



GLOBAL GUIDE TO CHOOSING AN EXECUTIVE SEARCH FIRM

Everything business leaders—
from CEOs and CHROs to
Boards of Directors and
Procurement teams—need
to know, understand and
expect from executive search
consultants.

By the Association of
Executive Search and
Leadership Consultants (AESC)

www.aesc.org



Dedicated to strengthening leadership worldwide

WELCOME TO AESC



Today's organizations face unprecedented challenges.

The growth of technology has created a business climate of rapid, constant change and the demand for faster and more frequent innovation.

Business leaders in many developed markets face an aging workforce, while at the same time, they grapple with developing the next generation of talent to lead. C-Suite leaders in emerging markets confront the challenge of aligning local talent with global strategies.

Meanwhile, all organizations seek a connection with their customer base on a deeper, more authentic level and across channels, while at the same time, build a strong employer brand to attract and retain top talent. Add an ever-uncertain geo-political environment to the mix, and the complexity almost seems impossible to tackle.

Amidst the uncertainty and growing complexity, business leaders turn to trusted advisors for strategic insights and to minimize risk. Shareholder confidence, organizational effectiveness, and employee engagement are just a few of the immediate benefits of the right executive hire. However, the risks associated with an unsuccessful hire can be catastrophic. These risks can be significantly reduced by working with the right executive search firm. Organizations are increasingly partnering with executive search firms to identify, attract and retain top talent, but also to assess existing talent, build succession strategies and advise boards on long-term strategic vision.

We've developed this guide to help business leaders navigate a new breed of executive search firm, understand what solutions they offer for your top business challenges, identify the highest quality firms from the rest, and learn what to expect from the very best.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Greenbaum".

Karen Greenbaum
President & CEO

Association of Executive Search & Leadership Consultants (AESC)



THE VALUE OF EXECUTIVE SEARCH: WHY USE A SEARCH FIRM?

THE LANDSCAPE

The competition for qualified executive leadership is fierce, and the best candidates could be across town or across the globe. Executive search consultants know the terrain. Quality search firms have access to top talent and the know-how to help clients think in new ways about how to identify, attract and retain top leaders. Quality search firms know the talent business and take the time to know *your* business.

Executive search firms help their clients identify the leadership assets they have, the challenges they must be prepared to meet and the qualities they must acquire and cultivate to meet those challenges. They have the resources and experience to identify, evaluate, and secure leading executive candidates and they are committed to their clients' success. The best executive search firms partner with clients, providing deep expertise in the industries, functional roles and geographies in which their clients operate. They have to be experts, because as partners they understand what is at stake—the value of success *and* the cost of failure.

REDUCING RISK AND GETTING IT RIGHT

Shareholder confidence, organizational effectiveness, and employee engagement are just a few of the immediate benefits of “getting it right.” The risks associated with an unsuccessful executive hire can be disastrous. The costs of replacing an unsuccessful CEO or C-Suite executive are staggering.

The direct costs of not getting it right include compensation and the impact on sales or market position. The indirect costs can be even more significant and include lost momentum and the negative impact on organizational, market, and customer confidence. Research confirms what business leaders know from experience: a wrong executive hire affects employee morale and productivity, client-customer relationships, and economic performance.

These risks can be reduced and the converse benefits enhanced by leveraging the sophisticated assessment, search and due diligence processes that executive search firms provide to clients. Simply put, *getting it right* is essential to business success.

8 REASONS WHY SUCCESSFUL ORGANIZATIONS USE EXECUTIVE SEARCH FIRMS:



Access difficult-to-reach candidates at the top of their game



Gain the professionalism, trust and confidentiality only an outside trusted advisor can provide



Ensure objectivity, based on the experience of many searches across industries, markets and roles



Find and attract diverse candidates with highly marketable skills



Leverage deep industry, market and functional expertise



Assess candidates to identify the right talent



Plan for succession, assessing internal talent and mapping the external marketplace



Reduce the risk of the wrong hire

CLICK TO LEARN MORE 

UNDERSTANDING TALENT ACQUISITION MODELS: CONTINGENCY AND IN-HOUSE CORPORATE RECRUITMENT VS. EXECUTIVE SEARCH

Executive search consulting is a specialized form of management consulting, which provides significant benefits beyond the successful acquisition of executive-level talent, including assessing an organization and its culture, integrating a new leader for optimum success and advising executive leadership and boards. A contingent recruiter, on the other hand, is focused on identifying potential candidates and helping a client narrow the candidate pool.

