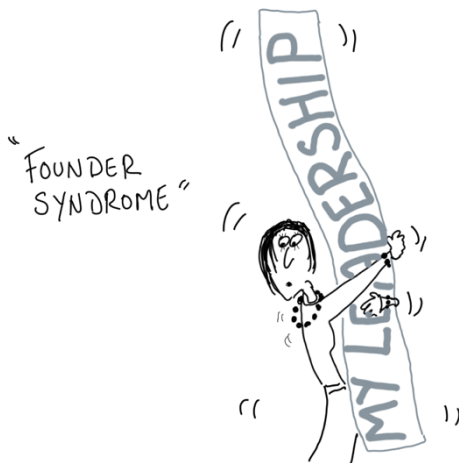
Furthermore the research topic itself was highly sensitive, if not indeed threatening. When potential respondents were initially approached,

many reacted quite defensively, especially if they have already been in post a while. The new Oak partners in particular wondered, 'Why is Oak doing this? Why now?'. One even refused to take part. This latent fear meant that the interview environment had to be managed sensitively. The lead researcher (Hiwot Alemayehu) had to show empathy and withhold any sense of judgement to build trust. It helped that she conducted all the interviews in Amharic, but then transcribed them into English for analysis. As a result, most respondents opened up and gave genuine heartfelt answers.

One of the encouragements was that the interview process itself had a positive impact on the issue. The research process proved to be a capacity building intervention in itself. A number of respondents said things like: *"this research reminds me to discuss the issue further (with the board)"*. The questions led to respondents concluding: *"We are not doing enough as a board for the successor to take up the new position of leadership. Today I will visit the organisation"*. But the other side of this coin is that respondents now expect follow through – in particular that Oak will act on the findings of the report.

### 1. The constraints on leadership transition in Ethiopia

CSOs in Ethiopia are no exception to the challenge of leadership transition. One respondent described it as *"as a burning issue for the sector – a chronic problem of CEOs or founders staying for 30 – 40 years"*. Another observed: *"this sector is gripped by founder syndrome"*. Still another noted: *"only a few CSOs are responsible enough to transition successfully. In many CSOs founders live all their life in one position. Yesterday I met someone who had led the organisation from the Emperor era (four government periods) – over 50 years"*.



Respondents in the research identified five groups of factors, restraining forces, that inhibited healthy transition and encouraged Founder Syndrome. Constraints came from the:

1. Context
2. Leader
3. Staff
4. Board
5. Funders

### 1.1 Constraints from the Context, including the political context

National cultures and contexts matter hugely. They can often hinder leadership transition in CSOs, particularly in places where there is considerable social hierarchy and power distance<sup>1</sup>. Respondents in the research stated that: *“We do not have much national values that support a healthy leadership and power transition. The family inheritance issues are always a disaster”*. Another said: *“we don’t have the right ingredient in our culture for healthy leadership transition”*. In a faith-infused context, like Ethiopia where religious roles like priesthood are lifetime callings with no natural end, the culture can encourage leaders to stay in their positions for ever. A culture that rewards people for their formal positions actively discourages leaders from letting go of their role. Several leaders pointed this out as one of the major

<sup>1</sup> A term coined by Geert Hofstede (1994) who defined power distance as the extent to which the less powerful members of institutions and organisations within a

reasons for leaders staying in power: *“our culture doesn’t show honour to the exiting leaders. Once you leave the position no one seem to care about your opinions anymore and you will not have the status. That is very painful experience and you feel you are left out and not given enough honour to your service and that is something difficult to live with. So, leaders don’t want to leave.”*

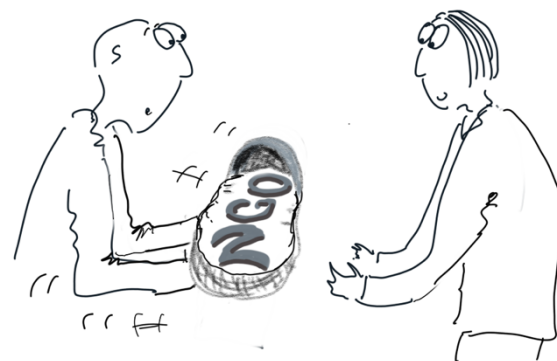
Others commented on how leadership transition had been undermined by the erosion of a more communal life. As one respondent put it: *“Our associational life is getting weaker. It used to be that it takes a village to raise a child. Our culture was about taking responsibility for each other. People are now asking what do I gain, not what I can give. We see a more individualistic ideology, which may be influenced by rising urbanisation...”*. Consequently there has been a shift from shared vision amongst groups, to more individualised leadership.

This growing individualism may exacerbate some of the inherent leadership transition challenges in a high power-distance culture. One respondent said: *“Power distance /hierarchy is very much a part of our culture. We think leadership is about a hero and one strong man”* and another observed that: *“the greater the power gradient the more difficult the transition gets and also ... the notion of power permanence makes transition difficult because it clouds the transiency of life itself”*.

