

Executive Search Services Solutions or Problems?

Three Critical Questions to Answer in the Assessment
of your Senior Level Recruitment Program

By Carl J. Taylor

President
Carl J. Taylor & Co.

Table Of Contents

Challenges Of Finding Key People For Our Organizations.....	3
The war for talent.....	4
The danger of not filling the position.....	5
What Steps Should You Follow.....	6
Know what you want.....	6
Be an active, not a passive recruiter.....	6
3 Critical Questions In Assessing Executive Search.....	8
1) Is your search objective and thorough?.....	8
Off limits policies.....	8
2) Can recruiting damage your company's reputation?.....	10
3) Are you receiving value from executive search services?.....	12
Concluding Thoughts.....	14
Next Steps.....	15

Challenges Of Finding Key People For Our Organizations

Recently, the CEO of a manufacturing company approached me and said...

“Carl I need your help. Our business is going great right now but we have recently acquired a complementary company and we see some tremendous opportunities for us in the months and years ahead.

We have wonderful people in our leadership team but we need help in the sales area. Our current and future business opportunities have outgrown our current sales leader.”

The CEO went on to say...

“If we don’t get the right person in this position in the next few months, we will lose some outstanding marketplace advantages that we have right now. Furthermore, we believe that if we can take advantage of this opportunity, it will springboard us into some even greater opportunities for our company.

My management team and I have spent as much time and effort as we can spare looking for this person. We have explored our networks, and we are not seeing the types of candidates we believe we need for this position.

We can’t wait for the right person to come along. We are all too busy with our other responsibilities to give this the active attention it deserves.

Can you help us?”

Many businesses and organizations throughout the country are very familiar with the reality that leadership positions and one-of-a-kind roles are getting harder and harder to find.

The need for new leaders can be brought on by a wide range of events, including:

- Retirements
- Resignations
- Health issues
- Growth
- Mergers and acquisitions
- Changes in strategy
- Marketplace issues
- New products or new services
- New markets
- Regulatory changes

Whatever the reason for the need, your company can face a huge challenge in identifying and attracting the right person to address the need. The CEO above needed a new person to appropriately address the tremendous opportunity his company was facing. He had a good problem; nevertheless, it was still a big challenge.

The war for talent

Most of us are familiar with the reasons for the increasing challenge of finding key people for our organizations. We constantly experience and read about the War for Talent, and we know that some of the reasons for this talent challenge include:

- Demographics, including the retirement of the Baby Boom generation
- Number of trained professionals in many fields is not adequate to fill the needs
- Many foreign nationals are returning to their native countries
- Less emphasis on management training and management development

So what do you do if you either have, or you anticipate, a need for a critical position within your company or your department? Is there an internal candidate who is ready to take on this role? If not, it seems that the obvious answer is you need to look outside of your organization to find the right person for this position.

The danger of not filling the position

Some companies will decide not to fill a vacant position, at least in the short run, especially if their business is slow or the economy is soft. These companies will try to spread the responsibilities of this position among the other members of the team.

This solution may work for a brief period of time, and in some cases, this may be the company's only alternative. Unfortunately, in most cases, this approach will create as many, if not more, problems than it resolves, including:

- Inappropriate or insufficient resources addressing client/customer needs
- Increased stress among employees and management team
- Burnout of other key employees and management team members
- Negative impact on company or department morale
- Negative impact on client/customer relations
- Lost revenues and/or lower profits

What Steps Should You Follow

OK, we have a need and it is time to move forward. How do we do it?

All of your people are important, but the addition of a key management level person is especially critical to the success of your business; thus, you want to make sure that you do it right.

