

The “OFF-LIMITS” issue is a widely misunderstood and dicey one in higher education search.

The Issue of “OFF-LIMITS” In Presidential Search

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Most everyone knows what is meant by “off-limits,” a term defined as, “forbidden to a designated group.” In the executive search arena, off-limits has been a clear-cut and important component of corporate search firms’ policies and procedures for many years. As originally practiced, search consultants would pledge either with a handshake or in writing not to recruit any of a client corporation’s executives for a specified period during and after completion of an assignment. Typically, those post-search time periods were for 12 months. Occasionally they were as long as two years, but rarely longer.

If at first glance one questions the significance of such a provision, one example in particular should serve as explanation. In the 1960s and 1970s one of the key considerations in selecting a search firm for a given assignment was “which one are we better off having on our side?” In fact, it was not uncommon for some major corporations, in this case International Telephone & Telegraph (ITT), to retain large search firms on an annual basis for the sole purpose of protecting their top management. Correctly or incorrectly, ITT’s CEO and board of directors deemed the cost of losing a few of its most talented executives would be greater than the amount spent to significantly reduce that risk.

Another highly unusual strategy some years ago underscores this same rationale. In selecting search counsel to find its next CEO, IBM retained not one but two of the largest firms. Upon learning of this ‘first ever’ game plan, most of us in the business surmised that IBM was sparing no expense to cover the waterfront. We were only partially correct. Indeed IBM wanted to ensure the greatest coverage of prospects, but it chose two firms to ensure that if a given outstanding candidate were off-limits to one firm, he or she would not be off limits to the other.

In higher education search, however, the meaning of off-limits and its application are often anything but clear. To understand why this is the case, we need to look at the origins of the use of search counsel in the academy. Some two decades ago, a number of corporate search firms began setting up higher education divisions to compete with the handful of existing firms serving colleges and universities. It wasn’t long before an enormous cultural difference between the business world and the academy loomed. In the abstract, that difference could be defined in one word – collegiality.

That collegiality is a marvelous, perhaps even phenomenal, quality that permeates higher education. While it is in evidence every day

in the academy, its origins are less certain. One might speculate that a number of traditions are involved, such as the general sense that we're all in this together – whether in the form of egalitarian peer groups of faculty and administrative committees or professional associations or the common goal of educating America's youth – and the conviction that as a given college or university achieves a higher level of academic excellence, the rising tide lifts all of our institutions.

In retrospect, then, it should not be surprising that recruiters used to dealing in the corporate fast lanes were shocked to find presidents and chancellors nominating their best

presidents of similar institutions. Within a matter of days after the mailing, I received a phone call from a university president whom I knew by reputation but had never met. "I have your letter and the profile," she began, "and I have the perfect candidate for you." The ensuing capsule description was intriguing, "He's my vice president for advancement and he's been through all the chairs – he meets all the prerequisites of this position – we live next door to each other, our families are best friends – I'm two years older than he is and I'm not going anywhere -- there's no question in my mind that he's ready to be a president."

Two weeks later I met with this candidate

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administrators for openings at other institutions. At that time, the academic search firms would routinely write to sitting presidents providing information on CEO searches and soliciting nominations. A high percentage of those presidents would take the time to respond, even if only to acknowledge receipt of the request and extend good wishes. Some would circulate the information to their personnel directors and top administrators. And a number of them would submit nominations or recommendations – even when the searching institution was a college or university that competed with theirs for students and fund raising dollars!

Although it has been a long time, I remember vividly an early experience my firm had with this sourcing technique. In 1986, at the outset of a CEO search for a midsize independent college, we sent materials to several hundred

over lunch. Not 15 minutes into the meal, I said to myself, "We can look all over the country for the next two or three months and we won't find a better qualified individual for this presidency!" Indeed we spent the prescribed time identifying, evaluating and presenting top prospects to our client and, as predicted, completed the search with the governing board's appointment of this individual.

While this experience was a noteworthy model of efficiency, the principle it illustrates is the rule, not the exception in higher education. If we reflect for a moment on how this approach would play in commerce and industry, the contrast is a stark one. Suppose the Fortune 500 CEOs received a letter asking them to recommend an outstanding individual – quite possibly a member of their top management team – to take the helm of a

competitive company. It seems more likely that rather than making such a recommendation, they would respond by dispatching a ‘hit man’!

