

Executive Search

**From transaction
to transformation**
16 trust-building keys
for hiring companies
and search firms



Amrop

Leaders For What's Next

From transaction to transformation

16 trust-building keys for hiring companies and search firms

For a relationship between a hiring company and an executive search firm to bring sustainable added value, trust is essential to secure the expectation that a promise will be delivered upon.

What are the vital signs and foundations of trust? As a hiring organisation or executive search partner, how can we move beyond a *transactional exchange* – characterized by contracts, cost and profit, to a *transformational partnership* – founded on mutual understanding, investment and benefit?

What trust-building attitudes and actions should we cultivate? We examine the senior executive search path – from foundation, to offer, concluding with an overview of Amrop's own Code of Professional Practice.

“Trust arrives on foot, but leaves on horseback.”

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“The harder I practice, the luckier I get.”

Gary Player

The foundation

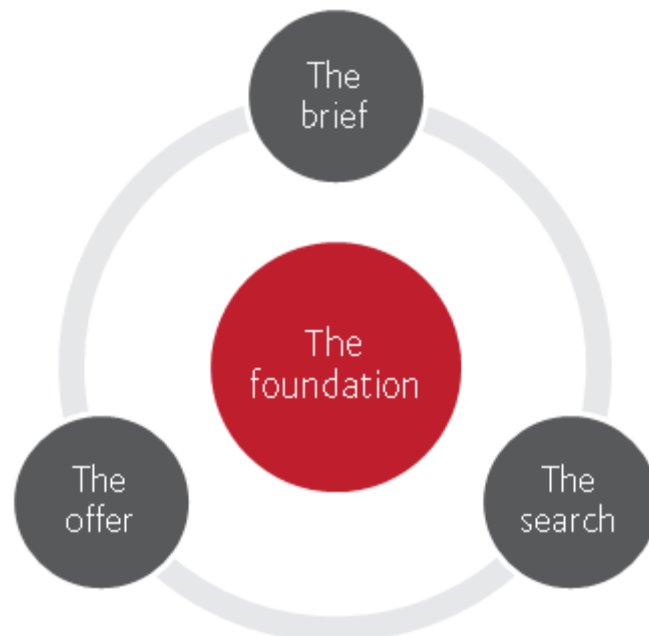
Skin in the game

Seek a blend of excellence and personal investment

It's easy enough to identify a search firm whose partners blend academic excellence, a blue chip CV with an outstanding network of top talent. It is also easy to locate entrepreneurial firms whose founding partners are as diligent and courageous as they are shrewd.

It may be less easy to find a search firm whose partners combine these qualities with a personal investment in their business.

If you seek confidence that your search partner is personally invested in your relationship, it may be worth the search.



2 “He who builds to every man’s advice will have a crooked house.”

Danish proverb

3 “He looked like the kind of guy that wouldn’t talk to you much unless he wanted something off you.”

J.D Salinger

Eggs in one basket

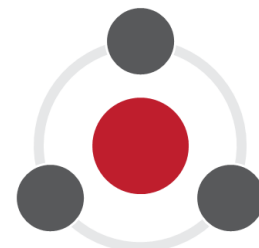
Consider the benefits of loyalty to a single search partner

Many hiring companies switch from one search firm to another. Some keep a string of firms in tow. All are missing out on a productive, trust-based alliance. A long-term relationship with a single firm provides some very real benefits. A better understanding of your company and its key players, leading to sounder strategic thinking and advice. A willingness to undertake assignments on important but less lucrative missions. To deliver in-depth market intelligence - including the bad news, as well as the good. To have the candor to recommend, for example, an internal promotion rather than a profitable search assignment.

Unbillable hours

Expect your search partner to invest time in your relationship – even if no quantifiable benefit is in sight

If you only talk to your search partner when you need a new executive, you’re not getting a proper service. Your partner needs to stay up to date with developments in your company – and help you to stay up to date with developments outside. Often a chat with an impartial – and trusted - external observer will provide you with unexpected insights. This means that regular contact is mutually valuable – and should cost you nothing more than your time. You probably meet with your financial advisor on a regular basis – so why not your search partner? If you encounter a little reticence when there’s no immediate assignment in prospect, it may be time to reframe the relationship.



4 “A promise is binding in the inverse ratio of the numbers to whom it is made.”

