



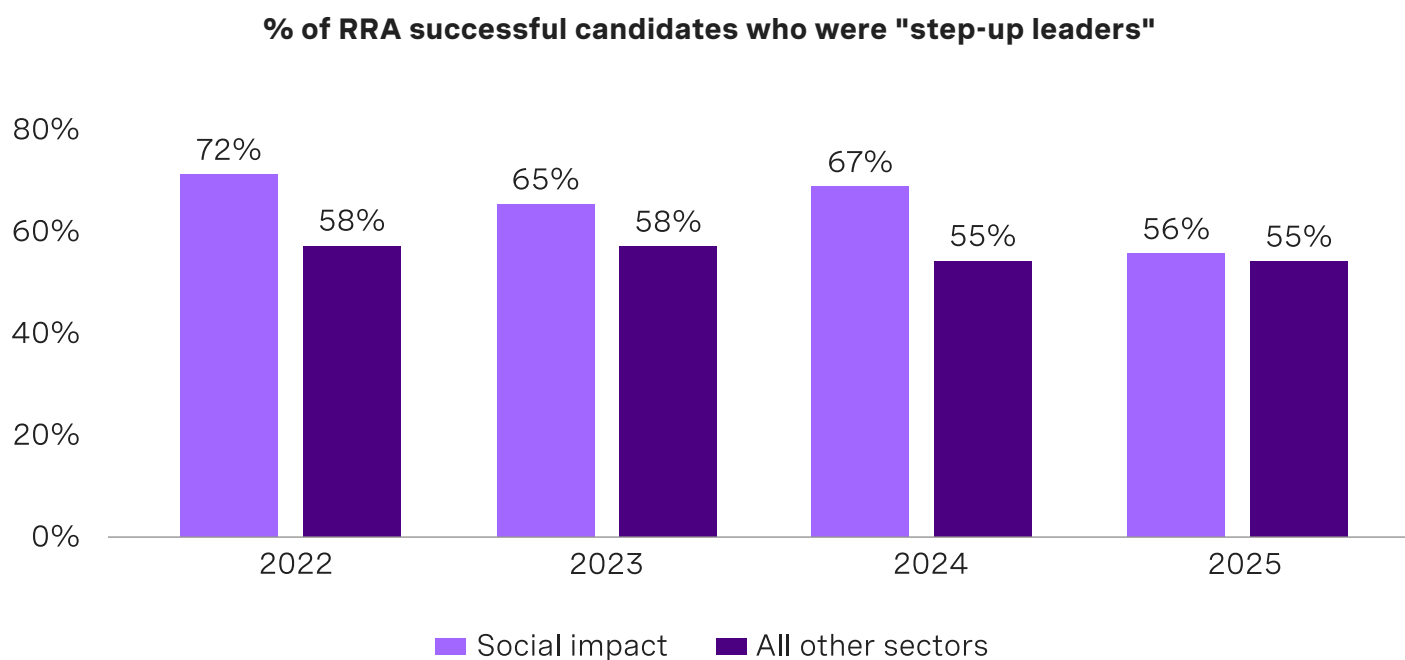
The Step-Up Slowdown: Why Nonprofits Shouldn't Stop Betting on Emerging Leaders

For social impact and nonprofit CEOs, every senior leadership hire carries weight. That pressure is especially acute when hiring a leader into a role they've not held before – a chief operating officer becoming an enterprise-wide executive, a program leader moving into a broader management role, a finance leader taking on strategy, or a rising executive joining the senior team for the first time.

Yet step-up leadership has long been central to how the social impact sector builds talent. Leaders often rise through deep programmatic expertise, community trust, policy fluency, funder relationships, or long-standing institutional knowledge before being asked to lead at enterprise scale. In a sector facing persistent workforce strain, burnout, and pressure on senior leadership benches, those pathways are an important way organizations develop talent while preserving mission continuity and institutional trust.

Our analysis of nearly 10,000 of Russell Reynolds Associates' senior leadership appointments over the past five years – including more than 800 social impact appointments – underscores just how important step-up leadership has been to the sector. From 2022 through 2024, social impact and nonprofit organizations were, on average, 11 percentage points more likely than other sectors to make step-up appointments.

