

# ***INTRODUCTION***

Leadership recruiting and succession rank as the most pivotal agendas for today's growth-minded, change-oriented organizations. Given the risks and rewards inherent in senior-management recruiting, deciding who leads is the quintessential challenge faced by boards of directors, senior corporate officers, and division or line managers around the world. Their organizations' futures are cast in the investments they make—or fail to make—in leadership recruiting, development, and retention.

Human capital is, after all, the most critical intangible asset riding on corporate balance sheets, and executive recruiters occupy a unique brokerage position from which to drive, direct, and disrupt the global search for leadership talent.

## **THE INVISIBLE FORCE**

With the demands of leadership at an all-time high and executive tenure at a record low, executive search consulting is the single most influential form of management consulting engaged by organizations. Working out of sight of public scrutiny, executive search consultants are an invisible force at the center of the global competition for the best leadership. They quietly influence executive compensation, manage-

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ment turnover, leadership development, and even employers' definitions of leadership. This at a time when these topics are increasingly the subject of media reports, shareholder meetings, and the everyday concerns of consumers, employees, academics, consultants, managers, and social researchers. These consultants' experience, networks, opinions, gut judgments, and, yes, biases collectively set the course and usually preordain the outcome of a search for leadership advantage.

Executive search consulting has been described by more than one of its practitioners as “the ultimate consulting business,” and the truth is that no other professional services business has anywhere near its multibillion-dollar global impact on organizational performance, culture, and profits. Search consultants regularly move the financial markets when they recruit talented people to high-profile corporate leadership positions, and they similarly depreciate shareholder value when they lure a top executive away from an employer or when they accelerate or facilitate the exodus of key executives from a troubled company.

## AGENTS OF CREATIVE AND DESTRUCTIVE INFLUENCE

So how should we judge those whose judgments so invisibly and routinely alter the course of global business? By virtue of their core match-making purpose, their track records, their own operating styles, and hiring organizations' widespread lack of sophistication when it comes to engaging them, executive search consultants are cast as both heroes and villains.

If decisions about people were easy and if these most influential of management consultants brought universal credibility and absolute consistency, theirs would be a widely understood and much-celebrated element of modern-day business building. But that's not the case. Executive recruiters orchestrate a mutual commitment process that is both art and science, and all parties to it must recognize that it is imperfect—as is all human behavior.

Executive search consultants are most appreciated when they serve as talent Sherpas—trusted knowledge leaders guiding hiring organizations through the unfamiliar and difficult terrain of the global market for leadership talent. They are most despised when they recruit key executives out of organizations that desperately need them—and when they make an imperfect judgment about an imperfect executive who turns out to be a misfit with the hiring organization.

The executive search profession summons people of great ambition who find professional fulfillment—and remarkable fortunes—in assessing a critical management or business challenge and then identifying, courting, and eventually persuading exceptional people to answer that call. Over time, executive search consultants can help hiring organizations achieve a strategic leadership advantage over their competition.

They discreetly facilitate a gradual commitment process between hiring organizations and proven business leaders, with all parties focused on how its eventual consummation will drive organizational performance. Executive recruiters infuse organizations with new leadership assets, and the best of them become trusted advisers to management with incredible insider access and unparalleled external influence over the course of organizational trajectory.

However, the true potential of executive recruiters' work can only be realized if hiring organizations become smarter consumers of their services, and if individual executives engage them always for the good of the companies they steward—not to smooth the path for their own next career move.

## **A LOOK BEHIND THE CURTAIN**

This book raises the curtain on the challenges, agents, influence, and true potential of executive search consulting. It explores the growth, success, and wide acceptance of externally led executive management recruiting as well as the nagging obstacles it faces and the missed opportunities on its record.

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This journey behind the scenes starts in Chapter 1 with a look at the global war for executive talent and the emerging market dynamics that are increasing expectations for the performance of corporate leadership at a time when executive tenure is in serious decline. Chapter 2 examines the end of management succession and executive recruiting as they've been known, and why organizations must improve on the status quo.

Chapter 3 examines leadership at Disney, a fascinating case study that offers an unprecedented revelation of one company's approach to CEO succession. Chapter 4 follows the trail of the "headhunters" as it leads to some paradoxical challenges, and explores the real identity problem facing those who facilitate the senior management succession process.

Chapter 5 explores the key ingredients that may come to define both the challenge to executive leadership and its solutions. This discussion is followed, in Chapter 6, by an accounting of the true cost of a bad executive hire, in which the direct costs—double or triple that individual's annual salary—account for only 20 percent of the total damage to the organization's performance.

Chapter 7 addresses the intersection of executive search and executive onboarding, an issue that hiring organizations must understand to hedge their sizable bets on leadership talent. These days, executives should expect well-planned support as they begin to tackle the challenges of a new senior management position. Chapter 8 speaks to the need for executive search consultants and those involved internally as parties to the executive search process to increase and improve their collaboration and demonstrate the impact of effective leadership recruiting.

Those who truly understand the influence of leadership recruiters will relate to Chapter 9, which discusses executive search as the key to leadership diversity, and others will begin to realize the magnitude of their consultant selection decisions by reading in Chapter 10 about how to engage executive search consultants.

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The final chapter returns to the question of deciding who leads, examining best practices for senior management recruiting, and is intended to identify strategic priorities for hiring organizations as well as tactical advice for making the most of executive leadership recruiting and management succession.