

Effective CEO Search Committees

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When a CEO transition happens, what goes on the proverbial “To-Do” list? Organizations faced with either a planned or unplanned transition of their CEO are often unsure how to get started identifying a successor. An expected or unexpected leadership transition warrants a thoughtful process which begins with the appointment of a search committee.

A highly effective search committee can be a great asset in enabling an organization to attract top talent (even to a less than ideal organization/position). Conversely, a poorly planned and constructed search committee can frighten away even the most motivated candidates.

Committee quarterback. The board should give careful consideration to the person appointed as the search committee chairperson. This person will organize the process with the search consultant and communicate with the committee as well as the broader organization. It is important to select a chairperson with the political savviness and interpersonal skills to lead the group. Candidates will judge your organization, in part, on their interaction with the search committee chair.

Committee membership. You are competing for talent. In order to win, you want to put the best team on the field. Not only does this group of people have the responsibility of selecting and conducting

the initial interview of the candidates, but they represent the organization. An impressive and sophisticated search committee leaves a lasting first impression on candidates, as does an unimpressive search committee. Committee members should have expertise, thorough knowledge of the organization and the ability to evaluate candidates objectively. They should also be able to demonstrate sharp business acumen representative of a high-performing board. Consider a core group of board leaders composed of the immediate past board chairperson, current chairperson and chairperson-elect. Input from physicians is also important. Consider having two to three influential physicians who can be objective and represent the broader interests of the medical staff. You may want to include other stakeholders such as Foundation board members. Some boards consider having senior-level executives on the committee who have very detailed knowledge of the inner workings of the organizational culture. However, some boards decide against having members on the committee that

will have a direct reporting accountability to the CEO.

Time commitment. Putting the best team on the field to win means identifying teammates that can commit the necessary time to the process. No matter how bright and impressive committee members may be, if they cannot devote the necessary time to attend every meeting, they can become a liability to the process. When selecting the ideal committee members, make sure they fully understand the time commitment.

Optimal committee size. In considering the number of people to appoint to the search committee, it is important to have a manageable number of people that represents the stakeholders but does not become unwieldy. Most committees consist of seven to nine people. A larger group tends to become slow and unmanageable, but a smaller group may not represent a cross-section of stakeholder views.

Charge of the committee. It is vital that the search committee and board clearly understand the charge of the committee so there is no confusion as to the deliverables. Some committees are given the charge of narrowing the candidate pool to two or three final candidates to advance to the full board. Then the full board will interview and select the candidate of choice. At other times, committees are charged with selecting and advancing one name to the full board for ratification. The process will need to adapt based on the charge of the search committee.

Organize candidate interviews.

Develop questions for the committee prior to the interviews that are linked to the position specification document. These questions simply serve as a guide to ensure consistency in the topics covered to allow for effective comparison.

It is important not to become overly structured or mechanical in the interview, but rather to achieve an effective dialogue with the candidates.

Confidentiality. It is essential to maintain candidate confidentiality at all times through the process. A breach of confidentiality can jeopardize a candidate's current employment or damage the relationship with their board, supervisor and/or medical staff and may cause the candidate to withdraw from the search. It can be terribly disconcerting to lose that top "draft choice" due to a breach in confidentiality or a leak from the board room. Even when dealing with internal candidates, any feedback shared with the committee by other stakeholders must be held in strict confidence so as not to damage peer relationships or future supervisory relationships.

Closing the deal. Identify a point person or a two-person team to negotiate details of the formal offer with the candidate of choice. The formal offer should be based on parameters established and approved by the board in advance, using information and data provided to the board by the compensation firm. If the give and take in negotiations has to be discussed with the entire committee, negotiations can get bogged down and the candidate may very well lose interest and choose to pursue a competing offer that moves more quickly.

If you follow these basic guidelines and complete this "to-do" list, your search committee will have laid the foundation for an effective process that will enable your organization to recruit top talent for your next CEO.

Locations Nationwide:

Oak Brook, IL
Emeryville, CA
Irvine, CA
Denver, CO

Atlanta, GA
Burlington, MA
Nantucket, MA
Bethesda, MD

Minneapolis, MN
St. Louis, MO
New York, NY
Toledo, OH

Philadelphia, PA
Pittsburgh, PA
Houston, TX
Seattle, WA