HOW TO BE HEADHUNTED ACROSS EUROPE

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Also by Yvonne Sarch

HOW TO BE HEADHUNTED

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How to be Headhunted Across Europe

**How to make yourself the best person for
the best job . . . in the Euro-executive
market**

**Stephanie Jones
and
Yvonne Sarch**

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Prologue

Headhunters – or executive search consultants, as we like to be known – have been roaming the United States since the 1930s and have operated in the UK since the 1950s, from where we continued to spread throughout the European continent. There are now estimated to be over 700 recruitment companies and more than 7000 consultants operating in the headhunting field in the UK, with a growing number in European countries, especially France, Germany, Italy and Spain. There is sometimes confusion over the different recruiting organisations, but there are three main types:

1. An agency (handling vacancies in the £10,000 to £25,000 salary range) will use databases of clients and candidates to provide a brokerage service by matching career details to company needs. They are very successful with junior managers, especially within accountancy, computer and information technology functions.
2. Search and selection consultancies (£20,000 to £70,000) conduct assignments through advertising, by search or a combination of the two. These operations cover mainly middle-management positions, notably marketing, sales, production, engineering, finance, general management and, of course, the public sector.
3. The executive search consultancies (dealing with salaries over £60,000) usually hunt for candidates without advertising but through research and with much consultation for the client with sources and with likely candidates – the best people for the best jobs are found. They provide organisation and development, remuneration or other advices alongside the recruitment assignment. Chief executives, general managers and the most senior positions are the particular speciality of search consultants.

This book is concerned with the third main category.

HOW DO YOU GET HEADHUNTED ACROSS EUROPE IN PARTICULAR?

Good managers are hard to find, so if you are effective you will be sought after by companies recognising the need for your competence. It is up to you to make sure that your bosses and colleagues – and also the outside world – know exactly how good you really are and know how to

reach you. Mentions in the industrial trade press and the national press, as well as appearances on international conference platforms, will improve your visibility. The more you are talked about within or outside your own organisation, the more likely it is that headhunters will hear about you and your expertise. This is true within any country or within any context, whether local or global management is involved.

Success is based on that old cliché of being in the right place at the right time. The alert executive must always be aware of opportunities and be constantly updating knowledge of the requirements within any corporate situation in any country and any national or cross-cultural situation. When approached by the headhunter, the successful executive will not only be busy and involved in his or her current role, but will have an eye to the next step or the one following, and therefore will listen carefully to the proposition which is being discussed at any point in time in their own country or in others in which they are interested.

The prerequisite is that an executive who is attractive for clients will be on track in his or her career, and will be showing effective delivery in his or her company or organisation and developing a track record of note at any stage when noticed.

Professor Barnett of Churchill College, Cambridge, who has noted that only 24 per cent of top British managers have degrees compared with 85 per cent in Japan or America, has predicted that the UK needs to address this problem urgently in order to be able to keep abreast with the number of graduates from Germany, France and other European countries.

MAKING THE MOST OF LEAN TIMES

Executives must also be well qualified to be headhunted. In common with other companies, the executive search firms have recently suffered lean times. Sectors such as manufacturing industry and commercial property have not been looking for senior people for some time, and so headhunters, who are expert in these fields, have been made redundant too. The upheaval in financial services has also been reflected in executive search assignments – or the obvious lack of them. Germany and France have had their own upheavals, and the state of their economies is reflected in the number of assignments with which they are involved currently, both in particular sectors and across the board.

Within this tough new world, the wise executive will review his or her skills and adjust them according to market needs. For example, the public sector (local government, government agencies, the utilities, European Commissions, etc.) has a constant requirement for chief executives and senior team members emerging from either the Civil

Service or any bureaucracy who have been involved in the administration up until the present time. Any executive showing an understanding of this active sector and demonstrating transferable skills and knowledge will be attractive to those bodies seeking to widen their skills to include risk management and bottom line accountability. There are particular variations in the relationship between the public and private sectors in each of the European countries.

Another example of cross-sector appointments is moving from a consultant to an executive role within any organisation. Whenever you are well considered in your own field, you will be adding on flexible skills and knowledge in order to be able to take on wider and better-paid responsibilities.