The precarious, hand-to-mouth existence of many CSOs in Ethiopia, dependant on foreign aid, means that many, if not most, have a short-term survival orientation. This subsistence mentality means CSOs are busy writing proposals and donor reports. They give less weight to more strategic internal matters such as succession planning. *“Most of the donors are focused on project funding instead of institutional building*

country expect and accept that power is distributed unequally

and leaders do not have enough time to engage in a deeper reflection and long-term planning.” noted one founder. The COVID-19 pandemic and political crisis during the research meant that CSOs are facing: “*multifaceted problems hampering our project delivery and we are overwhelmingly tackling uncertainties*” – a significant distraction from long-term thinking about leadership transitions.



The political context has had a particularly pervasive impact on civil society organisations. In the past the Ethiopian Government has actively mistrusted civil society. CSO legislation from 2009 with a 70:30 requirement hindered donors from providing unallocated support and administrative support. This further encouraged this short-term survival orientation, and made leadership succession even more complex. As one respondent put it: “*In the previous legal framework it was fault finding and as NGOs we always hid from the government. It was a corrupt system.*”

In the last two years there has been an encouraging shift to a more enabling operating environment, with a new law (Civil Society Proclamation 1113/2019) approved in February 2019. This new proclamation removes many of the restrictive elements, but it is taking time for the severely weakened CSOs to adjust and take advantage of the new opportunities. CSO respondents in the research also noted that the Government’s Civil Society Agency (CSA) has low capacity to implement the new proclamation and catalyse attitudinal change needed at large.

### 1.2 Constraints from Individual Leaders

The leaders themselves are often at the core of most difficulties in transition. Clearly transition is difficult, if not impossible, when a CSO has effectively been set up for personal gain. One respondent observed “*Most of what you see is that they are not established for the cause, but for personal livelihood*”.

The majority of founders who set up a CSO for public good, rather than personal gain, do not, however dream of being leader for life. **The founding vision is one of empowering the community, changing society for the better, shifting power relationships.** They want to **leave a lasting legacy**. Yet all too often these founders can become the biggest blockage to change. Why?

The research highlighted the:

- pervasive influence of fear
- corruptive nature of power
- lack of time to think strategically
- lack of succession plans

#### The pervasive influence of fear

Fears are incredibly powerful, visceral emotions. There is the obvious fear of economic hardship, as stepping down from leadership comes at a personal financial cost. Furthermore, the leaders interviewed also feared losing their position and status; being seen as irrelevant in a culture that rewards position and title. “*There is always a feeling of irrelevancy attached to succession*” said one founder. Another leader admitted: “*The most difficult feeling I had was the feeling of unwantedness and being forgotten, our culture gives more weight to formal positions not to the person. Once you leave that position people will consider you don’t have much value and gives you low status and with no reward.*” Founders feared that as soon as they stepped back they could be made peripheral or even expelled by newcomers.

### The corruptive effect of power

Founders are visionary social entrepreneurs with strong personalities. This means there is a high chance that power will accumulate in a single person. Neuroscience research evidences the dangers of this and how power corrupts the decision-making and ability of leaders to empathise<sup>2</sup>. Power changes the way synapses in our brains work. Respondents pointed out how power encourages leaders in three illusions:

1. The illusion that the organisation is mine. Even if this attitude was not there at the start, over time leaders begin to believe that 'This is my entity. I created it. It's my vision, not a vision given to me'.
2. The illusion that I am indispensable. 'No one else in my team has the same vision, ability and commitment, so I have to stay'.
3. The illusion of immortality - "When you are a founder or when you're a leader there is that mentality of being eternal, like you're always there".



One leader encapsulated the challenge: "The organisation is like my child. We started with one old car and now we have 25 land cruisers. We have building and branch offices all over the country. If I leave and if the organisation fails it will ruin our reputation and not be good for the sector and our constituency as well. I bring 40+ years senior level experience."

The longer you are in power, and the more absolute your power, the greater the potential for damage. An Ethiopian psychiatrist noted that "the longer one stays in power with little checks and balances the greater its addictiveness. Hence the fear of being without power. The abuse of power that comes with absolute and prolonged power also puts one in a predicament of fear of being irrelevant and retribution when power is lost".

Age may be a factor in healthy transitions. Key informants felt that it may become harder for leaders to change the older they get – "as you get older, you think that younger people are not capable, they are not as good as you are". Gradually giving responsibility and learning to trust junior staff only becomes more difficult over time as the gap and inter-generational differences intensify. The research indicated that most leaders are not investing in the younger generation due to a high-level staff turnover and a fundamental lack of trust.

While leaders did vocalise some 'good reasons' for this lack of trust (see section 2.3), it may be that too much power for too long inhibits the ability to trust. It reinforces the notion that no-one can lead as well as you and therefore means the leader judges everyone else as 'not good enough'. Few leaders mentioned delegation and coaching as their style of leadership and as a way to prepare for the next leadership.

