

'Attention to detail at the beginning can prevent any misunderstanding and acrimony at the end.'

editorial



James Sherifi

Senior Consultant,
Euromedica Executive Search

The use of executive search in the biotechnology sector

► The proactive recruitment of senior or specialist staff through the process of 'search', also known as 'executive search' or 'headhunting', is increasingly being implemented by organizations that want to secure the best talent for their business. Executive search is an accepted and proven method that is recognized for its effectiveness in discovering an individual needle in a collection of needles rather than in a haystack. Although many readers of this journal will be familiar with being headhunted (i.e. been a candidate), only a few might have used executive search to recruit individuals with highly specific skills. This article seeks to address any ignorance relating to the use of search by a potential employer and to relate how the benefits of the process can be maximized by the client company.

Defining 'search'

Executive search can be defined as the means by which the most-talented individuals working within a chosen field can be identified and their services secured for the client company. The process is proactive in that potential candidates are actively sought, rather than passive, where candidates initiate contact with the putative employer. In essence, with executive search, the candidate might not be thinking of changing employment until approached by the search consultant, whereas the converse is true for other means of recruitment, such as advertising. In practice, executive search is only practicable where there is a limited and finite pool of potential candidates and is thus predominantly used to recruit individuals with a specific talent at a particular, typically senior, level. Because such individuals are reputed to have the requisites of knowledge, expertise, personality and/or other qualities, they are thought to be capable of having a significant impact on a business. In comparison, advertised recruitment, although cheaper, is an imprecise, blunt instrument that relies on many variables, such as communication medium, exposure and dissemination, to attract individuals that are considering alternative employment. It is entirely appropriate to recruitment where there are many equally qualified individuals capable of undertaking the job and where the functions of that job can be easily defined.

Selecting a provider

Although there are many executive search providers working in the healthcare sector, they can be differentiated in several ways. The services they offer could be sector specific or generalist, they could be an international or local company, a long-established firm or a recently launched venture, a multinational organization or run by one individual and be engaged on a contingency or retained basis. When making a choice, the most important element

arguably relates to industry and/or function knowledge. A consultant conversant with the sector provides added value through a dialogue of knowledge with the client, a better understanding of the function and increased credibility with potential candidates.

With contingency search assignments, the client depends on the service provider producing candidates on an *ad hoc* basis. By contrast, the definition of retained search denotes that the executive search provider is employed by the client and acts as an extension of the company in devoting all resources towards a successful conclusion. Contingency search tends to be more open-ended in time, more passive in seeking candidates, perhaps cheaper and payment for services is only settled at the successful conclusion of the assignment. By contrast, retained search assignments are more intimate and the service provider is extremely active in searching for candidates, aims towards a finite time limit (typically around six weeks) to short-list candidates and invoicing is staggered throughout the process.

International search companies, by definition, search on a global basis. In a cosmopolitan sector, such as health-care, nationality tends to be less important than capability, although the importance of culture to the working harmony of the company should never be undervalued.

Confidence in the executive search consultant is fundamental to a good and successful working relationship. As in most 'people' businesses, a relationship that is built on personal chemistry and underpinned by the reputation and pedigree of the service provider is vital. Ground rules for a trusting relationship should always include transparency and credibility. As an additional assurance, many search companies will offer to undertake an extra search free of charge should a member of staff recruited by them decide to terminate their employment within a set period.

Cost

The cost of retaining an executive search company for a recruitment assignment can, at first, seem daunting. The majority of companies charge a basic fee of approximately a third of the proposed salary for the position for which they are recruiting. Occasionally, the fee might be based on the total remuneration package for the appointment, which could include bonuses and relocation and car allowances. In addition, expenses incurred in interviews (e.g. phone and travel) and additional services (e.g. psychometric testing) will be charged at cost or with an administration mark-up. The fee is initially calculated on the nominal salary with any adjustments made based on the final contract signed by the candidate.

