

Selecting a New President

What to Do Before You Hire a Search Firm



AMERICAN COUNCIL OF TRUSTEES AND ALUMNI
Institute for Effective Governance



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Launched in 1995, the American Council of Trustees and Alumni (ACTA) is a nonpartisan, nonprofit educational organization dedicated to working with alumni, donors, trustees, and education leaders across the country to support liberal arts education, high academic standards, the free exchange of ideas on campus, and high-quality education at an affordable price.

ACTA's Institute for Effective Governance, founded in 2003 by college and university trustees for trustees, is devoted to enhancing boards' effectiveness and helping trustees fulfill their fiduciary responsibilities fully and effectively. IEG offers a range of services tailored to the specific needs of individual boards and focuses on academic quality, academic freedom, and accountability.

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Your Most Important Job

The most important job a board performs is the selection of a president. However, when a presidential vacancy occurs, boards are rarely prepared to undertake a search. In a panic, they rush to appoint a search committee and hire a search firm. They think that all the important decisions come *after* the search firm is hired. They think that it is up to the new president to decide where the institution is and where it should go. Wrong. Some of the most important decisions occur *before* the search firm is on board—including whether to engage a search firm at all.

The early stages of a presidential search require critical assessments of the institution's mission, the appropriate job description for the next leader, how the search committee will be constituted, and how important constituencies will be allowed to participate in the overall selection process. The manner in which these decisions are made sets the stage for the ultimate success or failure of a search. This guide is designed to help trustees do the job right.

Be Prepared

Once a vacancy occurs, a certain jockeying for position among campus constituencies begins. Do not wait until a vacancy occurs. **The time to review your by-laws and procedures on presidential searches is now.** Indeed, boards should review their search procedures on a regular basis—such as every three years—and readopt or modify them as needed.

A Time to Take Stock

The selection of a new president is an ideal time for a board to review the institution's progress, problems, and potential. Before any presidential selection can occur, the board itself should be clear where the institution stands and where it wants the institution to go.

When a vacancy occurs, the first important step is to decide where you want the university to be in five or ten years. Then you are in a position to determine what kind of president can take it there.

First, the board should have before it information: the current mission statement, the strategic plan, the budget, and indicators of institutional quality. This ensures that the board's deliberations are fact-based, not just impressionistic.

Second, the board should invite comments in *writing* from university-related constituencies (e.g., alumni, donors, faculty, student body, local business community) addressing their thoughts about the university, its future directions, and what kind of president it needs. In this way, the process is both positive and inclusive. An email address can be set up for these purposes.

Third, having received all this information, the board should hold a two-day retreat to have a candid discussion, sharing thoughts about such questions as: Is the mission clearly and appropriately conceived? What are the ideas and concerns of the various constituencies, on and off campus? Where would trustees hope to see the school in five or ten years? What are the most serious problem areas the new president will have to address? What are the opportunities for moving the university to the next level? What kind of

president will be best equipped to tackle the problems and seize the opportunities?

A neutral third party experienced in higher education can be engaged to help facilitate the discussion.

What Kind of Leader?

Once the full board determines its long-term vision, it's up to the search committee **to develop a realistic statement defining the traits needed in a new president that reflects the board's vision and can be used in developing the position advertisement.**

There is a temptation for this to be a political document—a combination of platitudes and a wish-list for campus constituencies. Resist that temptation. There is no point in listing every ideal trait imaginable. No president has every virtue. Your job is to decide which strengths are absolutely essential and which are merely desirable. No president does everything. Much can be delegated. A strong fiscal manager can rely on deans for academic leadership. An educational visionary can delegate administrative responsibilities to a senior vice president.

Similarly, there will be a temptation to please everyone and to add every trait suggested by every member of the search committee or full board or even of other constituencies. But you do not need unanimity. Allow the majority to specify a precise and realistic list of essential traits. Make sure the criteria listed in your advertised job announcement reflect this assessment.

The statement should communicate accurately to potential candidates what traits the board is seeking. It should be sufficiently precise to guide the search committee in its deliberations.

And it should be broad-minded so that the board can cast the net widely to find a strong leader. To succeed, institutions need leaders committed to academic quality, as well as fiscal advancement and operational efficiency.

