In July 2014, Keith Masser, Chairman of the Board of Trustees, formed a task force to reflectively evaluate the most recent Presidential Search. The formation of the Presidential Search Review Task Force, chaired by Kathy Casey, the Vice Chair of the Board, was to retrospectively focus on the most recent search process to evaluate the process strengths, weaknesses and opportunities for refinement. This report is therefore intended to be informative, rather than prescriptive, to the Board in future searches.

Observations and Recommendations

As a result of the Task Force’s work, four key areas were identified for possible enhancement in any future search. The observations and recommendations are as follows:

Use of Search Firms

This was the first presidential search at Penn State that utilized an executive search firm. While it was rare for Penn State to use search firms for any searches prior 2008, they have been utilized almost routinely since and reflect broader practice among peer groups. The rationale for using a firm in this presidential search was discussed at length. The use of a search firm for executive searches, and in particular presidential searches, provides for a level of candidate access anonymity that often serves several purposes, as the best likely candidates do not want to be identified. Executives are accustomed to receiving contact from search firms, and likewise their staff is similarly accustomed to it. Access, therefore, is often strengthened when the point of contact for exploration is through a search firm. Many candidates, for example, will allow for a conversation to occur with a search firm under the auspices of assisting in candidate cultivation only to become a prospective candidate or active candidate at some point in the process. Use of a search firm allows for strengthened confidentiality as logistics involved in candidate cultivation and discussions, such as telephone logs, financial reimbursement processing, etc., is handled through the search firm as an outside party rather than through the institution’s process which may require touch points and knowledge from a significant number of individuals. A search firm can also be very effective during the formative stages of the process when focus groups and scoping discussions are conducted to set a foundation for the attributes and traits being desired.

For this search, a primary and secondary search firm were used. The primary firm was critical in the formative stages of the search, including conducting extensive scoping and outreach efforts and establishment of a position profile, as well as facilitating and cultivating candidates and participation in interviews. The secondary search firm provided assistance toward the latter end of the timeline with an important contribution being the implementation and conducting of executive assessments. Utilization
of a former president at a Big-10 institution at the front end of the process during the formative stages provided helpful foundation input and expertise; and, the use of a recently-retired former president from an Ivy League institution provided a sound reality check to ensure the search process tapped and identified top candidates.

The Task Force members agreed that it is important for the search firm to provide added value, especially in key areas such as due diligence. Contracting with an expert in the field (e.g., a retired university president) might be considered to augment or replace the search firm, especially at the stage of identifying and recruiting candidates. A “targeted” search with more personal outreach from stakeholders other than the search firm is a must in future presidential searches.

Committee Structure

For the most recent search, the same two-tier system was used for the search process that had been used on previous presidential searches. The first tier was screening, initial interviewing, and vetting through a University Presidential Search and Screen Committee (UPSSC) representing a broad range of constituents including students, faculty, and staff. The 18-member UPSSC comprised:

- Nine faculty members, including the chair, chair-elect and immediate past chair of the University Faculty Senate; two faculty members from University Park; two members of the Graduate council; one faculty member from a Commonwealth Campus; and, one Evan Pugh faculty member.
- Two deans, including the chair of the Academic Leadership Council
- One member of President’s Council
- Two undergraduate students.
- One graduate student.
- President of the Penn State Alumni Association
- One staff member
- One representative from Intercollegiate Athletics

The work of the Search and Screen Committee was then provided to the Trustee Presidential Selection Council for the next phase of interviews and conversations. Four individuals from each tier participated in both groups to ensure a continuity of dialogue and participation.

Individuals on both committees signed a confidentiality agreement and a code of ethics, which included attestations of the need for absolute confidentiality in order not to compromise candidates’ current positions, protect every individual involved in the process, and to hold all deliberations and information as confidential.

This two-tier system is no longer the norm in higher education; rather, most approaches use a singular group with broad institutional representation.

Our conversations revealed a clear sense that the representative nature of the UPSSC was very important, ensuring that critical University stakeholder groups were heard. The diversity of views shared was very helpful in informing the hiring decision, which rests solely with the Board. At the same time, the two-tier system at times was cumbersome and provided some unintended awkwardness.
Nearly every search firm we interviewed expressed resistance to using two committees. We heard that some candidates found the committee system awkward, and were concerned about the time it took to conduct the search in this manner. That being said, the structure itself did not stand in the way of recruiting high quality candidates.