Know what you want

First, make sure you have a very good idea of what you want. This sounds like a rather obvious comment, but it is surprising how many companies go into the marketplace looking for a key hire with no written position description or no discussion among the decision makers regarding what this new or replacement person will look like. The lack of a clear understanding and agreement regarding the position may lead to numerous problems, including:

- Disagreement among decision makers
- Longer search time to find the right candidate
- Frustration among candidates
- Negative impact on company's image in the marketplace
- Possibly worst of all, hiring the wrong person

Be an active, not a passive recruiter

What does this mean? After you have specifically determined what you want in this position, actively identify and attract appropriate candidates for the role. Do not wait and hope for the right person to come along. Passive recruiting requires an individual to respond to your need; thus, you are relying on that person to initiate the action. You do not have control of the recruiting process or the timing of the process, and you do not control who responds to your passive inquiries.

Running an ad, posting an opening on a job board or your own website, and most networking and employee referral programs represent passive approaches to recruiting because you are generally relying on the actions of a candidate to make the connection. Even the use of many types of recruiters is a passive or incomplete approach to satisfying your need because a large number of recruiters work only with the resumes they have received from potential candidates.

In contrast, an active executive search approach to recruiting will incorporate your very specific position need and a targeted effort to find the right person for that position. You will be in charge of the process, and you will initiate the contact with the candidates that have the appropriate background for your position and who will “fit” within your organization. A significant element of the search process is contact with candidates who are not actively looking for a new role. These people are busy and successful in their current roles; thus, they will need to be educated and influenced on the opportunity at your company and why they should consider your position.

The executive search process seeks to satisfy **your** company’s hiring need by focusing on **your** position requirements and the culture of **your** organization. In your market, there may be a large number of sales executives who can lead a sales organization, but there are probably very few who can lead **your** sales organization in the most effective way. Keep in mind the CEO at the beginning of this report who considered a number of candidates for his VP of Sales role, but none of the people were right for his company.

3 Critical Questions In Assessing Executive Search

As you move forward with your executive search decision, three of the most critical, and least considered, issues become very important. If you fail to seek an answer to these questions, the consequences on your executive search efforts and your company's reputation can be enormous.

1) Is your search objective and thorough?

Are you conducting a thorough, objective search of the marketplace to identify and attract the strongest possible candidates for your executive need?

A company may decide to engage an executive search firm to provide assistance in the recruitment of a key management level or one-of-a-kind position. The chosen executive search firm will learn a lot about the company and its people during this engagement, and the company will pay the search firm a fee for its services. The client company should expect the search firm to honor any confidences it learns during the course of the assignment, and it will not want the search firm to actively recruit people from the company to other clients for whom the search firm may be working.

Off limits policies

Off limits policies are simply assurances that the search firm will not recruit people from the client company during the assignment and usually for a designated period after the assignment is concluded. There is no question that these off limits policies should be in place and that they should be respected.

The challenges come in how these off limits policies are enforced and how these policies impact a search firm's ability to serve new clients. Large executive search firms may have hundreds, or even thousands, of clients. If these firms have off limits agreements with many or most of these clients, are the firms able to provide a new client with a thorough, objective search of the marketplace?

One of the leaders of a global executive search firm admits,

“The single biggest operational issue we have is the off limits issue, because it prevents us from going after a lot of the best and the brightest. The more business we get, the more talent is blocked for us.”

And Forbes magazine has cautioned,

“The largest recruitment firms are handicapped in doing the very job for which they are hired.”

However, the off limits policy may also have an impact on an executive search firm which is smaller in size, yet focused on a specialty such as an industry, function, and/or geographical area. These more specialized firms may have so many clients in their particular discipline or practice area that they are also blocked from providing a new client with a thorough, objective search of the marketplace in which the new client is seeking its candidates.

Unfortunately, the new client may never learn of the search firm’s limitations. As Frederick Wackerle, a long time CEO and boardroom recruiter and author says,

“The off limits issue is something that most boards and CEOs have not even thought about. There is a considerable lack of understanding and knowledge in terms of who is doing what in the executive search community.”

And, as Joseph Daniel McCool states in his recent book about the executive search profession **Deciding Who Leads**,

“What really matters, especially for organizations that say they’re committed to diversity and recruiting from broader pools of leadership talent, is who the executive searcher can and cannot call.

