

THE GLOBAL WAR FOR EXECUTIVE TALENT

No matter how good or how successful you are, or how clever or crafty,
your business and its future are in the hands of the people you hire.

AKIO MORITA, FOUNDER, SONY CORPORATION'

Deciding who leads is the most important challenge of our times for organizations the world over because the recruitment of senior executive management has the greatest bearing on the change that drives their financial performance. Executive search consultants, often called “headhunters,” are the ones who make it happen because organizations frequently turn to them to find new leadership.

This decision is especially consequential because senior executives, more than any other employees, knit the fabric of employer culture into a coherent whole, mold the strategy that drives shareholder value, and set the rules that ultimately dictate the customer experience. They also sit in judgment about the kind of leaders who should be promoted or recruited into their ranks, thereby extending their imprint on the business and creating their professional legacy.

Today’s leaders require meaningful experience, sound judgment, a moral compass, and a strategic vision to meet the challenges presented

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by external variables such as customer satisfaction and retention, corporate social responsibility, government regulation, and, increasingly, media and investor calls for governance and ethics reform, among others. Those who would lead must be adept at handling the organizational challenges over which they can assert significant control: growing net income; charting management succession; ensuring employee health, safety, and engagement; building relations with workers' unions; protecting the data privacy rights of consumers, employees, and recruits; growing the business; and generating and sustaining an acceptable long-term financial return to shareholders. The most visible leadership positions in any organization also create new role models as well as an effective platform from which to attract new talent.

All these factors may explain why the former treasurer of a major oil company who moved on to a career in the executive search business describes senior management talent as “the new oil . . . hard to find, difficult to extract and difficult to deliver.”²

Whenever a key executive leaves, the company experiences a multiplier effect as other key contributors—including, invariably, others within the departed executive's trusted inner circle—leave or plan to depart ahead of the appointment of their boss's successor, who may come with plans to build and recruit a new cadre of trusted lieutenants and outside advisers.

The cumulative effect of senior leaders' decisions will either elevate corporate performance or inhibit profit growth, degrade organiza-

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tional culture, and dissuade the best and most promising senior management candidates from staying or accepting a position there. But the increasing pressure to make smart, informed, and sometimes very public

decisions and to embrace or adapt to the current business environment faster than the competition has put senior leaders under a microscope. The constant demands of executive management make it easy to understand why executives want to be paid so much for sacrificing their life outside work, even if the record sums they demand seem outlandish to observers.

TALENT AS “CEO SPEAK”

Walk into a room full of businesspeople these days and it won't take long to discover who among them hold the title of chief executive officer. They're the ones chatting about how important their best people are to their company's success. Whispering in one another's ears that they constantly worry about their best people being recruited away to the competition. Telling others that organizations that put people first finish first. Insisting that world-class management leadership helps drive competitive advantage.

Watch almost any television interview of a CEO or other leader, and invariably you'll see the interviewee bring the conversation around to the idea that people drive innovation, and that innovation and hard work drive performance and profits. As one says, “Physical capital depreciates, human capital appreciates.” Also consider the words of the forty-first president of the United States, George Herbert Walker Bush: “Get good people, delegate and give 'em credit.”³ And this from former management consultant and Massachusetts governor Mitt Romney: “The key to good management is hiring the right people and building the best team.”⁴

Often the CEO makes “talent” and “getting the right people in the right jobs” the cornerstone of a corporate transformation plan, as McDonald's CEO Jim Skinner did when he took the reins in December 2004. One informal poll of corporate HR managers revealed that 88 percent of them were employed by a company whose CEO had said people are the organization's most important asset.⁵

But setting the course for organizational change, or even simply inspiring others to follow, requires more than words from the CEO. It's true that you can't acquire the mantle of corporate leadership without saying the right things—and competing with world-class talent is indisputably one of the smartest messages a CEO can trumpet—but the vision and message have to be supported and implemented across the organization. So smart leaders have communicated that talent—specifically, the business of recruiting outstanding talent—is everyone's job.