BEING HEADHUNTED

When the headhunter phones do take the call and respond carefully to the proposition being put to you. A good idea is to say thank-you, and say that you will return the call within a short space of time. Then do so. This gives you the chance to check out the executive search firm and the range of expertise within it, as well as the reputations and the status of the individual consultant who is contacting you. Was he or she a senior executive person, a junior associate or a researcher? These indicators will help you in how you respond. In the European context this will include people from a number of offices spread in other countries who are looking for candidates to meet the requirements of clients for the assignments with which they are accustomed to managing.

When you are invited to meet the headhunter to discuss the job further, by going through the specification, and the type of person profile a client is looking for, it is advisable to discover who the client is at this stage rather than being kept in the dark. This way you can decide whether the company has a culture you would like, a remuneration scheme to your benefit, and so on. You will need to enquire as to the opportunities across frontiers, and the chances of mixing your product knowledge with management experience. For example, the fact that you have been brought up in Holland, worked in France and are seeking to move the family to Italy at this stage in your career will indicate to the headhunter that you are highly mobile and an experienced Euro-executive who, along with using bilingual skills, is planning a career which will continue to prosper. This is necessary in the development of any international executive's career.

Throughout the process of longlisting, shortlisting and final selection interviews with the client, whereby the appointment is usually made within ten to twelve weeks, a good headhunter will keep you posted on

developments having given you a very approximate timetable of action in the earlier stages so that you can clear your diary accordingly. By keeping your CV up to date you will be easily contactable.

BEING INTERVIEWED

Whenever you are involved in an interview situation, do listen as much as possible, answer questions succinctly and clearly demonstrate your social skills both informally and formally. One selection system becoming popular is the structured interview, where a candidate is asked predetermined questions by the interviewer or panel and is marked against a set of agreed criteria or key characteristics seen as basic requirements for the job. The outcome of this approach to the selection process is proving quite reliable. You will find that you will be briefed by the headhunter should there be any psychometric testing or similar assessments as part of the process. It is entirely appropriate for you to ask for a detailed explanation of the questionnaires and assessments and the tests which you have to complete so that you are truly well prepared. About half of British companies are now using some sort of personality tests when appointing new managers, and in France it is common practice to use graphology, whereas the Germans use a combination and also make much of competency testing. Take every opportunity to gain experience in being tested, and make sure that you receive the necessary feedback.

LIMITS TO SUCCESS

A survey of American executives in the late 1980s identified a transparent barrier (the so-called 'glass ceiling') for all high-flying executives, but perhaps women in particular, which keeps some people from rising above a certain senior level in many companies. Certainly there is evidence that only a very small number of senior women reach board level, even in countries such as Sweden, where there has been a policy of equal opportunities for many years. If you feel that you personally have hit this barrier, two solutions can be suggested. First, look for the opportunities elsewhere by networking and by letting headhunters know your ambitions. Second, have the confidence in your delivery of the bottom line which makes you valuable to the company that wants to push you ahead.

BUILDING ON YOUR ASSETS

Throughout Europe headhunters are looking for executive managers who demonstrate innovation, a firm grasp of marketing, financial understanding, numeracy and a wide appreciation of the European framework. You will be an attractive asset if you can show these attributes and have a strategic plan for your further professional development. All successful candidates demonstrate active, continuous growth and confidence. Once you are visible it is possible for the headhunters to become aware of you and you will be perceived as a winner with a career that is developing well. This is the point at which you are really worth headhunting, whether you are in Switzerland, Norway or anywhere else in Europe. It is probably advisable to keep in contact with headhunters as your career progresses, especially those who have either their own offices throughout European countries or who have clear and working associations with other executive search offices located in those capital cities. Where new developments such as the expansion of business in Eastern Europe are concerned, then you will have to make further direct contact by letter or meetings to see if those companies which you have identified could use your skills in their plans for trading in that part of the world.

BUSINESS LIFE CYCLE

This is a useful yardstick against which to measure your progress:

1. 20s (in your twenties) you should be gaining qualifications, learning the functions of the job, acquiring work habits, discerning organisational cultures, and developing friends and a preferred lifestyle.
2. 30s (in your thirties) you should begin to take charge – controlling influences, moving along your chosen career path, relating to peers and bosses and evaluating others' perceptions of you.
3. 40s (by your forties) you must be into career overdrive, achieving targets, being boss, making decisions up to board level, and joining the executives at their peak.
4. 50s (your fifties) are a time for consolidating, using achievements to your advantage.
5. 60s (in your sixties) you start putting experience to good use, developing ideas further, nurturing and mentoring others, being a non-executive director.

