



### The Leadership Ladder

# Administrative Searches in the Recession

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By **Jean Dowdall**

In an economy whose rapid melting down is being felt in virtually every corner of our lives, it's no surprise that there is an impact on administrative opportunities and searches. As search consultants, my colleagues and I can see the impact on every element of the search process for senior administrators, and most of it carries bad news both for candidates and for institutions, with only a few bright spots.

#### *Fewer vacancies*

To begin with, there are likely to be fewer vacancies. Individuals who had planned to retire may have second thoughts — some are likely to stay in their jobs because of eroded retirement savings, and some because they don't want their institutions to have to face a leadership transition during a budget crisis.

Other administrators, in mid-career, are simply choosing not to vacate their current positions and move to a new position. Risk aversion has long been common in search committees. But now we see that candidates are becoming increasingly risk averse. Candidates recruited for even the most attractive positions may be reluctant to pursue them.

In just the last few weeks, I've received these responses as I recruited for some very attractive positions in very attractive locations. One potential candidate focused on personal concerns that are expressed by many, saying, "I am not pursuing opportunities this year. It is a terrible time to try to sell a house and move and I am just sitting tight for the time being." And another reflected on the intersection

of personal and institutional issues, saying, "As the budgetary situation here at the university worsens, I am feeling too much of a sense of loyalty to think seriously about leaving. I am afraid that all of our public institutions are in for several very difficult years, and it's probably best to weather them in an institution that is familiar."

Other candidates comment on spousal employment issues, observing that the spouse's job is secure and unlikely to be easily replaced in a new location. Candidates increasingly are considering opportunities in the same metropolitan area in which they currently live, observing that the "bar would be much higher" for them to consider a new position in another part of the country.

#### *Financial pressures and time pressures*

Searches are certain to find themselves under various financial pressures. Some vacancies will be allowed to remain open, with associated possible savings. Searches below the level of the presidency that have been launched may be canceled before an appointment is made. Salaries are likely to be constrained and the selected candidate may have to consider whether it is worth moving for a salary that offers no increase over current salary — or worse. Institutions in this situation would do well to consider how to enhance the non-salary aspects of their offer (e.g., longer appointments, time off for research, additional staff support, quality of office or technological resources, spousal appointment, etc.) Finding ways to assist candidates with selling their current homes will

become important, as will helping spouses to get jobs in the new location.

For some candidates and some institutions, the financial pressures may work in the opposite direction. Candidates, especially for presidencies, who have been successful in difficult times at other institutions, may be especially sought after and it is possible that some salaries will be driven up by the effort to attract a “white knight,” and bonuses or other incentive packages may be assembled.

Searches that do move forward will likely be under increasing time pressure. At this time of financial instability, institutions do not want leadership instability, with the attendant anxieties among potential major donors and legislators that may occur while there is an interim appointee.

#### *Internal candidates will benefit*

I suspect that the greatest single impact of the recession on searches is that there will be a growing interest in and even preference for internal candidates. The institution may perceive that appointing an internal candidate will cost less — the cost of the search process and the search consultant can be saved, perhaps a replacement position can be foregone, moving expenses won't have to be paid, and the salary can probably be lower than an external candidate might command. The transition to an internal candidate is anticipated to be smoother, and the ramping-up time will be shorter, both of which are valuable at this turbulent time.

Often an institution that has a preference for an internal candidate carries out a search anyway, feeling (correctly) that this adds to the legitimacy of the appointment, and gives confidence that the appointee was the best who could be found. But the truth is that when a search is known to have strong internal candidates, it is difficult to attract the strongest external candidates — and so the candidate pool is may not be a true reflection of the position's

attractiveness in the marketplace. The candidates who apply are not necessarily the “best” candidates — they are the best of those willing to go through a process unlikely to lead to their own appointment.

Institutions may decide that, instead of launching a full national search, they will get a consultant's evaluation of the heir apparent, or they will run a search that only invites internal candidates. For an institution that lacks diversity among the internal candidates, this could hamper efforts to build a more diversified leadership team, but on balance institutions may decide that it is worth it.

#### *Complex final negotiations*

In some cases, of course, there will be vacancies and searches, and an external candidate will be selected. Search consultants are always uneasy about the period when the candidate and the institution have to reach agreement on terms, and the current climate makes this period even more fraught. In spite of extensive preliminary conversations about compensation issues, the economic situation has been deteriorating so rapidly that earlier understandings may not hold.

Candidates who had been prepared to make a move may find themselves reluctant when faced with the difficulties of both selling and buying a home in the current market. Over the past decades of run-up in home prices, especially in major metropolitan areas like Los Angeles and Boston, institutions had devised mechanisms for supporting new appointees coming from areas of far lower cost of living, providing subsidized mortgages and so on. But few are prepared for the current situation in which support is needed not just for buying a home but even more for selling. Institutions would do well to anticipate this need and devise approaches to addressing it.

#### *Less use of search consultants*

When vacancies do occur, institutions are less likely to use search consultants. Some presidents have been quite clear

recently about the need to economize in this area. One president said that, along with many other cost-saving steps, he would ask faculty and staff to “review contracts with outside businesses or agencies to determine whether any of the work can be done in-house.” This may seem to be a problem only for search consultants but, as someone who believes that consultants add real value, I think it can be a problem for candidates and institutions as well, leading to a less streamlined search, more limited candidate pools and the absence of an objective source of information for candidates.

Even now, in the first year of the recession, I am working on three searches that were started without a consultant; when the candidate pool was not what had been expected, the institution sought consulting assistance. This pattern is likely to become more frequent — perhaps even in presidential searches that otherwise would surely have used consultants.

### *Non-traditional candidates*

Another beneficiary of the recession could be individuals currently in other sectors, some of whom may have lost their positions, who now seek to move into higher education. It seems possible that, in making presidential appointments, boards will find these candidates especially attractive; their experience in the corporate world may resonate with trustees, and even though some of these

candidates are “between jobs,” they may be perceived to be more ready to lead even a non-profit organization in very difficult financial times.

The bottom line is that this is a difficult time to be searching, both for the institution and for the candidate. For candidates, continue to seek opportunities that suit you, but also take time to hone your skills, broaden your portfolio, and seek new or different opportunities on your own campus. If you have considered pursuing an opportunity to move to a new position in your current institution, this may be the right time to do it. For institutions, consider the need to invest in building a strong foundation for the future, and consider where you are most likely to find the best person to build that strength.

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