A business can take one of three general approaches to hiring executive level personnel: executive search consulting, contingent recruiters and in-house recruiting.

EXECUTIVE SEARCH

Executive search firms are specialized management consultants that are retained by the client on an exclusive basis in an advisory capacity. An executive search consulting firm partners with a client to identify, assess and select the very best possible candidate. It is the experience and reputation of executive search firms to attract highly accomplished, passive candidates, many who are already happily employed, and convince them to consider a new opportunity. Thus, trust and confidentiality are paramount in an executive search.

To be sure a candidate is fully vetted, executive search firms employ highly sophisticated methodologies including competency-based interviewing, 360-degree referencing and due diligence processes that may be augmented by psychometric testing and broader assessments. Their success is defined by the long-term commitment and impact of the executive hired, therefore they are motivated to help secure a lasting, successful hire for their client.

IN-HOUSE RECRUITMENT

Larger organizations in particular are likely to have significant in-house recruiting departments. An in-house team has many solid tools available,

including firm-wide skills inventories, access to traditional recruiting tools and a network of potential candidates. Generally, in-house recruiting departments are best resourced to focus on middle management to entry-level placements.

When it comes to the recruiting of senior executives, however, candidates are concerned about the protection of their confidentiality. It can feel awkward for a candidate to express an interest in a potential new opportunity and speak about confidential matters immediately with representatives from another, often competing, organization. The intermediary role that executive search firms play between candidate and client is highly valued. In-house teams will often work directly with an executive search firm to fill their organization's most senior-level executive roles and board of directors positions.

CONTINGENT RECRUITERS

Contingent recruiters present a pool of candidates that fit certain criteria. In general, they do not operate on an exclusive basis with their clients. A contingent recruiter generally works the front-end of the process, leaving the assessment and selection work to the client. They seek to place as many candidates as possible in the shortest possible time and tend to work with many assignments concurrently. They are often measured by the volume of placements. If a particular assignment is not getting traction, contingent recruiters have little incentive to continue. Contingent recruiters are most often used for mid-level positions or positions where there are a large number of qualified candidates. They tend to focus on candidates actively looking for a new role, and positions that have much lower risk associated with a failed placement.

Unfortunately, executive search and contingent recruiting are often thought of interchangeably when they are in fact completely different models suited for different situations and required outcomes. Here's how they differ:

EXECUTIVE SEARCH VS. CONTINGENT RECRUITERS: UNDERSTAND THE DIFFERENCES

Executive search firms are specialized management consultants retained on an exclusive basis by clients in an advisory capacity. An executive search consulting firm partners with a client to identify, assess, select and integrate the very best possible candidate.

DEFINITIONS



Contingent recruiters present a pool of candidates that fit certain criteria to their clients. A contingent recruiter generally works the front-end of the process, leaving the assessment, selection, and integration work to the client.

Executive search consultants operate on an exclusive, client-centered basis and work on a limited number of assignments at one time. Executive search firms often find candidates with diverse backgrounds and have access to candidates who are not actively seeking a new position. They are engaged in all aspects of the process, from defining the search through candidate integration. They charge a consulting fee (retainer) for the assignment, consistent with their in-depth advisory work. Executive search consultants deliver high-quality service, a slate of highly qualified candidates, and develop long-term relationships built on trust.

BUSINESS MODEL



Contingent recruiters seek to place as many candidates as possible in the shortest possible time. They tend to work with many assignments concurrently. If a particular assignment is not getting traction, contingency recruiters have little incentive to continue. Contingent recruiters offer their service with no money up front, and they get paid for candidates who are hired from resumes they present. Fees are generally lower, reflecting their limited scope of work. Contingent recruiters deliver broad access to “ready to move candidates” and a quick presentation of a large number of resumes.

Executive search consultants develop specialized expertise by understanding their client’s industry, business strategy, and unique needs. They employ highly sophisticated methodologies including competency-based interviewing, 360-degree referencing and due diligence processes that may be augmented by psychometric testing and broader assessments. They identify a slate of the most qualified candidates that fit well with the client’s culture and have the right background and experience for the specific opportunity. Their success is defined by the long-term commitment and impact of the person hired, therefore they are motivated to help secure a lasting, successful executive hire for their client.

METHODOLOGIES



Contingent recruiters leverage networks, advertising and online databases to identify a large number of resumes of candidates who likely fit the client’s criteria. Resumes are shared with the client who then takes a more hands-on approach to reviewing and evaluating the candidates. By virtue of the payment upon placement nature of this business model, contingent recruiters are motivated to get many resumes in front of many clients, as quickly as possible. They will present the same candidate to more than one client to achieve their objectives.

