TO: WBC AND MICAH PARTICIPANTS  
FROM: MONSIGNOR RICHARD M. LIDDY  
SUBJECT EXECUTIVE SEARCH RESEMBLES A TRANSPLANT  
DATE: DECEMBER, 2015

- Welcome and Self-Introductions  
- Woodstock Business Conference Mission Statement
  
  o The mission of the Woodstock Business Conference is to establish and lead a national and international network of business men and women to explore their respective religious traditions in order to assist the individual executives:
    - To integrate faith, family and professional life,
    - To develop a corporate culture that is reflective of their religious faith and values and
    - To exercise a beneficial influence upon society at large
  
  o The conference, grounded in the Roman Catholic tradition, welcomes believers who are open to and respectful of one another’s religious tradition. It is committed to the conviction that ethics and values grow out of one’s religious heritage.

- SCRIPTURE: In the Year of Mercy: Luke 1:46-55 Mary’s Canticle

- Then Mary said: “My being proclaims the greatness of the Lord, my spirit finds joy in God my savior, For he has looked upon his servant in her lowliness; all ages to come will call me blessed. God who is mighty has done great things for me. Holy is his name. His mercy is from age to age on those who fear him. He has shown might with his arm; he has confused the proud in their inner most thoughts. He has deposed the mighty from their thrones and raised the lowly to high places. The hungry he has given every good thing, while the rich he has sent empty away. He has upheld Israel his servant, ever mindful of
his mercy; even as he promised our fathers, promised Abraham and his descendants forever.”

REFLECTION:  Spend 5 minutes in quiet reflection and if possible share your insights with others

TOPIC:

In The Body Academic: Executive Search Resembles An Organ Transplant

BY WILLIAM J. BYRON, S.J.

I HAVE AN “ORGAN TRANSPLANT” THEORY for the explanation of success or failure in the process of selecting higher education administrators, especially presidents. Selection of a president is, of course, a major responsibility of the board of trustees of any college or university. Trustees might benefit from considering imagery and vocabulary from the world of organ transplants when they face the responsibility of selecting a top administrator.

When you take a vital, healthy organ (i.e., an appropriately credentialed and experienced candidate) and transplant it into the body academic, you must be aware that that body has an immune system called tenure. If the organ fails to enculturate, just as a transplanted physical organ must enculturate to the recipient human body, then a rejection mechanism is triggered and the transplant fails.

ailed presidencies are not uncommon. Explanations for the failure often amount to a substitution of blame for analysis and typically overlook the reasons why the enculturation process did not work. Hence the value of the organ transplant analogy in helping to discover what might have gone wrong. And since enculturation is so critically important to the success of the process, one has to wonder why internal candidates, presumably already enculturated to this particular academic body, are so often excluded from consideration when the search begins.

The Preparation Process

Was the body academic prepared to receive the transplant? Board members have an important role to play in making sure that preparation happens. Was the organ ready for the new (and possibly hostile) environment? Was a language in place for effective communication between the new leader—the transplanted organ—and the major components of the receiving body—board members, faculty, students, alumni, associate administrators, and support staff, not to mention the key constituencies in the surrounding neighborhood, and political, business, religious, and cultural communities? Was the organ an effective communicator? While of all the qualifications a candidate for the presidency brings to the table, intelligence is probably the most important (you cannot run a university without a generous supply of good ideas), next in importance is the ability to communicate effectively.

The leader must convey an understanding of the factual realities of budget, audit, and all agreed-upon quantitative and qualitative measures of growth or decline. But were and are those measures, in fact, agreed upon? Board members should know. All participants in the campus conversations about morale,
productivity, and new initiatives must be held to precision in the use of this vocabulary.

Curiously, faculty members are all too often imprecise in discussing the institution’s financial condition, but precision is most important when the conversation turns to finances. For instance, a budget is a planning document, resting on assumptions and subject to revision. An audit is a photograph, a “photo finish,” if you will, of the way things were at the end of the last fiscal year.