### Lack of time and space

The lack of time is a more mundane, but important inhibitor to change. One CEO admitted: "I still don't have my succession plan and I don't know how all these years went by. I think I was too busy." Leaders with congested lives, keeping their CSO afloat in difficult circumstances, are often beset by the tyranny of the urgent.

---

<sup>2</sup> Ian Robertson (2014) 'The winner effect: The neuropsychology of power'

Many feel overwhelmed, burning out: *“Most of the work is on my shoulders. I am stressed and have a health issues due to that. I don’t sleep well”*. Another said: *“I want to coach someone, but due to new initiatives coming all the time I am lost in between and not able to act.”* For many leaders there is the sense that there is simply not the time to reflect on and plan for long-term issues, like succession. As a result they have no plan.



### Lack of succession plans

While most of the leaders interviewed were well aware that succession is imperative for sustainability, few had a succession plan. They said they were thinking of transition, but do not yet have a well thought plan written and shared to the board and partners. Sometimes it is a lack of time and also good practice examples: *“I don’t yet have a succession plan. I don’t get enough time to do it and there are only few models on this”*.

Other times, even when there is a succession plan, it does not take place as envisaged. In one of the cases of unsuccessful transition, the CEO and founder of the organisation said *“In retrospect my succession plan was not thoroughly done, the board members were not able to see the gaps. So due to several challenges after I left the organisation, the board brought me back to my position.”* Another described: *“The Human Resource manual includes succession planning and management as a section. But we are not practicing this”*.

### How did gender affect leadership succession?

The research indicated a variety of ways in which gender affects leadership succession in Ethiopia. The overwhelming majority of CSO leaders are men, even in sectors such as child protection. A number of respondents were actively trying to recruit women as successors: *“My deputy is a woman and I am working with her seamlessly. We are supporting millions of girls, so women leaders bring a natural connection”*. One founder interviewed described how he is attempting to hand-over to his financial manager and actively mentoring her for leadership. One respondent honestly admitted to the instrumental motivation that: *“Women are better accepted by the public and donors. So we might get out of our financial crisis”*. There was a clear sense that women leaders of Ethiopian CSOs are in short supply: *“Women are head hunted by international agencies and that is the underlining factor of thin women leadership at local CSOs”* said one founder.

The male respondents did not believe that women were any better than men in dealing with succession, citing examples like: *“a prominent woman asked by USAID to write her succession plan and to groom a successor due to her health condition. She refused to do it and suddenly died and her organisation collapsed fully”*. There is some evidence, however, from the literature that in some societies women may be less susceptible to the corrupting influence of power<sup>3</sup>.

### **1.3 Staffing Constraints**

It is easy to demonise the leader and pin most of the blame for founder syndrome on the founder themselves. But the situation is much more complex than that. As one leader said: *“Our commitment and vision to stay shouldn’t be considered as something misusing power”*. There may be good reasons for founders not to trust their staff (and board) to provide adequate leadership once they step down. As one founder said: *“My confidence in my staff has been eroded*

<sup>3</sup> Robertson 2014

by several conflicts. Some are even taking us to court. My biggest problem is recruiting people. I have no confidence yet.” Another respondent made the strong argument: “I have promoted and groomed several staff members and they leave when they get a better offer. I don’t agree with the idea that if there is no successor there is no effort for transition.”

#### Lack of second-line leadership

In many instances, CSOs in Ethiopia lack the budget to employ second-line leadership. Especially in smaller NGOs there is no obvious career ladder within the organisation as the next post up is the leader themselves. The pool of dynamic, potential second-line leaders may be even more limited outside Addis Ababa. Good young staff are highly mobile, making staff retention difficult. As one said: “those who are better will go to the international agencies.”

#### Lack of commitment

One leader also noted the differing levels of commitment from younger staff: “Once I asked my staff who likes to sit in my chair? The project manager responded ‘We don’t want to be in your chair since we know it will cost us a lot. We are not ready to bear this’”. The leader concluded: “This gave me a sense that the new generation is not ready for taking up a leadership challenge”.

### **1.4 Board Constraints**

Ultimately, the responsibility for succession sits not with the leader, nor with the second-line staff, but with the governance (in some cases General Assembly<sup>4</sup>). Weaknesses in governance in most CSOs in Ethiopia therefore constrain succession in a variety of ways.

#### Boards of friends

Simply put, most governance structures do not function as they are designed. The genesis of the organisation and board may be a big factor: “Usually it starts with individual rather than

collective leadership – a founder recruiting board members, instead of founders hiring the ED.”

When creating an organisation a founder needs a board, so they approach their friends, who respond positively “as a favour to their friend”. Their primary allegiance, however, may remain to their friend, not to the organisation itself.

#### Lack of understanding of role

Many CSO board members in Ethiopia see their role as symbolic or advisory. As one of the board chairs equivocally said, “We trust the founder/CEO and our role is just an advisory.” This makes governance artificial - a rubber stamp. Boards are not acting as genuine guardians of the mission. They do not see their role to bring the beneficiary perspective into internal governance: “Internal democracy is minimal in organisations. There is no downward ‘beneficiary accountability’.”



