

## The Misperceptions and Benefits of Engaging a Professional Executive Search Firm

Dr. Bruce D. Thibodeau, President

Finding a new executive leader, senior management team member, or artistic visionary is one of the most important processes an arts and culture organization will ever undertake. How do board members and senior leaders embrace this process without getting distracted from mission-driven activities? A professional search firm with direct experience in the arts and culture industry and a proven methodology can be a powerful and cost-effective partner. Ensuring that the organization is sustainable while embracing a fair, objective, and equitable process is at the heart of a successful leadership transition. This edition of *Arts Insights* looks at the widely held misperceptions about executive search firms and highlights the benefits of engaging experienced, results-oriented professionals who are committed to the overall success of the organization and the candidates who enter the search process.

### Misperceptions about Executive Search Firms

As noted in by Jennifer C. Berkshire's *The Chronicle of Philanthropy* article "Worth the Price: Charities think twice about using expensive executive-search firms," very small organizations or ones naming an heir apparent may not need a search firm. However, general misperceptions about a search firm's role, fee structure, and value to an organization are clearly evident.

#### Misperception 1: A Search Firm's Sole Job Is to Recruit a Candidate

Identifying a candidate for a job is merely one of many steps involved in a successful, multi-month executive search process. While effective search firms have extensive networks of potential candidates, much internal planning is needed before a position announcement can be publicly distributed and recruitment can begin. When handled professionally, leadership transitions are a unique opportunity to increase engagement and support for an organization. Good search firms meet with many constituents beyond the search committee in the early stages of the process to better understand the organization, its people, and any potential opportunities and challenges that may affect the search. To be a strong, knowledgeable advocate, a search consultant learns as much as possible about the organization and its structure, financial position, strategic initiatives, and community resources.

A search firm can advise on an inclusive, balanced search committee structure, which may include donors, senior staff, artists, faculty, or community members who can add perspectives on equity and diversity. Search firms can also help create positive messaging to engage the right stakeholders early in the process. Prior to any recruitment, an effective search firm will ensure that the search committee and the governing body that empowered that committee agree on various criteria—the best type of person for the organization, specific roles and responsibilities of the position, expectations of the person who will hold the position, communication style, competencies, and any necessary qualifications. Objective stakeholder interviews, surveys, and other qualitative research tools are all part of a professional search firm's toolkit in the effective preparation to launch a search.

While a search committee may be able to articulate what they do not want, building consensus on the type of leader they do want (and why) is best done with the help of an objective professional. The best firms help people move beyond the five stages of grief, attachment, or dissatisfaction with the previous leader. A search consultant serves a major role in guiding an organization through its fear of change to best prepare it and the candidate for a successful future. All of this happens before recruitment begins to ensure a smooth and successful process. Building trust and consensus among many stakeholders about the future of an organization and its leadership is far from easy.

#### Misperception 2: Search Firms Are Expensive and Charge a Percentage-of-Salary Fee

*The Chronicle of Philanthropy* article states that "...hiring by search firms can also be an expensive proposition. Such firms typically work for a percentage of the first year's salary of the executive they have been hired to place." In reality, fees charged by search firms vary greatly based on several factors, such as the complexity of the search process, number of search consultants involved, and anticipated time it will take to complete the search. Firms that focus exclusively on the nonprofit arts and culture industry, for example, often take into account the size of the

organization's budget. With this in mind, quality should not be devalued by engaging an inexpensive firm that will not provide appropriate services in a timely manner.

While some search firms charge a percentage-of-salary fee, ethical firms typically work for a fixed fee plus direct expenses. There is a tremendous conflict of interest if a firm negotiates a higher salary for a candidate to increase its own fee. Good search consultants are involved in all phases of the process, particularly at the end when mediating the deal between the organization and the selected candidate. Seeking a positive result for both parties, a search firm objectively handles any compensation discussions, advises clients on industry benchmarks, provides supporting data that avoids legal issues around perceived excessive executive compensation, and preserves the earliest professional relationship between the candidate and their new employer.

### **Misperception 3: An Organization Can Easily Conduct the Search on Its Own**

Can an organization conduct a search on its own when time and resources are stretched thin? During a leadership transition, the board's role should be kept strategic, focusing on governance issues, community ambassadorship, fundraising, and policy setting. Organizations need to fully assess the time and financial impact of assigning internal leadership to this major task. Staff and board members must be effectively deployed in order to advance the organization. A rigorous, objective search process led by a professional search firm can take less than six months to place a highly qualified candidate, allowing the board and senior leadership to focus on strategic priorities.

Advertising an open position is only a minor part of the recruitment effort, as the best candidates are often not actively searching for jobs. Proactively cultivating candidates and carefully reading through application materials is extremely time-consuming. A search firm can vet candidates who meet all the identified criteria, which enables a search committee to be effective, stay engaged, and use their time wisely on a diverse group of candidates. An organization only has one chance to make a good first impression with prospective candidates and the professionalism of the process is all part of that effort. The engagement of a respected search team also adds credibility to the importance of the search and the organization's investment in its future.