All participants in the campus conversation must be mindful of the distinction between audit and budget, and the categories within a budget as well as the audit must be understood by all participants in the conversation. Which funds are restricted and which are not should be clearly understood. Not infrequently, there will be board members who simply do not comprehend these budget and audit categories and are thus unable to follow the conversation, let alone lead it. Board members with business experience can help offset that deficiency and bring a perspective to the campus, especially when executive search is in process. Trustees with business experience are needed here.

**Financial Health**

Not all that long ago, colleges and universities employed what was called “fund accounting.” They kept track of things with the assistance of four funds: 1) the current fund, recording all operating income and expenditures, as well as a hoped-for year-end current fund surplus; 2) the plant fund, recording the value of the physical plant along with any “unexpended physical plant” money set aside for capital renewal or replacement; 3) the student-loan fund, with significant government funds not to be comingled with private money; and 4) the endowment, the cushion that is not to be touched for current operations but is expected to produce an annual yield in the range of five percent for student scholarships and faculty salaries and research.

The numbers that find their way into both budgets and audits are products of measurements that depend, quite obviously, on metrics. So metrics must be part of the vocabulary employed in meaningful campus conversations. Not everything, of course, in higher education is measureable, so the unquantifiable has to find its way into the conversation without the assistance of numbers, graphs, and tables, but with the support of metaphor, image, idea, and visionary goals, even the articulation of an occasional dream. The vital signs or measurement bench-marks must, however, at the time of presidential transition, be reflective of reality. The institution cannot exist, grow, or survive, much less prosper, on promises. Hence the board, in preparing itself to make the transplant, and the candidate, in readying him- or herself for the operation, must keep the rhetoric close to reality and avoid even well-intentioned flights of fancy.

Which brings me to an observation. Academics will be the first to say that a college or university is not a business. If they’re not run as businesses, however, they might quickly find themselves in trouble. Moreover, they seldom fail to look to business when recruiting board members but rarely look there when they want to fill executive vacancies. They look instead to themselves, often confining the list of potential candidates to the groves of academe.

The campus culture is clearly different from the corporate culture, but those who inhabit the corporate culture every day can learn much from the culture of Academia.
Any leader must convey an understanding of the factual realities of budget, audit, and all agreed-upon quantitative and qualitative measures of growth or decline as well as some yield to keep up with inflation. One dollar of endowment gives you about a nickel for next year’s operations. It takes a lot of endowment to generate significant salary, research, and scholarship support on a healthy campus. Adequacy or inadequacy of endowment speaks volumes about the health of the body about to receive the transplant.

The typical private college is tuition dependent and must, therefore, look to charitable donations to supplement tuition income. Hence the transplanted leader is expected not only to be capable of managing a complex organization, but also to be an effective fundraiser. He or she is not a magician, just an ordinary person entrusted with the responsibility of containing costs and generating the resources needed to keep the academic train on the tracks and rolling along on schedule at a reasonable speed.

**Communicating with Faculty**

The immune system that I mentioned earlier—tenure—can shield some, but not all, from participation in the conversation that generates new ideas, programs, and initiatives that might move the institution forward. “I’m secure,” the non-participating faculty member might say. “If I like the new president’s ideas, I’ll cooperate; if not, I’ll ignore them, do as I please, and just wait for another leader to come along. No one can lay a glove on me.” Hence the need for any new leader to be both creative and persuasive, because ideas without persuasion will never see the light of day. The importance of communication cannot be over-emphasized. Board members must have confidence based on their conversations with the candidate as to whether their potential choice will be an effective communicator with faculty once the transplant has been completed.

The transplanted organ must also see him- or herself as available, accountable, and vulnerable. These are three essential qualities of successful leaders. Once in place, the president must be seen (visible) as well as heard. He or she will have to openly take responsibility for all decisions (accountable), and be willing to take the harpoons (vulnerable) that will inevitably be heaved from any corner of discontent on campus.

Board members are an essential part of all of this. All too often they just show up on game day and never practice together beforehand. Some are on the board for the wrong reasons and simply don’t belong there. Nonetheless, the president is their choice, and they have a fiduciary responsibility for a successful transplant and subsequent viability. Preparing themselves for the transplant is a trustee responsibility. Executive search firms can be helpful intermediaries but are no substitute for direct interaction between candidate and board. The “surgeons” must quite literally have firsthand contact with the organ.