Executive search consulting firms are typically used for senior-level executive positions and board directors. Assignments are generally for positions where the best candidate is harder to find and harder to persuade to make a move, and where the potential impact of success or failure is greatest.

TARGET ASSIGNMENT



Contingent recruiters are most often used for mid-level positions or positions where there are a large number of qualified candidates. They focus on volume hiring and candidates actively looking for a new role, and positions that are of lower potential impact within the client organization.

Executive search consultants often access senior executives who may not be actively seeking a new position, and treat their potential interest with a high degree of confidentiality. They can help these hidden candidates see the potential advantages of making a move for the right opportunity.

CANDIDATE PERSPECTIVE



Contingent recruiters access candidates more likely to be in mid-management roles, most of whom are actively looking for a new position. They have a strong sales orientation and focus on working with a lot of clients and candidates, which can be an advantage to the mid-level candidates looking to make a move.

The effective recruitment of senior management is critical to any organization's success. The selection of a consultant to assist with this important function should, therefore, be performed with care, and with consideration of criteria that may not be immediately apparent.

There exists a proliferation of companies that purport to provide executive search consulting services. The number of unqualified firms declaring to be qualified to conduct an executive search has created the need for guidelines. Clients need to assess the quality, professionalism, reputation and track record of both the executive search firm and that of the consultant managing a search assignment.

Asking if the firm is a member of the global Association of Executive Search and Leadership Consultants (AESC) is a good place to start. All executive search firms within the AESC global membership have been vetted to rigorous quality standards and commit to AESC's Code of Professional Practice.

When selecting an executive search firm, it is important that a client have a full understanding of the services that will be provided, method of operation, any limitations that could potentially affect the search, who is handling the assignment and the totality of fees, expenses and other expectations. When reviewing which executive search firm to select, a client will need to consider the following:

1. INDUSTRY KNOWLEDGE, SPECIALIZATION AND GEOGRAPHIC REACH

The executive search profession is often highly specialized by industry, function and geography. There are also quality generalists, especially in smaller, often regional markets, where reputable search consultants conduct searches across a wide range of functions and industries.

While the actual executive search process itself may vary little across industries and functions, a significant portion of the value that a search firm delivers to a client is the deep industry and functional knowledge they bring to every search. A client in Life Sciences, for example, will want to ensure their search partner deeply knows that industry. Likewise, a client in FinTech looking for competitive advantage in the UK market will want to choose a firm with deep expertise in both that sector and geographic market. Functional as well as digital expertise can also be important. A client looking for a CMO who can drive organizational transformation, for example, will want to work with a consultant who has experience conducting CMO searches and who understands the digital environment within which today's CMOs must thrive.

[VIEW SPECIALTIES](#)



2. TRACK RECORD

Quality is an essential factor in selecting an executive search firm. Just as a client will want

reference checks taken on candidates, references on the search firm are an important part of the selection process. The firm's reputation, and more specifically that of the individual consultant handling the assignment, can be evaluated through comments on past performance. Completion rate and repeat business are indicators of a strong commitment to clients.

3. GUARANTEES AND LIABILITIES

Like other forms of management consulting or other professional services, clients retain executive search firms for the highly specialized advisory service they provide throughout the process. Executive search is a consultative, advisory service—the fees incurred are for the specialized expertise, research and access that can deliver that desired result. While the exception, an executive search may not always result in the hiring of an external executive. A search assignment could be discontinued for organizational reasons outside the consultant's control.

Thus, clients should establish a clear understanding of the firm's policy about any unusual situations. Under what conditions and time frame will a firm replace a candidate who leaves voluntarily or involuntarily? If a candidate is hired now or later for a position other than the assigned search, what is the client's obligation to the executive search firm? What are any factors that may cause the search firm to withdraw from an assignment or consider the job specifications to be sufficiently changed to warrant starting a new search? These are all important situations for a client to understand and a reputable executive search firm will be up front about how they approach them.

4. OFF-LIMITS AND DISCLOSURE

When selecting an executive search firm, the client must understand the firm's off-limits policy. Off-limits is the length of elapsed time before the search firm can recruit talent from the client organization where they have previously placed a candidate.

The client should expect in writing an understanding concerning the off-limits conditions for both the search firm and their own business. These guidelines recommend this should be approached as a business issue between the two parties, should reflect a time period and scope of application such that there will be no misunderstanding in the future should business structures or requirements change, and should be spelled out and agreed upon in writing.

