

President's Discussion Series
Recruiting University Leaders Using Search Firms: Do External Consultants Help or Hinder the Process
and Positive Outcomes?
February 7, 2018 1-2:30pm

Speakers: David Docherty (MRU President), Marc Schroeder (MRFA President), Elizabeth Evans (Dean of Business and Communication Studies), Scott Murray (Associate Professor, Humanities)

During the recruitment of the Provost last year, a lot of faculty expressed opinions and had questions about the use of search firms.

Each speaker was given the opportunity to share their perspective on Search Consulting Firms:

David Docherty - This is not a unique topic to Mount Royal University and other universities have similar conversations about the effective use of recruitment firms. David has had experience on both sides and at all levels and has generally had better experiences in both as a candidate and a recruiter when search firms are used. There are a few myths surrounding the use of search firms: 1) Search firms use a select list of candidates: they are for-profit entities but profits depend on repeat business and repeat business depends on successful searches. If you have a reputation of bringing the same names to the table people will not use you as much. Firms often have clauses that if a candidate is not successful within a period of time, they would do that search again without additional charges. 2) Search committees are led by search firms: this can happen but it should not happen. A good committee will lead the search firm and not the other way around. It should always be within the committee's authority to see the full list of candidates. Committees have responsibilities to set the terms and parameters at the start. If a search firm is not used, we would have to hire someone in Human Resources to lead executive searches and some years this may come at a cost. Aside from cost, the person would be charged with finding a Dean of Arts, or VP of Finance for example, and they wouldn't have the depth of an organization and would very few national contacts. It may be seen as less serious by external candidates and perhaps it would appear there is an internal candidate in mind. They may not be seen as objective from external candidates. A search firm gives a more objective third party analysis.

Scott Murray – Scott expressed concerns from the perspective of a faculty member. A number of studies have shown that Executive search firms do a poor job in addressing the issues of diversity. The current firm we are using has listed on its webpage all 65 of the firm's partners, executives and senior consultants and not one is a person of colour, therefore how does this firm effectively address the issue of diversity. They have some expertise in the recruitment of academic administrators and is indicated by having consultants comprised of six former university presidents. There is a strong tendency for institutions to use the same firm that hired them. The main goal for these search firms is mainly to earn the most money they can from the search and from their longer term relationship with the client. These firms are numerous and massive and the potential for conflicts of interests is large. They do not share our goals, we know our institution and we also often have the contacts. So much information about potential candidates is publicly available, the digital means of advertising is extensive, and we do it for faculty searches all the time. The use of Executive search firms serves the interest of administration far more than faculty. Firms will do a respectable job but at the end of day they answer to senior administration and they will do their bidding. They are an effective means by which the university and administrators can control the hiring process. Faculty hiring follows a different process. While

universities will spend \$40,000 to \$50,000 to hire an administrator, faculty positions are advertised in various places for well under \$1000. It's not only the cost incurred during recruitment, it's also apparent in the compensation of administrators. Turnover for administration is far higher than faculty. Despite inexpensive faculty processes and smaller compensation show dedication and cannot be bought. The principle objection to the use of Executive search firms is that it reinforces the view of the university as a business. It is increasingly rare for administrators to be promoted from within and even more rarely find their way back to the classroom.

Elizabeth Evans – From a potential candidate's perspective one could argue there is value in having a third party. When wanting to identify qualified candidates and give them the opportunity to have the privacy of a conversation about their interests, they may not want a call from Human Resources when they are employed at another university. The individual within the institution may also feel constrained when speaking of their own institution and wanting to share the full reality picture. The search firm could play a valuable role in this part of the process. The critical value that search firms need to bring is understanding the fit of the individual to the institution and evaluating what a potential candidate could bring to the institution. The senior academic roles are increasingly challenging for people to get into and want to stay in. You have to have someone prepared to work 24/7, and can understand how to navigate government and internal/external relations. One may argue there is even more need to be thinking of experts in the field that know how to bring the knowledge and understanding into what the role requires. The turnover rates are exceptional in administrative roles. If anything one may look for finding how to work more effectively with external search firms to improve upon the ability to identify the right candidate.

Marc Schroeder - As President he has served on a lot of search committees for academic leaders and views search firms as not inherently good or bad, but if properly used, they can add a lot of value. Some suggested good practices could be 1) a university has to be open and transparent about its guiding principles that it applies when using search firms. The University should have a set of statements on the guiding principles when using search firms. The university could be much clearer about how search firms are intended to be used. 2) the decision to select a firm or not, and then decide which firm is the one we go with – University policy should be clear and consistent and applied consistently to determine if we will use a search firm or not. 3) More clarity around what the consultant selection criteria is – how do we choose one consultant over another and who makes the decision on the consulting firm to retain. 4) Criteria for selecting search firms - we want ones that have demonstrated experience with post-secondary searches for the type of position being filled and consideration with respect to similar institutions. A valid criteria would also be successful search history with MRU. One of the biggest shortfall in our current practice is we don't select firms with explicit statements and training in diversity and equity matters. Anyone who serves on a search committee should have to do diversity and equity training. Things work best when the committee is in the driver's seat. The firm needs to work for and take direction from committee. There has to be clarity around how internal candidates will be handled. Search firms can play a valuable role in pre-screening however pre-screening questions have to align with selection criteria and the search committee should have full access to the list of candidates. The search committee should have full control over long and short listing process and full control of interview questions and reference checks. The end of the search process should include a meeting with the search committee and include a de-brief about the consulting firm used. Search consultants aren't the root of existing concerns between faculty and administration.

Speaker Responses:

David – It is the responsibility of the search committee to set the agenda and to make sure the firm knows that diversity is a priority. We do a lot of best practices suggested by Marc. The Generalization that administration is not committed to the university beyond the structures of their contract – Senior Administration demonstrates a strong commitment to the institution for which they serve.