Task Force conversations leaned toward recommending that, in the future, the approach will be one committee, chaired by a trustee, with strong trustee representation. It should also include diverse institutional representation among students, faculty, staff, and other stakeholders.

**Interview Process**

As noted, during the most recent presidential search, candidates went through two interviews. Changing to a single search committee should resolve many of the logistical concerns related to moving two committees and multiple candidates through the interview and selection process.

Before launching the next presidential search, the Board will need to discuss and agree on the process for the final stages of the search. Specifically, does the search committee present one finalist to the Board or more than one? When and under what circumstances?

Many seem to be swayed by the practices of universities in states where sunshine laws require that finalists be named publically and, in some instances, interviewed publically. Pennsylvania law does not require that level of public disclosure. There is no doubt that a higher level of confidentiality at the final stage of the process is inviting to more and better candidates, including sitting presidents of other institutions who do not want their current boards to know that they are interested in an opportunity at another school. In tandem with this concern about confidentiality is that a breach in candidacy confidentiality at this point in the process may cause irreparable reputational harm to individuals who are not selected, as well as potential reputational harm to that person’s current institution.

This fact, added to the confidentiality allowed by Pennsylvania law, might logically point to one candidate going to the full Board. If more than one candidate is presented for consideration, a great deal of discussion will be needed to arrive at a process with which everyone is comfortable.

A component of the interview process that was very helpful during this past presidential search was the inclusion of a small group of executives during several of the final discussions with candidates. Allowance for this component provides for a free range of discussion and lines of inquiry between the candidate and his/her potential key leadership to learn more deeply about both imminent and strategic issues in order for the candidate to gain a full understanding of the complement of focus areas.

The process used in future searches should ensure good faith adherence to any established process with the flexibility to modify or expedite depending upon unique circumstance that may surface specific to individual candidates.

In addition, it is critical that finalists are provided an opportunity for their spouse or partner to learn more about the University, community, and any career paths of interest should that be appropriate. Supplementing and allowing for such dialogue has been very beneficial in recent executive searches and likewise was assistive during the presidential search.
Due Diligence

The performance of due diligence in presidential searches is a complex task, with ultimate responsibility for achieving an excellent result of a successful presidential hire residing with the Board. On the one hand, no stone should be left unturned in the attempt to learn everything about the prior experiences and performance of the candidate. On the other hand, large numbers of search committee members reaching out to personal contacts at other institutions can inadvertently but quickly expose a candidate and compromise the confidentiality of the search process.

Personal calls of this nature should be discussed, approved and carefully managed with the expectation that information will be shared with the full search committee and, in the case of the finalist, with the full Board as appropriate. No one should be reluctant to identify concerns for further organized investigation.

This is an area where an executive search firm with a stout research office should be able to make a valuable contribution. Background checks by public relations firms can also turn up important information; and, consideration may want to be given to contracting with outside agencies or contractors who may have specific focus areas in this regard. Still, it is important that the members of the search committee are fully satisfied that deep vetting has taken place involving trusted sources of information, and that might involve placing a few carefully selected calls to personal contacts of trust. Therefore, it is critical to strive to have the right people on the search committee so that such carefully selected outreach points, if appropriate, are conducted accordingly.

Next Steps

The Task force submits these observations and recommendations to the Governance and Long-Range Planning Committee to assist and inform future presidential searches. While the Task Force’s work was specific to the reflective exercise of identifying strengths and opportunities for enhancement of future searches, prior to the next presidential search, continued conversations regarding continuous and pro-active succession planning and presidential transition processes should be considered.
BACKGROUND INFORMATION

Task Force Members

Kathleen L. Casey, Task Force Chair
Vice Chair, Board of Trustees

Ann “Nan” C. Crouter
Chair, University Presidential Search and Screen Committee

Allison S. Goldstein
Member, Board of Trustees

David C. Han, M.D.
Member, University Presidential Search and Screen Committee

William F. Oldsey
Member, Trustee Presidential Selection Council
Member, Board of Trustees

Karen Peetz
Chair, Trustee Presidential Selection Council
Former Member and Chair, Board of Trustees
(resigned from the Board January 15, 2015)