And that’s an important consideration, given that many search consultants have adopted a “Don’t Ask, Don’t Tell” policy when it comes to sidestepping the important client issue of where they can and can’t go in search of executive talent.”

Management level positions are not added or replaced frequently; thus, you want to make sure that you are identifying and attracting as many appropriate candidates as possible. You should not be limited in your search because your executive recruiter can not approach one or more target companies in your marketplace.

2) *Can recruiting damage your company's reputation?*

How much time, effort and money does your company spend building and maintaining your reputation and brand name in the marketplace?

The answer is probably huge.

When you think about the importance of developing positive relationships with customers, vendors, employees, community leaders, the media, and a variety of other groups, you have a significant investment... and, justifiably so. All of us want to create and maintain the best image we possibly can. Your reputation has an enormous impact on the growth and success of your business.

People will form judgments about an organization based on their experience with the representatives of that organization, and they will share their impressions with others. Like the ripples in a pond, these impressions and opinions will flow out to others who have no direct contact with your company, and through this communication the reputation of your company will be established.

One of the most important groups to consider in strengthening your company's reputation is the candidates who are contacted by you or your recruiting agents. In many cases, these people are asked to consider an opportunity within your company, and many of them are invited for interviews with one or more of the company's representatives.

Unfortunately, many of the candidates are misinformed or oversold about the particular opening they are asked to consider. Other candidates are not provided meaningful feedback regarding their candidacy, and some people receive no communication after an initial contact or even after an interview.

In his recent book, **Deciding Who Leads**, Joseph Daniel McCool provides a number of interesting insights about the executive search profession. He notes that the profession has to admit its shortcomings in how candidates are treated and the impact of this poor treatment on the recruiter and the client company.

He states that:

“job candidates judge a potential employer by the humanity that is extended (or most often not extended) by people they believe – rightly or wrongly – should give them some consideration.”

This ill will may be generated by internal, as well as external, recruiters. Most recruiters are not malicious or intentional in their misinformation or lack of communication. Generally, they are very busy, and they have other searches, job orders, or deadlines which lead to this lapse in quality service. In addition, many people don't like to deliver the news to a candidate that he/she has not been selected for a position; thus, they may avoid this uncomfortable task, usually at the expense of the company's reputation. Whatever the reason, many candidates drift away from the recruiting process with a negative impression of the company.

Whether it is true or not, it seems that bad news travels faster and spreads more extensively than good news. A candidate who has not been treated well by a hiring organization can have a significantly negative impact on a company's reputation which the company has been putting so much effort into building and protecting.

A company must make a very deliberate effort to avoid these pitfalls in its recruiting process. The company needs to make sure that the information shared with candidates is accurate and timely, and it should make every effort to ensure that all aspects of the process are handled professionally.

If an external resource is used by your company to search for a position, you must make sure that the search firm or recruiter treats each candidate with the highest level of professionalism and consideration. Even when a candidate is not selected for a position, that person should be able to speak favorably about his/her experience with your company. In today's market, that type of reaction will truly distinguish your company from your competitors.

3) Are you receiving value from executive search services?

In speaking with senior level executives who have been long time buyers of executive search services, it is interesting to hear their perspective on the value of the services they have received and the lessons they have learned about search and its impact on their companies. Any one of the issues they raise can have a significant impact on the success or failure of your company's ability to achieve its hiring objectives.

One individual who has served on the senior management team or Board of Directors of over 20 public companies in the U.S. emphasized that he appreciated the work of the executive search professionals who made the effort to truly learn the culture of his company and the personality of the candidates. He noted that all executive search firms make the assertion that they ensure that candidates "fit" within a client company; however, the reality is that very few search consultants do this well. Most firms will present candidates who have the correct number of years in the industry and some or all of the skills the position requires, but they do not assess the qualitative match between the company and the candidates.

The inability to present candidates who are right for your organization can lead to a variety of problems, including a much longer search effort, candidate frustration and mistrust of your company (which can lead to damage to your company's reputation), incomplete search efforts, or possibly, hiring the wrong person.