HOW TO BE HEADHUNTED ACROSS EUROPE SUCCESSFULLY

This is an expansion of all the practices with which we are already familiar in the UK. In this book you will find a discussion of the differences as well as the similarities within the executive search field. The people who are involved within the listed offices and the types of client who will be looking for senior management are given in a format which is similar from country to country so that you can make comparisons and have some understanding of the situation and decide which countries you find most attractive and why.

Most British companies seem to be clinging to the hope that English is fast becoming Europe's *de facto* language of business. This might well be the case for the big deals and major negotiations, but in smaller-scale trade arrangements, supposedly part and parcel of being in a single EC market for all goods and services, those firms with senior managers who have a working knowledge of other European languages have a useful competitive edge. Therefore, it is imperative that you ensure that you have at least two languages at a fluency level in order to be able to communicate with your opposite numbers in the structures with whom you will be doing business. There appears to be an embarrassing amount of truth in the old chestnut that when the English are unable to understand a foreign language, they simply speak English very slowly or else shout. For the new Europe, this will not be acceptable. One example of good practice is shown by the British Government in lending its support and money to the EC's *lingua* programme, which aims to improve Europeans' knowledge of one another's languages. This is an opportunity for any manager who is lacking in these skills to plug in and gain assistance in becoming equipped to join the European executives.

Another aid in climbing the ladder of management to board level is the Master of Business Administration (MBA). In declaring yourself an MBA you are confirming that you have made the effort to add an academic achievement to hands-on management experience. Where Harvard or Stanford in the USA once set the pace, there is now a fast-growing fashion for signing up at Europe's top business schools, which are seen to be just as classy and much more internationally minded than their American counterparts. Their standards are second to none.

Widely acknowledged as frontrunner in pan-European studies is Fontainebleau's *Institute Européen d'Administration des Affaires* (INSEAD). It is the biggest in Europe (and, incidentally, about the most luxurious). INSEAD has gained a reputation for hiring top international teaching talent whatever the cost, and big corporations provide serious money to see that it has state of the art facilities. One of its major coups was the development of computerised marketing games, and this institu-

tion makes a point of turning out polyglot managers who are well able to take the reins in the new Europe. Scarcely less illustrious is the London Business School, which boasts a highly respected research faculty and has great caché in the City of London, where many of its graduates secure top jobs in finance. The two Swiss schools also rated top contenders are IMEDI (International Management Development Institute) in Lausanne, and the nearby International Management Institute (IMI) in Geneva. They may be small, but their influence is considerable. The other highly rated international business school is the Institute of Estudios Superiores de la Empresa (IESE) in Barcelona. This has strong Catholic connections, but also has a reputation for excellence in marketing, which is a much sought-after skill in fast growing and ambitious Spain. It is also establishing links with Eastern Europe, and is pushing the sale of bilingual MBA courses. The reason for including this commentary on business schools is to alert you to the possibilities in establishing your credentials by means of studying for an MBA in these highly reputable establishments.

However, MBAs are not cheap to undertake and can take a long time, but there are expectations by companies that it should be possible for you to acquire this qualification. They in turn will probably give you an increase in your overall package when you return or this will be reflected when you are hired by them.

WHAT ARE YOU WAITING FOR?

The process of evaluation within business in Europe, in order to meet the demands of cross-frontier commerce, is evidenced by those Europeans who are becoming more affluent, more widely travelled. They share similar experiences and yet retain enough individualism to confuse the most sophisticated multinational calculations. Conversely, there is the development of the almost third-world countries into this western forum, with all the management requirements ranging from factory production through to global interface. It is therefore essential that those who will be seen to be the best people for the best jobs will have equipped themselves with the range of skills and experience to meet both the primitive and sophisticated needs of the market place in the Europe of the 1990s and into the twenty-first century.

YVONNE SARCH

Introduction

Why We Wrote This Book

We felt there was a growing need from the point of view of all the different players in the search industry – headhunters themselves, their candidates and sources, and users of headhunters' services – to understand more about the senior-level recruitment scene in Europe, especially in terms of the search market and the movements of executives across Europe. At the same time, we wanted to summarise some of the basic facts and figures concerning each European country, with a brief note on company structures and the employment scene. We wanted to provide some useful insights for those interested in:

- moving to a different European country to a new job;
- networking among European headhunters to help develop a cross-border career;
- deciding between which search firms to use in a given location;
- and even operating as a headhunter in different European markets.