These guidelines also recommend the full disclosure of any limitations that could affect the search (such as organizations or individuals that are off-limits). Any limitations again should be spelled out in writing, and the client should be fully satisfied that there is a sufficient pool of candidates open to the consultant to conduct an effective search.



THE EXECUTIVE SEARCH PROCESS

1

CLIENT EXPECTATIONS

Review details of engagement letter including scope of services, timetable, fees, expenses, cancellation policy, and any restrictions or off-limit situations. Agree on search strategy including target companies, candidate strategies and diversity goals. Discuss client and candidate communication approach. Understand client's priorities and expectations.

2

CLIENT CULTURE AND CANDIDATE PROFILE

Thoroughly understand the client organization, its culture, its long-term strategies, and short-term objectives. Discuss key competitors and understand customer strategies as well as organization structure. Develop the candidate profile considering responsibilities and cultural sensitivities. Develop and agree on search strategy.

3

THE SEARCH

After confirmation of the documentation, thorough independent candidate research by the consultant or the firm's research staff. Verbal and written reports on the progress of the search, including scope of the research and feedback from the marketplace. In-depth research includes targeted competitor market mapping, digital research, and sourcing calls.

4

CANDIDATE ASSESSMENT

An iterative and open process, testing potential candidates against preliminary requirements. Conduct preliminary interviews for high-level assessment, followed by a more comprehensive assessment of the shorter list of high potential candidates. Include written reports and evaluations prior to interviews with the client. In-depth personal interviews by the search consultant, verification of credentials, psychometric assessment as appropriate, and assessment of the individual's strengths and weaknesses with respect to the position.



7

ONBOARDING

Partner with the client and selected candidate after the start date to assist integration of the candidate into the new job and the client's environment.

6

NEGOTIATING TO A "YES"

Active participation in the final negotiations between the parties to ensure that the client has the best opportunity to successfully recruit the favored candidate.

5

BACKGROUND AND REFERENCE CHECKS

Prior to final selection, comprehensive reference checking on behalf of the client. Agree with client on the approach for in-depth background check for lead candidate(s) to help to ensure "no surprises."

FIND TALENT

WHY WORK WITH AN AESC MEMBER EXECUTIVE SEARCH FIRM?

MINIMIZE RISK AND MAXIMIZE OPPORTUNITY

Since 1959, the Association of Executive Search and Leadership Consultants (AESC) has set the quality standard for the executive search and leadership advisory profession.

AESC Members, ranging in size from large global executive search and leadership advisory firms and networks to regional and boutique firms, represent 9,000+ trusted professionals in 70+ countries. Members leverage their access and expertise to place, find and develop more than 80,000 executives each year in board and C-level positions for the world's leading organizations of all types and sizes.

AESC facilitates diverse and innovative thinking in global leadership. World-class executive search and leadership consulting firms join AESC to demonstrate their commitment to the quality standard AESC represents and to shape the future of the profession. Business leaders worldwide retain AESC Members as trusted advisors to minimize risk and gain competitive advantage.

AESC Members are recognized leaders of global executive search and leadership advisory solutions.

HERE'S HOW:

- AESC is an exclusive association of members vetted to rigorous quality standards.
- AESC Members annually recommit to AESC's stringent Code of Professional Practice.
- AESC Members share a deep commitment to their profession, anticipating future trends in global executive talent, on behalf of their clients.
- AESC Members deliver solutions, designed for top performing companies in a high-speed, high-stakes world.
- AESC Members help clients minimize risk by providing confidence, credibility and security.

WORK WITH AN AESC MEMBER



THE TOP OF THE PROFESSION

AESC Members are the highest quality firms worldwide. Membership is selective and conducted by an AESC regional member council using global due diligence standards. The rigorous review process includes a site visit, an extensive evaluation of firm processes, checking of client references and a review of any legal actions that implicate the firm in ethical breaches. If selected, members agree to abide by the AESC Code of Professional Practice.

AESC CODE OF PROFESSIONAL PRACTICE

AESC Members are committed to the highest professional practices, acting in the best interests of their clients, candidates, the community-at-large, and our profession. To ensure that our members meet the highest professional standards, AESC developed a Code of Professional Practice.



INTEGRITY

AESC Members conduct themselves and their business activities with absolute integrity and are at all times open, honest and worthy of trust.



EXCELLENCE

AESC Members focus on their clients' unique business needs, providing high quality service and using rigorous results-focused methodologies.



CONFIDENTIALITY

AESC Members always respect any confidential information entrusted to them by clients and candidates.



