

Executive Recruiters: Your Job-Search Commandos

Executive recruiters (also known as headhunters or search consultants) have firmly established themselves as a visible and highly valued fixture in today's employment landscape. Through their aggressive matchmaking, headhunters affect the careers of individuals, the lives of their families and friends, and the profitability of entire corporations.

No one knows exactly what the business world would be like without the influence of headhunters, but one thing's for sure: sometime in your career, you'll either receive a call from a headhunter, or initiate contact yourself. In either case, you should learn how to work with them effectively, and take full advantage of the many benefits their service provides. Here's what you get from establishing a relationship with an executive recruiter:

- Greater exposure. Headhunters not only maintain a myriad of existing contacts within your field, they can also scout out new companies you never heard of.
- Increased efficiency. Headhunters are obsessive networkers; they spend their time researching and penetrating the job market. Their knowledge can save you time in identifying and pursuing prospective employers.
- Personalized public relations. Employers generally look more favorably towards a candidate who's professionally recommended. Headhunters stake their reputations on the quality of their candidates, and will always present you in the best possible light.
- Confidential representation. Some job search situations require a great deal of discretion. For example, you may want to explore an opportunity with your present company's direct competitor. In such an instance, a headhunter can present your background confidentially, thereby protecting your identity, and eliminating (or at least minimizing) your risk of exposure.
- Authoritative career consulting. Headhunters can help you determine the job or career track that's right for you, based on current market conditions and your own values and abilities. They're also in a unique position to walk you through (and monitor) each step in your job changing process.
- Private training. Headhunters can give you practical, time-tested suggestions on how to strengthen your resume and improve your interviewing technique. In many ways, a headhunter acts as a personal coach.
- Third-party representation. As experienced brokers, headhunters find ways to put favorable deals together, and iron out differences you and the hiring company may have regarding your salary, benefits, and relocation package.

In addition, working through a headhunter can actually improve your chances for success once you've been placed. That's because the search fee the hiring company paid the recruiter represents a sizable financial investment in your future success -- an investment worth protecting.

Headhunters: The Missing Link

Headhunting is a multi-billion dollar international industry that acts as the missing link between a half million job seekers and employers each year. At last count, there were over 125,000 executive search practitioners in the United States, according to *The Fordyce Letter*, the industry's leading trade journal.

There's hardly an industry or profession that hasn't spawned its own coterie of recruiters. They cover every conceivable pocket of the job market, from food sales to machine design to motion picture financing to mortgage banking to freight hauling to data communications to haute cuisine to college administration to city management.

Generally speaking, headhunters work within well-defined niches. To make sense of a complicated employment market, headhunters classify their candidates according to:

- Title or function, which refers to their descriptive title or rank within the company, such as president, plant manager, staff accountant, director of nursing, and so on;
- Skill or application, which refers to their specialized abilities, such as tax accounting, IBM AS/400 systems programming, secured lending, and the like; and
- Product or service, which refers to the industry in which the candidates do their work, such as plastics, minicomputers, industrial tools, public administration, hospitality, and so forth.

To give you an example, a recruiter might place project engineers (title) with computer-aided design experience (skill) into positions with companies that built submarine hydraulic systems (product).

Other headhunters might place CEOs (title) with plant management experience (skill) who work for companies that process frozen broccoli (product); or district sales managers (title) with marketing degrees (skill) who work for companies that make high-top leather sneakers (product).

Think of your own experience. How would you classify yourself? Your answer will not only help you put your career into perspective; it'll help the headhunter determine whether you "fit" into his or her market niche.

Of course, recruiters can use other means to define their markets. Some take an industry-specific approach. Let's say you work in the retail industry, or in construction. You'll probably find a recruiter who doesn't care what your title or function is, as long as you have experience in that target market. I knew a recruiter named Jim, who specialized in the printing industry. No matter what you did in the past, if it had anything to do with printing, Jim would gladly take you under his wing.

The opposite approach is taken by the skill-specific recruiters. To them, the product or service of the host company is secondary to the skills of their candidates. This is the preferred method of recruiters who specialize in placement of data processing, accounting, or clerical personnel.