#### Not managing the ED

One of the most important governance roles is to manage the leader, to hire, appraise, support, fire (or help to move on). Respondents agreed with the theory but saw little evidence of practice. As one founder said: “Our organisation is in a lot of crises including financial problems because the board did not supervise, nor play its governing role. There was no one event that they evaluated my performance. So I couldn’t correct

<sup>4</sup> As one respondent said: “When the board is not doing this (leadership succession) the General Assembly should act. The General Assembly needs to know their power”



*my mistakes or be aware of my weakness and manage it.” As another leader asserted: “Some boards are not doing the minimum regular meetings let alone directing the organisation to healthy leadership succession”.*

Some board members are not aware of some of the important facts such as how long the founder stayed in the organisation and whether they should overtly raise the agenda of leadership transition. While the board is the primary body to request the CEO/ founder for a succession plan, this almost never happens: *“The board members have never asked me about the transition plan. I think the question itself is feared and highly sensitive”.* Many boards, in fact, actively discourage their leaders from moving on.



#### Encouraging founders to stay

Respondents in the research highlighted a number of examples when the board were highly resistant to the notion of leadership succession. One board member admitted: *“When our founder noted that he wanted to discuss his succession plan, we all were confused and asked what went wrong”.* Another founder related how when presenting their succession planning to the board *“It was not welcome. It took some time to convince my board”* and still another described how: *“The board delayed my plan for two years”.*

### 1.5 Funder Constraints

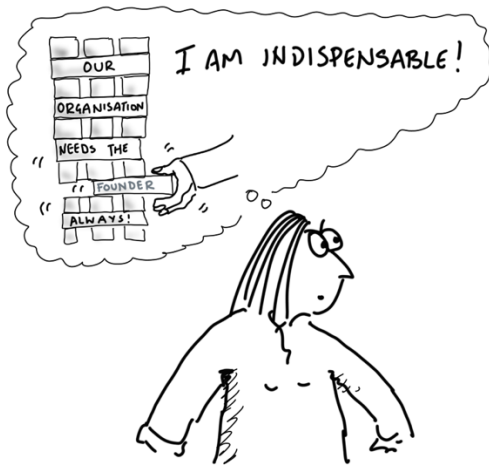
The research highlighted the lack of engagement on leadership transition from funders. There was scant evidence of funders putting succession on partners’ agendas or discussing the issue in a constructive manner. Furthermore respondents highlighted two clear ways in which funders’ ways of working actually undermined the potential for healthy leadership transitions though:

- Short-term project funding
- Too much attention to the individual leader

#### Short-term project funding

The previous government restrictions on international funding for CSOs has made it difficult for donors to cover salaries and administrative costs. Even if they had wanted to, funders were not able to cover core costs, nor much capacity strengthening support. These restrictions have now eased.

But respondents still felt that donors’ displayed a short-term project funding mentality, which showed they are not really interested in or committed to the sustainability of partner. *“Donors like short term project funding”* but *“this keeps both the funder and organisation short-sighted”.* One respondent said: *“If donors only fund a project, they do not really assess governance or leadership succession issues.”* Another noted: *“There is project-based thinking and Admin cost are always seen as a waste. Donors are not long term thinkers”.* Yet another commented: *“Donors are not long term thinkers. They might fund a project for many years, yet lack the commitment to long term sustainability.”*



### Pay too much attention to individual leader

In addition, respondents felt that “funders are festering the problem by establishing trust with one person, usually the CEO, and demanding the presence of that person at all times”. Funders do not appear to support or engage with second-line leadership. Their unwillingness to fund second-line leaders is: “demotivating the project officers who are engaged with community and also result in lacking successors to the leadership positions”. They do not see this as a big issue until it is too late.

## **2. What helped successful leadership transition**

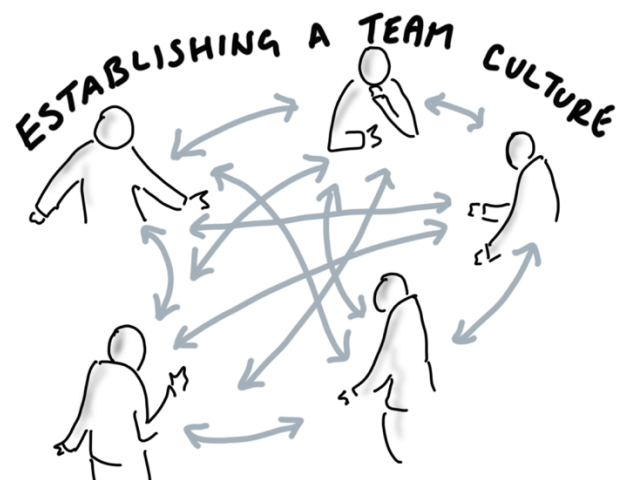
So far we have focused on the constraints to healthy leadership succession, but the research also identified some impressive examples of leadership transition. Again the factors include:

- i. The leader
- ii. The board
- iii. The staff
- iv. The government
- v. The funders

## 2.1 What did leaders do to help?

### Character and personal qualities

Healthy leadership succession comes down to character. Good leaders tend to lead to good succession. One respondent put it: “Since the start of the organisation the founder was always looking for someone to replace him. I was Project Manager at the time. He is a strong believer that the CSO is a public organisation and he is not the owner. His desire is to see the sustainability”. They also had a deep passion they have for the cause and were prepared to hold themselves accountable to beneficiaries as a result. “They all are leaders with high leadership competency demonstrated in building internal systems, build trust from the donors and board.” Those quoted by respondents as exemplars were self-aware and committed to their own personal development.