OBJECTIVITY

AESC Members serve as trusted advisors, exercising independent, objective judgment.



DIVERSITY & INCLUSION

AESC Members value diverse leadership. They identify the most qualified talent by searching and assessing without bias.



AVOIDING CONFLICTS OF INTEREST

AESC Members avoid conflicts of interest with clients and candidates. Where a potential conflict may exist, members disclose and resolve those conflicts.

CONFIDENCE AND SECURITY

AESC Member firms provide their clients with credibility. AESC Members understand and can assure appropriate levels of regulatory compliance for clients of search. The landscape of corporate governance is evolving at a rapid pace and on a global scale. With increasing oversight and transparency it is critical that hiring and advancement processes, especially in senior leadership roles, stand up to intense scrutiny. Boards increasingly see the value in hiring an independent third party to identify high-quality diverse talent, ensuring they have looked to the best in the market, not just friends and private networks.

When it comes to executive search, candidates respond very differently to an independent third party than they do to direct outreach from the hiring firm. Top executives trust the confidentiality they know they receive from an experienced independent third party. They are more likely to consider opportunities with the persuasion of someone they trust. Experienced AESC Member consultants ensure that candidates have a highly professional, respectful and positive experience. That experience can enhance a candidate's perception of the client, and increase the likelihood that in-demand candidates will say "yes" to clients represented by an AESC Member.

Across all services, integrity is the most important tenet of the AESC Code. Members have an unwavering commitment to integrity and practice at the highest standards. Clients can be assured that their consultant will conduct assignments at the peak of professionalism.

ACCESS

AESC Members provide companies with a competitive advantage—the ability to find, attract and develop the best talent in the world and ensure that executives are successfully integrated.

AESC Members provide much wider access to the passive job market, comprised of individuals who are not actively seeking employment but may be open to the right opportunity. It is particularly challenging to access that market, but this is one of many areas where AESC Members excel. Members cultivate relationships over time, through deep, meaningful engagement within the specific industries in which they specialize.

THOUGHT LEADERSHIP & PROFESSIONAL DEVELOPMENT

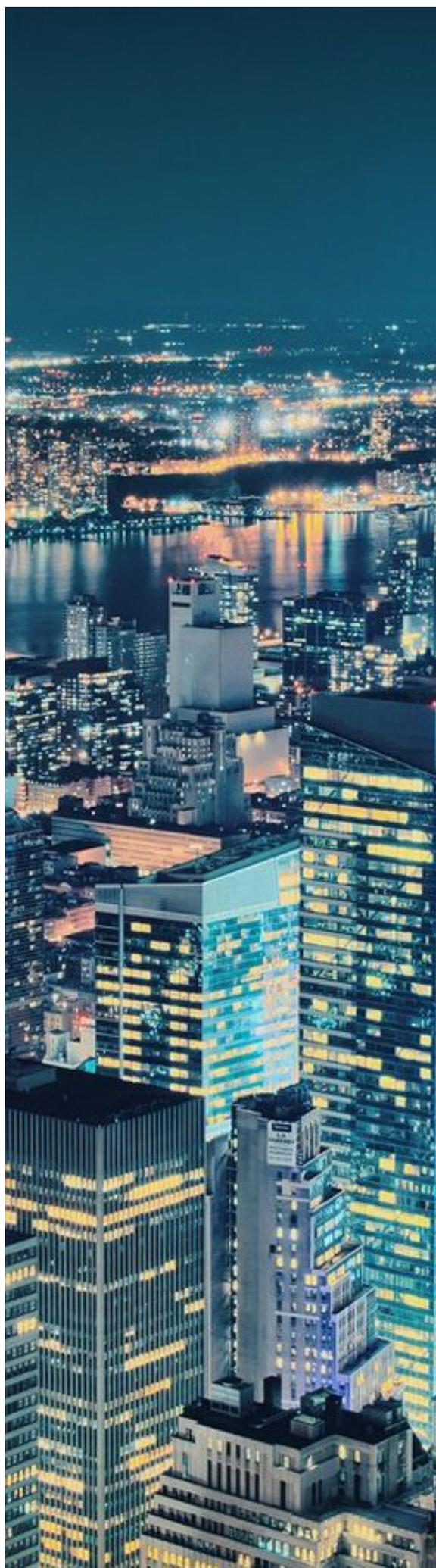
AESC Members stay at the forefront of the profession—for the benefit of their clients. AESC Members have exclusive access to research and reports on current issues relevant to the search for talent and effective leadership, such as diversity, data protection and evolving regulatory environments.

