

Unexpected Directions May Benefit the Organization: Executive Search

Executive searches can be very complex. Sometimes—despite careful thought, preparation, and execution—a search can reveal that what you thought your organization desperately needed is not what it really needed after all.

Fellowship Health Resources is a Rhode Island-based mental health services agency. Like many organizations with multi-state networks, it needed an operations strategy that allowed its affiliates the freedom to operate while at the same time assuring a consistent level of quality from headquarters. In 2006, Fellowship Chief Executive Officer Joe Dziobek was convinced that the best way to accomplish that goal was to hire a top-notch chief operating officer (COO). The new COO would need enough expertise to do the following: keep close tabs on all of the Fellowship's far-flung operations and ensure that quality care was being delivered at every facility; maintain close contact with the funders in every region; and straighten out the confusing reporting structure that had resulted from the Fellowship's rapid growth.

In this article, Dziobek explains how his organization's search for that perfect COO helped him gain clarity on what the Fellowship really needed and made him realize that a COO was not the best way to fill those needs. Instead, Fellowship Health Resources decided to reorganize its management team, promoting two existing managers into newly created director of operations positions for the Southeast and Northeast regions. The Fellowship's experience offers invaluable insights and lessons for other organizations that find themselves struggling with how to address their own leadership gaps.

Introduction to Fellowship Health Resources and its chief executive officer

The Fellowship provides clinical and support services to persons recovering from mental illness and related disorders. When Dziobek joined the organization as a mental health counselor in 1975, the Fellowship had a budget of \$300,000 and just four full-time and two part-time staff members. By 2006, its budget had grown to \$30 million and the full-time staff totaled 530 people. The bulk of that growth had come during the previous five years as the Fellowship expanded its geographic reach throughout New England and the mid-Atlantic region. The Fellowship currently operates a total of 47 sites in Rhode Island, Massachusetts, Delaware, Maine, Virginia, Pennsylvania, and North Carolina.

As the Fellowship grew geographically, it also expanded its array of services. In addition to operating group homes for the mentally ill, the Fellowship opened clubhouse programs (where mentally ill patients can spend time during the day in constructive activities and therapeutic programs). In its Maine facilities, the Fellowship began treating patients with neuro-cognitive behavior disorders. In Delaware and Virginia, the Fellowship launched a crisis stabilization program that provides specialized care in addition to its residential and clubhouse programs. Every state and program had its own set of regulatory and other oversight requirements, creating a management challenge for Dziobek, who had risen through the ranks to become the Fellowship's chief executive officer (CEO) in 1984. To meet

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local needs, he needed to delegate authority to the managers out in the field. But at the same time, headquarters needed to maintain a strong link with every site to ensure that the Fellowship was delivering quality care throughout the organization.

Organizational growth and structural challenges

In the Fellowship's early stages, every program director reported directly to headquarters, but Dziobek's list of direct reports quickly became unwieldy as the number of sites multiplied. So, he created a layer of regional directors to oversee the program directors. Despite the change, his list of direct reports again swelled into double-digits as the organization continued to expand into new regions.

"I ended up with all the regional directors reporting to me in addition to the directors of finance, human resources, quality improvement, and communications," Dziobek said. "I ended up having 13 to 14 direct reports, which was unwieldy and drove us to think about a different structure."

In early 2003, in an attempt to ease the burden, the Fellowship promoted two internal managers to become regional COOs, one for Mid-Atlantic and one for New England. But the restructuring was short-lived. Several months later, an organization-wide quality survey revealed that employee morale was low and the organization had serious internal communication problems. The mid-Atlantic COO resigned by the end of the year. At around the same time, the New England region COO asked to be reassigned into a business development role that made better use of his skills.

Initiating a formal search

Though Dziobek tried other solutions to the organizational challenges—such as elevating the role of the regional directors—by the spring of 2006 he determined that the Fellowship had to completely rethink its patchwork management structure. "It was clear to everyone that our structure wasn't working," Dziobek said. He decided the best—and most cost-effective—solution would be to hire one full-time COO to manage all the regional directors. But this time, the Fellowship decided to do a full-scale search, thoroughly vetting both internal and external candidates for the job. The COO would be responsible for managing program quality and new program development, plus all activities pertaining to licensure, human rights, personnel, finance, contracts, and reimbursement for services.