The timing, division and number of the invoiced fees vary from provider to provider. The task undertaken by the search company is labour intensive and the significant proportion of the work is performed at the beginning of the assignment, which is represented in the weighting of

the initial fee charged. In retained search, invoices are raised at milestones, for example, commencement of the assignment, at an agreed short-list and on completion, or at regular temporal intervals. It is important that the 'hiring manager' is clear about the financial and working details of the agreement entered into with the service provider and that these details are laid out in a contract signed by all parties involved. Attention to detail at the beginning can prevent any misunderstanding and acrimony at the end!

The search process

The assignment itself begins with a lengthy, comprehensive briefing involving the consultant, hiring manager and additional stakeholders. In the case of emerging technology ventures, such a meeting is likely to include the founding scientists and early financial backers. The principal purpose of this meeting is to enable the consultant to acquire in-depth knowledge of the company (i.e. the company mission, strategy, operations, people and finance), the functions of the role to be recruited (including reporting structure and potential for internal advancement), the desirable qualities of the ideal candidate and the terms and conditions relating to the post. However, communication will not be in one direction only. The consultant will impart his or her knowledge and experience and could proffer insights on market perception of the client company, the availability of talent and a general overview of the sector: it might be necessary to sign a confidentiality disclosure agreement. Next, a marketing strategy will be formulated that will include ways and means of targeting individuals within the appropriate sector and could, paradoxically, include the merits of targeted advertising.

Armed with this information, the consultant will produce an assignment brief or job description, which will subsequently be the main document of information for any prospective candidate. This document will also inform candidates as to the relative match of their abilities to those desired by the company. If carefully worded, this document can attract high-calibre candidates by demonstrating not only the professionalism of the hiring company but also the attractions of the post.

Once identified, potential candidates are directly approached to gauge their interest in the role. Good candidates are those that are already gainfully employed, have a good reputation among their peers and whose current employers are keen to retain their services. All contact with the recruiter should be discrete and confidential.

The search proceeds to the lengthy and rigorous interviewing of applicants to evaluate their ability and aptitude. In addition to assessing the hard (i.e. function-related) and soft (i.e. personality) skill sets of the candidate, elements of role-play in handling specific and relevant issues should be included in the appraisal process; frequently, more than one interview will be conducted.

A report is produced that adds substance to the initial impressions of the candidate based on their curriculum vitae. The consultant draws on his or her experience to provide a personal insight into issues raised, the strengths and weaknesses of a candidate and their compatibility for the role. Although predominantly objective, there is also a qualified subjective element to the report.

Once the pool of talent has been thoroughly trawled and candidates identified and interviewed, the reports are discussed with the hiring manager. As a rule, a short-list that enables comparison and benchmarking has a propensity to be more instructive than seeing candidates one-by-one over a period of time. Thereafter, the search provider facilitates the process of client or candidate interviews. Rejected candidates are handled personally, sensitively and constructively. Feedback is obtained from both parties at the conclusion of each interview and can be used to clarify contentious points raised at interview, explore areas of misunderstanding or convey bad news. Subjects relating to the terms and conditions of the employment contract and candidate availability are often the final topics discussed. The search consultant is permanently available to assist all parties and to finesse a successful conclusion. Furthermore, after a candidate has been appointed, the search consultant maintains contact with the individual

and their employer, often for the lifetime of their career and, if desired, the consultant can continue to mentor both parties.

Summary

Executive search is part of the service industry sector. Because it works with people rather than goods, it is essential that executive search is sensitive to the needs of individuals. After retaining a consultancy for a specific assignment, you must ensure that the assignment is given the priority it deserves in terms of your attention and time. Recruiting the right person to your team can make the difference between success and failure as a company. Increasingly, the first step in acquiring the services of such talented individuals is to retain the services of a search consultancy versed in your particular needs. Look around – it is well worth the effort.

James Sherifi

Euromedica Executive Search

7 Heron Quays

Docklands

London

UK E14 4JB

e-mail: jamessherifi@euromedica.com