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“I talk about and think about people and succession every single day . . . we lead with people,” says Susan Q. Hood, a vice president with the State Farm Insurance Companies. “Succession and developing people probably is my number one important work when I look at all the things I do.”⁶

Radio advertisements for Saturn Corporation, the automobile manufacturer, tout its “People First” focus, which differentiates the company through its unique customer experience and employment proposition.⁷

Bloomberg, a global provider of data, news, and analytics, has invited talented individuals to consider its employment opportunities by emphasizing that “Our strength lies with our people.”⁸ Such messages about people and effective management—intended for both internal and external audiences—paired with the example and vision provided by the CEO and other leaders, will ultimately determine whether a company becomes a talent magnet, giving it a recruiting and employee retention advantage over the competition, or a hunting preserve, rendering it vulnerable to constantly being raided by the competition for its best talent, thereby inhibiting its growth.

But effective recruiting and management succession are two critical performance competencies precious few business leaders believe their organization has mastered. This may help explain why CEOs and other business leaders—including those who are only paying lip service to the talent issue—do so much talking about people, the workforce, and executive management. It also explains, in large part, why so many organizations have turned to business function outsourcing to bridge the talent gap.

Maybe hearing themselves say that their organization wins with its people makes CEOs feel better about their organization’s current state of affairs. They may hope that merely saying the right things will add some level of support or sophistication to their often ineffective recruiting process and underdeveloped management succession plan.

A GLOBAL CHALLENGE

The business of senior management recruiting changes everything. That's because authority over the vast resources of today's enterprises—financial capital, political capital, and human capital—often gives those in positions of power inordinate control over the destiny of an organization and the wealth, careers, and lives of a multitude of others who are influenced by their decisions.

It has become increasingly clear that the victors in the war for executive recruitment, development, and retention will win in the global marketplace. The multinational companies and national economies of our world are moving toward a more congruous, interdependent, and competitive global economy that draws on the skills and experience of knowledge workers wherever they—and the brightest market opportunities—reside.

The truth is that we are all global consumers. Just think of the clothes you wear, the car you drive, the home electronics you use, and the goods you consume in the course of a day. No matter where you live, you likely own more internationally manufactured products than your parents did, and your children are exposed to more global products than you were at their age.

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We are also global citizens. And we're all part of a global talent market, one that places a significant premium on talented senior executives. The challenge for senior executives is to inspire, challenge, and lead people so that, no matter where they work and live, they want to compete and win as part of an organization that adds purpose and a sense of personal growth to their work life.

The globalization of multinational companies largely results from their realization that the most promising consumer markets are found in the world's most populous nations, or in regions where governments, geographies, social customs, or cultural norms previously

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prevented such business expansion. Globalization is also the result of mergers and acquisitions and industry consolidation, driven partly by powerful forces outside the United States and Europe that are changing the complexion and the rules of engagement for many businesses.

“You are no longer competing just with the guy down the street, but also with people around the world.”⁹ That’s what IBM senior vice president Robert Moffat said in an interview with the *New York Times* about his company’s decision to hire fourteen thousand new workers in India and lay off up to thirteen thousand workers in Europe and the United States.

As workforces and consumer markets become more global and service businesses proliferate, CEOs worry about their ability to keep

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their scattered workforces nimble and strategically aligned to both the opportunities and the threats that arise from the global marketplace. The pressure to optimize workforce alignment requires the

movement of management assets and forces executives to think at least two moves ahead when it comes to deploying talented business leaders. “We have to be able to put bright talent and expertise where there’s a need . . . we need to be able to move the talent around,” says one corporate executive.

The need to drive business on an international scale dictates the effective deployment of management talent inasmuch as it requires companies to talk to their customers, employees, and shareholders on a global scale. Consider the case of Mexican cement industry giant Cemex (NYSE: CX), which found that it had to translate its Web site into eighteen different languages, in part because it operates in fifty countries around the world.

