

The Five Characteristics of Effective CEO Search Committees

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(published May, 2017)

The board of directors of a nonprofit organization has to make many decisions, but the most important one is deciding who will be its chief executive officer. If all goes well, a CEO will serve the nonprofit ably for many years, which means that when the board has to return to this topic, it will likely discover minimal institutional memory about how to go about the selection process, increasing the chance that it might stumble a few times along the way, and possibly not hire the best candidate to lead the organization.

Most boards know instinctively that they should form a search committee to find a CEO. Doing so provides plausibility to the process, even if the world would be better off with fewer committees. But when it comes time to establishing a committee that will do the job well, there are many pitfalls that can cause a board to stumble.

Over the past 20 years, I've led many CEO searches, always working closely with search committees. Here's what I've seen are the keys to making search committees successful.

1. The right people are on the committee.

The worst way to form a search committee is to ask at a hastily arranged meeting "Who here would like to serve on the search committee?" This simply lets anyone get onto the committee, regardless of whether they have the ability to serve effectively. This blanket invitation also favors board members who have time to serve – being available for meetings is indeed important, but not sufficient – and board members who might have an agenda that can be satisfied via their work on this key committee.

Instead of looking for volunteers, a much better process is for the board chairman and a few other key members of the board – perhaps members of the executive committee, or chairs of the standing committees (fundraising, finance, program, etc.) to meet to discuss which members of the board would be the best candidates to serve on the search committee. Key criteria to consider include:

1. The person truly understands the organization, including the challenges and opportunities it will likely face over the next few years. This person is not stuck in the organization's past, and this person does not have a parochial interest that will color his or her evaluation of candidates.

2. The person is a good judge of talent and able to make intelligent assessments of candidates, including linking their skills and other qualifications to the needs of the organization.
3. The person can work well with others on the committee. The goal is to have 100 percent of the committee members recommend the hiring of a particular candidate to the full board, which has the ultimate responsibility to select the CEO. This does not mean that everyone on the committee needs to think the same way, but all committee members do need to enjoy working with their colleagues, and they need to appreciate the value of reaching consensus.
4. Committee members include the current and future leadership of the organization. Having the current chair on board is very useful; including the person who will become board chair in the next year or two is even more valuable because that person's involvement insures stability. Imagine becoming CEO and then finding out in six months that your new board chair is a person who you hardly know and who was not involved significantly in the process to hire you – and who might even be critical of that process. Of course, it's not always clear who the next board chair will be, in which case every effort should be made to include the one or two board members who are most likely to take on that role, even if nothing official will be decided for some time.
5. The members of the committee provide sufficient diversity, reflecting the mission of the organization and the pool of candidates it wants to attract. A variety of genders, ages, races and ethnicities, and career and life experiences will stimulate a range of perspectives that will help steer the group to the right candidate – and will cause many candidates to be even more attracted to the organization.
6. The committee member can give the search committee the time needed to mount an effective search. This includes responding quickly to emails related to the substance or logistics of the search, making the time for telephone conference calls to discuss candidates and other topics that will keep the process moving forward, and being available to interview ALL the candidates the committee wants to meet, which often will span at least two days. If a committee wants to interview, say, six candidates, then it's important that each committee member sees all of the candidates. A candidate coming to an interview with only a couple committee members present would be a red flag for perceptive candidates trying to get a sense of the board's commitment to the organization. An interview process that has committee members coming and going introduces a bias into the system that reduces the chance the organization will hire the right person. Of course, sometimes a committee member has to miss an interview due to an emergency, but this should be the exception, not the rule.
7. The members of the committee need to understand the importance of moving swiftly. In virtually all searches, everyone is eager to bring the process to completion, but, too often, not everyone acts with a sense of urgency, especially after the group has interviewed several candidates and identified perhaps one or two who merit further consideration. At this stage, it's essential that top candidates be moved through the next steps quickly, that is, within hours and days, not days and weeks. If a leading candidate is told that the search committee would like a second meeting – but not for three weeks – that's plenty of time for Possibly

Our Next CEO to explore other interesting opportunities somewhere else – and even to take another job.