But that pattern changed sharply in 2025. The share of step-up appointments in social impact and nonprofit fell 12 percentage points, from 67% in 2024 to 56% in 2025 – nearly even with the broader market at 55%.



Source: Russell Reynolds Associates executive placement data (2022-2025); n=9,884 senior leadership placements. Step-up leaders are defined as those appointed to a role they have not previously held, representing a meaningful increase in the scope, complexity, or level of their leadership responsibilities.

That convergence came at a moment when the sector's need for leadership capacity was arguably becoming more acute, not less. Funding disruption, policy uncertainty, rising demand for services, workforce fatigue, and pressure on leadership benches have made continuity and adaptability more important than ever. In response to these conditions, **the data suggests that many social impact organizations are chasing proven expertise at precisely the moment when the experienced candidate pool is under the greatest strain.**

It's an understandable instinct. When boards, funders, staff, and communities are anxious, a candidate who has already held the role can feel like the safer signal. But if "safe" becomes synonymous with "has done the job before," the sector may reduce one kind of transition risk while increasing another: a thinner leadership pipeline, fewer advancement pathways, and a greater dependence on a limited pool of already-tested executives.

The better response is not to ignore the risk inherent in step-up appointments, but to manage that risk more deliberately. The most effective CEOs approach these appointments with both conviction and discipline: conviction about the leader's potential, and discipline about the support, feedback, and alignment required to help that potential translate into impact.

Step-up leaders don't lack talent; they need context

Many step-up leaders are exceptional performers. They have delivered results, built followership, earned trust, and demonstrated the capacity to grow. In many cases, their potential is precisely why they are considered for a bigger role.

But the strengths that earn someone a step-up opportunity do not automatically translate to the next level of leadership. The new role may require a different relationship to power, influence, pace, ambiguity, and accountability.

This is especially true in social impact organizations, where senior leaders often operate in highly complex ecosystems. They must navigate boards, funders, communities, government partners, staff, and public expectations. They are often asked to move quickly while carrying deep relational and mission accountability.

For a first-time senior executive, that transition can be both energizing and destabilizing. The very behaviors that made someone successful earlier in their career — hands-on problem solving, functional advocacy, personal drive, or deep subject-matter expertise — can become limiting if they are not adapted to the new role. A leader moving from program execution to enterprise leadership, for example, may need to make broader tradeoffs about funding, talent, scale, and stakeholder trust. [Understanding a leader's potential](#) requires looking beyond prior experience to the underlying growth factors, leadership patterns, and possible derailers that will shape how they perform under greater scope and scrutiny.

This is where many organizations misread the challenge. They treat the appointment as the finish line: the search is complete, the offer is accepted, the announcement is made. In reality, the appointment is the starting line.

Transition support is risk mitigation

Too often, executive coaching is introduced only after something has gone wrong. A leader is struggling with their team. A board relationship has become strained. Early decisions have created confusion. Stakeholders are beginning to question whether the appointment was the right one.

By then, coaching can still help — but the organization has already absorbed avoidable friction, and in a mission-driven environment, that friction can quickly affect staff confidence, funder trust, board engagement, and the pace of programmatic work.

For CEOs hiring direct reports, the better frame is preventive. Coaching matters, but it is only one part of a successful transition formula. The full work is to understand the leader's future potential, anticipate possible derailers, clarify what

success will require in this specific context, and ensure the leader's success is treated as a shared responsibility, rather than an individual test.

That means helping the leader understand the role they are truly stepping into, not just the job description they accepted. It also means helping the CEO, team, and key stakeholders create the conditions for that leader to succeed.

That shared responsibility matters most in the first six months, when perceptions form quickly and the new leader is navigating a series of defining moments. Board meetings, budget decisions, team restructures, funder conversations, public communications, and strategy offsites can all shape early credibility. So can the first visible decisions a leader makes to demonstrate progress. Without clear alignment, even well-intentioned action can create confusion, resistance, or mixed signals for staff, funders, partners, and communities.