The capacity to conduct business globally rests on individuals’ willingness to follow opportunity and adapt to a new environment, much in the same way a German executive recently followed opportunity all the way to Shanghai, a new crossroads for international business. His sense of discovery was short-lived as he walked into a conference cen-

ter there, to be greeted by a gathering of more than five thousand of his countrymen. These days opportunity attracts leaders like a magnet, no matter what the longitude and latitude.

Cases in Point

To gauge the globalization of business, consider the story of Avery Dennison Corporation. Founded in 1935 and based in Pasadena, California, Avery Dennison is a global leader in pressure-sensitive technology and innovative self-adhesive solutions for consumer products and label materials. It operates more than two hundred facilities worldwide that manufacture products sold in eighty-nine countries for the office, school, and home under the Avery brand. It also manufactures pressure-sensitive base materials, reflective and graphic materials, and performance polymers under the Fasson brand. And its retail information services unit provides retail and apparel manufacturing industries with a variety of price-marking and brand identification products. Avery Dennison's other businesses produce postage stamps, battery labels, and performance films, as well as a variety of specialty tapes.¹⁰

The company tapped into a significant market in the United States over the years, but the lion's share of its recent growth has come from other markets. The makeup of its annual sales—as well as its overall workforce—has shifted significantly, as Table 1 explains.

Avery Dennison has been recognized by both the Human Resource Planning Society and the HR consulting firm Hewitt Associates as one of the top twenty U.S. companies for leaders. J. Terry Schuler, its senior vice president of human resources, says the company's challenge now rests on building global leaders and global teams that can serve in any function, in any geography, and at any time.¹¹

Avery Dennison is not alone in seeing its business and its workforce globalize—and in the process awakening to new challenges across its business lines and around the world. Microsoft, for example, recruits about 25 percent of its top executives from external sources, and, as with many growing multinational companies, an increasing number

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TABLE 1 Avery Dennison: From Feudal Society to Global Company

	1995	2006
Sales Non-U.S. Sales	\$3.1 billion 40%	\$5.7 billion 59%
Employees Non-U.S. Employees	15,500 35%	22,600 69%
Business model	<ul style="list-style-type: none"> • Small, autonomous business units • Highly decentralized • Margin, cost driven • Very few common systems, processes, tools 	<ul style="list-style-type: none"> • Larger regional and global units • Marketplace decentralized, shared back office • Growth, productivity, and people goals • Common systems, processes, tools
Leadership development	<ul style="list-style-type: none"> • Low priority • Highly decentralized • No shared tools, processes • No formal development programs • Managers not held accountable 	<ul style="list-style-type: none"> • High priority • Corporate driven • Common tools, processes • Formal development programs • Managers measured and held accountable

Source: J. Terry Schuler, Avery Dennison’s SVP of HR, “High-Potential Career Development: Creating the Right Opportunities for Growth,” presentation to The Conference Board Succession Management Conference in Chicago, October 26, 2006.

of its employees and senior managers work in and are citizens of countries other than the United States. The company also assesses the performance of its senior executives based partly on how effectively they attract and develop talent, which is key to Microsoft’s ability to innovate and serve its customers’ needs.¹²

That kind of thinking is shaping corporate attitudes around the world, as it did when the Corporate Executive Board, a provider of business research and executive education programs in Washington, D.C., polled a global audience of senior HR managers. Three-quarters of those respondents indicated that “attracting and retaining” talent was their number one priority.¹³

The Coca-Cola Company has a significant thirst for superior global management leaders, and the competition for top executives that it faces in regional markets around the world suggests future growth for what has become a truly global market for leadership talent.

“We certainly are approaching this work with more of a global view,” says John J. Goldberg, director of executive talent acquisition within the human resources function of The Coca-Cola Company.

We view things a little differently when we source talent globally, and that translates into how we do [executive] search. I don't think executive recruiting could be more critical in a company like ours. The Coca-Cola Company itself is only half the business, with a focus on brand development, marketing, quality, and strategy. Our bottling partners manufacture and sell our products. This leaves us with a workforce largely comprised of knowledge workers. The cliché about our people being our greatest asset rings true here, . . . and it is clearly an absolute priority of our leadership.