Thus, once the former corporate recruiters understood these diametrically opposed customs, they saw no reason not to consider everyone fair game, including administrators with former clients – even in some cases individuals placed by their firms. A partner in one of the large search firms has stated privately, “We don’t consider that off-limits applies to higher education.” Indeed, to my knowledge there has never been an explicit and generally accepted statement of conduct regarding off-limits in higher education.

Because of a general lack of accountability, coupled with the absence of self-governance, codes of ethics used by search committees in the academy tend to be ad hoc. There are no widely accepted principles guiding the broader conduct of the search process—other than tacit agreement on the importance of confidentiality—nor does it seem likely that there will be.

Executive search is not regulated by federal or state governments, and the membership of the Association of Executive Search Consultants, which might seem an appropriate forum for addressing the issue, is comprised almost entirely of firms that focus on the corporate world.

Unfortunately, this state of affairs reinforces an already negative perception of headhunters on the part of many academicians. The connotation is that it is always hunting season for top talent; it’s “no holds barred” in the pursuit of prey. There is no doubt that there have been too many cases that support this unsavory reputation. One of the most blatant occurred when a search consultant was conducting assignments for two clients – the

first, a presidential search, was well underway when the second, a business dean search, was launched. The latter ended abruptly when the university’s board dismissed the search firm. The reason: The consultant had recruited the chief academic officer to whom the dean reported for the presidency of the other client institution.

While examples like this one may appear black-and-white, we should not underestimate the gray areas. The issue becomes more complex when we consider several distinctly different points of view. For example, what about the candidates, the men and women who are participants in our free market system? How should a search firm handle the dicey scenario that often occurs when the individual takes the initiative?

A recent presidential search presentation, or ‘shootout’ to use the vernacular, illustrates this complexity. During our firm’s interview with the board’s selection committee, we explained our policy on off-limits: “We will not recruit individuals our firm has placed while they remain with the client institution, nor will we recruit vice presidents who report to presidents whom we have placed.” One of the trustees, a businesswoman, asked for a list of the presidents we had placed in institutions similar to hers during the past five years. In her resolve to select the firm that would identify the very best candidate slate, she contended, “No one should be untouchable!”

The following day we provided the requested list by e-mail. We explained that while our policy would preclude our proactively pursuing any of the 23 CEOs whom we had placed during the specified period, the reality was that most or all of them would learn of this opportunity. Any one who had an exploratory interest would most likely contact us to discuss it and ask our opinion on such a

career move. If the decision were to go forward, they would be asked to adhere to this condition in our policy:

If presidents or senior level administrators whom we have placed make application for a search we are conducting, we will request that they obtain clearance in writing from their immediate superior. In the case of a president, clearance would be from the board chair. In the event that an individual is unwilling to obtain clearance, we will document the fact that we made the request and that it was declined, along with the reason for the declination.

Thus, any of those CEOs could become candidates, with or without clearances from their board chairs.

There are other variations on the theme. One of these is illustrated in a recent CEO assignment for a major public university that had retained one of the large search firms. When several members of the faculty recommended a professional school dean at a private university for the presidency, search counsel disclosed that their firm had placed that individual several years earlier. To circumvent the potential problem, the consultant asked the chairman of the search committee to make the initial overture and to take responsibility for all subsequent contact with the dean. If the dean were appointed to this presidency, his former institution might well question the propriety of the firm that had been involved with the same individual in both searches. When that became a reality, the explanation was the honest answer, and it

confirmed a proper course of action: Early in the process the prospective candidate had become, in effect, “hands-off” to the consultant.

In the case of our presentation, the trustee’s position was certainly understandable, particularly in light of the institution’s search for a new CEO. At the same time, however, governing boards never want to lose top-performing leadership and often resent a loss when one does occur, whether or not headhunter-assisted.

Part of the rationale for off-limits policies can be a kind of “insider information” gained by search counsel about both the client institution and its leadership. This can set the stage for another form of the “sticky wicket” that confronts search professionals. From time to time, highly competent senior level administrators who feel their careers are stymied—perhaps by lack of support from their board or CEO—will turn to a consultant with whom they have interacted frequently during the course of an assignment. They may seek advice and counsel, or they may seek more. It is entirely possible that these dynamics were at play in the case of the consultant who placed one client’s chief academic officer in the second client’s presidency. If so, while the consultant’s actions were no less unethical, at least we have an explanation for the how and why of those actions.

How to be all things to all people? We believe that our off-limits policy is an ethical one that is practical and equitable to all parties, and one that will help to ensure that the process is honorable. If generally adopted, it might even lead to a much-needed enhancement of the reputation of our profession.