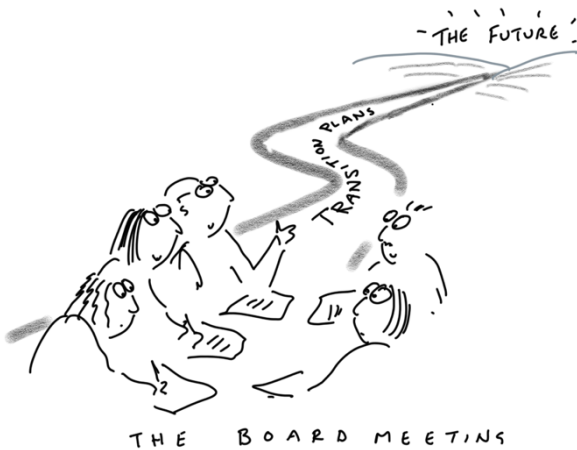


### Empowering leadership style

These leaders embedded succession into the organisational culture, intentionally trying to narrow the inherent power distance: “I delegate and build staff capacity. I sometimes get away for a few days for my staff to take up leadership.” Another said: “My leadership style is to share, to learn and to delegate. They went further to embed the vision and process within the organisational systems. One of the founders said that he has distilled his vision in the system and that is the reason for his organisation to stay strong even after he left.

### Planned their Succession Intentionally and Gradually

One respondent mentioned that *“I planned my succession for three years and I headhunted my successor. I brought in my successor and he worked with me for four years in total. For the last one and a half years we have intensely worked together and I have invested a lot in him”*



Leaders who moved on successfully initiated the discussion on leadership transition with the board and funders. One said: *“I told to the Board in 2017 that I want to plan my leadership transition and due to that we have now a new post of Deputy Director”*. A few of the founders also engaged constructively with the funders, so that they were not surprised when it happened and could lend their support to the transition. This helped build trust in the successor with the funders.

The healthy transitions were not rushed, nor forced. Instead, they allowed time to emerge naturally and gradually. The succession is not a one-time event but a process that needs to be supported by organisational values and culture. In one case, the founder started planning for succession from the outset, successfully handing over 11 years later.

### Mentor and monitor potential successors

Many of those who successfully transitioned identified and hired their potential successor and then monitored and mentored them through the

transition. One successor related: *“The founder monitored and evaluated my performance for one year before I fully took on the position as ED. He convinced the board to invite me to meetings so I had good acquaintance with all board members”*.

Spending long years of training and coaching was one secret behind the success in the leadership transition. *“Our founder immersed all our staff into the vision and our staff don’t leave the organisation even when they get better pay”* one of the successors noted. One of the founders added *“we give hands on and continuous training to our staff members that created an enabling environment during the transition”*. All the leaders who successfully transitioned trusted their staff. They all believed that the younger generation with the right mentoring and enabling environment could become an effective leader.

### Step-away and give space

There is always the temptation to encourage the founder to stay on in some capacity. But founders need to fully exit at least for some time for the successor to fully come to power and become successful. Even in one case where the founder *“stayed for a while as board chairman and then he then stepped down so there was full transition”*. Another said: *“We invited him to be an honourable board member, but he refused saying that he will hamper the performance of the organisation”*

## **2.2 What did Boards do that helped?**

Although in this research, boards actually played a limited role in leadership transition, they did contribute in important ways (at least in aspiration)

### Performed actively as a board

Most leaders emphasised that board oversight and accountability in all directions are key to healthy transition. Respondents mentioned that strong boards engaged with and understood the day-to-day work of the organisation: *“We aim for*

*the staff to be close to the governance team. We encourage our board members to talk to our staff... Our board members are very engaged and they have good expertise and trust in our leadership".* One of the founders underlined that organisations with better accountability to their constituency exhibits healthy leadership transition. They also paid attention to their own regeneration to keep the organisation vibrant. *"We need to invite new people, ex-staff onto General Assembly. We also need to examine the way we are recruiting to the board".*

#### Established succession policy

In theory at least, boards raised the issue and asked the question about succession. They were able to look out for and act quickly on concerns of founder syndrome. In some cases CSOs had developed a formal policy, yet it was still a further step to implement it. A number of respondents suggested that boards establish fixed terms of office (as is the case in the political arena). One respondent suggested that: *"The ED needs to have two four year terms (the same as the board). This is a practice we had at Forum for Social Studies. We have now had four EDs and it is working very well."* They also mentioned the importance of reviewing the performance of the ED, though again this was more aspirational than reality.

