

7 Rules For Attracting The Best Executive Talent

*The Laws Of Leadership Attraction That Dictate Whether You Can
Effectively Recruit And Retain Top Executive Talent*



Perspectives from TRANSEARCH International

Hiring companies that understand the recruitment of senior business leaders is a two-way street will be in the best position to compete in an increasingly global war for executive management talent that is now beginning to unfold.

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That’s because no matter how bright the future prospect for your business, the most exceptional candidates for senior management roles will assess whether it has the right stuff to magnify their performance and thereby bolster their career.

The right stuff, says executive recruiter Steven G. Pezim, are the laws of leadership attraction that will either move exceptional executives to gravitate to your organisation or force them to look for better alternatives elsewhere.

tools to attract the best

Pezim, Managing Director with TRANSEARCH International/Bedford Consulting Group in Toronto, says hiring organisations must offer these seven benefits to attract top business leaders and get them to stay and perform at peak levels:

- A great story (they want to be part of something special, compelling strategy)
- Brands/products/services that are admired/profitable/have staying power (they want a platform for long-term growth)
- An environment that speaks to personal growth (get better at what they do)
- Work that has meaning (that’s makes a difference)
- Chance to join an inspirational leader (reputation for doing the right thing)
- Wealth creation (financial security)
- Effective board governance (leadership that takes governance seriously)

“In 25 years of executive search, I have never heard an “A” Player say, ‘I want a maintenance role where I can just be a caretaker and focus on maintaining the status quo,’ or who wants to work for a chairman or CEO known for a revolving door approach with their executive staff,” Pezim says.



Rather, he adds, “Highly capable executives want a realistic challenge and they want to make a difference. Leaders generally like ‘the game’ and have something to prove to themselves and sometimes to the general public. I doubt that former Home Depot CEO Bob Nardelli took Chrysler’s top job because he needed the money.”

Oleh Butchatsky a partner in Watermark Search, the TRANSEARCH International office in Sydney, shares this opinion. “It is critical that the organisation has a reputable, attractive and distinctive “corporate personality”. Standing out from the ruck is important – and often this is a direct

reflection of the leader/CEO/founder. A thorough understanding of the hot buttons that may attract candidates to a particular company is needed and they include corporate story telling around the organisation’s culture, view on work/life balance, remuneration and other rewards, values, ethics and importantly in today’s world, environmental considerations.”

Pezim contends further there are a variety of challenges that might spark the curiosity of a high performing executive about to get his call. Things that would excite an executive to take on a new leadership role, Pezim explains, include the opportunity to develop new products and services, improving the customer experience, expanding the business through organic growth or acquisition, entry into new geographic markets or the need to shift culture, perhaps from one of entitlement to that of one continually focused on high performance.

“360-degree feedback is a reality check for any leader that has the courage to deal with the truth”

“We see a number of executives taking on new roles that really challenge them,” Pezim adds. A universal prerequisite for executive success – especially given the rising expectations on their performance – he adds, is a willingness to accept feedback and make course corrections whenever necessary.

“360-degree feedback is a reality check for any leader that has the courage to deal with the truth,” Pezim says. “If Tiger Woods can have a coach and be open to changing his swing after winning The Masters, than so can any leader who is serious about being the best he or she can be.”

it pays to be proactive

So what can your organisation do to spark the kind of gravitational pull that companies like Google, General Electric, Apple, Microsoft, Nokia, Porsche and many private equity-backed companies have when it comes to attracting the best management talent?

Pezim and his global consulting partners with TRANSEARCH International point to what employer organisations can do to greatly improve their visibility to desirable executives who may someday be persuaded to explore new career options.

The first is to develop a talent scouting strategy that can also evolve into a succession risk management tool.



“Right now, we are working with a well-known North American financial services company that recognises they have a number of executives who will be eligible for voluntary retirement within the next two years,” Pezim says. “Rather than wait, we have met with the CEO and senior vice president of human resources and looked at where they are the most vulnerable and mapped out ten of their competitors’ organisations and our message to prospective candidates is to solicit their interest in confidentially being considered on a competitor’s succession plan.”

The other proactive step employers can take to manage executive management succession, Pezim adds, is to build a complete, market-oriented view of the organisation’s leadership brand strategy.

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“Our recruitment brand assessment, or what we call ‘Blueprint’, requires a deep dive on our client’s corporate DNA, and we ultimately formulate a corporate recruitment brand proposition in seven words or less,” Pezim explains.

asia-pacific points of view

The increasing globalisation of business and of employers both large and small pose significant questions about whether an organisation can leverage the same assets to attract exceptional management talent in other regions of the world.