AESC provides training for members to keep their teams' skills sharp, including an Advanced Certificate in Executive Search and Leadership Consulting for senior consultants, developed jointly with Cornell University's School of Industrial and Labor Relations. These programs for AESC Members bring cutting-edge theory and industry best practices to client assignments.

SO, WHY CHOOSE AN AESC MEMBER?

Clients can expect to work with an executive search and leadership consulting firm that meets rigorous standards, has deep knowledge in their respective markets and industries, is committed to an exemplary Code of Professional Practice, and deploys unmatched resources to each assignment. AESC Members serve as trusted advisors who consistently improve and innovate to bring the best resources to bear on behalf of their clients.

By virtue of selecting an AESC Member firm, clients can be secure in their choice of consulting firm, and can reap the benefits that only a trusted advisor can deliver. The best organizations work with the best firms: members of AESC.



AESC CLIENT BILL OF RIGHTS

WHAT SHOULD CLIENTS LOOK FOR IN AN EXECUTIVE SEARCH FIRM?

Introducing new leaders can have a significant impact on market perception, consumer confidence and employee engagement. Choosing the right executive search firm is a critical business decision with long-term impact. What are your rights and obligations as a client? You can expect the following when working with an AESC Member.



THE EXECUTIVE SEARCH FIRM PROVIDES CLIENTS WITH AN ACCURATE AND CANDID ASSESSMENT OF ITS CAPABILITIES TO PERFORM YOUR SEARCH.

That assessment includes a firm's internal resources, knowledge of the function, market, and industry in which the search will be conducted, and an understanding of the client's cultural or regulatory environment.



THE EXECUTIVE SEARCH FIRM IS FORTHCOMING ABOUT THE CLIENT TEAM.

Clients should be sure to meet with the individual consultant and the team who will handle the search assignment and request that the search consultant disclose the resources available to support the assignment and the sourcing strategy.



THE EXECUTIVE SEARCH FIRM DEVELOPS A THOROUGH UNDERSTANDING OF THE ORGANIZATION AND ITS HIRING OBJECTIVES.

Effective, successful searches require that the consultant possess a deep knowledge and understanding of a client's unique executive talent needs, organizational culture, customer strategy and regulatory challenges.



THE EXECUTIVE SEARCH FIRM PROVIDES A HIGH-LEVEL CONSULTATIVE RELATIONSHIP.

An executive search firm works in partnership with a client to help define the assignment, identify candidates, assess using sophisticated methodology and select and onboard those best suited through comprehensive, quality-assured search processes.



THE EXECUTIVE SEARCH FIRM HOLDS CLIENT INFORMATION IN STRICT CONFIDENCE.

The executive search process requires that clients divulge highly sensitive information. The ethical search consultant treats any and all information with the utmost confidentiality while only providing necessary information to candidates, as outlined in the *AESC Best Practices on Data Protection*.



THE BEST EXECUTIVE SEARCH FIRMS PROVIDE CLIENTS WITH REGULAR, DETAILED STATUS REPORTS ON THE PROGRESS OF THE SEARCH.

Depending on the position to be filled, the availability of talent, and a host of other factors, a successful search can take anywhere from a few weeks to several months. The executive search firm ensures effective, ongoing communication regarding all aspects of the search, including market response, list of candidates being developed, and any potential challenges that may inhibit the search.



THE EXECUTIVE SEARCH FIRM PRESENTS QUALIFIED CANDIDATES WHO FIT THE POSITION AND THE CULTURE OF THE CLIENT ORGANIZATION.

Executive search consultants present, on an exclusive basis and never to multiple clients at once, a range of qualified candidates and partner with clients in assisting with their internal assessment of candidates, including interviewing techniques that avoid unconscious gender bias.



THE EXECUTIVE SEARCH FIRM IS INVESTED IN THE ENTIRE PROCESS AND HELPS THE CLIENT NEGOTIATE WITH THE FINAL CANDIDATE.

Once a client has selected a final candidate, the role of the executive search consultant evolves from that of search advisor to also be a negotiator, acting as an intermediary between client and candidate to increase the likelihood that the candidate will accept an offer.



THE EXECUTIVE SEARCH FIRM PROVIDES CLIENTS WITH A CLEAR UNDERSTANDING OF ANY REPLACEMENT POLICIES AND OTHER UNUSUAL SITUATIONS THAT MAY ARISE DURING AND AFTER THE SEARCH.