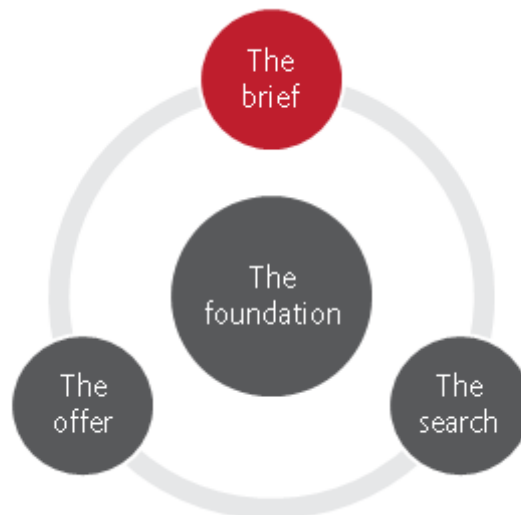
Thomas de Quincey

The brief

Elastic boundaries?

Insist upon transparency on which candidates – and competitors – are off limits

There’s always a fear that the search partner who delivers your Global Marketing Director today might whisk away your Global Finance Director tomorrow. So before you engage that partner, ensure that your trust in their integrity is supported by an undertaking that your own people are untouchable. You’ll also want to know who else is off-limits. Question rigorously. Some search consultants tend to fudge-over their conflicts of interest – not least because they’re caught in a double bind: clients want them to know the relevant industry sector inside-out, but don’t want to discover that half the possible candidates are labeled ‘noli me tangere’. Ask specifically which of your competitors are off-limits.



5

“It is a bad plan that admits no modification”

Publilius Syrus

6

“The one unchangeable certainty is that nothing is certain or unchangeable.”

John F. Kennedy

7

“Experience is not what happens to you. it is what you do with what happens to you.”

Aldous Huxley

Beyond low hanging fruit...

Expect your search partner to exercise strategic objectivity and commercial self-control

A good vacancy is better than a bad appointment. Recruiting senior executives isn't just about filling empty seats – especially if they're seats on the board. A trusted and effective search partner will first want to examine the seating arrangements. He or she should understand your business well enough to take a strategic view – to advise on whether the seat is in the right place, for example, or to suggest that two seats are required. Or none. Filling vacancies is all very well, but fulfilling strategic needs is better.

The power of the raised hand

Expect your search partner to sound the alarm – even if it temporarily brakes momentum

Clients often fail to realize that it is possible to change the course of an assignment once started. Yet the first stages can often be valuable because they prompt a necessary change of plan. Is the appointment feasible? Does such a person exist? Do we need a bilingual marketing director with a doctorate in marine biology, or is the internal candidate a better bet? A good search consultant has the resources to find out. And a trusted advisor will actually point out that a change of plan is needed.

Throwing away the map

With your search partner, dare to explore uncharted terrain

In our experience, hiring organizations often believe that they need candidates whose recent appointments closely resemble the job on offer. Some search partners may foster this heuristic because it narrows and simplifies the field of research. In fact – particularly at board level – the key management skills can be highly portable across industry sectors and even across disciplines. If your primary requirements are innate intelligence, ability to manage change, the dynamism to build and motivate teams, why confine your vision to your own industry sector? Especially if you're looking for new ideas or support for a radical strategy. Departing from known territory means trusting the ability of your search partner to guide the process into the more fertile terrain that lies beyond the familiar horizon..

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“The lion and the calf shall lie down together, but the calf won’t get much sleep.”

Woody Allen

The more you give, the more you get

Be transparent about your true preferences

When senior appointments fail, personality clashes are frequently the cause. At the interview, you thought you’d found the ideal candidate. Six months later, the two of you were at loggerheads. The newcomer simply felt incompatible with your company culture (or your personal style). It’s not an uncommon scenario. But the search firm could often have pre-empted it. Search partners should make it their business to understand the underlying culture and communicate it clearly to candidates. And a trusting relationship between client and search partner makes it easier to be open and reveal what lies beneath. Furthermore, it makes financial sense. Because a failed appointment is even more costly than a failure to appoint – to the hiring organisation and to the appointee.



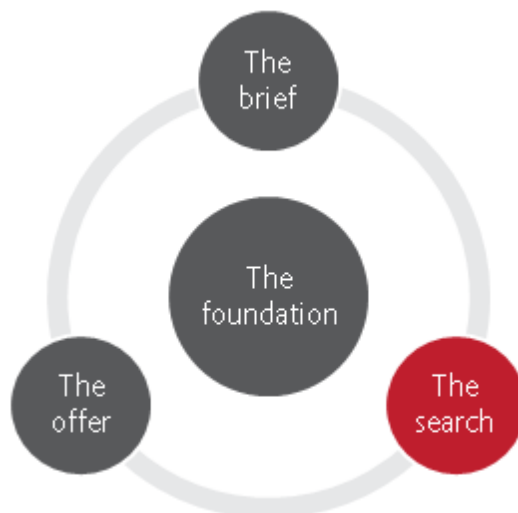
9 “Discovery consists of seeing what everybody has seen and thinking what nobody else has thought.”