Thomas G. Poole
Vice President for Administration and Secretary of the Board of Trustees
Executive Secretary of the Trustee Presidential Selection Council

Paul Silvis
Member, Trustee Presidential Selection Council
Member, Board of Trustees

Peter Tombros
Member, Trustee Presidential Selection Council
Chair, For the Future: The Campaign for Penn State Students

Task Force Resource Materials

On August 23, 2014, members of the Task Force were provided with the following background materials:

- Issacson Miller Request for Client Materials: This document was part of the search launch and includes links to various materials relevant to searches, institutional data, financial and constituency information, strategic plans and reviews, and publicity materials.

- Search Timeline, date November 2013.

- Board of Trustees’ November 16, 2012 Resolution

- PSU Presidential Position Profile

- Blue and White Vision Council Report

- Issacson Miller schedules for individual and group scoping discussions.

- Procedures for the Presidential Search, including articulation of the collaborative interface between members of the University Presidential Search and Screen Committee and the Trustee Presidential Selection Council.
• Confidentiality Agreement.

• Joint Meeting Agendas of the University Presidential Search and Screen Committee and the Trustee Presidential Selection Council

Task Force Meetings


The focus of the December 16, 2014 meeting was to discuss and frame objectives, establish expectations, identify deliverables, and to exchange process reflections.

The key items of the February 13, 2015 meeting focused on funneling discussions on various search aspects including 1) structure/process, 2) representation/communication, 3) search firm use/expectations, 4) candidate identification/profile/targeting/pool, and 5) vetting/due diligence/confidentiality.

Presidential Search Timeline

2012
• In March 2012, Penn State’s 17th President, Rodney Erickson, announced his intent to retire by June 30, 2014.
• In August, special public meetings of the Board were held to discuss the future direction of Penn State. Stan Ikenberry, former president of the American Council on Education and past president of the University Illinois, was named advisor to the Blue & White Vision Council, created to identify key strategic challenges and opportunities facing the University and the incoming president, with the expectation that the results of the Blue & White Vision Council would help inform the search process and provide critical information to prospective candidates.
• In November, a resolution was passed to establish the Trustee Presidential Selection Council, chaired by Karen Peetz, with authorization to recommend an individual for appointment to the position of President to assume office no later than July 1, 2014.

2013
• In January 2013, the 18-member University Presidential Search and Screen Committee, chaired by Ann (Nan) Crouter, was named.
• In February, a joint meeting of the Trustee Presidential Selection Council and the University Presidential Search and Screen Committee was held.
• In March, a search website was launched to inform the University community about the process and status of the search, scoping meetings and discussions were held to gather feedback on the search and expected attributes for the next president, and three open forums were held at University Park to gather feedback and input on key attributes and experiences that were determined to be critical for the next president to possess.
• In April, open forums were conducted at two Commonwealth Campus locations; the chair and vice chair of the University Presidential Search and Screen Committee attended various meetings with University groups to discuss the search and gather feedback; and, position advertisements were placed in on-line and print outlets.

• In May, in conjunction with the release of the Blue & White Vision Council report, a joint meeting of the Trustee Presidential Selection Council and University Presidential Search and Screen Committee was held. In addition to discussions based upon the Vision Council report, a position profile was developed, incorporating significant information obtained from the University community outreach and scoping meetings. The Vision Council report and the position profile provided critical information to prospective candidates. Also in May, the Board of Trustees was updated on the progress of the search.

June 2013-February 2014

• Presentation and first-line screenings of candidates by the University Presidential Search and Screen Committee occurred; interviews conducted by the University Presidential Search and Screen Committee were conducted; and interviews of the Trustee Presidential Selection Council occurred. During this time frame, several joint meetings of the Trustee Presidential Selection Council and University Presidential Search and Screen Committee were held. During this time period, updates to the Board were provided in July, September, and October. An additional Board member was added to the Trustee Presidential Selection Council in November 2013 in order to provide an additional and fresh perspective to the process. Also during this time period, for any candidate emerging as a potential finalist, an executive assessment was conducted by an outside contracted third-party, due diligence via reference and background checking occurred, and research into public records was conducted.

February 17, 2014

• During a special meeting of the Board of Trustees, Eric Barron was named Penn State’s 18th President.