Don't Get Lost in the Shuffle

Even though headhunters can't guarantee you a new job, you have much to gain from working with them. And vice-versa, since you represent an addition to their continuously perishable inventory. While it's true that headhunters owe their allegiance to their client companies (who pay the fees), without candidates to fuel the fire, headhunters simply wouldn't exist.

For each search assignment, headhunters may prescreen hundreds of prospects. Therefore, the majority of their time is spent with the finalists for each open position, relegating to their file drawers the "reject" or the "maybe next time" candidates they encounter. These candidates are often highly skilled professionals who simply don't fit the specific qualifications required by the headhunter's client company -- they're simply in the wrong place at the wrong time.

For that reason, you should always press for a realistic appraisal of your chances of being placed. If one isn't forthcoming, you can assume the recruiter is giving your candidacy a low priority. In that case, you can opt to let your resume languish in a headhunter's file, or seek the help of a recruiter who'll take an active role in finding you a new position.

I try my best to be up front with every candidate I talk to. If your skills fall outside my area of expertise, I'll steer you to another headhunter who can be of assistance, or provide you with some general coaching which I hope will be of value.

Always look for a headhunter who takes an interest in your background, or who specializes in your industry. The last thing you need is to pin your hopes on someone who's not in a position to help you. Be prepared for mixed reviews when you talk to recruiters. You might very well receive a brush-off like, "I'll call you in a week to 10 days"; or bad advice, such as "You'll never find the job you want with the background you have"; or discouragement like, "Nobody's hiring now." Just keep plugging away at your job search -- and never take "No" from a headhunter.

Of course, even the most qualified candidacy is subject to the whims of a supply and demand job market. In many cases, a headhunter simply won't know what your chances of getting another job might be until he or she puts out feelers or sends you out on an interview. To work most efficiently, invest your time with a recruiter who really wants to help you.

Sigmund, Sherlock, and Donald

Headhunters come from a wide variety of backgrounds, and exhibit the same range of personal merits and character strengths as the rest of the human race. The majority are honest, hardworking entrepreneurs, who work diligently to help candidates find meaningful, rewarding jobs.

I've found that headhunters can be divided into three different personality types:

- [1] The *Sigmund Freud* headhunter is a kindly, wise, and empathic counselor. He or she listens carefully when you describe your values, your job preferences, your personal goals, and your family commitments. The Sigmund Freud headhunter wants to place you with a company you'll feel comfortable working for, and will spend lots of time getting to know you.
- [2] The *Sherlock Holmes* headhunter is a clever, relentless, goal-oriented detective, who'll track down and contact every company which might provide a match for your skills. This type can be quite creative in discovering aspects of your background which can be successfully marketed to companies off the beaten track, or only peripherally related to your present industry.

A perfect example of the Sherlock Holmes headhunter is Norman Roberts, who works out of an office in Los Angeles. It was his ingenuity that led to an unlikely (but highly successful) match in 1984. He took an unknown travel industry executive -- Peter Ueberroth -- and placed him as the head of the U.S. Olympic committee.

- [3] The *Donald Trump* headhunter is the consummate deal maker. This type is less concerned with whether you're a round or square peg, as long as you can be crunched into whatever hole may be available, or convenient. Headhunters like this tend to give the search industry a bad name because of their insensitivity to the true needs of their clients and candidates; and although they can often produce positive results, many times their high-pressure tactics lead to short-term employment.

While personality and style are important aspects to consider when selecting a headhunter, you should also evaluate the headhunter's past results. Assuming you feel a modicum of comfort with the person you're dealing with, it's a good idea to check into their track record and experience level. If you discover a consistent pattern of success, you're probably off to a good start.

Otherwise, you might find yourself stuck with the fourth type of headhunter: the *Inspector Clouseau*. This type embodies none of the above personality traits, only the endearing, bumbling incompetence of the movie character portrayed by the late Peter Sellers. In his Pink Panther movies, Inspector Clouseau was able to crack the trickiest cases; but only through sheer serendipity or plain dumb luck.

The Two-Party System

You've probably heard of the so-called schism in the world of executive search between "retained" and "contingency" headhunters. True, differences exist, especially in regard to billing methods, candidate salary levels, and operational procedures.