Gregory Dohnt, partner in the TRANSEARCH International Sydney Office – Watermark Search – says exceptional leaders are motivated by the potential reputation enhancement, recognition from peers and opportunities for genuine wealth creation that might be promised in a career move.

“Executives seek escalation of challenge. They want to see that what they tackle today on behalf of an organisation will assist them to meet even greater, more complex challenges in times to come,” Dohnt says. “Good leaders think about the legacy of people they leave behind them when their time is through. Top executives seek to balance tomorrow’s results with future-

proofing sustainability. And most importantly of all, they want to work with other people just like themselves.”

And contrary to media headlines about significantly inflated CEO pay, Randall Maple, also a TRANSEARCH International partner with Watermark Search, says money alone is typically not enough to lure a top executive away from a job in which he or she is currently well compensated, proven and highly regarded by peers.

Companies, Maple contends, have to offer more in terms of “a future in an organisation of strong reputation that is not only well managed but has plans for development and growth.” The proposition required to attract top talent, he adds, “needs to be not only attractive in terms of rewards but in terms of stimulation and future.”

Maple observed that many employers understate the attractiveness of their senior-most career opportunities. But, ultimately, its attractiveness in the eyes of potential executive-level recruits “will inevitably be impacted also by their performance in the market place, their strategic plans for the future and evidence of innovation in the way they do business.”

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Compensation underpins the value top employers place on people and their preparedness to be competitive.

The most competitive among them, Maple adds, rank at least in the third quartile of remuneration for senior executive roles as measured by analysis of pay for the same role in a similarly sized company in the same market space.

“search for world-class management talent must factor in the linkage between top executives’ work and sense of self”

Uday Chawla, managing partner, and Rahul Mathur, senior partner, with TRANSEARCH International in India, believe the search for world-class management talent must factor in the linkage between top executives’ work and sense of self.

“Clearly, jobs have become a part of self expression,” Chawla and Mathur agree. “It is the opportunity to work with something close to one’s heart and in one’s own style which is of prime importance.” This alone suggests a very personalised engagement with top management candidates.

Invariably, that engagement leads to discussions about compensation, and from the perspectives of Chawla and Mathur, it cannot be overlooked as part of the lure for a new management recruit. “Money is a complex motivator.

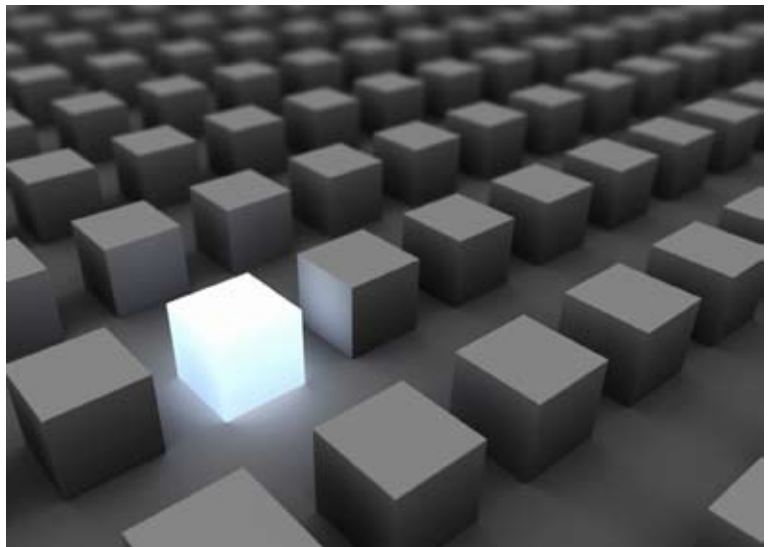
While all executives look for optimising growth potential and alignment to personal goals in each job,” the TRANSEARCH India partners agree, “often money is used as a benchmark for comparisons with peers or assessment of market value of self, and then it overrides other considerations.”

Creating the right compensation framework is a necessity to engage top leaders, but their fit has much more to do with their sense of satisfaction in a new environment.

“While it is a no brainer to consider good product and high growth potential markets a minimum requirement, things like innovation, cutting edge HR practices and employer branding go a long way in making a company attractive from outside,” say Chawla and Mathur.

Speaking specifically to the movement of executive talent on the Indian subcontinent, they observe: “There are more business leaders willing to shed their tenured association in a large, government-sheltered or otherwise market-insulated corporation to explore start-ups and test their mettle for a higher gain.”