Essentially, the COO would be fully responsible for all operational aspects of the now-seven regions in which the Fellowship operated, including managing operational budgets and compliance with federal, state, and local regulations. In addition, the COO would assist Dziobek in planning, organizing, and implementing fundraising initiatives. The list of "must-have" skills was daunting. Furthermore, the job description included a particularly challenging requirement: that the new COO split his/her time, half in the mid-Atlantic region and half in New England. Dziobek felt that a COO based solely in the Rhode Island headquarters would not be able to be active enough in the fast growing mid-Atlantic region.

With the job description set, the Fellowship surveyed its staff and identified two strong internal applicants. The next step was to find out what external candidates could bring to the table. Dziobek hired Bridgestar to manage the search and to help guide the Fellowship through the decisions regarding its structure.

Zeroing in on key requirements

As Dziobek began reviewing resumes, he quickly discovered that no candidate was going to meet all of the job requirements. Just as importantly, as he began interviewing applicants, he found that some of the attributes he had initially felt were a top priority became less important. For example, Dziobek explained that candidates with managed care experience seemed very attractive on paper as they would likely have had experience with complex, cross-regional issues similar to the issues the Fellowship faced. However, as he talked with candidates, he found that they were dealing more with large managed care contracts and databases, rather than the local rules and regulations that were relevant for the Fellowship's individual sites. "My concern was if the candidates would have an understanding of the day-to-day, nitty-gritty," Dziobek said. Another example where Dziobek changed his thinking about candidate qualifications was in the area of fundraising. Some candidates emphasized innovative fundraising on their resumes, but when Dziobek interviewed them, they weren't really doing anything more innovative than the programs the Fellowship already had in place.

The realizations that Dziobek came to during the interview phase are important. Many organizations mistakenly think that the job requirements they start off with at the very beginning of their search are set in stone. In fact, position specifications often change once the interview phase begins. Hiring managers often find that, as they meet with people, they gain more clarity on the needs of the organization, what will work within their organization's culture, and what are truly the most important candidate requirements.

Through the process of interviewing candidates, Dziobek began to think about how each person would fit into the Fellowship's culture, and he reflected on past hires that didn't work out. He realized that the most successful Fellowship managers were typically the ones who rolled up their sleeves and got involved with staff to resolve issues. As a result of this reflection, Dziobek realized that cultural fit was one of the most critical job requirements for the Fellowship. The driving requirements for the search became finding a candidate who would thrive in the Fellowship's hands-on organizational culture and who really understood the nature of the Fellowship's business.

Challenges and trade offs

Through an aggressive outreach strategy, seven strong external candidates were identified for consideration, in addition to the two internal candidates who had stepped forward earlier. Dziobek worked closely with Bridgestar Managing Director Kathleen Yazbak to create an assessment grid that tracked both the relevant experience and the experience gaps for each applicant. "This process made two things clear," Yazbak said. "First, we were looking for way too much in one person, and second, it underscored the importance of having a senior person out in the field."

As it became obvious that no candidate could meet every job requirement, Dziobek said he began to think about what he could do to make the position more manageable, one that a single person could handle. He decided to remove

some of the organization-level fundraising responsibilities. While having the ability to raise funds would be a real plus, the core of the job was really in managing the operations of service delivery. And instead of ruling out candidates who did not have multi-state experience, Dziobek began to consider how the candidates who had successfully managed multiple sites might apply those skills at the Fellowship. Using the more streamlined requirements, the Fellowship narrowed the field to one external candidate and one of the internal candidates.

A shift in thinking

Prior to the final round of interviews—which entailed meeting with the Fellowship’s board—the internal and external candidates were very close contenders for the COO job, with the external candidate having a slight edge due to her extensive experience in the field. But after she met with the board, the external candidate was offered an appealing job with her current employer and she withdrew from consideration.

At the same time, the internal candidate had really impressed the board during his interview with his enthusiasm and work history with the Fellowship. He had a good track record in Delaware, taking it from a significant loss to a balanced budget, and had spent time in the Virginia region as well. Dziobek thought he could mentor the candidate to manage the mid-Atlantic region. But he and the board were not convinced the candidate had enough experience with the technical aspects of being a COO to do the job across all the states, given the complexity of the organization. “This was the turning point for me in the search,” Dziobek said.