The executive search consultant provides in writing an explanation of the firm's policy regarding possible outcomes, including if the search firm is unable to fulfill an assignment after the search has begun, conditions under which the search firm can withdraw from an assignment, or if the client hires a candidate presented during the search for a position other than the assigned vacancy.



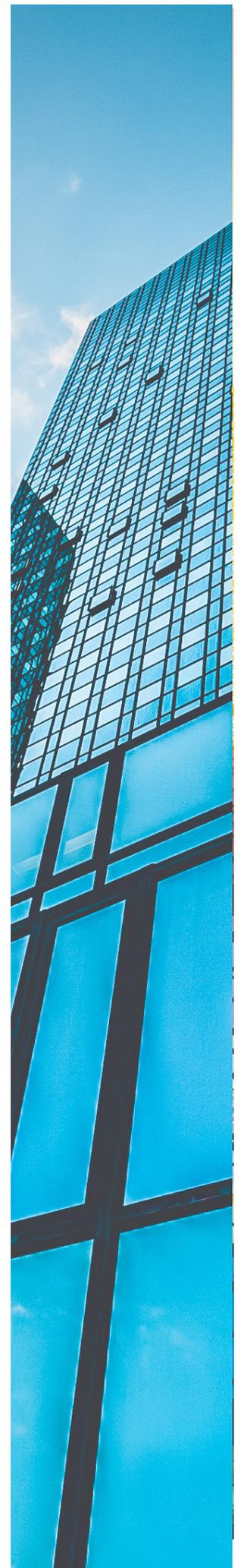
THE EXECUTIVE SEARCH FIRM COMMITS TO FOLLOW-THROUGH.

As a trusted advisor, the executive search firm's responsibility does not end when the candidate accepts an offer. A committed executive search firm assists with onboarding and integration, remains in communication with the new hire for a period of time for support, and determines with the client that the search has indeed concluded.



CONCLUSION

The competition for top executive personnel is intense, and the stakes have never been higher. Trust and integrity are at the core of a successful relationship and a successful search. Clients are wise to choose gold-standard firms at the top of the profession, and should partner only with firms that are committed to professional excellence in executive search and leadership consulting: members of AESC.



6

EXECUTIVE SEARCH AND DATA PRIVACY: FOUR QUESTIONS CLIENTS SHOULD ASK

In our digital age, transparency is a business imperative. There are more ways than ever to connect and information and data is readily available. Secrets are out, but trust is definitely in. The demand for trust is amplified among professional services firms that deal with a client's most sensitive information.

This is especially true for executive search and leadership consulting firms. Such firms are sought for their specialized expertise in providing strategic solutions within the highest levels of an organization to minimize risk and maximize strategic advantage. Executive search and leadership consulting firms access highly sensitive personal and proprietary data on a regular basis. It is a consultant's job to partner with CEOs and boards for solutions to their organizations' most critical challenges, from planning a CEO succession to benchmarking internal talent with the external market. It is also their job to convince highly successful, happily employed executives to consider new opportunities. Absolute trust is essential in this process when the stakes are so high.

The best firms understand that relationships with their clients and candidates are built on a foundation of trust. They will go to every length to ensure that all information entrusted to them, from and about either client or candidate, is respected and protected.

Data privacy is a growing concern for clients, candidates and search firms. Executive search and leadership firms have an obligation to protect their databases, avoid cyber breaches and maintain the integrity of the sensitive data they receive or collect from both clients and candidates. In the EU, the General Data Protection Regulation (GDPR), has heightened the awareness of the need for data privacy and security. The penalties for noncompliance—as much as 4% of worldwide turnover—significantly raise the financial stakes for data protection.

It is critical that both clients and executive candidates understand how an executive search firm will protect their data. Questions clients should ask their executive talent advisors include:



1 HOW DO YOU ENSURE THE CONFIDENTIALITY OF PROPRIETARY INFORMATION AND CANDIDATE DATA?

Be sure you understand the firm's commitment to client confidentiality and how it is demonstrated in practice. Information sharing between clients and candidates is a necessary part of an executive search or leadership advisory process. A reputable firm will keep all client and candidate information on a strictly need-to-know basis.



2 WHAT IS YOUR DATA SECURITY POLICY AND, IF YOU OPERATE IN THE EU, ARE YOU GDPR COMPLIANT?

Be sure to know what measures the firm will take to secure your data. Where will it be stored both geographically and within the organization, who will have access and how will it be transferred? This information should be outlined in a data privacy policy but still ask questions. If doing business in the EU, ask about the firm's GDPR compliance.