In searching for an excellent candidate, do not tie your hands. A Ph.D. and 20 years in academic administration may be desirable, but experience has shown that they are not essential. Individuals who have shown leadership in other areas—business, government, the military, or the professions—have often made outstanding university presidents. What they lack in academic background they often make up for by their ability to “think outside the box.” The description should never close the doors to strong but “unconventional” candidates and should make clear that selection procedures ensure equal opportunity and compliance with the law.

Creating a Search Committee

No board should delegate an authority so crucial as selecting a president. Accordingly, **the search committee should consist solely or primarily of trustees and should be chaired by a trustee.**

At the same time, the number of trustees is important. Since groups tend to seek consensus, every member may have a de facto veto over the final choice. The larger the group, the more potential vetoes there will be. The more vetoes there are, the more likely the final candidate will represent the lowest common denominator, that is, mediocrity. Therefore, **the size of the search committee should be no fewer than five and no more than nine members**, with two of the members appointed as chairman and vice chairman.

But, you may ask, what about the constituencies? You are right: The constituencies, on and off campus, should have an opportunity to have input.

But constituencies need not be represented on the search committee. There are too many constituencies to include them all without making the committee too large. And it is questionable to what extent one professor or one alumnus “represents” all faculty or alumni.

The best way to invite constituency input is at two points in the process—at the beginning and at the end. Before the board reaches its own conclusions about what kind of leader is needed, there should be a public announcement inviting *everyone* interested in the college to submit his or her thoughts in writing. This will be a valuable sounding to take. At the end of the process, when finalists are invited to campus, individuals from affected constituencies should be asked to meet with each. No constituency should be asked to rank candidates or provide a collective recommendation. Instead, each individual participating can submit personal evaluations to inform the board’s decision-making.

Regardless of the composition of the search committee, each board member remains responsible for the board’s ultimate choice. **All trustees should have access to full information on every application**, and the board should retain the right to introduce new candidates or to insist that the committee broaden the scope of its search if the candidate pool is insufficient.

Finally, **an open and transparent search process is key to ensuring accountability to both the institution and the public.** (And the public *is* concerned about private institutions as well as state-supported schools.)

A closed, secretive process may benefit search firms seeking to optimize the terms of employment for their candidates, but the board must look toward the best interests of the institution, its students—present and future—and the public. Only in rare, virtually unique situations, when confidentiality is necessary to maintain the public interest, should a board consider any exceptions.

Establishing a Framework for the Search

As it goes into the process, the full board should determine the target date for the new president to assume office and a deadline for the search committee to provide the board with an unranked list of three to five final candidates. The board should approve a budget for the search process and make provision for internal administrative assistance for the search, if necessary.

With guidance from groups such as ACTA's Institute for Effective Governance, the board should review national and state data on presidential compensation and establish a compensation range for the position. It should also determine whether to offer a contract (ideally no more than three years) or whether to have the president serve at the pleasure of the board. The board should have presidential performance-review policies in place and share them with candidates for the job.

What Kind of Search Firm, If Any?

The first question is not *what kind* but *whether*. Searching for a president is not rocket science. It is not hard to come up with a list of qualified candidates—an ad in the *Chronicle of Higher Education* will

be seen by every senior administrator interested in a presidency. And there is a downside to typical search firms.

But first the positives. If you are like most trustees, this will be the first higher education presidential search you have ever done. Hiring a search firm means that you do not have to reinvent the wheel. They will handle many of the mechanics of the process. And they will identify appropriate candidates—every large firm has a “rolodex” listing hundreds of senior administrators whose names they have acquired in previous searches. It gives the board a sense of security, as well as political cover, to have a search firm.

Search firms can be helpful. But they are not cheap. Many a board has paid six figures to find a president who did not survive for very long in office. Some traditional search firms can also get in the way of finding an outstanding leader. They are often so wedded to the status quo in higher education that they actively resist the board’s efforts to broaden the pool of candidates. Often they have a stable of candidates they propose in search after search. They are in a position to tilt the search process in favor of their own candidates, and they sometimes do. They discourage or sometimes undermine candidates suggested by trustees.