#### Manage the transition process

In the examples quoted, the board role in leadership transition was mainly to evaluate the succession planning drafted by the CEO. In addition the boards supported in head hunting the successor. Recruiting well: *"A good eye to choose the right one"* was a key board contribution. Boards also played an important role in reassuring the funders to trust the process and the successor. Once the successor was in place, one board gave: *"informal coaching after I had taken over the position"*. On the whole, however, boards were not as engaged post-succession as they should be: *"Now we have the successor who might need more of our support and supervision"* noted one board member.

#### Look to honour the founder

The most significant contribution of boards in these examples were that they looked to honour the departing founder, celebrating their achievements publicly. One successor noted: *"The way we are honouring our founder can help healthy transition. The founder's picture is on the table in our office all the time. That is to honour him. We keep him aware of our progress. We tell a story about the founder's achievement and we celebrate him"*



Founders spoke about the importance of these non-material rewards: *"I find the tears, the kind statements and celebration we had most fulfilling"* said one founder. Another said *"I feel rewarded because there was a party, people were emotional and they gave me a gift. That is enough for me and I joyfully let go"*.

### **2.3 What Systems and Structures helped?**

Respondents also mentioned a number of organisational factors that reinforced healthy succession including:

- Structures which included second-line leadership, such as senior management teams or a Deputy Director role
- Establishing systems. *"If there were a system built in place, it would have encouraged me to plan my leadership succession"* noted one CEO. Performance management, including

360° feedback systems encouraged healthy succession. One respondent from an international NGO said: *“We have manuals and guidelines. The vision lives in the system and due to training, staff know the manuals and the steps. Our work was not person focused, but system or process focused.”*

- Embedding succession planning in the Human Resource manuals also helped, though these still needed to be implemented. In an organisation with a relatively better system, leadership transition has a better chance of being successful.

## 2.4 How did the changing political context help?

Shift in government attitude to civil society in Ethiopia has certainly opened up the environment for more healthy leadership transition. In 2020, following the reform in Ethiopian government, a task force ratified a new proclamation, which goes some way towards re-establishing trust and encouraging CSOs to engage constructively with the government.

Rather than attempting to control and supervise civil society, the Government is now seeking to encourage capacity development and self-regulation. Most leaders perceive this shift positively and believe that the Agency (arm of Government) is moving unprecedentedly to empowering the CSOs. More than 300 CSOs now are members of the Council that will ratify its own code of conduct. *“such self - regulation will be a key process to ensure internal governance issues. In addition, under the new proclamation, CSOs take part in the leadership of the Agency with seven seats on the board”*. There is growing trust from the government side which creates a more conducive environment for CSOs. In a more trustful environment, there may be increasing openness to transition from founders.

## 2.5 How did funders help?

Although the research found few examples of funders playing a significant and constructive role in transition, there were a few one-off examples:

Succession was integrated into organisation assessment. A few funders like PACT, Packard Foundation and USAID ask about leadership transition during their institutional capacity assessment. The experience, however, is that these funders did not then follow through, nor raise the issue to the CEO or to the board. Packard Foundation provided some one-off capacity building 12 years ago. Packard included the topic of succession in their leadership development training, which was highly appreciated by participants. However, although the training touched on the topic, again there was no follow-through. One founder lamented: *“there was no coach to help us do the planning”*. Moral support, some sharing experience. In one of the cases of the successful leadership transition process, *“funders took time to come to Ethiopia and to share their experience massively. That brought better capacity to the organisation and confidence to the successor”*.

## 3. Conclusions

This research has clearly shown that while leadership transition inevitable, it is not natural or necessarily healthy. NGOs in Ethiopia are not generally well-equipped for leadership transition. A common response was: *“I don’t have any good examples to share”* or *“I don’t have such experiences in leadership transition so far in the civil society sector”*

The research shows that leadership succession depends to a large degree on the pre-existing organisational health linked to the:

- leader
- board
- staff and systems

and influences from the external environment, such as:

- national context and culture (including government regulations)
- donor behaviour.

### The individual leader

Their leadership style determines the organisational culture and therefore the likelihood of successful transition. There is much more chance of healthy succession if the CSO already has a shared, communal approach to leadership, rather than the traditional 'big man' style. The research shows that strong leaders are not dictatorial, but are self-aware, self-critical, open to change, humble. Strong means that you can make yourself replaceable.

Age may be a factor in healthy transitions, so it is better to start while leaders are still young. Key informants felt that it may become harder for leaders to change the older they get – *“as you get older, you think that younger people are not capable, they are not as good as you are”*. Gradually giving responsibility and learning to trust junior staff only becomes more difficult over time as the gap and inter-generational differences intensify. Furthermore, the longer one stays in power, the longer the potential corruptive effect of power.

