

How to Get the Best From a Recruiter

Excerpted from a presentation Bruce Dingman made to a Phoenix CEO group on 5/3/00

1-Choose the right recruiter for your need.

To obtain the desired results, one must first select the right type of recruiter. Many executives do not understand the differences between the types of recruiters and tend to think only in terms of experiences they have had. Knowing the distinctions between recruiter differences is fundamental to getting the desired results.

Contingency Recruiters:

By definition, contingency recruiters are paid only when someone is hired. Some may require a partial payment upfront but have the bulk of the fee contingent upon a candidate being hired. Depending on what other assignments they are working on, the recruiter may put priority on those they think they are most likely to complete successfully. Their commitment to fill a position can be limited.

This type of search firm is often used when the employer, simultaneous with the recruiter's efforts, does their own searching to find candidates. If the employer's is successful, the search fee is avoided. Such searches are typically in the \$50-125K compensation range.

Retained Recruiters:

The right occasion to use retained search firms is when it's very important that candidates have the right experience, the right values, and management style to fit the firm. The employer must realize it takes time, typically 3-5 months from start to the time someone is hired, and a close working relationship between the hiring supervisor and the recruiter is paramount. Such positions typically pay anywhere from \$120-200,000 minimum.

Knowing they are going to get paid no matter what happens, retained recruiters should be committed to stay "on task" until the position is filled. However, some large search firms are now publicly held (where "quarterly income is god"), and in some such search firms internal pressure can be placed on the recruiter to abandon a search if it is taking too long. It is an unprofessional response by the search firm, but it does happen.

The better search firms will work on the assignment as long as they think they can find what the client is working for, even after that particular search may no longer be financially profitable. After all, such recruiters know their reputations will suffer if they are not successful. This is where the integrity and professionalism of the recruiter and the search firm enter in.

A professional search firm will usually have a professional website...look for transparency; do they include biographies of the key staff, do they thoroughly describe the process, and are they members of the Association of Executive Search Consultants (www.AESC.org), which

investigates complaints against its members. Many recruiters get into the field by just pure salesmanship. Look for substance.

So...how can the CEO increase the chance that the recruiter will complete the search? Do your homework by checking their track record. Ask the recruiter for prior clients for the past year and speak to two or three of them. Be sure the references are former clients of the particular recruiter who says he or she will be doing the search. Also, watch out for the “rainmaker/worker bee combo.” Some search firms, particularly when the search is for a position not paying a lot, a senior recruiter will make the “pitch” and once the contract is signed, a junior recruiter may do the work.

2-Do you need a recruiter who specializes in your field or is a generalist better?

There are advantages and disadvantages for each type. The advantage is that a specialist immediately knows many of the players in the industry. They can move fast, perhaps saving a couple weeks on the speed of the search. Maybe they can get the attention of people who otherwise might not have any interest. However, the tendency is for the recruiter to just “work their Rolodex rather than investing in fresh research to find all the best candidates. An industry or functional specialist might also be willing to discount their fee.

A disadvantage to using a specialist is that they may have numerous clients, who they cannot recruit from, limiting where they can search. The industry standard for reputable recruiters is that former clients are typically out-of-bounds for two years since last serving them.

Why use a generalist? First and foremost, is the confidence the new client has developed in the competency, personal chemistry and integrity of the recruiter. Finding candidates is not the hardest part of the task although new users of search services often think it is. In actuality candidates with the right experience may be easy to identify. Why so? Industry directories will typically identify numerous candidates holding the position the client needs to fill. The real value of a good recruiter is not primarily in the finding, it is everything else that goes into the process. It is having the committed resources to spend time on the search, knowing the research methods to find the best people, having a fast learning curve to understand and represent the client’s industry (1-2 days max needed), having expertise in understanding how organizations function, understanding the client’s company culture and personalities, interviewing and reference checking skills, preparing compensation offers, extending the offer and “proofing” the candidate who has just accepted the offer so they won’t back out.

When a recruiter makes their “pitch,” see if they have done their homework on your firm and industry. If they don’t come prepared be concerned; they should show their initiative and skill in research by being prepared.

A generalist is used to approaching a search assignment opportunity with out-of-the-box thinking. They have fresh ideas. In fact, they typically find the variety of their assignments invigorating. How stimulated or dynamic do you think the recruiter is who only finds controllers or only works in the wastewater treatment industry? The optimal recruiter is going to represent your firm; they should have genuine enthusiasm and proven success.