Clara Lovett, former president of the American Association of Higher Education, describes the problem this way: “Higher education’s headhunters know what sells. As a result, they are unlikely to promote candidates known to be brilliant but controversial or eccentric and, therefore, hard to work with. . . . They will either steer the search in

the direction of safe candidates (again, everybody's second choice), or advance the candidates most likely to shine in corporate boardrooms—those who can impress audiences outside academe. . . . In either case, the search process often screens out, from the start, individuals who can think critically about their institutions, challenge the conventional wisdom of their constituents, and create new paradigms in education” (“The Dumbing Down of College Presidents,” *Chronicle of Higher Education*, April 5, 2002).

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—Clara Lovett, “The Dumbing Down of College Presidents”

As an alternative to a typical search firm, the board should consider bringing in a search consultant, someone to help structure—but not to run—the search. A consultant can facilitate discussions to help

the board identify its needs, and it is not beholden to any particular pool of candidates.

And even after a search firm or consultant is selected, it's important to remember that informed board involvement is essential to a successful search. At every stage, it is critical that board members “stay on top of the process and go through the lists and backgrounds of all candidates. . . . That's how you find the sometimes different person that might be interested,” says University of Michigan regent Andrea Fischer Newman.

How to Avoid the Least Common Denominator

Conventional methods of tallying rankings have the effect of giving each search-committee member a potential veto over any candidate.

Replace a negative veto process that produces the least common denominator with a positive process—one that allows each committee member to move forward the candidate who, in that member's judgment, is the most outstanding choice. That way, no one can undercut the most promising candidate. The process promotes harmony in the search process since committee members are not vetoing each other's top candidates—at least until the last step of the process.

How does the positive nomination process work? Imagine a seven-member committee. At an early stage of review—identifying which files should be reviewed by the entire committee, for example—each member is allowed to move five names forward. Thus, the whole committee will consider carefully at most 35 candidates, each of whom has been identified by at least one search-committee member as one of the

five most outstanding candidates. No candidate is eliminated at an early stage merely because a single member does not like him or her.

The next cut allows each member to move forward the two candidates he or she judges to be the most outstanding—for a short list of up to 14 candidates. The list will probably be a bit shorter since some names will be on more than one person's list.

At the final stage, each member will be putting only one name forward—the outstanding, best choice—for a maximum list of seven. By then it will be obvious that some candidates are named by a number of committee members, others by only one. A short list of finalists to invite to campus will easily emerge.

And not a single candidate will be on the list merely by being “everybody's second choice” or the one everyone could “live with.”

Keep Your Eye on the Goal

Whatever you do, remember: The goal is not to build consensus but is to select the best leader for your institution. Because of our natural desire to get along, all groups tend toward consensus. But compromise decisions to achieve consensus impair the process. For example, adding an additional criterion to the position announcement to satisfy a single member of the board makes the announcement less focused. And it communicates misinformation, presenting the opinion of a single member as if it were the opinion of the board. There is nothing wrong with taking a vote and letting the majority decide. Never base decisions on the wishes of a single trustee. That kind of thinking could eliminate candidates who rock the boat—which

good leaders often do—and ensure mediocrity rather than merit.

Many universities have made mistakes pursuing supposedly “safe” selections—in other words, hiring another institution’s retreat. Schools are likely to do better by defining goals more innovatively and reaching out to bold new leadership. Today, universities need to be more innovative and entrepreneurial than in the past. Institutions must respond to a dynamic economy, a changing world situation, and growing calls for accountability and performance. They need bolder leaders with a wider background. Keeping your eye on the goal—selecting the most outstanding leader—is key to a successful search.

Call ACTA’s IEG for Help

ACTA’s Institute for Effective Governance supplies information trustees can use in making decisions for their institutions, including best practices from across the country. Drawing on a broad network of higher education experts, IEG also offers a wide range of services, including orientations and retreats, board management seminars, institutional assessments, and presidential searches and evaluations.

To learn more, go to www.goacta.org or call 202/467-6787.





ACTA

AMERICAN COUNCIL OF
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1730 M Street, NW
Suite 600
Washington, DC 20036
T: 202.467.6787
F: 202.467.6784
E: info@goacta.org
www.goacta.org

