

Executive recruiting in the age of social media

Will social media sites enable companies to one day do to the executive search industry what Amazon did to booksellers and Apple did to the music business?

Will LinkedIn enable companies to bring executive recruiting entirely in house and one day do to the executive search industry what Amazon did to booksellers and Apple did to the music business? With 160 million users and rising, LinkedIn appears to provide what internal hiring departments, unlike major executive search firms, have previously lacked: a treasure trove of leads that spans the globe. In-house recruitment teams would need only to cull candidates from the site and similar social media, contact the most attractive prospects, and put them through the paces of recruiting and hiring. In fact, there appears to be a modest trend in this direction in the technology sector, at least in recruiting specialist talent.

However, in high-level executive search, internal teams will quickly run up against the inherent limitations of relying solely on in-house recruiting – limitations that the use of social media like LinkedIn cannot begin to overcome. Consider these five essential competencies for finding and securing very senior executives:

Research

Before you begin sourcing potential candidates, you must first understand the organization's real needs and develop a detailed job profile – not merely a title and a checklist of responsibilities, but a description

of specific competencies and expectations tied to company strategy. The profile aids in initial sourcing and, ultimately, helps guide the assessment of candidates. In fact, our firm develops a customized Search Assessment Tool (SAT) during this preliminary stage, a unique skill that few internal teams or external search firms can provide, primarily because most screening is completed by junior recruiters in an HR department working solely off a traditional job specification, if that!

The ability of internal teams to handle these preliminaries varies from company to company. In understanding the organization's real needs they may lack the objectivity that an experienced outside resource can bring to the task as a result of years of competitive intelligence. They may not have the expertise to develop a tool for guiding assessment or, more likely, they simply do not develop one at all. Certainly, the team can use LinkedIn and other social media to begin sourcing potential candidates for the role, but they are likely to generate an unwieldy list that then has to be sifted, culled, and evaluated for more than targeted search terms. Further, very senior executives are tightly restricted as to what information their companies permit them to post on sites like LinkedIn, and many such executives are not on social media sites at all. So while social media can help an internal team generate a long list, it will likely be short on senior people and on detailed information about them, as well as way under-representative of the market.

Executive search firms, too, can just as easily use social media to supplement their sourcing. Further, search firms enjoy additional advantages that internal teams usually lack. Firms like ours aren't hampered by the shortage of senior executives to

be found on social media sites because we have extensive databases of such executives, with many of whom our consultants maintain regular contact, and with more contacting us daily. Further, when considering a job profile for a particular company, a seasoned consultant who follows the client's industry or specializes in talent for a particular business function can often think immediately of several candidates for the shortlist, as a result of these daily discussions with executives in the industry.

Assessment

It is with assessment that internal recruiting teams relying on a LinkedIn-type tool can really lose momentum, even if they have somehow overcome the limitations of social media for sourcing senior

over the phone by that junior person or take time out from a busy schedule and subject themselves to face-to-face screening by the internal team as it develops a shortlist of candidates. In the middle ranges of management, candidates might be willing to do so, but not senior executives or those earning US\$225,000 or more annually.

Those senior people will, however, return phone calls from experienced senior search consultants on whose radar screens they want to be because of the search firm's broad market reach and with whom they may have maintained a long relationship. The senior executive will also be far more willing to be assessed by a senior search consultant. A good search consultant will not only be experienced in interviewing and assessing against a carefully constructed SAT, but will also have a variety of other

“The broadening of [LinkedIn's] member base could make it increasingly hard for corporate recruiters to mine the database themselves, which is when they historically have turned to recruiting firms.”

McHugh, Timothy, *Implications of LinkedIn's Changing Demographics*, William Blair & Company (2012)

executives. The process requires a call back from the executive, a resume, a phone screen, and a face-to-face assessment. The problems begin with the callback – very senior middle-aged executives are unlikely to return a call from an internal recruiter perceived to be a junior person. And executives who do return the call will likely decline to be screened

assessment tools and service offerings that internal teams lack: market feedback, frequent progress reviews of candidates, neutral benchmarking of candidates, and online behavioral and competency testing that reveal how a candidate leads, manages, and thinks. Further, unlike other firms, we use third-parties to conduct this testing in order to

160
MILLION

Global LinkedIn members
(June 2012)

59%
MALE

41%
FEMALE

LinkedIn (January 2012)

68%
AGED 25~54

39%
MANAGER,
DIRECTOR, OWNER,
CHIEF OFFICER OR
VICE PRESIDENT

source: Online MBA
(March 2012)

Social media by the numbers

PERCENTAGE OF MEMBERS
WITH A HOUSEHOLD INCOME
OVER US\$100k

LINKEDIN

21%

FACEBOOK

11%

TWITTER

10%

LINKEDIN'S IMPACT ON THE
EXECUTIVE SEARCH BUSINESS

23% CLIENTS ARE DOING
MORE SEARCHES
INTERNALLY

55% LINKEDIN MAKES
MY JOB EASIER

19% NO IMPACT

source: William Blair
& Company (Q1 2012)