### The board

The board also plays a critical part in any healthy leadership transition. As one respondent put it: *“If the board is not functional there is no way there will be effective leadership”*. The board have to know and enact their genuine independence governance role, particularly in appraising, firing (or at least encouraging to move on) and then hiring and supporting the successor. Effective boards are much more than advisory bodies or even legal decorations. Boards also have a key role in listening to beneficiaries' perspective and thereby keeping leaders accountable to the mission of the CSO.

### Staff and Systems

For leadership transition to work well, the vision and values of the leader must be already inculcated in the heart and minds of the staff and embedded into the organisational systems. The research indicates that healthy leadership transition may be harder in small, informal CSOs who do not have the budget to hire other senior

staff to share leadership responsibilities and so become potential successors. It may also be why it is usually easier for a successor to transition than a founder: *“The next transition is easier because there is a system, a good culture that already honours the founder.”* The research showed that when the transition is planned well and written into a document it has better chance of success. As one respondent put it: *“Not planning a succession is a negligence that we should all be aware of”*.

### National cultures and contexts

The research showed how cultures and contexts matter hugely. They can often hinder leadership transition in CSOs. Many social and religious roles are lifetime callings with no natural end. The culture tends to acknowledge and reward people for their formal positions thereby actively discouraging leaders from letting go. Furthermore the growing individualism in society may exacerbate some of the inherent leadership transition challenges in a high power-distance culture.

The political context also makes a difference. In the past the Ethiopian Government actively mistrusted civil society, putting in place severe restrictions on funding and thereby contributing to this project-oriented starvation cycle. This has made CSO leadership succession even more complex. But in the last few years there has been an opening up. The new legal proclamation and the consequent work of the Government Welfare and Charities Agency is now towards self-regulation amongst civil society. This recent opening up of Government to civil society has contributed to a general opening up to change.

### Donor behaviour

The research did not find much evidence of funder support to leadership transition in CSOs in Ethiopia. One respondent's experience typifies many: *“Donors have not played any role in supporting our transition.”* From all of the interviews respondents mentioned only one programme supported by Packard Foundation back in 2008.

On the whole respondents' experience was that: *"Our funders have never asked such questions nor given attention to leadership succession."* Furthermore the way they operated was counter-productive to healthy succession. Government stakeholders note: *"Donors build trust with one person and they always demand the presence of that person instead of operating at an institutional level. This perpetuates malpractice in the organisation."*

The research found that funders rarely engage directly with grantees' governance, leading some to ask: *"Why is the Board not a capacity building priority for funders? After all the board hires the ED"*. Respondents were universally clear - funders like Oak have an important role to play in supporting healthy leadership transition. But one they have largely not engaged in so far.

#### **4. What can funders, like Oak, do to support succession?**

Ethiopian CSO respondents therefore advise Oak to:

##### Pay greater attention to governance in funding decisions

In due diligence, respondents advised Oak to look properly at governance. One said explicitly that: *"The funding should be tied up to internal governance requirements."* Another said that Oak have a vision to empower the CSOs for continuity. So Oak could make it a condition that their grantees bring on the next generation leaders at the start of the grant, not at the end.

##### Fund more strategically

One of the major constraints on leadership transition was the short-term project funding mentality of most funders which removes attention from long-term organisational issues such as succession. Respondents therefore recommended that Oak take an OD perspective in their funding, providing long-term strategic funding, not project funding.. *"Donors need to consider long term engagement as a strategic partner. This will make leadership transition easier"*

They also recommended that Oak explicitly support the development of second-line leadership. The vision has to be shared, embedded in at least a management team who have a stake in the vision. While *"one-person leadership is always easier for decision-making, shared leadership is one way of making transition easier"*. Respondents felt that funders could do more to be generous enough to allow the organisation to be stable, plan long-term and pay for second-line leadership positions.

##### Put succession on partners' agendas during grant management

Respondents felt that Oak and other funders could do a lot to help transition simply by:

- **Asking questions and initiating dialogue.** One said: *"Donors raising the awareness of leadership succession is vital"*. Another suggested: *"Donors can ask the right questions in the right time for leaders to pause and think through their leadership and show more commitment to sustainability"*. Still another admitted: *"I don't have a succession plan yet. Donors do not ask this question."* Sometimes donors even appear to get in the way: *"After serving for 10 years I had my transition plan and I shared it with donors... everyone thinks I am crazy."*
- **Asking for a leadership succession plan** and even make this a precondition for further funding. One said: *"As with any other policy, there should be a policy for leadership transition"*. But it would need to be more than paper. One interviewee noted that *"USAID asked for a succession plan, but the board did not enforce it."*
- This shows how important it is for funders to **engage directly with boards**. Programme Officers should keep checking in with the grantees' board of governance (more possible now with people getting used to online meetings).