**The Importance of a Well-Run Meeting**

Knowing how to run a meeting is a necessary but insufficient qualification for leading either the institution or the board. Without well-run meetings, it is impossible to have a well-run college or university. Obviously the chair is the leader of the board, and the successful candidate will become leader of the institution. When an autopsy is run on a failed presidency, it will inevitably reveal some failed meeting mechanics at the board or the organizational level, or both.
Meetings move the institution. If the transplanted executive and the board chair are not meeting regularly and productively, if the board meetings make no allowance for executive performance evaluation, and if meetings conclude without consensus on what has been decided, it is just a matter of time until the need for a new leader will become evident and the transplant process will begin all over again. It is, therefore, critically important to attend to meeting mechanics and for all members to be comfortable with the chairperson’s “style.”

I once served on a board—a healthcare insurance company—where the chairman was a surgeon. He always went immediately for the “incision”—the vote—after a motion was introduced and seconded, repeatedly failing to call for discussion before inviting the yeas and the nays. I was always one of the protesters who disrupted the process and insisted on discussion. It was just his style of running a meeting, no ill intent; but he had to be stopped so that all could be heard and the matter at hand receive full ventilation before decisions were made.

Preparation of the agenda must engage the board, or at least the executive committee. And the allocation of time for discussion is something to be taken seriously, with a view to encouraging all board members to speak, if they wish. This does not preclude employment of what is called a “consent agenda” to move things along hastily and clear away minor matters all at once.

Even though some matters may be handled efficiently and effectively by the executive committee, board members must be satisfied that participation on all essential matters is open to all trustees. When any board member is mute throughout a meeting, the chair must be both resourceful and polite in inviting, by name, the non-participant into the conversation. Pockets of silence around the board table all too often point to persons who are resistant to the flow of progress or uninterested in the business before the board. That amounts to an unwritten letter of resignation which should be invited by the chair—not during the meeting, of course, but later, in private, so that all the oars are in the water all the time and no one is simply there for the ride.

**Presidential Experience**

I served on several college and university boards before being invited to become president of the University of Scranton in 1975. I had noticed unexpressed discontent around the board table occasionally in my earlier board experience—nothing critical, just minor matters where it was evident that some board members were unhappy with the president. They never said so openly, but neither were they given the opportunity to.

Upon becoming a first-time president, I decided to excuse myself at the end of every board meeting, in order to give the board an opportunity to express, in the hearing of all, satisfaction or dissatisfaction with their president. The chairman would listen and later meet with me to share what he thought I should know. This amounted to a quarterly evaluation. Criticism was always constructive and usually accompanied by words of encouragement and appreciation. I profited from what I heard, and the board room was free of unexpressed grumbles when the day was done. The enculturation process, at least between board and president, continued apace and thus improved the prospects for positive enculturation with the rest of the body academic.
Communication and preparation are keys to the successful introduction (trans-plant) of a new president into an existing campus body. Board members have a role to play in preparing the institution and the community to accept a new president who was chosen not only for his or her ability to raise funds but to lead and communicate. The enculturation process, and the board’s role therein, is key to keeping a new presidency from being a failed presidency.

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QUESTIONS FOR REFLECTION:

Be Attentive: As you consider this article, while Bill Byron SJ writes about academia, its application pertains to any organization in the throes of senior level change. So what have you noticed about leadership changes at your universities/businesses? Or what leadership changes were evoked in your business experience?

Be Intelligent: What have you observed about external hires and their ability to adapt to a new organization and lead? What have been the challenges? What have been the talents, insights, and structures that help account for success? What have been the reasons for failure? In the person or in the organization?

Be Reasonable: What wisdom has Bill Byron SJ brought to this conversation? Listen to the structure of this article and examine it as a blueprint for leadership. How have you used or neglected to use these insights as you have navigated promotions, transfers or joining new organizations?

Be Responsible: How will this conversation this affect your workday? What will you carry with you? During this holiday season as you engage with friends and associates listen to their experience of work, support them in their job, careers, vocations. For work is an important activity and a source of human dignity. Pay particular attention to those in the throes of job and career transitions, those entering the marketplace and those who are retiring. Be merciful and extend a hand of support!

John J. Fontana

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