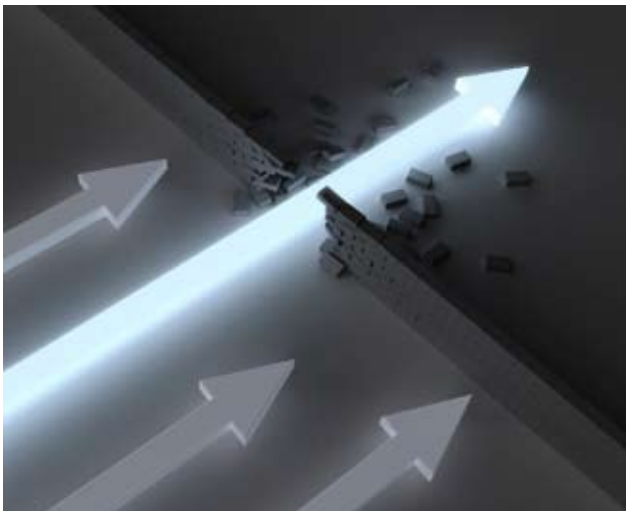
The availability of large numbers of management appointments within many executives’ current environs, however, has raised the bar for companies that must really differentiate their pitch to attractive management candidates to stand out amid the crowd.



the view from Europe and beyond

Mario Ceretti, managing partner of TRANSEARCH Italia in Milan, says an organisation's recruitment brand has to be an extension of its consumer brand. Further, he says, it has to speak to the kind of opportunity great business leaders might find there.

"Executives in Europe and around the world, for that matter, want to see the company described in a way that clearly spells out its long-term strategy," Ceretti says. "The best management candidates also expect to be held accountable for their performance and have the tools to hold others accountable for performance as well.



That kind of clarity about expectations is often part of the attraction for top leaders."

Beyond a compelling strategy and clearly defined accountability, international executives may be swayed to explore new opportunities because of the reputation of key executives already on a company's leadership team and their track record of retaining and promoting other top managers.

Companies need to consider external viewpoints to measure the true reach and potential of their employment brands and external recruiting programs.

While executives expect to be compensated fairly based on their experience, know-how and past performance, they are more often attracted to new career opportunities by things like a company's market position, its financial health, modern structure, products and location.

If a company has a reputation for "excellent management," Ceretti adds that's a major advantage in the executive talent marketplace. But if a company is known more for "unclear strategy, a lack of career development and bad atmosphere," most of the best candidates will likely ignore or dismiss a recruiter's repeated overtures.

putting it all together

Companies that assume they can attract great executive leaders are often the ones that can't make their own business case to potential recruits and who fail to attract the highest calibre management candidates in the first place.

As the late management thinker and author Peter Drucker once said, "The ability to make good decisions regarding people represents one of the last reliable sources of competitive advantage, since very few organisations are very good at it."

Making those good decisions, says TRANSEARCH's Steven Pezim in Toronto, is about attracting the right field of talent in the first place.

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"An organisation's ability to attract top talent hinges on its culture, the quality and reputation of its products and services, and, simply put, 'the sex appeal' of its career growth potential," Pezim contends. "That being said, there are no gimmicks. The organisation's authenticity, its identity will shine through or not.



If you were looking to fill executive jobs within Ferrari or Apple, the response would be overwhelming. The same position with a food wholesaler, however, might be a problem filling."

Russel Reeves a partner in Watermark Search, the TRANSEARCH International office in Sydney, agrees with that assessment.

"The best talent only wants to work for the most successful, high-profile, organisations," he says.

"Establishing and projecting that reputation is a key strategy in selling executive job opportunities, through encouraging an industry's best to seek out and approach the company or being open to approaches when they come."

That applies in business much in the same way great athletes with a team mentality drive championship performance. "The return on investment that comes from having the best talent will be maximised by having industry best talent who work in a constructive, typically values-driven, team environment," Reeves says. "It stands to reason that in a highly competitive industry, a company staffed with the 'best' talent will develop a competitive edge over others."

Looking to the future, Bob Lewy, also a partner in the Sydney office, says the rules of attraction are changing in terms of how dynamic organisations connect with and ultimately recruit up-and-coming executives from the so-called 'Generation Y.'

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"Generation Y executives, in particular, are keen to join an organisation that is environmentally sensitive and considered to be a caring, corporate citizen, ideally involved in supporting community and not-for-profit organisations," Lewy says.

So the bar on what it takes to attract the best talent is pushed higher still. When and how employers recognise that and whether they stay or get in the game are issues that will surely redraw the competitive business landscape for years to come.

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About TRANSEARCH International

TRANSEARCH International has representation in most of the major economic centres of the world with over 50 offices in more than 30 countries and is currently rated as the 10th largest global executive search firm by Executive Recruiter News (ERN). TRANSEARCH International was founded in 1982 and celebrated its 25th Anniversary in 2007. For more information contact the TRANSEARCH Central Office (contact@transearch.com).

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