Goldberg says Coke's sheer size and its need for management leaders dictate that the company employs a truly international workforce. “We do business in over 200 countries. For us to reflect our consumer base we have to have an extremely global team. We are competing for talent all over the globe.”

Further, Goldberg says, the company values the flexibility its senior executives bring in because it wants to have options for deploying its executive-level assets—in part to expose its business leaders to challenges that may arise in any region of the world. “People are on their own growth paths,” he says, citing a U.S. American running operations in Brazil and a Colombian running Coke's Asian business. “They are constantly on the move in their careers . . . we value mobility in our executives.”

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While many other executives have tackled the challenges presented by Coke's management-level vacancies, new job creation, and succession plan, Goldberg confirms that he is the first person within the company with exclusive responsibility for executive search. He says he spends at least 50 percent of his time recruiting executive talent outside the United States, and his many travels to Asia at times move that number closer to 70 percent. That's because of Coke's global talent needs and the opening of a truly global front in the war for leadership talent.

"There's greater visibility today as to where the talent is," he says, "but the work of senior-management recruiting has always been difficult. If you're seeking top management talent, you're always looking for a smaller piece of the [global workforce]."

And while he may be logging more frequent flyer miles than his talent acquisition peers in other companies, Goldberg says his travels outside the United States to recruit outstanding management talent make him a good fit with the company's other road warriors—all driving the performance of the world's largest beverage company with the most extensive distribution system in the world.

THE LEADERSHIP CRUNCH

The market for professional and management talent is cyclical, like the business cycle itself. During the late 1990s in the United States, for example, employers were paying handsomely and recruiting talented workers at a staggering pace. In the years since, the growth and contraction of industrial economies has moved large multinational companies to hire by the thousands and lay off by the thousands. The struggle for human capital has alternately cooled and re-ignited, ensnaring midsized, small, and now micro-companies in a battle for talent in economies far more reliant on their vitality as businesses.

We're only now in the opening skirmishes of the global war for executive talent. For organizations that find themselves unprepared to engage in it to defend their precious leadership assets, the truth hurts. It's

painfully clear that all participants in this war need to make whatever succession plans they have more global and more inclusive.

These days, shifting demographics and a serious decrease in executive job tenure portend serious leadership succession challenges, and the implications of not planning for these challenges (or simply continuing to promulgate haphazard recruitment and retention practices that bring mixed results) will be far more punishing to corporate profits than in years past.

The fateful combination of demographic change and organizational dysfunction that has pushed executive turnover to new records in recent years has left the future of many fine organizations hanging in the balance. The graying of executive ranks, together with organizations' failure to develop management bench strength, has left many unable to provide internal replacements for the increasing numbers of top business leaders who will soon head into retirement. In fact, a study by RHR International, a U.S.-based human resources consultancy, found that 50 percent of the Fortune 500 companies anticipated losing half their senior management by 2008, while only about 25 percent were highly confident that their internal talent pool would meet the organization's future needs.¹⁴

Effective recruiting is a key to addressing those issues because, as global consulting firm Watson Wyatt has found, "organizations with superior recruiting practices . . . financially outperform those with less effective programs."¹⁵ And research by Hewitt Associates, a global human resources company, found that "the attraction and retention of pivotal employees plays a critical role in increasing shareholder value."¹⁶

All of the following factors will combine to raise the stakes for leadership recruiting and retention:

- Significant demographic shifts
- Younger workers' demands for more work-life balance
- The unwillingness of many seasoned managers to relocate or accept foreign assignments. This is based in part on corporate

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mishandling of other employees' returns and reintegration into their home country after such time away, lack of institutional memory of such sacrifices, and perhaps even the departure of the executive or HR leader who first advocated for the move overseas.

- Lack of exposure to more than one language and culture among many talented executives
- Companies' failure to retain Baby Boomers' institutional knowledge and develop meaningful succession management plans

The crunch will be especially acute at the senior management level. The future dearth of executive job candidates will result from a smaller pool of talent from which to draw replacements for retiring Baby Boomers, and it will pose a significant future challenge to corporate performance and economic output in most of the world's industrialized nations.