Albert Szent-Györgyi

The search

Welcome to our kitchen

Beware those who shroud research in mystique. Your boardroom depends on your search partner's backroom. The success of your next search assignment hangs not only on the consultants you meet but on people you probably won't meet: the research team. You have to kiss a lot of frogs before you find a handsome prince and search is a frog-kissing business. Research needs to be unrelentingly thorough. It's not just a matter of sophisticated database management. It is vital to analyze the skills required and talk to the observers who know about those skills; to quiz the theatre critics as well as the actors. Good research can often provide illuminating insights into other aspects of the way you, your business and your potential candidates are perceived. If your relationship is sound and your team has done a thoroughly professional job they should be confident and keen to share their findings with you.



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“Don't you worry about that.”

Joh-Bjekle-Petersen

11

“A creative artist works on his next composition because he's not satisfied with the previous one”

Dimitri Shostakovich

No news is not good news

Expect a weekly news report – even when there is no news to report

Trust is also a matter of communication and it is natural to feel the need for reassurance as the search progresses. You're paying a not inconsiderable fee for the service and – particularly in the research phase – there may be a deafening silence from your search partner. That's not good enough. You should expect to hear from your search partner at least once a week – even if, in the early stages, it is a matter of simply touching base.

A search partner who understands frustration

Check if candidates share the positive and the negative

Frustration can be a powerful motivator for job change. Blocked career paths, cramped opportunities for decision-making, stifled investment proposals... these are the obvious clues. If they're offered. Your search partner should listen very carefully to candidates' views of their current jobs, stay alert to meta-messages and build a trusting environment in which the candidate feels confident enough to openly share these. Particularly the small annoyances that imply deeper frustrations. And it is important for your search partner to take pains to identify the attractions of the new job – the emotional as well as the rational.



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“Get your retaliation in first.”

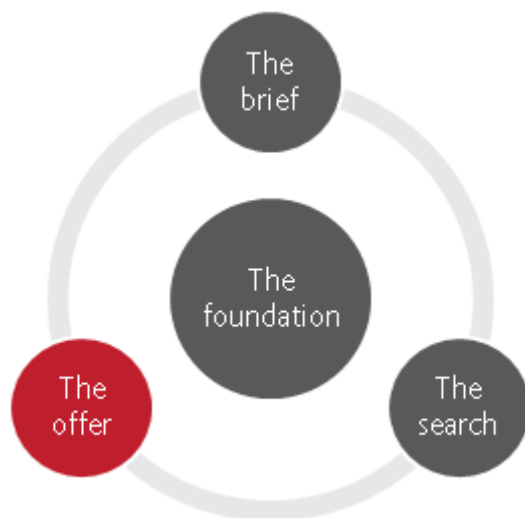
Carwyn James

The offer

Maintaining the pace in the hiring race

As the stakes rise, arm the candidate

Just as takeover bids are liable to be contested, identifying the right candidate is only half the battle. The second half can be harder than the first. So far, your chosen candidate has probably found your attentions flattering; now they've become a serious issue, affecting her personal future and possibly that of her family. Choosing between the devil you know and the devil you don't involves emotional factors as well as rational ones, and can be highly stressful. Meanwhile, there's an existing employer who could have a lot to lose – and may realize how much only as a result of your intervention. Your bid could be strongly contested. If you're dilatory at this stage, the candidate may conclude that your intentions are frivolous – and the existing employer may seize the opportunity to pre-empt you. The onus is on you (and your search partner) to build trust by maintaining the pace of negotiations, making it clear that your suit is serious, and arming the candidate with all the good reasons for rebuffing counter-proposals



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“When we reside in an attic we enjoy a supper of fried fish and stout. When we occupy the first floor it takes an elaborate dinner at the Continental to give us the same satisfaction.”

Jerome K. Jerome

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“Prognostics do not always prove prophecies - at least the wisest prophets make sure of the event first.”