Proving that clarity early also gives the new leader space to ask: *What does success look like in this role? Which relationships matter most? Where are the hidden risks? What expectations have been stated clearly—and what expectations remain implicit? Where might my old playbook help me, and where might it get in my way?*

The CEO's role: Make transition success a team sport

For mission-driven organizations, the temptation in uncertain times is to over-index on "safe hands." But lateral experience is not the only predictor of success. In some cases, the leader who has already held the exact role may bring confidence but not adaptability. The step-up candidate may bring the learning agility, mission commitment, and fresh perspective the organization needs.

The differentiator is whether the organization has created the conditions for the step-up to succeed: clear expectations, aligned stakeholders, timely feedback, and shared ownership of the transition.

CEOs can start by asking five questions before making a senior leadership appointment:

01 What is the real leap this leader will need to make?

Is it from program execution to enterprise leadership? From internal operator to external ambassador with funders, policymakers, or community partners? From functional expert to organizational strategist? From trusted colleague to manager of former peers? Naming the growth opportunity helps the CEO to support it, clearly and intentionally. For more information on the types of mindset shifts that first-time C-suite leaders must make, see RRA's [*The First-Time CxO: Bridging the Leadership Gap When Entering the C-suite.*](#)

02 What are the defining moments in the first six months?

Board meetings, budget decisions, team restructures, funder conversations, public communications, and strategy offsites can shape perceptions early. So can the first visible moves a new leader makes to demonstrate progress. CEOs should help the leader distinguish between quick wins that advance shared priorities and early activity that may signal urgency but create confusion, resistance, or misalignment among staff, funders, partners, or the communities the organization serves. For more information on the critical risks leaders face in the first months of a new role, see RRA's [*Why C-Suite Transitions Fail – And How to Set Up New Executives for Success.*](#)

03 What does long-term success look like?

Boards and CEOs also need to look beyond the first six months and define what sustained success will require as the organization—and the leadership role—evolves. That means considering not only how performance will be measured, but also the capabilities the leader will need to build over time. Clarity on those growth factors can help boards distinguish between a leader who can meet today's needs and one with the potential to lead through what comes next—and can inform how the organization supports their continued development along the way. For more information on how to think about longer term executive development, see RRA's [*You Found the Best C-suite Leader, Here's How to Make Them Even Better.*](#)

04 How will the new leader partner with the rest of the senior leadership team?

A step-up leader's success depends not only on their individual capability, but on how effectively they work through and with the broader leadership team. CEOs should consider how the leader will build trust with peers, contribute beyond their functional agenda, navigate productive tension, and help the team make better enterprise-wide decisions. In social impact organizations—where complex challenges rarely sit neatly within one function—the ability to collaborate horizontally across programs, finance, development, operations, policy, and communications can be as important as the leader's own technical expertise. For more information on building effective executive teams, see RRA's [*How CEOs Can Build and Maintain a High-Performing C-suite.*](#)

05 How will we create honest feedback before patterns harden?

New executives often receive either too much vague encouragement or too little candid input. Structured feedback from the CEO, peers, team members, and key stakeholders can help the leader calibrate before small disconnects become larger credibility issues. For more information on developing a culture of feedback, see RRA's [*Why Feedback Gets Censored at Senior Levels – And How to Unearth the Truth About How You Lead.*](#)



While these questions are useful for any senior hire, they're essential for step-up appointments.

Building a leadership development culture

The social impact sector cannot afford to stop taking smart bets on emerging leaders. The challenges facing nonprofits are too complex, and the leadership pipeline is too important — particularly in a sector where leaders often develop through mission proximity, community credibility, functional depth, or programmatic excellence before being asked to operate at enterprise scale. Those leaders may come from inside the organization, from adjacent institutions, or from other parts of the social impact ecosystem. What matters is not whether they have held the exact role before, but if they have demonstrated the capacity to lead through ambiguity, disruption, and change.

The better path is to treat leadership development as part of enterprise risk management. That means seeing transition support as a core element of responsible leadership development, not as a perk or a remedial intervention. It means recognizing that even the most talented leaders need clarity, feedback, stakeholder alignment, and support when the scope, visibility, and complexity of their role changes.