The current Chairman and CEO of one of the largest professional services firms in the world noted that the executive search profession is in the service business, yet he often questions the profession's commitment to its clients. With over 30 years of experience at a major service provider, he appreciates the value of a well established brand name in his industry; however, he expects the professionals in his firm to consistently serve each client before, during, and after any engagement.

In his opinion, many of the larger search firms rely on their brand name rather than client service. They are readily available and frequently calling when the employment market is slow, but it is hard to get your phone call returned when the market is strong. Furthermore, they want to increase their fees for search assignments which may be more difficult to complete, including unique senior level positions and diversity searches. He notes, "It is very frustrating to have a search firm propose a higher fee structure for an assignment when it is their job to complete difficult searches."

Decision makers at mid size and smaller companies realize the critical role each member of their management team plays in the success and growth of their companies. A bad hire at one of these firms can be disastrous; thus, it is imperative that they find the right person for their organization. They appreciate the value of the executive search process, and many of these companies are interested in investing the time, effort, and money to make this process work.

Unfortunately, the executives at these companies often feel like second class citizens in their relationships with executive search consultants. The infrequent need for senior level hires at these companies and the usually lower compensation levels diminish their importance in the eyes of many executive search consultants. Similar to the comment above, they receive a lot of interest when the employment market is down and very little, if any, communication when the market is busy. Thus, when their need may be greatest, they receive a significantly reduced level of service, if any at all.

Big or small, your company must carefully choose which executive search firm(s) you want to engage to assist in your critical senior level hires. You will want to ensure that they are making the investment in learning about your company which will produce the right candidates for your open position(s) and that they will be responsive to your needs on your time schedule, not theirs.

Concluding Thoughts

The addition or replacement of a key leader within your organization is not a frequent activity, and the person selected for the role will have a major impact on the success of your company. You must take an active, thorough approach to finding the right person for this position.

Carl J. Taylor & Co. has been successfully serving clients for over twenty years in identifying and attracting the best candidates for key management and one-of-a-kind positions. We have worked with companies such as yours in designing and completing an active recruiting process for positions throughout a client's organization.

Our firm has very few limitations or restrictions in its search assignments; thus, we have been able to provide our clients with an objective, thorough search of the marketplace in all of our assignments. When we have been asked to conduct a search on behalf of a new client which conflicted with an existing or previous client, we have respectfully declined the assignment. You deserve a complete, objective search of the marketplace for your next management level or one-of-a-kind position.

Carl J. Taylor & Co. seeks the input of candidates from each of our search assignments by asking them to complete a survey regarding their experience in working with our client and us. On our website are a number of quotes from candidates who have responded to our survey. The quotes come from candidates who are selected for the position and from candidates who are not selected by our client company.

We expect the individuals who are selected for the position to be generally pleased with the manner in which the search was handled. The important feedback comes from the candidates who may be finalists in a search, yet they are not chosen. These are the people in the marketplace who can have a positive or negative impact on your company's reputation.

Carl J. Taylor & Co. makes every effort to ensure that all candidates are treated professionally. We strive to provide accurate and timely information, and we work with our client companies and candidates to maintain open, positive lines of communication.

Every client is important to Carl J. Taylor & Co. We invest a tremendous amount of front end time and effort to ensure our understanding of the work environment and culture of each client we serve. Furthermore, we work closely with our clients before, during, and after each search assignment to make sure they are completely satisfied.

Next Steps

I hope that this report has provided some information which will be helpful to your company as you address your key hiring needs. I will be happy to answer any specific questions you may have regarding the executive search process, and I would welcome the opportunity to speak with you about any assistance which Carl J. Taylor & Co. may provide your company.

If you would like a copy of this report sent to other members of your management team, please let me know. Similarly, if you have associates at other companies who would benefit from reading this report and/or learning about our services, I would greatly appreciate the opportunity to contact them.

To Your Success,

Carl J. Taylor
President

Carl J. Taylor & Co.
(972) 490-7697
ctaylor@cartaylorco.com
www.cartaylorco.com