Horace Walpole

Gross offer, net deterrent

Take a holistic approach to the candidate's financial interests

At top executive level, money won't buy you love if you're offering half of it to the taxman. An offer of a 25 - 30% salary rise may translate into a pretty negligible incentive after tax and other charges have been deducted, even for someone who's unhappy in his present position. The efforts of your search partners may only have convinced your candidate that there'll be a better offer along from someone soon. So, think in terms of packages which include benefits that attract lower or longer-term taxation or add the possibility of capital gain. Not only can this help you to build a compelling offer, it is a demonstration of consideration and care beyond the normal parameters – and builds trust that you have their best interests at heart.

Getting closer, taking distance

Give your search partner room to experiment

Never make an offer until you've discussed it with your search consultant. If your formal offer is rejected, the whole atmosphere is soured. Remember that your search partners are experienced go-betweens and advocates: you should be able to trust them to try out ideas before they're formalized. They can say, "Suppose you were offered xyz... would you accept?" they can investigate which parts of a package will turn a candidate on, they can discover that Candidate A will never join you unless you fire Manager X. In short, they can experiment; you can't, without forfeiting your credibility. That's part of the service you're paying for, so exploit it to the full. Doing so is once again a matter of trust – for the higher the trust, the more room you will feel able to give your search partner to experiment at this critical stage in the hiring process.



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“Bounty always receives part of its value from the manner in which it is bestowed.”

Samuel Johnson

When structure destabilizes

Beware of premature formality

An invitation is harder to refuse than an offer. Appointments sometimes fail even after terms have apparently been agreed. It can happen that mutual trust is still fragile and the suitor blows it by making a clumsy formal offer. Imagine. You’ve beaten out the key terms with the candidate. In particular, you’ve stressed the status and autonomy of his role as Managing Director of your fastest-growing subsidiary. Then your offer is confirmed in a standard-format letter from ‘Personnel Manager, Head Office.’ Astonishing as it may seem, this really does happen. Word-processed formalities may be administratively necessary – but shouldn’t they be covered by a warm letter of invitation from the Chairman with whom the candidate had such a persuasive lunch only yesterday – or was it two weeks ago?



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“You can’t expect to hit the jackpot if you don’t put a few nickels in the machine”

Flip Wilson

The bottom line...

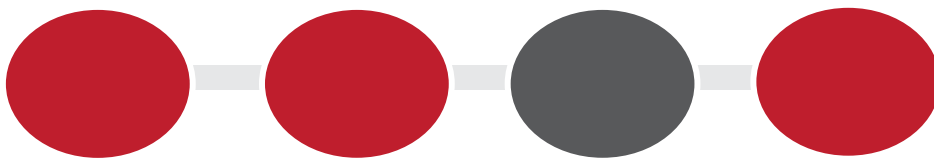
From trust to economics

Inventorize and evaluate the true stakes

The search fee is the least of your expenses in bringing a new senior executive into your organization. We invite you to consider factors such as relocation, familiarization time, opportunities won or lost, team morale and the penalties for failure. Next, to calculate their cost. In terms of quantitative factors - management hours, for example, and qualitative factors - such as lost credibility.

Doing so may lead you to conclude that the price of getting it right first time in search consultancy is a small price to pay. And that the time invested in building trust-based relationships with your search partner is worth its weight in gold.

We would say that, wouldn’t we? But our success in building long-term relationships with demanding clients suggests that we have a point.



A trust-building checklist

The foundation



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|----------|---------------------|---|
| 1 | Skin in the game | <i>Seek a blend of excellence and personal investment</i> |
| 2 | Eggs in one basket | <i>Consider the benefits of loyalty to a single search partner</i> |
| 3 | Unbillable hours | <i>Expect your search partner to invest time in your relationship – even if no quantifiable benefit is in sight</i> |
| 4 | Elastic boundaries? | <i>Insist upon transparency on which candidates – and competitors – are off limits</i> |

The brief



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| 5 | Beyond low hanging fruit... | <i>Expect your search partner to exercise strategic objectivity and commercial self-control</i> |
| 6 | The power of the raised hand | <i>Expect your search partner to sound the alarm – even if it temporarily brakes momentum</i> |
| 7 | Throwing away the map | <i>With your search partner, dare to explore uncharted terrain</i> |
| 8 | The more you give, the more you get | <i>Be transparent about your true preferences</i> |

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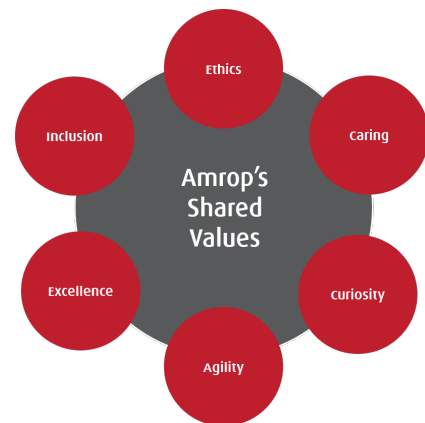
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Amrop's Code of Professional Practice

In its actions towards Clients, Candidates and Colleagues, Amrop commits to a Code of Professional Practice in accordance with six Amrop Values and Standards of Excellence, for which the Amrop Board and Membership Committee are guarantors.

