

THE CHRONICLE OF PHILANTHROPY®

The Newspaper of the Nonprofit World

Volume XXIII, No. 10 • April 7, 2011

Inside the Searches for Filling Philanthropy's Biggest Jobs

*Critics wonder if America's richest foundations
rely too heavily on outside recruiters for finding talent*



Mary Tydings, Managing Director and Area Manager of Russell Reynolds Associates' Washington, D.C. office

WILLIAM TAUFIC PHOTOGRAPHY

By Caroline Preston

FAT GRANT-MAKING BUDGETS, sizable staffs, and prominent board members aren't the only things the leaders of America's wealthiest foundations have in common.

Many of them have been recruited by Russell Reynolds Associates and Spencer Stuart, two global search firms that have played a significant behind-the-scenes role in helping major-league philanthropy determine its leadership.

People tapped by the headhunters represent a "who's who" of grant making: Robert Gallucci (John D. and Catherine T. MacArthur Foundation), Alberto Ibarguen (John S. and James L. Knight Foundation), Gara LaMarche (Atlantic Philanthropies), Carol Larson (David and Lucile Packard Foundation), Jeffrey Raikes (Bill & Melinda Gates Foundation), Rip Rapson (Kresge Foundation), and Luis Ubiñas (Ford Foundation), among many others, along with Diana Aviv (Independent Sector), Steve Gunderson (Council on Foundations), and Bradford Smith (Foundation Center). Two weeks ago, the Wallace Foundation announced the appointment of William I. Miller, one of the newest foundation executives recruited by the firms.

The firms and the people who lead many of their foundation searches (Mary Tydings at Russell Reynolds, Jennifer Bol and Sally Sterling at Spencer Stuart) are constantly looking for new blood to bring to foundation trustees. Yet few people in the nonprofit world are familiar with the firms and how they do their work.

Some who are say they think the country's largest foundations' reliance on them has become reflexive.

"They have almost become the anointed priesthood that helps choose the next king," says Joel Orosz, a retired professor of philanthropic studies at Grand Valley State University, in Allendale, Mich., and a former official at the W.K. Kellogg Foundation. "It's good to have someone with a national Rolodex, but my concern is that so many foundation boards are simply turning responsibility over to a small handful of people and it becomes, whoever they send us must be good."

Others, though, say the big firms have what big foundations need: global networks and a team of employees who have expertise on the causes that foundations support.

Talent Scouts

The women who lead many of the two firms' searches took varied paths to their current positions.

Ms. Tydings joined Russell Reynolds in 1984, after serving as a producer for Larry King's radio show. Ms. Sterling worked for eight years at the Cleveland Museum of Art before attending business school.

Ms. Bol, who has a background in management consulting and finance, was herself recruited to join the ranks of headhunters. Of the three, she is the only one based in New York; Ms. Tydings and Ms. Sterling work from offices in Washington that are each a stone's throw from the White House.

Russell Reynolds has a team of 15 full-time employees who focus on nonprofit work; Spencer Stuart has a team of 20. Ms. Tydings built Russell Reynolds's nonprofit practice in the 1980s with a colleague, Malcolm MacKay, who has since retired.

Spencer Stuart's nonprofit specialization is newer; it got started in 2000.

Both firms' nonprofit work includes not only foundations but also universities, associations, and large charities. But the top foundation jobs are among the most coveted by nonprofit workers.

For people who want to lead a foundation, getting onto the firms' radar can represent a coup. Savvy individuals might introduce themselves at an Independent Sector meeting or some other similar event, and opinion pieces in newspapers and philanthropy publications could get their authors noticed.

But most candidates are identified by word-of-mouth: The firms spend a great deal of time on the phone with sources asking for names. Says Ms. Tydings, "The best recommendation for people comes from other people I respect."