However, I prefer to think of the entire search industry as a microcosm of the American political system, in which both Republicans and Democrats live in peaceful co-existence.

“Gee, that’s a far-fetched analogy, isn’t it?” you ask.

No, not really. Republicans and Democrats are both loyal Americans; they just have different views concerning society and the way the country should be run.

The same could be said of the retained recruiters (who get their fees paid in advance and work to fill higher level positions) and the contingency folks (who only get paid once their candidates are hired). Each serves a different slice of the employment population, and each has a different concept of how the search business should work.

Interestingly, the lines of demarcation have begun to blur in recent years. Just as Republicans and Democrats have cross-bred portions of their constituencies, so have the retained and contingency headhunters. Although the traditional break point in salary is around \$75,000 (with retained above and contingency below) it’s no longer unheard of for a contingency recruiter to place a CEO at \$200,000 a year; or a retained headhunter to place a manufacturing manager at \$55,000. What’s more, each camp will, if the situation warrants, borrow from the other’s method of billing the client. Lately, I’ve heard stories of contingency recruiters charging partially retained fees, and retainer headhunters accepting assignments “on spec.”

As the search industry continues to evolve, it’ll matter less and less how the client is billed. Currently, there are about a dozen different billing schemes, from flat fees to hourly fees to itemized service charges. One clever recipe combines contingency with retained to produce -- *voila!* -- “contained” search.

Understanding these broad divisions will help avoid confusion and save you time if your salary level is fairly polarized. That is, if you’re currently earning, say, \$35,000, there’s virtually no chance you’ll be working any time soon with a retained headhunter. Similarly, if you’re earning over \$100,000, the odds are, the headhunter you work with will be retained by the client company.

Both contingency and retained recruiters play for big stakes. Fees generally run from twenty to as high as thirty-five percent of a placed candidate’s first year compensation. With that type of arithmetic, it’s easy to see why headhunters develop ulcers, not to mention a healthy skepticism towards their clients and candidates. All it takes is for an employer or candidate to change his mind at the last minute, and the headhunter has lost, say, \$10,000 or \$20,000 in personal income for months of work.

Some Common Sense Ground Rules

Let’s talk turkey for a minute about what to expect from headhunters, and how to establish some common sense ground rules. Here are seven issues you’ll want to discuss before you set any relationship in stone:

- [1] Compatibility -- Make sure you feel comfortable with the style, personality, intensity level, and integrity of the headhunter. As in any other business

relationship, you want the other person to understand your needs and act accordingly.

- [2] Confidentiality -- Make sure your resume isn't going to get plastered all over town without your knowledge. An inept (or anxious) recruiter can overexpose your candidacy; or worse, reveal your intention to change jobs to your own company.
- [3] Good Judgment -- Make sure you're being sent to interviews that match your background and interests with the needs of the recruiter's client company. The most common complaint from both candidates and employers is that recruiters "throw candidates against the wall to see what sticks."
- [4] Honesty -- Make sure there's either a bona fide job opening or an upgrade possibility where you're being sent to interview. Otherwise, you'll be spending your valuable time on one wild goose chase after another.
- [5] Tempo -- Make sure to let the recruiter know at what pace you want to proceed in your search for a new position. If you're not ready to make a change until a later date, or simply want to explore the market, don't let the recruiter waste your time by sending you on an interview.
- [6] Arm-twisting -- Don't be pressured into accepting a position or a compensation package simply to please the recruiter.
- [7] Exclusivity -- It's fine to work with a recruiter on an exclusive basis, as long as you feel comfortable with the arrangement, and the recruiter has earned the right of sole representation. On the other hand, you might not want to limit your options. Despite what you may be told, no recruiter has the exclusive "ownership" of your candidacy.

By the same token, you must be fair with headhunters. For example, if you're pursuing a job search on your own or through another party, keep the headhunter aware of your activity, so you don't cross paths. A recruiter's time and reputation are his most valuable commodities; he or she deserves better than to be manipulated or left in the lurch.

Recruiters can't work miracles by waving a magic wand over your resume; all they can do is match your background with a suitable opening, and help guide you through the job changing process efficiently and competitively. While it's true that headhunters have their limitations and can't be all things to all people,

It makes good sense to build a solid relationship with a competent headhunter.