8. The committee needs to be made up of the right set of people so that when they make a unanimous recommendation to the full board of directors, the board will easily approve the recommendation and move quickly to hire the top candidate. If the board does not have confidence in the committee, it will be tempted to spend time with candidates #2 or #3, second-guess the process, or take other action that will delay completing the search and risk losing candidate #1. The full board can certainly interview candidate #1, but this and any other action it takes should be done pronto.
9. The committee includes a person who will be an effective committee chair. This can be the current or future chair, but that's not essential. More important is that the person be somebody who knows how to run meetings, including interviews, effectively, and can take the lead in keeping the process moving forward at a brisk pace.

The suggestions above assume that search committee members are drawn only from the board of directors. For most searches, this makes sense since the governing board – and nobody else – will have the responsibility of overseeing the CEO, including evaluating his or her performance and deciding whether the CEO stays on the job. But sometimes it's better to include others on the committee, such as a highly-regarded former board member who can make meaningful contributions to the committee.

On occasion, members of the staff want to be part of the CEO search committee. Although it can be risky – and perhaps even unhealthy – to have a person participate in a process to select his own boss – this fact alone can affect how candidates will be evaluated (“Will this impressive, obviously qualified person want to keep me on the senior management team?” is a rational question, but not a valid criteria for selecting an organization's next CEO) – sometimes it can be helpful to include a staff member or two on the search committee. They can add a valuable perspective to the process, especially if the board tends to be a hands-off, relatively disengaged group that is not particularly attuned to the current realities of the organization it's responsible for governing (which, of course, raises a host of other questions about the board's overall effectiveness).

But if the board is a well-functioning group, staff members can and should be part of the process, even though they will not be members of the search committee. They should provide input to the search committee about key qualities that should be sought in the next CEO, and they should be enlisted to help spread the word about the opening and identify potential candidates.

2. A committee that's small but mighty.

Committees can often be slow, plodding, and inefficient. As the number of people on a committee increases, the logistics of keeping everyone involved and engaged, scheduling phone meetings, or scheduling the all-important face-to-face interviews can be daunting. To keep the search process moving forward swiftly, keep the number of people on the committee as small as possible, while still satisfying the criteria for committee membership listed above, including that

the committee has sufficient diversity and that its recommendation will be easily accepted by the larger, full board.

Based on my experience with numerous CEO search committees, an ideal number is four or five. That allows a variety of perspectives and personalities, with easy dynamics within the small group. Having fewer committee members runs the risk that an unexpected absence could make the group too small to impress top candidates, while having a larger group requires considerably more time and effort to lead. I have had some good experience with search committees that needed to have as many as eight people, but they demonstrated tremendous commitment and discipline that is rare in most groups of this size.

3. A committee that steps back before it moves forward.

A CEO search is a great opportunity to think about the future of the organization. Dusting off the departing CEO's job description is easy, but it's very likely out-of-date, given how time and circumstances change an organization's priorities and needs. So before the committee starts to interview candidates or even think about whether particular people might be interested in the job, it should take some time to discuss the following:

- What are the key challenges our organization will face over the next few years?
- Given those challenges, what should be the key responsibilities of the next CEO?
- Given those responsibilities, what are the skills, experiences, and characteristics the ideal CEO will possess?

This discussion will help the search committee (or its outside search consultant, if it is using one) put together a new job announcement; it will also help create a common vision that will guide the group as it considers candidates. And it will reduce the chance that the committee is blinded by a dazzling personality who might be a great dinner companion, but does not have the skills that the organization needs.

Sometimes, this discussion will lead to more than one profile that seems to be attractive, e.g. "The ideal person will have significant experience working with kids, but if they have strong fundraising skills, it will be OK if their experience with kids is only via some volunteer activities that at least demonstrate a genuine interest in our mission." The point is for the search committee to set the parameters for which candidates are worth further consideration and which ones should be cast aside.

4. A committee with a thoughtful process that will keep the search moving forward.

Once the search committee has been created, it should turn immediately to the nuts and bolts of the search itself. If the board has retained an executive search firm, then these steps should be done in close consultation with the recruiter. And in many cases it will be the search firm itself that takes the lead on many of these steps, including the following.