This Code of Practice is integrated into the admittance, onboarding and practice of Amrop Offices, Partners and Staff.



Underlying Principle:

Underpinning Amrop's Code of Professional Practice, we strive at all times to act in accordance with Amrop's global Mission:

Shaping sustainable success through inspiring leaders

ETHICS: moral principles that govern conduct.

We conduct business in a way that is transparent, honest and trustworthy. We:

- present clear, fair and competitive proposals to Clients and Candidates
- strive to check the veracity of declarations pertaining to assignments (Clients and Candidates)
- take all measures to avoid conflicts of interests
- adhere to off-limits agreements
- refrain from presenting a Candidate to more than one organization at the same time
- refrain from approaching a placed Candidate for opportunities outside the Client organization
- are committed to the strictest confidentiality in our business conduct, respecting all Data Protection and Privacy laws and principles.

CARING: displaying kindness and concern for others.

We show consideration and value for people as individuals. We:

- are Trusted Advisors for our Clients, assuring sustained, personal attention at senior levels
- follow up on the performance and satisfaction of Clients and Candidates post placement
- exercise 'reflection in action' in our dealings with others, checking biases and assumptions before forming conclusions
- create space for constructive feedback sharing: at the appropriate time and place, and with a positive inner attitude
- train, coach and mentor Amrop Partners, Consultants, Researchers and Associates
- support our Amrop Colleagues in all possible ways to assure their well-being and success
- help our Amrop Colleagues to pursue their 'core excellence' in their work, respecting their limits.

CURIOSITY: a strong desire to know or learn.

We are forward looking, and exercise an 'explorer' mentality in our quest for knowledge. We:

- help Clients identify and position transformative leaders with a responsible vision, drive and ambition
- implement a 'context driven' approach; based on our Clients' business, market and leadership needs
- invest in proprietary Thought Leadership to keep abreast of Client and Candidate needs
- participate in Amrop's formal learning programs and transfer new knowledge into our Client and Candidate interactions
- are open to informal learning from each other, irrespective of level or seniority, within Amrop offices and across borders
- actively seek to learn about and understand other cultures, national and organizational.

AGILITY: the ability to adapt quickly and easily.

We work collaboratively, efficiently and flexibly to meet the needs of internal and external stakeholders. We:

- offer innovative and best-practice solutions in critical leadership domains
- are open and willing to discuss ways in which our knowledge and experience can be an asset to our clients
- exercise proactivity and fast response at all times
- are on a quest to evolve as individuals and as an organization
- are able and willing to challenge our established convictions and assumptions
- help each other to try, fail, learn, and try again.

EXCELLENCE: the quality of being outstanding or extremely good.

We pay keen attention to processes and outcomes. We:

- take all measures to ensure the robustness of Amrop processes and tools
- benchmark Amrop processes and practice with best-in-class peer organizations
- assure that quality levels are consistent in all Amrop offices
- signal any quality issues in a proactive and timely manner to the relevant stakeholders
- check Client and Candidate satisfaction levels at pre-agreed milestones of an assignment
- replace a placed Candidate who leaves under pre-agreed conditions within a pre-agreed time frame, and respecting pre-agreed fees.

INCLUSION: the action of including or being included within a group or structure.

We nourish 'diversity of demographics and of thought'. We:

- exercise objectivity, cross-checking for signs of preferential treatment or exclusion of individuals or groups
- visit Clients in pairs to ensure a relevant blend of expertise and perspectives
- strive to present a diverse range of Candidates, in terms of mindset and demographics
- invest in virtual and physical platforms to share knowledge and expertise across geographies and cultures
- build diversity into Amrop's own recruitment and development policies
- build Amrop teams and workgroups across cultural borders
- ensure openness and transparency throughout Amrop, eschewing 'in-groups' or elitism.



About Amrop

With over 70 offices worldwide, Amrop is a trusted advisor in Executive Search, Board and Leadership Services.

Amrop advises the world's most dynamic organizations on finding and positioning Leaders For What's Next: top talent, adept at working across borders in markets around the world.

www.amrop.com/offices

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