

A Guide to Assess Internal Candidates for Executive Leadership

This white paper offers nonprofit boards a roadmap to make this high-stakes decision with clarity and confidence. It outlines a structured assessment framework, presents pros and cons of internal executive promotions, and identifies strategic and cultural considerations when deciding whether to elevate an internal leader to the top executive role.

By Greg Wilson, CAE

Principal, Greg Wilson Consulting

Summary

Promoting a Deputy Director or other second-in-command into the Executive Director (ED) role is a significant and high-stakes decision. While internal candidates often bring deep institutional knowledge, mission alignment, and continuity, boards must weigh these strengths against readiness, leadership capacity, and organizational dynamics.

This white paper outlines a structured process for assessing internal candidates, highlights the pros and cons of interim leadership options, and offers guidance on managing human resource and cultural risks—particularly when an internal candidate is passed over or does not eventually succeed in the role.

I. Introduction: Navigating Internal Executive Succession in Nonprofit Leadership

Leadership transitions are among the most consequential decisions a nonprofit board will face. The ED of every mission-driven nonprofit serves not only as the operational/tactical leader but also as cultural steward, ambassador, strategic visionary, and advisor to the board. When the position becomes vacant—whether through a planned retirement, unexpected resignation, or performance-related departure—the board is tasked with ensuring continuity, maintaining stakeholder confidence, and selecting a leader equipped to guide the organization's following success.

In many cases, attention turns to the organization's second-in-command: the Deputy Director, Chief Operating Officer, CFO, or a similarly positioned current employee. Promoting from within offers several advantages—familiarity with the organization, values alignment, and existing rapport with staff, board, and partners. Yet internal promotions carry specific complexities that boards must address with care and transparency.

Internal succession raises critical questions:

- Is the candidate truly ready to lead, or simply familiar with the organization?
- Has the organization made implicit promises or assumptions about advancement that may affect morale or legal risk? (*If explicit promises have been made, this paper and tool do not apply.*)
- What happens if the employee isn't promoted—or is and fails to succeed in the new role?
- Would an interim leader—internal or external—provide a more thoughtful bridge to the organization's next phase?

Succession planning, especially when internal candidates are involved, is not merely about filling a role—it is about aligning organizational need with human talent, shaping organizational capacity, and ensuring long-term impact. A poor decision can create instability, erode staff morale, or undermine board credibility. A well-structured process, by contrast, can serve as a model of leadership accountability and growth.

Whether you are preparing for an imminent transition or building a longer-term succession plan, this guide will help your board ask the right questions, assess leadership potential effectively, and navigate one of the most important decisions your organization will make.

II. The Case for a Structured Assessment Process

Boards should not rely solely on familiarity, loyalty, or tenure when considering an internal promotion. A disciplined, fair, and transparent evaluation process ensures the board fulfills its fiduciary responsibility to the organization and mitigates future risks.

Core Assessment Components

- **360° Feedback** from key staff, board members, and key stakeholders
- **One-on-One Interviews** with the employee's peers, direct reports, and supervisors
- **Leadership Competencies Rubric** (see Appendix B)
- **Review of Past Performance** and achievements in the current role

Essential Candidate Strengths to Identify

- Alignment with the organization's mission and long-term vision
- Strong, trust-based relationships with staff, members, and the board
- Demonstrated operational reliability and decision-making under pressure
- Humble self-awareness particularly in relation to identified weaknesses

III. Key Board Considerations when Evaluating an Internal Candidate

Before making a decision, boards should reflect on the following strategic questions:

- **Readiness:** Has the individual demonstrated the leadership maturity, strategic visioning, and resilience required for the ED role?
- **Developmental Needs:** Would a time-limited educational phase or leadership coaching better prepare the individual before a permanent appointment?
- **Support Systems:** What support scaffolding (e.g., executive coaching, mentorship, or executive leadership training) would be essential for success in the first year?

III. Mitigating Human Resource and Cultural Risks

An often overlooked aspect of succession planning is the emotional and cultural fallout when an internal candidate is not chosen for the executive role or promoted and ultimately not retained due to performance or fit. These outcomes can lead to disengagement, morale loss, or even departure. To mitigate these risks:

- Communicate openly and respectfully about the selection process
- Offer meaningful feedback and development pathways, regardless of outcome

- If an interim internal leader is not promoted, clearly define a dignified transition back to their prior or new role