Discussions about the candidate led Dziobek and the board to start thinking about the importance of building the Fellowship’s bench strength at the senior management level. With a strong team at the top, they would not have to take a patchwork approach to promotions and reorganizations in the future. They decided the best solution was to make the internal candidate finalist the operational leader of the mid-Atlantic region. This decision raised the question of what to do with the New England region. Would the Fellowship open a new search? In the end, Dziobek and the board decided the right solution for the Fellowship was to stop recruiting for a COO and instead to restructure the Fellowship’s existing management. They created two director of operations positions, both of which would be filled internally. The mid-Atlantic director of operations would be the internal COO finalist. For his counterpart in New England, Dziobek went back to the second internal candidate who had applied for the COO role.

“[She] had served in a number of different roles, including director of quality improvement and I felt confident in her ability to manage operations for a region,” Dziobek said.

Both internal candidates who were vetted for the COO position had strong track records of success at the Fellowship. They fit into the culture, had a deep understanding of the organization’s operations, and were ambitious and committed to the Fellowship. They also brought complementary skills and experience to their new positions. The mid-Atlantic director of operations, who had been a site director, had a strong operations background. The New England director of operations, who came up through the quality function, was experienced in the area of quality improvement.

A year after the new structure was put in place, Dziobek called it a “great success, resulting in higher quality of service delivery and responsiveness for the Fellowship.” Though this new structure resembled the original

reorganization in 2003, there were several key differences. The most notable was that the hires were the result of a thorough search process, rather than being treated simply as promotions. That meant the internal candidates were vetted in exactly the same way as external candidates—resulting in the hiring of truly qualified people with a strong cultural fit. In addition, the search process had prompted Dziobek to really hone in on the essential duties of the job. So, even though the new director of operations' job duties were actually more expansive than those of the earlier joint COOs, their roles and responsibilities were much more clearly defined.

Now that the Fellowship is past the initial challenges, Dziobek said he feels that the new structure is a success. Having two directors of operations who truly understand the organization's services and standards has elevated the quality of service delivery for the Fellowship. The mid-Atlantic director of operations is based in Delaware and the Northeast director of operations is based in Rhode Island. As a result, the majority of their staff meetings are held out in their respective regions and they can travel quickly to any site when issues arise. Dziobek said this dovetails with the Fellowship's goal of really knowing exactly what is happening at each of its sites. "Had I made the decision to go with one COO, the Fellowship would not be in the place that we are now," Dziobek said. "What I've come to realize is that the COO position I had in mind was too much for one person. If you really want to get into the nitty-gritty of what's going on, if you want to forge stronger relationships with the funding source, you need to have that presence."

Insights from the search process

As a result of going through the search process, Dziobek said he now thinks more strategically about the Fellowship's growth and senior management needs. The process helped him to think not only of the bench strength he needs now, but also the types of senior managers he'll need in the future. He said recruiting and promoting individuals who can grow with the organization is important, but it is equally important to set up a management structure that supports the type of growth—in both programs and geography—likely to occur at your organization. Dziobek had some general hiring advice for other organizations: "Think through the position and what's involved in the role and how the role would interface with other positions."

Going through a full search brought a number of other unexpected benefits to the Fellowship and Dziobek. For one thing, it gave Dziobek confidence that the Fellowship's new structure was the right solution and helped him let go of his nagging feeling that all the Fellowship needed was one perfect COO. In addition, the vetting and interview process helped the Fellowship's staff to feel confident in the final decision to change the organizational structure and in the choice of people to fill the new roles. "I think for any senior level search, CFO [chief financial officer], director of human resources, even if you have internal candidates, it's important to consider external candidates," Dziobek said.

Conclusion

In the Fellowship's case, the search process helped the management team discover a disconnect between what they thought they needed and what would ultimately work best for the organization. While the outcome of the search was not what Dziobek had anticipated, he said the experience illustrated to the Fellowship the value of being open-minded and flexible as it builds its management team.

Bridgestar (www.bridgestar.org), an initiative of the Bridgespan Group, provides a nonprofit management job board, content, and tools designed to help nonprofit organizations build strong leadership teams and individuals pursue career paths as nonprofit leaders.