In light of the looming retirement of the Baby Boom generation, close to 40 percent of the HR executives whose views were cited in a 2006 report released jointly by Ernst & Young LLP, ExecuNet, and The Human Capital Institute indicated that their chief concern is the availability of talent over the next five years.¹⁷ That finding prompted the survey organizers to raise a serious and as-yet-unanswered question: "Will corporate America move from productivity to 'reductivity'?"¹⁸ The same question can be asked of other industrialized nations as well, especially those facing a significant drop in their birth rate.

Even for those companies with succession plans, talent management strategies, and executive development programs, those initiatives simply are not generating leaders fast enough to give organizations confidence that they're well prepared to meet their future challenges.

Many companies face the stark reality that a majority of their senior executives could retire *now*, and that their leadership bench strength is weak in some functions and business units. Others know that they've identified successors for only a small percentage of their most critical

senior management jobs, and fewer have a strong grasp on which of their top leadership posts can be filled through internal promotion and which must be filled with new hires.

The competition for leadership talent will intensify as companies realize that replacing the productivity of one retiring Baby Boomer may require hiring more than one Generation Xer. And the interests of organizations and a new generation of executives wanting at least some work-life balance will soon collide. There simply may not be, from a productivity perspective, a clean one-for-one transfer of knowledge, experience, and productivity as the mantle of leadership is passed by the Baby Boomers to Gen X. This will only exacerbate the competition for the best leaders.

The mandate to lead increasingly global organizations, and companies' realization that they'll be unable to develop senior management talent fast enough to keep pace with the challenges and competitive threats posed by the global marketplace, will lead many organizations to reexamine their approach to recruiting top executives.

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THE SEARCH FOR MANAGEMENT TALENT

More and more of the world's largest corporations are centralizing the executive staffing function, building not only their capacity to manage search firm relationships but also their capacity for sourcing (and, in some cases, directly recruiting) the most talented executives, no matter what time zone or organization they're now working in.

While other elements of the people side of business are outsourced, many leading global organizations have opted to retain responsibility for strategic executive hiring. Striking the right balance between developing senior management talent internally and recruiting from the outside to inject new blood, fresh perspectives, and positive change is no easy task.

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Here are some key considerations that senior business leaders must assess before they set out to link good recruitment practices to organizational performance:

- What is the organization's employment brand? How would current employees describe its culture?
- Does the organization have a senior management succession plan and an effective scorecard against which to assess the performance of high-performers and high-potentials within its ranks?
- Does the organization have productive relationships with executive search firms that have no significant talent blockage issues and policies against recruiting people away from current or recent corporate clients?
- Has the organization hedged its bet on external hires with an effective executive onboarding process that provides newly hired managers with feedback to alert them to cultural or performance missteps before they are sacked?
- Is the workforce nimble, knowledge based, and aligned globally to competitive pressures and opportunities?

The answers to these questions separate organizations that lead with people and world-class executive leadership from those with growth plans that may be challenged in today's competitive and stressed business environment.

Campbell Soup Company sells its products—including those in the V8, Godiva, Prego, and Pepperidge Farm brands, and, of course, its signature line of Campbell's soups, a product with more than 140 years of brand heritage—in more than 120 countries around the world. When Douglas R. Conant, Campbell Soup's president and CEO, took the helm, he realized that the company wasn't reaching its full potential and that it wouldn't deliver the highest total shareholder value in the food industry unless it began a transformation plan.¹⁹

“You can’t talk yourself out of a situation you behaved your way into, so you’ve got to behave your way out of it,” Conant says. To attract the very best senior management talent, “You have to have a compelling proposition, and I have to say, it’s about more than money. . . . You have to, as a leader, create a culture that goes far beyond the financial remuneration.”