- It is also vital that funders **engage with senior managers**, not just insist on meeting the leader. One said: *“Show you have faith and are not centralising leadership in your mind too. Give space to growth from inside.”* Another put it: *“Be open minded when new leaders coming into that position.”*

#### Provide CB support

Respondents felt *“There is not enough efforts from the donor side to build institutional capacity”*. It is also about taking an OD perspective: *“Donors should focus on long term institution building. If we have strong systems, leadership transition will not be a difficult task ahead of us”*.

Respondents suggested funders support in practical terms by:

Putting together **curated resources** for exchanging best practices of transitions experience. *“There is a need for more technical assistance in CB – manuals and guidelines”*. Another said: *“donors can transfer knowledge and build capacity in this area of leadership transition”*

Encouraging specific **training for all boards** in terms of their roles, some even suggested making it mandatory. After all *“If boards’ not functioning you cannot have healthy succession”*. Increasingly there is an opportunity to do this online.

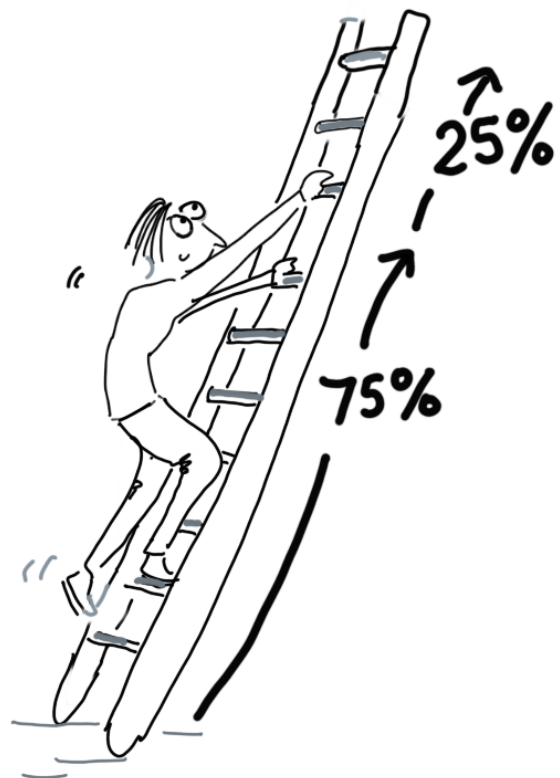
Supporting **leadership coaches** (who can help leaders address common illusions and their hopes for long term legacy)

Supporting programmes for emerging leaders. As one suggested: *“funders should facilitate and build the capacity of emerging leaders”*.

Supporting **transition costs**, by creating an opportunity space for exiting founders to reflect, document and capture their learning to pass on (legacy). Others went further to suggest ‘golden handshakes’ which are more usual in the

commercial sector. One said *“the ED/founder needs supporting in this process. They take most of the burden and usually get health problem. Donors should think of rewarding the founder and ED. Oak can support organisations who volunteer to go through the process”*.

Providing **moral support** at the very least: *“The transitional plan was initiated by the ED, not the funders, but they have supported it by providing their experience and goodwill”*.





## Appendix 1

### Interviewees:

<b>Key Informants</b>	
Mr. Jimma Dilbo	Charities and Societies Agency
Mr. Debebe	CSSP Director
Dr Mehert Gebretsadik	Psychologist
<b>Exited Oak partners</b>	
Ato Getalem	Hiwot
Nadia	Hiwot board vice chair
Ato Digafu	ProPride
Dr Eshetu	ProPride board chair
Ato Guellelat	CDTRC
Ato Getu	CDTRC board chair
Ato Yisrak	EFCA
Ato Mohammed	EFCA board chair
<b>New Oak 'Children on the Move' Partners</b>	
Amare Degaga	Padet
Workayehu Bizu	ANPPCAN Ethiopia
Yared Degefu	FSCE
Dr. Tessema Bekele	EDA
Anannias Sahle	CHADET
<b>Leaders who have transitioned out of NGOs</b>	
Dr. Negusie Teferra	Population Media Centre
Tennagna	Ex-WV
Shiferaw	Ex-CDTRC
Hiwot Tefferra	WHA Ethiopia

## Appendix 2 - Bios

**Hiwot Alemayehu** is a leadership and capacity development consultant based in Addis Ababa, Ethiopia. She has worked with civil society organisations as a consultant in Ethiopia, Ghana, Sudan, South Sudan and the USA. She has conducted research and evaluation projects in collaboration with CSOs in Ethiopia that focused on leadership, youth development, gender and customary law. She advises CSOs on governance and leadership designing and delivering training for the British Council. Hiwot has also served in public office and founded the Andimta Ethiopia Civil Discourse Association.

**Rick James** is Principal Consultant at INTRAC, joining at its inception in 1992. He is an organisational change specialist working with over 100 NGOs in Africa, Latin America, Asia and Europe over the last 30 years. Rick has trained, consulted, researched and written extensively on NGO capacity building and organisational development (OD) issues – his most recent book is *Consulting for Change*. Rick has a PhD in NGO Management and is a Senior Teaching Fellow at City University Business School, City University, London, directing the NGO Management Masters pathway.