We wrote this book for

- executives in different European countries seeking to develop a pan-European career;
- executives in the USA interested in opportunities in Europe;
- human-resource professionals and CEOs of US multinationals targeting Europe for expansion, and looking for executives on the spot, who are users of search in the USA but who are unfamiliar with different market conditions in Europe and the varied complexities of European boards;
- users and potential users of search in Europe who are planning a pan-European strategy;
- and the practitioners of the search business itself, in Europe and the USA.

In a Manner of Being a Sequel

How to be Headhunted, by Yvonne Sarch, is about improving your image and reputation and thereby leveraging your position in the job market to come within the sights of the headhunters while *The Headhunting Business*, by Stephanie Jones, is a study of how headhunting works, with

detailed insights into the major firms. We have long appreciated the synergies between our books, and considered the possibility of a combined version, but we also became aware of their main drawback, that they are too UK-centred.

With Euro-prospects widening, we decided to merge together the approaches of both books in a completely new study, aiming to facilitate the movement of both executives and companies across Europe through networking by executive search.

What This Book Seeks to Achieve

Here, we provide an overview of the variations between different European markets in the recruitment context, and a guide to the best career strategies, as a useful and inspiring companion to Euro-job-seekers; we also present a helpful insight to the company looking to set up in a given market and needing a good headhunter on the spot.

For Individuals Seeking Career Opportunities Across Europe

Rather than looking at one centre only, those looking to add Euro-value to their CV should be prepared to consider a range of countries, according to those most accommodating to their specialisms and approach. Then time should be taken in analysing the opportunities in the context of the business culture of each centre. From this, suggested follow-ups can be made, including the targeting of particular headhunters in each centre. The experiences related in the case studies could be helpful.

For Users of Search

Users should consider the performance of different search firms in the market they are targeting, and consider their experience and specialisms. They should be aware of the positioning of firms in this market, and their reputation and ability to draw good candidates. If the user prefers an international firm, which one is most successful in this market? If they would rather hire a local firm, which of these are the most outstanding? Which particular search consultants are well known in each market and would be worth meeting?

The executive search firms included in this book have been identified as the most important of those for whom search is their main business. Detail inevitably goes out of date rapidly, and although this was checked at the time of going to press, it should be used as an approximate guide

only by the reader. The analysis presented here is inevitably subjective, and many good firms have been excluded owing simply to restrictions of space. There is greater emphasis upon the major international firms, but in the discussion of each market that follows the leading local firms are also identified.

Executive search – popularly known as ‘headhunting’ – is now the means by which the vast majority of the world’s larger (and many medium-sized and smaller) companies attract and recruit their senior management talent. Executive search has now matured from its early ‘body shop’ phase and has emerged as a vital consulting and advisory service offering unique problem-solving capability.

A PRODUCT OF THE POSTWAR BOOM

Originating in the USA, the executive search profession has been growing rapidly since 1945, and in the 1970s and 1980s expanded to Europe, the Far East and other growing markets. Executive search began during the sudden and unprecedented demand for a large number of new executives to accommodate America’s post-war growth. This demand coincided with a need for technical expertise at management level to further develop the new products and technologies stimulated by the demands of war.

The early executive search firms emerged from a variety of sources and backgrounds, but especially from management consulting. Several management consultancies had developed their own in-house executive search functions to further serve their clients, but they faced constant conflict-of-interest problems. Several search consultants within the management consultancies branched off and set up on their own.

THE BIG FIVE

Five firms – Korn/Ferry, Russell Reynolds, Egon Zehnder, Spencer Stuart and Heidrick & Struggles – lead the global executive search profession. Heidrick & Struggles was the first of the big four American headhunters to be established; the firm was founded in Chicago in 1953.

In 1956, Spencer Stuart, then a consultant with Heidrick & Struggles, left to found his own company. In 1969 Korn/Ferry was formed from the executive search division of Peat Marwick Mitchell, and in 1969 Russell Reynolds was established by an ex-Morgan Guaranty banker who had joined William H. Clark, an ex-Price Waterhouse accountant who had set up an early search business.

Outside the big four – but the major player in Europe – is Egon Zehnder, set up by its eponymous founder, an ex-Spencer Stuart consultant, in Zurich in 1964.

Besides the big five, a number of local firms have joined forces to achieve worldwide networks based on loose associations rather than formal branches; these include Amrop and Ward Howell. In each local market, to greater or lesser degrees, strong domestic firms have emerged, rivalling the big five. In each of the chapters which follow, the comparative strengths of the larger, international firms are compared with indigenous firms which may have preceded them, or may have emerged subsequently.