Scott – If you look at the lifespan of senior academic leaders they are not demonstrating commitment in that sense. Faculty's commitment vs commitment demonstrated by administration has been very different. If commitment can be demonstrated by how long you stay at the institution, then there is a fundamental difference between the two.

David – often it's in the best interest of an incoming provost if the former provost is no longer at the institution. We need to recognize that there are issues when a former provost goes back to a faculty position.

Discussion:

Q - From time to time there are solid internal candidates that are more than qualified for the job. Is there research around the percentage of candidates that search firms choose internal vs external?

A – David responded that it is not search firms choosing candidates. Search firms identify people who are interested in the position and we've always typically had internal candidates. The search firm will identify candidates but it is the committee that determines who they will be. Marc added that there is no financial incentive for a search firm when the successful candidate is internal or external. All positions are advertised, and the consultant will be the recipient of all the applications whether they are internal or external or whether it's from the result of networking at another institution. Search consultants will do the networking, but it doesn't mean they are not also receiving applications from internal candidates. Search consultants do treat internal vs external candidates consistently. There is no hard data on this, but perhaps we could ask the firm to provide summary statistics when they present the candidate to the search committee. David noted that the only difference where internal candidates may have been treated differently is when they do not get the position, as we talk to them rather than the third-party search consultant.

Q - When talking about search firms and seeking out administrative roles do people actually seek out search firms to get noticed?

A – David responded that an individual should never pay a search firm. Most search firms will only talk with individuals about specific jobs.

Q - Has there been a change of culture with administration where they move on or want to keep moving on. In various roles, Chairs go back to teach, Deans sometimes go back to teach, and part of the role is to step up. Where is the disconnect that happens that we can't be still invested in the university with the need to move on?

A – David said that among the executive very few have faculty positions to return to. Chairs can go back to faculty because they have tenured positions. If you didn't have a tenured position you have to look elsewhere.

Q - In regard to the opening remark about search firms having in their contract to conduct a second search for free if the candidate is unsuccessful after 12 – 18 months - this time-frame would be appropriate in a corporate role where there are financial metrics to measure performance but what would that look like in post-secondary, as there is no performance management for our administrators in the first 12-18 months.

A – David responded that the President is evaluated every year by the board, Deans are evaluated by the Provost so there is a process for regular evaluations. For firms to have this as part of the contract is a bit of an insurance policy however there have been circumstances where people have left after 10 months to a year.

Q – What is the average cost for using a search firm and is this taken into consideration of all the budget cutbacks?

A – David said it ranges depending on the level the search being conducted and can range from \$25,000 - \$40,000. We have sometimes managed to get lower costs because we have completed prior work such as a position profile. It is a consideration in eras of tight budgets. If you don't have a consultant, you do have to have a dedicated person which becomes a real cost. In some years it may be a savings and other years it may be a cost. Scott commented that we are able to hire faculty all year long without incurring any of these expenses. Is the process for hiring for faculty so much simpler? There is such a disconnect between the need to spend up to \$5000 or dedicate a single person in HR to collect information. Is the job of a senior administrator so much more complex? The role of a faculty member is also complex and they also entail a commitment of 24/7 as well. David responded that when hiring a faculty member in a department, there are three or four people in that department that know people in similar departments across the country. When you are going to hire a Dean, we don't have contacts in every faculty in every department across the country. It's a more specialized and broader search. You need people who are in tune with senior administrators cross the country.

Q – There is the understanding that search firms can operate as a buffer and or screener for the candidate as some would not want to put their name forward if they don't have a full sense of the position. However, there is a kind of managerial class that is produced by virtue of the networking that occurs and we have lost the succession planning piece.

A – David responded that internal succession is important but if we don't do a national search how do we know we are getting the best person and will they be seen as just being given the job vs earning the job. Marc shared that an entrenched managerial class between faculty and staff vs executive administration is a problem but search firms are not the cause. Faculty searches are fundamentally different however with the over-reliance on contract appointments and the number of full-time people in departments reducing, we are losing the networking and connections so possibly we will need to start bringing in search firms for faculty searches. Elizabeth added that all positions have their own challenges and one does not work harder than the other however the approach to getting the best candidate is done differently for different reasons.

Q – When there are failures with search firms, are there key indicators as to why the search failed?

A – Although Marc has not been involved where a search firm failed, there have been situations where the search committee had to step in and correct a misstep. David added that if problems arise, it is

because the committee didn't set up properly to begin with. The committee must own things from the start and keep control. When they do you will have a very good search.

Q – Could you share what was beneficial as both a candidate and the institution side when using a search firm?

A – Elizabeth said the biggest value to a potential candidate is that you do get to have conversations with an individual about the process that would be more difficult to do if you were dealing directly with the employer. Having someone that can help guide you through the process that has the experience is beneficial. The search consultant does facilitate the process that can become cumbersome for a search committee.

Q – Do we know if there are statistics about interest of faculty to move into administration and how many have been successful?

A – Scott responded that you will find there are always 2 or 3 internal candidates interested in each Dean's search which would be the best position to measure. Marc added that there are no statistics to point to but often we interview one or two internal candidates. However it is about more than just interest, it is also about the skill-set. Not everyone who is interested is qualified. You always want to have a broader search that allows the possibility of external hiring. When there is a perception that there is a handpicked internal candidate, it undermines the successful candidate if they are internal.

General Comment from the audience to end the discussion - We have a lot of vacancies at the top and our good faculty members are getting tapped on the shoulder all the time. If we are willing to spend a lot of money on one executive search we should be encouraged to think about how this money could be used to retain our high performing faculty members in times of tight budgets.