IV. Decision-Making Timeline and Immediate Action Items:

- Assess the leadership needs of the organization
- Interview the internal candidate (Appendix A)
- Conduct a panel review using the Leadership Competency Rubric (Appendix B)
- Initiate 360° review or external executive assessment (optional)
- Schedule Board/Committee Discussion (Appendix C)
- Make a decision to promote or not to promote
- Define the Transition Timeline and Communications Plan (Appendix D)
- If applicable, identify coaching or onboarding support

V. Key Questions to Guide Board Discussion

- Capability: Does this individual possess the strategic thinking, presence, and resilience skills to lead at an executive level?
- Negative Risk: Are there yellow flags (behavioral, political, interpersonal) that could weaken their success?
- Cultural Impact: How would a promotion or rejection affect organizational morale?
- Support: What systems would increase the likelihood of the candidate's success?
- Alternatives: Would a short-term interim executive benefit the organization?

Conclusion

Promoting an internal candidate can be a powerful affirmation of culture and talent development. And it ought to be done with clarity, fairness, and foresight. Use this framework to guide your board's deliberations and steward the next era of leadership wisely.

Ensuring a smooth leadership transition is critical for your nonprofit's success. If you need assistance implementing the recommendations in this white paper, I am here to help. Contact me for expert guidance and support in navigating this important organizational transition effectively and confidently.



Greg Wilson, CAE

Email: greg@gregjwilson.com

Cell: 916-752-9172

Web: <https://www.gregjwilson.com>

Appendix A – Suggested Interview Questions to Ask an Internal Candidate

These questions are designed to evaluate readiness of an internal candidate for promotion to the position of Executive Director across the seven listed domains. Appendix B provides a rubric to guide assessment of the candidate's responses.

A. Strategic Vision & Alignment

- What is your vision for the organization over the next 3-5 years?
- What trends in our industry might impact our ability to realize that vision?
- How do you see the organization's mission evolving in response to those trends?
- What would your goals be within the first 90 days?

B. Leadership & Change Management

- What responsibilities do you think should stay closely held by the ED, and which ones must be shared or developed in others?
- How do you assess when the organization is ready for change versus when stability is more important?
- If you could change one thing about the organization, what would it be and why?

C. People & Culture

- How do you balance being approachable and supportive of staff while still holding people to clear expectations?
- How do you assess staff engagement, and what actions do you take when you sense morale or motivation slipping?
- How would you backfill your current position if you moved into the Executive Director role?

D. Stakeholder Engagement

- How have you built and maintained relationships with key stakeholders (e.g., board, members, partners)?
- What strategies would you use to maintain member/donor engagement or value?

E. Governance & Board Relations

- Describe your ideal working relationship with a volunteer board of directors.
- What do you see as the Executive's role in supporting effective governance?

F. Operational & Financial Acumen

- How do you balance strategic priorities with operational constraints?
- Describe your knowledge of nonprofit financial/HR systems and regulations.

G. Self-Awareness & Development

- What leadership feedback have you received in the past year, and how have you acted on it?
- What areas of association/nonprofit management do you feel strongest in, and where would you seek support or professional development as an ED?

Appendix B - Executive Leadership Competency Rubric

This rubric helps assess a Second-in-Command's readiness for a promotion to an executive role. It is intended to evaluate key domains using a four-level scale and to support objective assessment by a board or committee. A panel interview is suggested to allow for norming and consensus. This rubric should be used alongside interviews, past performance reviews, and 360 feedback. This may also inform a leadership development plan if the candidate is close but not yet ready for an executive position.

Leadership Domain	Indicators	1: Emerging	2: Developing	3: Proficient	4: Advanced
Strategic Vision & Alignment	Articulates a compelling future vision. Aligns goals with mission and member needs.	Limited to tactical tasks. Little vision.	Understands strategy but lacks clarity in vision.	Can articulate goals that align with mission.	Shapes and communicates a compelling vision.
Leadership & Change Management	Leads through ambiguity. Manages transitions or crises effectively.	Struggles in fast-paced or uncertain contexts.	Reluctant but functional during change.	Leads calmly through change and transition.	Guides org through complexity with resilience.
People Management	Builds trust. Develops talent. Fosters an inclusive, values-driven culture.	Struggles with team engagement.	Manages staff but rarely develops them.	Coaches staff. Maintains positive culture.	Inspires high performance. Grows leaders.
Staff Development	Able to provide candid constructive feedback to others with accountability	Tolerates poor performance, avoids giving feedback	Feedback is superficial, policy or rule oriented	Gives candid feedback may not follow up or provide learning opportunities	Develops others, invests in growth, and supports accountability.
Stakeholder Engagement	Builds relationships. Communicates clearly and consistently.	Focused on internal operations.	Supports engagement tasks.	Builds member trust and engagement channels.	Acts as visible, trusted face of the org.
Governance & Board Relations	Understands board dynamics. Supports effective governance.	Little interaction with the board.	Participates occasionally in board support.	Supports board meetings and strategic input.	Trusted advisor to board. Anticipates needs.
Organizational Knowledge	Shows understanding of the org's needs and strategic goals	Narrow focus or unaware of strategic pressures	Implements plans with direction	Assists in developing priorities and goals	Leads planning efforts with deep understanding of mission, culture, and needs
Operational & Financial Acumen	Oversees budgets. Manages risk. Allocates resources effectively.	Avoids financial responsibility.	Assists with budgets. Understands basics.	Manages budget and operations reliably.	Leads financial strategy and sustainability.
Self Awareness & Development	Aware of personal strengths and gaps, and pursues development opportunities.	Reactive, limited awareness of strengths or gaps.	Recognizes growth areas but struggles to articulate.	Pursues development aligned with current role	Anticipates development needs and invests to meet future demand