GLOBAL GROWTH OF THE BIG FIVE

Executive search arrived in Europe from the USA with the opening of Spencer Stuart's London office in 1961, but already a number of local firms were active in a mixture of search and selection, including MSL. The US firms, especially Russell Reynolds and Korn/Ferry (arriving in London in the late 1960s), tended to follow major clients from the USA, but the local firms had emerged at first to help find specialist personnel, the result of advances in technology. The late development of search in the UK and many other European countries compared with the USA may be explained by the effective national newspaper coverage in most European centres and the scope for advertised search work or selection.

Through penetrating most European markets (to say nothing here of their activities outside Europe), the five major firms have now developed worldwide brand identities: Korn/Ferry are known for having achieved a world-leading position in terms of number of offices and revenues, combined with specialist practice expertise; Russell Reynolds have an élite, blue-blooded image and a highly polished – although, perhaps, one also for some arrogance – reputation; Egon Zehnder have a strong management-consultancy bias, contrasting with the recruitment-gear, transactional orientation of some of the American firms; Spencer Stuart have a steady, traditional image working for blue-chip clients with less emphasis on growth; and Heidrick & Struggles are known for an innovative approach and being research-oriented.

The revenues of the top ten firms had nearly doubled between 1982 and 1987 and they appear to have doubled again from 1985 to 1990. Russell Reynolds were the fastest-growing firm (1982–7), when Heidrick & Struggles grew only 5 per cent. Yet from 1985 to 1990, all the big four doubled their fee incomes, with Egon Zehnder expanding three-fold. In the period 1987–90, Heidrick & Struggles achieved the greatest growth (25 per cent). Since then, Egon Zehnder has probably experienced the

greatest level of expansion globally, despite an overall lack of growth in the search market in the early 1990s, and actual decline in some centres.

MANAGING GLOBAL GROWTH

These major players in executive search have evolved distinct structures. Korn/Ferry were the first to evolve a strong specialist practice approach, especially in financial services and high-tech. Heidrick & Struggles also has a strong sector-oriented approach, especially through the development of a worldwide financial services practice ('Fin\$earch') and in high technology ('Techsearch'). The firm is moving over to profit centres based on international practices rather than geographical locations. Russell Reynolds has also developed industry practices, but perhaps to a lesser degree than some of its competitors. Spencer Stuart and Egon Zehnder still promote the concept of generalist consultants. It seems likely that they will also move towards a more specialist approach in the future, and indeed Egon Zehnder has achieved considerable progress in the creation of its seven distinct cross-border practice groups over the early 1990s.

HOW DO THE SEARCH FIRMS RECRUIT THEIR CONSULTANTS?

There has been a tendency for search consultants to move between firms, and this tendency affects some firms more than others; this has happened particularly at Korn/Ferry and Heidrick & Struggles, although it now occurs perhaps to a lesser extent than formerly. Russell Reynolds has lost a number of consultants over the years who have set up on their own, rather than joining competitors; these have been replaced by new hires outside search, sometimes taken on initially in a junior consultant role. Heidrick & Struggles has developed a reputation for growing researchers into consultants, and this also happens in a number of domestic firms in certain markets.

Both Spencer Stuart and Egon Zehnder tend to attract into search highly qualified and experienced individuals from outside the profession. Today, however, the tendency is to bring in younger recruits and train them for a long-term service with these firms. Egon Zehnder are particularly known for long-term retention of consultants (this has been the subject in 1991 of an in-depth study, by Jan Curtis Larsen of Hertford College, Oxford, 'Managing Retention in Executive Search: A

Case Study of Egon Zehnder International'. Both firms have recently recruited consultants in their early thirties, and this is bringing down age averages.

THE FUTURE

It is becoming increasingly clear that the most prestigious searches and the bulk of the high-level executive search business is polarising to these five major firms. This is the product of three developments: their establishment of international networks, which in most cases achieve consistent quality; their recruitment of some of the best search professionals, and the fact that top individual consultants tend to stay within their firms or within this select group of firms; and their investment in sophisticated technological infrastructures, so increasingly necessary in a highly information-driven market, which smaller firms cannot afford.

One exception to this general trend is the role of niche market operators, working in particular national markets, and/or specific industry-wide market sectors. The large international firms cannot necessarily match their expertise in highly specialised searches, so there will always be a place for these niche firms.

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