Inside the Process

To be considered seriously for a job, it takes much more than a mention. The search process unfolds in phases: First, the firms devise a job description by meeting with a search committee made up of trustees and with foundation employees, grantees, and others involved with the philanthropy and its work. Then the firm and the search committee look for candidates. Typically that process garners at least 50 names, which then get narrowed down to 10 or 15 and then eventually to one or two who are presented before the full board for a vote.

All the while, the recruiters are serving as mediators between the candidates and the board, trying to keep candidates energized if the process drags on while providing them with feedback. Sometimes, they have to dispel misconceptions.

Says Ms. Bol: "People have a very romanticized view of these jobs."

The headhunters say what foundations are looking for in leaders has evolved. More than ever, grant makers want people who combine vision and management skills, the recruiters say. They want good communicators and people who are keen on measuring results. More and more, they want people who know how to put technology to effective use within their organizations.

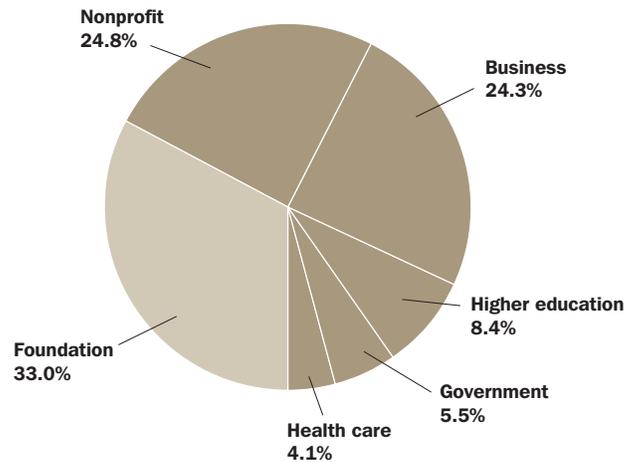
"They don't need to be on Twitter all the time," Ms. Tydings says, "but they have to have an understanding of what Twitter is and a respect for Twitter." Once in a while, she runs across a candidate who finds using e-mail a nuisance.

Ms. Bol and Ms. Sterling say they ask sources for the names of five people who are leaders in particular fields (human rights or the arts, for example), as well as for the names of five rising stars. Ms. Tydings keeps a list of people from the business world who are thinking about transitioning to nonprofit work and is building a roster of "up-and-comers" within the nonprofit world.

"It's a little like detective work," says Mr. Smith of the Foundation Center, who has been recruited by both firms. "They have managed to find candidates who are not the candidates you think you have going in."

Prior Jobs of Foundation CEO's

Sixty-seven percent of foundation leaders appointed from 2004 to 2008 did not come directly from grant-making organizations.



Note: Because of rounding, percentages do not total 100.

SOURCE: Council on Foundations

Behind the Search for a Foundation CEO

Typical length: 6 months

Who runs it: Headhunters report to a hiring committee made up of a handful of board members.

How firms find people: Primarily by asking for recommendations from people at nonprofits. They may call as many as 300 people per search.

Who gets considered: A pool of 60 or so candidates gets narrowed to 10 or 15, then to six or eight, and then to one or two, who are brought for in-person interviews before the full board.

How firms get paid: With most firms, the foundation pays the headhunter an amount equal to a third of the first-year cash compensation of the winning candidate. A few firms operate differently and are paid a fee agreed upon at the beginning of the search.

Rules of the search: Standard practice dictates that headhunters can't recruit a CEO away from a job in which they have placed him or her. For about a year after the search, a headhunter can't directly recruit people who work immediately under that leader, either.

But the real measure of their success—the performance of chief executives they have placed—is, like so many things in philanthropy, tough to assess. While their colleagues who recruit for companies can look at a business's profits, no such measures exist in philanthropy.

Ms. Bol and Ms. Sterling say they base their performance on how happy trustees and candidates are and how long the leader stays in his or her job. Ms. Tydings says she checks in with chief executives she's placed after a month and again after six, her success hinging to some extent on theirs: "You're only as good as your last search."