Conant has done lunch or dinner with “high performers in the food industry” at least twice a month for about twenty years, and he says those interactions have given him a “visceral understanding of talent.” He and his company rely on external talent to fuel Campbell’s strategic vision, and when it comes to recruiting high-caliber management talent, Conant does what many chief executives do: “You call your friends in the executive search business.” Those friends helped Conant drive the corporate transformation plan that began to take shape in 2000 and was revealed on the front cover of the company’s 2001 annual report in one simple statement: “It’s not enough to be a legend.”

In addition, executive recruiters helped revitalize and restock the ranks of the 350 senior management executives who were, at the start of that strategic renewal, members of Campbell’s Global Leadership Team (GLT). A combination of promotions from within and executive recruiting from outside the company has positioned the company’s top leadership for success. In 2000, Campbell had 350 people in the GLT. The number was the same in 2006—but only 50 of the names were carryovers from the earlier list. Of the remainder, 150 were promotions from within the company, and 150 had been recruited into the GLT from outside.²⁰

OUTSIDE RECRUITING

Going outside the organization for exceptional talent can lend new vision, leadership, and energy to a senior management team, an operating unit, or the company as a whole, and so presents a rare opportunity

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to strengthen the organization, introduce change, and otherwise elevate corporate performance. Sometimes outside recruiting is the only choice for a company whose top executive has retired, died, decided to devote more time to family life, or been recruited away to the competition. In some cases, an organization may decide to launch a search to replace an underperforming or misfit executive it intends to fire as soon as a successor is found.

Executive search is often the only way hiring companies can attract and recruit the senior management talent they need. Consider the case of Boeing (NYSE: BA), the world's largest aerospace company, which lured W. James McNerney Jr. away from his post as chairman of the board and CEO at 3M because Boeing needed an outsider to win back investors' trust. McNerney had been a runner-up for the CEO job at General Electric, where he worked for nineteen years before joining 3M. General Electric has, over many years, earned a reputation for training and developing high-caliber leaders, and, as a result, its executives have been prime recruiting targets.

Corporate reliance on the external leadership talent market is critical to change management, performance improvement, and management succession. As one corporate vice president of global talent management puts it: "We're realizing we just can't continue to rely on [internal] talent. You're going to see us hiring more from the outside." Another big-business leader puts it this way: "Inbreeding can be a problem with promoting from within." Still another points out that "We have gotten hit with market changes we didn't see," and recruiting new senior management is an effective way of buying strong corporate leadership and critical market intelligence at the same time.

The business of picking new, world-class corporate leaders is not easy, and the search for game-changing talent is especially difficult. Just ask the owner of virtually any professional sports team about the first-round draft picks that never led their teams to the playoffs, let alone a single winning season. He or she will tell you that in addition to the most methodical and scholarly analysis, there's a measure of luck, timing, and maybe even karma involved. Much in the same way the draft

is key to the success of professional sports teams, recruiting great talent is key to organizational performance in the business world.

Going outside the organization to conduct a search for new executive management can be a risky proposition for the corporation, the executive, and those directly involved in the recruiting. And if there's anything that rankles with shareholders, it's uncertainty, risk, and surprises that shake their confidence in senior management. Effective management succession and the process of effective and seamless executive recruiting are key to mitigating risk for the corporation.

EXECUTIVE RECRUITERS AT THE CROSSROADS

Executive career mobility is a signpost of a free market economy, and executive recruiters lubricate the process that moves executives across the secret market for corporate management. These recruiters, or “executive search consultants” as the most strategic among them prefer to be called, are the ones who collectively plan, orchestrate, and profit from executive career movement and corporate leadership transition.

Standing at the critical intersection of management succession, executive recruiters collectively facilitate more than one-third of all six-figure executive moves and more than three-fourths of the highest-profile CEO transitions around the world. Their consideration of internal management candidates as part of the “external search” process also drives and lends credibility to an enormous number of executive promotions each year. Executive recruiters are the people that CEOs and other business leaders turn to in times of growth, in times of crisis, and every day and nearly everywhere modern-day business is done—whenever the need for management talent demands the riches of the external leadership market and an outsider's informed judgment on management assessment and potential.