AVERAGE SOCIAL
MEDIA CONNECTIONS
PER RECRUITER

616 LINKEDIN

245 FACEBOOK

37 TWITTER

source:
2012 Bullhorn
Reach Social
Recruiting
Activity Report

“Some people believe that LinkedIn will disintermediate staffing and executive search firms because access to candidate information is now more widely available, which could allow corporate recruiters to perform more of their job searches internally... We still believe that the value provided by executive search professionals... goes beyond the initial identification of potential candidates, and includes assessing leadership capabilities, determining personal and cultural fit, convincing passive candidates to consider new opportunities, and providing overall judgment. Therefore, we expect executive search professionals and permanent-placement staffing firms will remain a critical part of how companies hire workers.”

provide an additional layer of objectivity and to avoid conflicts of interest. Most importantly, the results of these tests are not offered as hire/don't hire recommendations, but as another data point the company can use to help it decide which candidate would make the best fit with the culture – or help shake up the culture, if desirable.

Referencing

As with assessment, internal recruiting teams often don't have the resources or experience to conduct comprehensive referencing. They may be able to contact the references a shortlisted candidate provides, verify educational and professional backgrounds, and even do criminal background checks. A top search consultant, however, can go much further: providing 360-degree referencing that includes people the candidate has worked for, with, and over. My colleagues and I routinely do eight references per successful placement, which usually include sourcing references not provided by a candidate, thereby obtaining a comprehensive, clear and unbiased report of a candidate's skills, leadership style, management qualities, operational demeanor under stress, etc.

An external consultant can also provide the objectivity that may be lacking when a powerful colleague in the organization recommends a friend from another company, and then becomes the candidate's chief internal reference and sponsor. In such situations, the internal recruiting team may have difficulty resisting pressure from the senior colleague. Additionally, some companies bonus their internal recruiting team members or other employees who bring a new hire into

the fold, creating a strong incentive for less-than-objective hiring decisions and a focus on successful "transactions," rather than on making the right hire.

Negotiation

Persuading a senior executive to leave a safe, high-profile position in a sound company for the uncertainties of a new employer requires intense involvement with the candidate, a deft touch, and nearly daily contact in the latter stages of the process. It's far more than a matter of negotiating a compensation package to pry a candidate loose from the familiar. The candidate may be in a two-career relationship that makes a move to a new location problematic, or the candidate may be reluctant to uproot children at critical stages of their schooling. If the move is across international borders, there may be tax or currency issues, as well as cultural considerations. All of these issues are best discussed with an experienced executive placement professional.

In addition to being sensitive to and addressing all of those personal issues, the experienced search consultant can help the candidate understand the move in the context of his or her career trajectory, determine the likelihood of success in the new company, and commit fully to the opportunity. And a retained search firm like ours, as opposed to a contingency firm or an internal recruiting team, is under no pressure to rush candidates into what could turn out to be a mismatch with a new company.



Onboarding

The process of assimilating someone into a new position and an unfamiliar organizational culture can be critical for the new hire's success. If the new hire is derailed, the company must not only begin its search again but absorb the loss of time and value of a failed placement. Internal recruiting teams, lacking the full resources of assessment, referencing, and negotiation that search firms enjoy may incur such failures because the match of the person with the position or the culture is not as good as it might otherwise have been. The chances of derailment increase if the internal team does only perfunctory assessment and little or NO onboarding.

In fact, we regard onboarding as so critical that we offer it to clients at no charge, within two weeks of the new hire joining the company. Rapid assimilation can be achieved through a half-day session with the placement's direct reports, who are asked a carefully determined litany of questions and who develop questions they would ask of the placement. We learn how the new hire's predecessor performed – what worked and what didn't. We identify the hurdles the new hire will face in the role and the views that subordinates have of the role. In the second half of the day, the new executive joins the direct reports for a candid and far-reaching discussion of the issues that were surfaced in the morning, short-circuiting the politics and helping the new hire begin with an aligned and engaged team. Because of our experience with onboarding and our confidence in a role-oriented approach, we are able to guarantee the hire for a period of one year. If the executive leaves the company within that year, we redo the search without fee, for expenses only.

The way forward for internal recruiting teams

The ability to offer such an unusual guarantee has its roots in the superior resources we are able to bring to the other core competencies required to recruit senior executives: research, assessment, referencing, negotiation and onboarding. Our expertise in all of those competencies gives us confidence, long before onboarding, in the rightness of the fit between the new hire and the role. The onboarding process then solidifies the long term tenure of the new hire.

Because such competencies cannot be digitized, should internal recruiting teams abandon their use of online resources and perhaps even consider disbanding? Not at all. For roles below the top tiers of management, social media can be useful and economical aids in sourcing; and they can enable the team to go forward with the recruiting process at those levels. However, all hiring managers must be better-trained in the process of assessment, and the in-house team should supplement their resources with those of an experienced search firm that can shore up any areas in which the team is weak.

We have found that a customized solution, tailored to the competencies of the in-house team and designed in close collaboration with them, is far more effective than going it alone with social media or accepting an external, one-size-fits-all search process. This approach not only brings the right resources to bear on the most important roles in the company, but also fortifies the internal team's success, which should be measured not in whether they hire, but in who they hire – and the ultimate success of the placement. **CP**



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as the fastest-growing executive
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