Optional Additional Tools to Use

- 360-degree feedback survey (peers, stakeholders and direct reports)
- Scenario-based interviews, actual work product, or practical exercises
- Leadership/Personality Assessments such as: 16 Personalities, DiSC, Predictive Index, or Big Five

Appendix C - Qualities and Characteristics to Consider – a Guide to Board/Committee Discussion

When evaluating an internal candidate and assessing whether they are truly prepared to step into executive leadership, give special consideration to the following critical factors, which go beyond technical qualifications and speak to their overall readiness, leadership capacity, and cultural alignment with the organization.

A. Performance in Current Role

- Has the individual demonstrated initiative, leadership, and results beyond their current responsibilities?
- Have they earned the respect of staff, members, and peers?
- Does their current skillset align with the immediate future needs of the organization?

B. Strategic Thinking

- Can they articulate a compelling vision and gain the support of staff and volunteer leadership?
- Do they inspire confidence and articulate clear goals and objectives.

C. Leadership Style and Fit

- Do their leadership values and style align with the organization's culture and future direction? Are they able to adapt their leadership style to various situations?
- Are they a confident, effective communicator especially in public and with external stakeholders?

D. People Management and Staff Development

- Do they supervise others and handle conflict with astuteness?
- How do they handle conflict, complexity, and uncertainty?

E. Relationship with the Board

- Have they interacted with or supported the board? If so, how effectively?
- Are they trusted and respected by the board?

F. Organizational Stewardship

- Do they have the acumen and integrity to steward the organization's finances and reputation?

G. Readiness

- Would the individual benefit from interim development (e.g., mentorship or training) before stepping into the ED role?
- Is the individual prepared for the visibility and pressure of being the public face of the organization?

E. External vs. Internal Benchmarking

- How does the individual compare to identified or possible external candidates?

Note: I recommend promoting an internal candidate if that person meets about 70 percent of the criterion, even if an external candidate appears equally strong. An internal candidate who already understands the culture and has proven themselves in the environment comes with significantly lower risk than outsiders. If a current employee meets most of the job criteria and aligns with the organization's values, they can often be coached or developed into the position offering long-term benefits for the individual and the organization.

Appendix D - Executive Director Succession Implementation Plan

Assuming the Board decides to move forward with an internal promotion of a Second-in-Command to the position of Executive Director, this implementation plan will help guide the process through various phases.

Phase	Actions	Responsible Party	Tools/Deliverables
1. Planning & Framing	Define goals, selection criteria, decision authorities	Board of Directors or Committee with HR or consultant	Succession Planning Brief
2. Candidate Briefing & Consent	Meet with candidate to explain process, timeline, and purpose	Board/Committee Chair with HR or consultant	Application/Resume
3. Leadership, Personality Assessment	Administer assessment instrument	HR or consultant	16 Personalities, DiSC, Predictive Index, Big Five
4. Interview Candidate	In-person interview	Committee, with HR or consultant	Competency Rubric
5. 360° Feedback	Collect anonymous feedback from peers, direct reports, and board members	HR or consultant	Customized 360 Report
6. Board Evaluation Session	Meeting, review information, discuss fit and risks	Committee with HR or consultant	Decision Summary
7. Decision & Development Plan	Make decision to promote or not; prepare support plan if needed	Board with HR or consultant	Decision Memo; ED Development Plan
8. Communication & Transition	Communicate decision internally and externally	Board/Committee Chair with HR or consultant	Internal Memo and/or Public Announcement

In addition to this implementation plan, the board should create – or utilize an external firm to assist in creating a professional development plan for the newly promoted individual.