Recruiting leadership talent is critical, as the late Peter Drucker once wrote in the *Harvard Business Review*:

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Executives spend more time on managing people and making people decisions than on anything else—and they should. No other decisions are so long lasting in their consequences or so difficult to make. And yet, by and large, executives make poor promotion and staffing decisions. By all accounts, their batting average is no better than .333: at most one-third of such decisions turn out right; one-third are minimally effective; and one-third are outright failures. In no other area of management would we put up with such miserable performance.²¹

Business leaders have come to know that executive recruiters can help them probe the external talent market and also see their own organization—its strengths, its warts, and its unique culture—from a different perspective. Business leaders also worry about losing key management talent, and thoughts of having their stars stolen by savvy recruiters can keep them up all night.

Executive search consultants are storytellers. They use their arts of persuasion, social graces, assignment-specific jargon, and people-reading skills to assess candidates' fit for the role and sell them on the employer's history, vision, and strategy. They are also masters of a covert craft that relies heavily on discretion and its practitioners' ability to see and communicate how an executive's gifts, experience, character, and vision can boost a corporate client's performance.

The serious business of senior management recruiting demands that businesses partner with more than a mere recruiter. Getting it right requires corporate partnership with experts in executive courtship and assessment and the consummation of a marriage of interests between hiring organization and candidate. It also demands more than just recruiting know-how. It requires recruiters who are also consultants capable of evaluating an organization's talent mapping to determine what external human assets may be needed. And that requires sufficient objectivity to decide when a need can be fulfilled through referrals and when an executive search firm is best positioned to drive the search for new leadership.

The executive search business has been a global enterprise since its emergence from the world's largest management consulting firms in the early twentieth century. Executive search consultants have led cross-border searches for decades, and given that experience, they are uniquely qualified to serve as international talent scouts for globally minded organizations.

Consider the case of the long-respected London-based search consultant who recruited a technology executive in Marin County, California, and placed him as the CEO of a software company in Budapest. Or the distinguished Auckland-based consultant whose search for a new country manager for a New York company led him to four short-list candidates: an American living in Germany, a British citizen living in London, an Indian residing in Bangkok, and a fellow New Zealander living in Sydney, all of whom were eventually introduced to the client during a meeting in Singapore. Or any of a host of American, European, Japanese, Brazilian, and Korean search consultants—and others working in every industrialized nation—who have recruited key executives for corporate clients many time zones removed from their offices.

For corporate employers who have operated entirely within the borders of their home country, says retired search consultant Leon Farley, former president of the Association of Executive Search Consultants, “The international sourcing of candidates is the next big challenge in executive search.” The world will need more business leaders—and executive search consultants, for that matter—who are urbane, culturally sensitive, and skilled in multiple languages to recruit talented individuals around the world, he adds.

Executive search is a modern management tool and an essential component of corporate and not-for-profit management succession, and the executive search consultant has become a vital agent in leadership recruiting and executive opportunity spotting.

John Sculley, the former PepsiCo executive famously recruited to be CEO of Apple Computer by Steve Jobs's challenge, “Do you want to spend the rest of your life selling sugared water or do you want a

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chance to change the world?”²² knows that to be true. The executive search consultant who choreographed this transition, Sculley told me in 2005, “was someone who was there as a trusted and valued person in that whole process.”

Executive search consulting is a form of business consultancy with an especially bright future, in part, according to Harvard Business School professor Michael Watkins, because it feeds an appetite for leadership talent stoked by the Fortune 500 companies, where, he estimates, more than 500,000 management positions turn over each year.²³

If done well, executive search consulting has no substitute. Emerging talent management and succession planning practices rely on it. So

If done well, executive search consulting has no substitute.

does the people side of business, where a high-performance team builds a high-performance culture that drives consistent results for shareholders. As one corporate executive has said, the external search for management leadership helps deliver the “frequent dosing of change” critical for companies that are now part of a global economy in which the concept of value and the demands of leadership are constantly being redefined.