### **Misperception 4: The Interview and Selection Process Is Quick**

A thorough search process includes multiple candidates, a series of interviews, and varying schedules. Organizations need to ask questions carefully and be aware of the legal implications. Employment law can be extremely difficult to navigate. While most search firms do not provide legal advice, they can ensure that all involved parties are aware of various interview techniques and advise on best practices throughout the interview process. This can become complicated if candidate names are disclosed publicly. It is the search firm's responsibility to advise organizations on the importance of confidentiality so as not to jeopardize a candidate's current employment.

Even in today's competitive job market, good candidates have choices. Organizations must present a compelling picture throughout the search process. Candidates must be treated extremely well from their first inquiry, throughout the pre-screening process, in transparently receiving organizational information, and when visiting the community for a multiday interview process.

Generating interview questions, keeping people on schedule, and protecting the interests of all involved are only a few of the things a professional search firm can provide. Most importantly, search firms have resources for reference checking, criminal and legal background screening, and educational verification, among others. These are not tools generally held within small and midsized organizations but are critical to ensure due diligence in the process.

### **Misperception 5: The Search Is Over Once the Candidate Begins**

Professional firms are invested in the success of the organization and the selected candidate. Many maintain ongoing contact and offer follow-up executive coaching, complimentary team building seminars, and advisory services to board and staff leaders. This ensures any transition issues are quickly addressed, which is particularly critical during the early stages of any new relationship. Most search firms also have a guarantee that if the selected individual does not remain in the position for a stated period of time, the search begins again for no additional fee.

### **What To Expect When Partnering with a Search Firm**

The statement from *The Chronicle of Philanthropy* article that "there's a real shortage of talent" provides much food for thought in setting expectations when working with a search firm. In reality, the opposite is true. Great candidates are out there but there is a shortage of professional search firms that ensure the right match between clients and candidates. Convincing a top-notch professional to make a change is not easy. Cultivating people, treating them well, and communicating regularly builds trust and respect. A personal approach, high ethical standards, and proven methodologies can generate extraordinary results.

Other expectations when partnering with a professional search firm include:

- A process that challenges and reaffirms the type of person needed to achieve the organization's vision
- Access to a wide pool of qualified candidates
- Stakeholder engagement based on inclusion to build consensus around the selected candidate
- Confidentiality for both candidates and the organization
- Expertise in human resources, employment law, and interview protocol, questions, and scheduling
- Personalized service that meets the organization's unique needs and the candidates' unique situations
- Screening of candidates through interviews, reference checks, and other due diligence
- A guarantee that the employee will stay in the role for a minimum period of time to mitigate risk

## **Long-Term Success**

Effective search firms use their objective vantage point to remain clear on a new leader's long-term success. They provide strong counsel to organizations that may otherwise be inclined to accelerate the search process, eliminate essential preliminary steps, or settle for a candidate due to imminent operational deadlines. Finding a leader requires a level of discipline provided by a knowledgeable outside advisor who keeps the process moving forward. It is very difficult to turn away a qualified candidate with an impeccable resume and solid recommendations when there is so much work to be done. It is equally difficult to admit when candidates—while accomplished, capable, and highly recommended—may not be right for the organization, its people, or its future advancement.

In addition to their broad network of recruitment contacts, search firms have tools to develop a profound understanding of an organization's unique needs, expediting the process through its extensive connections and expertise. They help clarify and articulate the specific skillsets and leadership characteristics required of the position while effectively marketing an organization to the most qualified candidates. Professional search consultants can provide guidance and discipline to ensure the selected candidate not only accepts the position but quickly moves past the initial transition period into one that surpasses the organization's expectations. For these reasons, partnering with an executive search firm is well worth the return on a relatively small financial investment in an organization's future.

Editor's Note: This article was inspired by an earlier version written by Bruce D. Thibodeau and Lee Kappelman, published in May 2011.



### **Dr. Bruce D. Thibodeau, President**

Dr. Bruce D. Thibodeau founded ACG in 1997 and has guided hundreds of nonprofit, university, and government clients in achieving effective leadership transitions, planning cultural facilities, increasing revenues, developing dynamic institutional brands and messages, crafting strategic plans and business models, and revitalizing board governance practices. He has also conducted extensive research in a threefold exploration of stakeholders, nonprofit arts management, and cultural facility project management and has facilitated numerous community engagement processes that have increased the public dialogue and stakeholder awareness of the arts and culture sector's value and impact on communities. As both a researcher and practitioner, his expertise highlights the important roles of project champions and followers as they overcome inertia and gain momentum

derived from their social connections, personal commitments, and financial capacities to support the arts and culture sector. Prior to founding ACG, Dr. Thibodeau held various management roles at the Los Angeles Chamber Orchestra, Boston Symphony Orchestra, Hartford Symphony Orchestra, Santa Fe Chamber Music Festival, Price Waterhouse, and Museum of Contemporary Art Los Angeles. He is a regular guest speaker at national and international arts, culture, and academic conferences and has several published papers. Dr. Thibodeau holds a doctorate of business administration from the Grenoble Ecole de Management (France), a master of business administration from the F.W. Olin Graduate School of Business at Babson College, and a bachelor of music from The Hartt School at the University of Hartford. He also has multiple certifications in competencies, communications, and motivations analysis from Target Training International.

**Contact ACG for more information on how we can help your organization with its leadership transitions with a focus on inclusion, diversity, equity, access, and success.**

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