For CEOs, the mandate is clear: keep looking for leaders with the capacity to grow into bigger roles, and be equally intentional about the conditions that will help them succeed. Challenge assumptions about what “ready” looks like. Make room for leaders whose potential may exceed their resume, including those whose value comes from seeing beyond how the role has traditionally been done. In a moment of disruption, the strongest candidate may not be the person most fluent in the old playbook, but the leader able to imagine what the organization needs next.

Organizations that get this right will strengthen more than an individual transition; they will build leadership cultures capable of developing talent, absorbing complexity, and sustaining mission impact through uncertainty.



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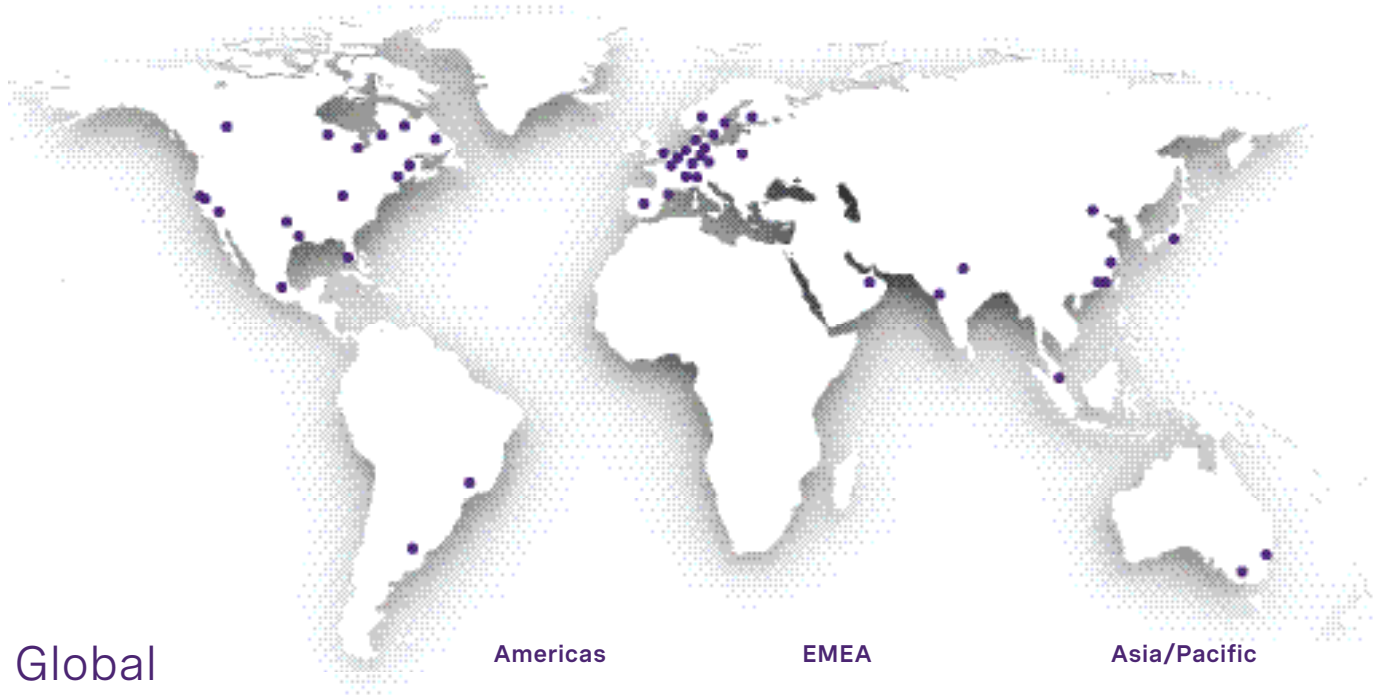
Authors

Jamie Hechinger leads Russell Reynolds Associates' Social Impact and Education sector. She is based in Washington, DC.

Emily Meneer leads Russell Reynolds Associates' Social Impact and Education sector Commercial Strategy & Insights team. She is based in Portland, OR.

About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led
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