1. Establish rules of confidentiality. Search committee members should agree, in writing, not to discuss with anyone outside the committee who has applied, which candidates are under serious consideration, or anything else that could possibly harm any applicant or

cause anyone to question the integrity of the process. Even board members not on the search committee should be kept in the dark until appropriate times when it's useful to give them an update on the process, or to consider the committee's actual recommendation.

2. Write the job announcement, as described above, that will help sources to recommend good candidates, and will encourage qualified people to apply.
3. Determine the anticipated salary range. Even if you prefer to leave this out of the job announcement, you do need to respond to potential applicants who want to know what the job pays before they decide whether to apply. The best reply is to say that "the anticipated salary is \$X to \$Y, plus benefits," with the upper figure being a bit less than the board might ultimately be willing to pay for a person who looks fantastic and will not accept anything less.
4. Pull together a set of background material for leading candidates, to help them prepare for the initial interview with the search committee. This should include material not on the website, e.g. up-to-date financial statements (current year statement of revenue and expenses and most recent audited financial statements), strategic plan (if still relevant), organization chart (of at least senior staff, to show who/what reports to the CEO), and summary of employee benefits. The website should be reviewed to insure it's got an up-to-date list of board members, plus complete and accurate description of current programs, services, and accomplishments.
5. Set a schedule that includes tentative dates for completing key events, e.g. writing the job announcement, publicizing the search, interviewing initial short list of promising candidates, and having an offer extended and accepted. Nobody can control when a search will in fact end, but a timetable that spans anywhere from 60 to 120 days will help set expectations for committee members.
6. Create a plan to keep the board and staff informed. The search should proceed on a "need to know" basis, so updates should be purposefully vague. It is not helpful to the process to say "We're happy to tell you we're now focusing on four great candidates, will interview them next week, and, if all goes well, hope to be done with the search a week after then." Too many things can go wrong – maybe none of the four candidates is good enough, and you unexpectedly have to reconvene a few weeks later to interview new candidates – so it's better to merely tell the board and staff periodically simply "The search is generating interest, and we're making progress. It's not too late for new people to apply, so feel free to encourage promising candidates to contact us."
7. Identify a firm that specializes in pre-employment background checks who can do a criminal and financial/credit check when you're ready to extend an offer, which should be contingent on completion of a satisfactory background check. Since you don't want to lose time when you're ready to extend an offer and negotiate terms, identify well before then which firm you'll want to use.

8. Create a plan to announce the outcome of the search once a letter of employment describing all terms has been signed by both parties and the background check has been completed. The usual sequence is this order: candidate informs his current employer first, then you inform your board (which would have approved the selection a few days ago, but was told to keep the identity of the person confidential) that the embargo has been lifted. Then you inform your staff, and then the world (via your website, emails to key funders and other colleagues.) Given how fast information moves around the internet, the time span from first step to last step should be minutes and hours, not days.

5. A committee that selects one and only one person to lead negotiations.

When the time comes to extend an offer and negotiate terms, it's important to move this critical task from the search committee to one key board member, who might be the search committee chair, the board chair, or some other respected board member who will be able to close the deal and, ideally, already has developed some rapport with the candidate. The full board needs to know and approve of the key terms of employment – especially salary and benefits that go beyond what's available to all fulltime staff – but one and only one committee member should be dealing with the candidate about terms of employment. Often the board will set boundaries within which the designated committee member can negotiate freely without having to get every alteration OK'd by the full group, e.g. "Salary up to \$150,000; benefits as listed in the staff manual, plus paid parking; and starting date no later than 60 days from today." In this case, the negotiator only has to go back to his colleagues to seek approval for any terms outside these ranges.

If the search committee follows these steps – gets the right people on the committee, keeps the committee as small as possible, takes time to think about the future before thinking about candidates, designs a process that will enable the search to move forward briskly, and identifies one person to lead the negotiation – then the board will significantly increase its chances of attracting and selecting the CEO who best meets the needs of the organization.

And, with the right CEO, effective board governance, and some luck, it should be many years before the search committee needs to reconvene!

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