3 DO YOU HAVE CERTIFICATIONS OR ADHERE TO A PROFESSIONAL CODE THAT DEMONSTRATES YOUR COMMITMENT TO DATA PRIVACY?

Look for the AESC seal of quality. If a firm is a member of AESC, they have been vetted to rigorous quality standards. *AESC's Best Practices for Data Protection* ensure member firms are well-prepared to appropriately deal with data privacy and security.



4 HOW DO YOU HANDLE SENSITIVE PAY ISSUES AND ENSURE COMPLIANCE WITH PAY EQUITY LEGISLATION?

In some geographies, it is both unlawful to inquire about a candidate's current pay or pay history and to record a candidate's compensation data. Be sure your advisor knows about your own internal commitment to pay equity and ask your advisor how they are responding to evolving pay equity legislation.

When partnering with an executive search and leadership consulting firm as a client or when approached by one as a candidate, trust is imperative. Be sure you understand the firm's reputation, their commitment to quality and the security of your data. Working with an AESC Member is a good place to start.

[DOWNLOAD AESC BEST PRACTICES FOR DATA PROTECTION](#)



WHAT YOU AS A CLIENT CAN DO TO HELP ENSURE SUCCESS



SELECTING AN EXECUTIVE SEARCH FIRM:

1. Focus on integrity, track record, ability to discuss and expertise on your project.
2. Ask if the firm is a member of AESC, the global standards-setting association for the profession.
3. Understand who will conduct your search—ensure accountability.
4. Retain the consultant exclusively and be prepared to treat him/her as a partner.
5. Don't select based on level of fees the lowest cost advisor is not likely the one who will deliver the highest value. Consider the impact of getting the right hire in the right timeframe.



BRIEFING THE EXECUTIVE SEARCH FIRM:

1. Introduce the search team to key decision makers, and if relevant, board members.
2. Educate—the more information that you can give your search team the more effective and committed they will be. Don't hold anything back.
3. Advise the search firm of what must be kept strictly confidential.
4. Establish an agreed time-line for the search and how progress will be reported – confirm it in writing.
5. Get all relevant parties to sign off on the search strategy and position specification prepared by the search firm. These are critical documents and must be comprehensive and accurate.
6. Refer any internal candidates to the search firm for evaluation. Be sure they are part of the process.
7. Agree with the search firm who will be responsible for detailed background checking of shortlisted candidate's qualifications, employment history and civil/criminal records. You may employ third parties for this specialized function.





DURING THE SEARCH:

1. Evaluate candidates against the agreed specification—it's the cornerstone of the search. Be prepared to refine if advised by the search firm.
2. Respond quickly concerning your level of interest in presented candidates. An inefficient or strung out selection process reflects badly on you. Schedule interviews promptly.
3. Facilitate direct dialogue about candidates between the search firm and hiring manager/decision makers, and deepen their sense of partnership.
4. Expect that the search firm's evaluation reports should describe the candidate's strengths and weaknesses. You are paying for consultancy—demand it.
5. Communicate clearly the key challenges of the job and ensure that the interviewing team is in agreement. Treat the interviews like a client presentation—just as much may be at stake.
6. Remember that short-listed executives are not applicants but candidates. Treat them courteously and respect their own tight schedules. They may have reservations about the job and your organization. This is your time to “sell” the candidate on your firm and the importance of the position.
7. Balance buying and selling. Use candidate interviews to initiate two-way conversations. Don't forget that both parties need to be happy for the fit to work. Unhappy is the candidate who finds that critical information was withheld during the interview.
8. Provide timely, meaningful, and comprehensive feedback to the search firm so that they know how to proceed.
9. Run the recruitment process like a project with a beginning, middle and an end, and with a team of essential players.
10. Agree with the search firm who will check which performance references. Hiring managers should always take selective references.



FINAL STAGES:

1. Use the search consultant to test ideas, establish limits, reinforce messages, and serve as an “honest broker” when negotiating the final package.
2. Don't delay—time is of the essence in securing a favored candidate. Don't engage in bureaucracy that could kill the deal.
3. Draft the offer letter for review by the search firm and discuss with the candidate before sending the final copy for signature. The last hurdle is as crucial as the first.



FOLLOW UP:

1. Once an offer is accepted, work closely with the search firm to ensure transition to the new position. Our research shows that candidates want more assistance with onboarding than clients realize—the search firm can provide valuable support in this critical transition.
2. Agree a mutually beneficial schedule of follow up and feedback.
3. Don't forget that the consultant is invested in the candidate's onboarding and success. The consultant should be leveraged as a useful source of advice and guidance for both sides during the first months of a new appointment.





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