3-Work with the recruiter on a confidential basis.

Being very open with the recruiter helps them to do their best work. For example, if you are a pre-IPO firm seeking a CFO the recruiter can help you assemble a senior management team that will be effective when doing the “dog and pony” show to Wall Street analysts or V.C. investors. The recruiter may also, as a by-product of getting to know your existing senior management team, show you shortcomings or strengths in the rest of the team that may affect your future organizational structure. A good recruiter is not just a recruiter...but is also an advisor to the CEO on the best use of team member skills and organizational structure.

4-Don't delegate the client-recruiter relationship.

Ideally, whoever is going to be the superior of the person hired should be the contact with whom the recruiter works. While the relationship is often delegated to the VP-Human Resources or in larger organizations to the Director of Recruiting, some of the value the recruiter can give the client can get lost if there isn't a close relationship with the hiring officer.

Often when investigating an industry, the recruiter will come across strategic information that can be valuable to the CEO. Whether that is about a competitor being open to acquisition, discord within another firm, or impending changes coming about in the industry, all such information can be valuable.

5-Be prompt in responding.

The search is a courtship process. If a candidate senses that the search is not a priority, a delay may dampen interest. From another perspective, the recruiter is striving to keep the search process moving forward with proper speed. If a week or two passes, instead of a day or two to receive client feedback, the process can lose momentum.

Candidates are often looking at multiple opportunities and to delay can mean losing a great candidate. As the recruiter is trying to maintain credibility with the candidate in the attractiveness of working for the client, a timely response is paramount. Help your agent to be successful by being responsive.

6-Trust your recruiter.

The recruiter is your agent and has your best interests at heart. Professionalism, integrity, and good business sense, require the recruiter to only do what is good for you.

Tell the recruiter what you have in mind for the compensation range and other enticements beyond salary such as stock options, signing bonus, company paid courses towards an MBA, etc. The recruiter should not offer these needlessly but know what might be possible if needed.

7-Be candid with negative news

About 10% of the time searches are cancelled because of corporate decisions such as reorganizations, downsizing, internal transfers, promotions, mergers, and divestitures. So if you

cancel the search, be upfront as much as you can. Bear in mind, the company may not get any value for the money spent if the search is cancelled.

8-Use the recruiter's expertise of how to "court."

While CEOs spend their time running companies, the recruiter is constantly involved in courtships and marriages. That is the area of their expertise so rely on their guidance.

Try not to look at the recruiting process only through the employer's eyes. The process is a courtship, so do not hesitate to make the candidate and spouse feel special, desired, and valued. It makes a terrific impression if you and your spouse have dinner with the candidate and the spouse. Give the job offer in person if possible. How you would like to be treated if you were the candidate? Make the start of the person's relationship with you and your firm a positive experience.

Things to avoid...a calendar so busy that the interviewing and hiring process is an imposition on your busy schedule; during negotiations contact is always through your secretary or the HR person rather than through you; little consideration of the time and expense of relocation a family to the new city; or requiring an immediate response to the job offer. These can be insensitive, even off-putting occasions, so make a point of doing the reverse.

9-Use the recruiter's counsel even when there is no ongoing search.

Having gotten to know your senior management team well and having the objective perspective of an outsider, the recruiter may have valuable insights to give but will not unless asked. One client hired me to find a CFO for his firm, and then two months later asked me to confidentially find a new COO. If he had earlier asked for input in what I saw in the COO's management style, personality and effectiveness, he would have made the decision to replace him more quickly. It was not my place to volunteer such information; I had to be asked.

Unless the CEO has an astute VP-HR or an O.D. consultant who stays current with the makeup of the senior management team, the next best observer of the dynamics between the team members or the effectiveness of individuals may be the recruiter who recently did a search. Do not hesitate to get valuable insight the recruiter may be able to offer. Maybe you have a suspicion the "Peter Principal" may have set in with one executive and the recruiter can confirm that. Maybe you sense a need for someone to perform a certain role and the recruiter can suggest someone internally who you may be overlooking.

10-Only use a recruiter who you like and have confidence in.

The relationship between the employer and the recruiter is quite personal. Only use someone with whom you feel comfortable and to whom you might show your weaknesses. The recruiter should be someone who will be committed to you and will tell you what you need to know rather than just what you want to hear. While some recruiters can be "yes" men, users, or mercenary, avoid such types and find someone who will be true to what is best for you.