

# Seeking and Finding Leaders for What's Next

**As the current global situation presents many challenges on all fronts, everyone needs to accommodate and even reinvent their operating models. The executive search profession is no different. It has already changed, but further professionalisation is needed and complacency must give way to transparency and measurable results. Headhunters need to respond better to change in the management and governance of companies. A more active role of headhunters requires considerable character, dedication, and quality and stricter professional standards.**

Eelco van Eijck, a member of the Amrop Global Board, offered his view on how our profession is evolving and what needs to be improved in the book he wrote. Based on his research many decision-makers in the private and public sector see executive search as a 'necessary evil'. A tour of investors and business schools, and executive and supervisory board directors, brings to mind some unflattering descriptions. Describing the sector as "opaque", for example, is probably linked to the industry's discretionary duty. Other descriptions signal a clear need for improvement: 'pumping the same names around', 'emphasis on reputation, not merit', 'lack of quality' and 'low innovation'. The battle to professionalise is underway. Here's an executive summary of one of Eelco van Eijck's articles on the topic:

## 1. IT'S TIME TO RAISE THE GAME

There are clear avenues ahead for executive talent hiring. One is to bid a final farewell to the 'old boys' network'. Another is for board members and executive search consultants to actively represent different stakeholder groups. Furthermore, top hires must create the sustainable value now prescribed by many corporate governance codes. However, running an executive



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search firm is no easy task. There are several common pitfalls (see point 3) and despite the AESC Code of Professional Practice, the sector lacks the disciplinary procedures governing lawyers and accountants. This makes it even more important for search firms to exercise care and prove their value.

## 2. MISMATCHES ARE COSTLY AND RISK MANAGEMENT ESSENTIAL

Beyond the (significant) psychological damage it causes to the individual in the firing line, a failed hire can have serious monetary implications, sometimes as much as ten times the annual salary of a heavyweight executive, according to the Harvard Business School (to cite just one source). A hiring organisation should apply the same discernment to selecting a headhunter as it would to choosing a lawyer. On their side, headhunters must immediately signal problems during the hiring process. An optimum outcome requires structure, pragmatism,

intuition and agility. Moreover, the search process blends the standards and values of three parties: client, headhunter and candidate.

## 3. THERE ARE 7 CLEAR AREAS FOR IMPROVEMENT

Executive search firms must beware of the following pitfalls:

- Clumsy communication
- Failure to honour agreements
- Conflicts of interest
- Having the wrong attitude
- Violating confidentiality
- Declaring too much
- Providing no aftercare

## 4. THERE MAY BE BLIND SPOTS ON BOTH SIDES OF THE HIRING EQUATION

Those responsible for hiring senior talent are dealing with the shift towards a modern information economy. In addition to sharp and strict supervision, they need an eye for psychological phenomena (administrative behavior). Dutch business consultant and corporate governance author Hans Strikwerda warns of several mechanisms that can undermine company interests: a blindness to change, search heuristics, dominant logic and belief conservatism. Executive search consultants, equally, have a duty to exercise extreme care in this respect.

## 5. THE OLD BOY'S NETWORK IS STILL A FEATURE OF SOME BOARDROOMS

Board members regularly put forward acquaintances for leadership positions — even during advanced search processes by the professional executive search company that they have appointed. Amrop addresses

the problem with objective scorecards. We make the top candidate shortlist transparent based on selection criteria drawn up in consultation with the client. It becomes clear which of the presented candidates best qualifies. Still, peer pressure in companies shouldn't be underestimated. Only a good headhunter can turn things around based on concrete evidence while remaining discreet and diplomatic at all times.

## 6. THE EXECUTIVE SEARCH SECTOR IS COMING OF AGE

The signs of professionalisation are unmistakable. The era when candidates called headhunters from a phone booth and hotel lobbies served as meeting places is over. The old boys' network hasn't vanished, but it's losing strength. Simply calling up business friends is no longer enough. Small offices have become part of global firms; the approach in executive search has become more business-like, the work more specialised. Clients work with sector specialists with international business experience. This is a big difference from the practices of the past. Professionalisation has made its entrance in executive search, but there is still a long way to go.

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