

3 Ways to Find Senior Executives in a Tight Market

Having clients make adjustments when looking for talent in a tight market is fine when necessary, says David Nosal, chairman and managing partner of NGS Global. But when a search fails, it is the recruiter who is often at fault. Here's why.

October 22, 2019 – The jobs outlook is positive for the remainder of 2019 as organizations plan to continue hiring full-time as well as temporary employees. In addition, the economy is still creating jobs at a strong pace. Companies, in fact, seem to be hiring with abandon as we enter an unprecedented 11th year of expansion and unemployment rates hovering around to 3.5 percent. The tough part, everyone agrees, is finding top talent.

“The keys to recruiting executives in a tight market is an interesting topic,” said David Nosal, chairman and managing partner of NGS Global. “Many executive search firms will focus on what the client can do – such as broadening a search’s key selection criteria or increasing the target compensation – to make the search less difficult to execute. Such tactics may indeed be warranted for certain positions in a very tight talent market.”

“Having said that, based on my 30-plus years of experience in the industry, I have come to the conclusion that when a search fails, nine times out of 10 it is the result of what the search firm has or has not done vs. what the client has or has not done to ensure success,” he said. “With that in mind, I believe there are three keys to successfully recruiting executives and that they become even more critical in a tight market.”

1. Partner-Led Execution

A client organization needs to have assurance from the search firm that the senior partner who sold the work based on his or her expertise is the individual who is reaching out to the targeted candidates, said Mr. Nosal. “The old model of bait and switch needs to be thrown out,” he said. “Whether you are in a large bulge-bracket firm or a small to midsize firm, the leveraged model is no longer enough in executive search.”

“There is a significant difference in the search firm’s ability to attract senior talent when a senior partner who actually knows the client and has spent hours with the client to understand its culture – as well as the technical dimensions of the role and the soft skills required – is communicating all of these elements to the targeted executives,” said Mr. Nosal. “There is no substitute for personal involvement from initial outreach by the senior partner with the targeted candidates.”



“Over the years, I have repeatedly seen potential candidates become turned off when a junior associate who does not have the insight and perspective required to engage with them made the initial outreach on a project,” said Mr. Nosal. “Having a senior partner who understands the client and can address a passive candidate’s questions becomes even more critical to project success in a tight talent market.”

2. Cold Research

The search firm should move away from the notion that a database and LinkedIn are the answer to finding extraordinary talent. “It is easy for a search firm to pull the same candidates from its database and to use LinkedIn and believe they have identified the best talent for a project,” Mr. Nosal said. “However, users of traditional search models express frustration that they feel they see the same candidates from the same search firms on search after search. It would appear that the art of doing cold research has been lost by most search firms.”

Cold research involves developing a comprehensive strategy and breaking out specific target organizations identifying new talent from those organizations for each and every project, said Mr. Nosal. “Our ability to conduct cold research is one of the key reasons why NGS Global has been successful in identifying new and fresh talent for every search,” he said. “Cold research becomes even more critical in a tight talent market when the search firm may need to target exponentially more executives than usual to find the right solution for a particularly demanding project.”

3. Performance-Based Retainer

The search firm should align its interests with the client’s around fee structure. “The vast majority of retained search firms continue to sell clients on a time-based fee model, whereby the client has been invoiced for the full retainer 60 days after kicking off the search, whether or not the client has seen any qualified candidates,” said Mr. Nosal. “What incentive is there for the search firm to scour the universe for the best executive talent if the client has paid the entire fee after 60 days?”

Mr. Nosal recommends that the industry move to a new standard of charging one-third of the agreed upon fee to begin a search, but no additional fee until defined performance metrics have been met. "At NGS Global, that means a client has agreed to move forward on three actual interviews with candidates before receiving a second invoice," he said. "Our clients only receive the invoice for the final third of the professional fee after the placed executive accepts the offer."

"Let's as an industry hold ourselves to a higher level of accountability by coming to an agreement that we will not send an invoice on the second retainer installment to a client until the client has agreed to physically interview three or more candidates and the third retainer installment until the placement accepts the offer," said Mr. Nosal. "Tying two-thirds of the search firm's fee into hard deliverables heightens focus in a way that dramatically accelerates performance—even in a tight talent market."

These three keys to recruiting executives become even more important in a tight talent market, said Mr. Nosal. "There are times when we all need to think outside of the box as it relates to the type of talent that we need to bring to the client organization. This is why we are paid as consultants. But the real keys to success put the onus on the executive search firm to develop a more client-centric delivery model through partner-led execution, cold research and a performance-based retainer."

Source: Contributed by Scott A. Scanlon, Editor-in-Chief; Dale M. Zupsansky, Managing Editor; Stephen Sawicki, Managing Editor; and Andrew W. Mitchell, Managing Editor

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David Nosal has conducted numerous executive search assignments across multiple industries throughout North and South America, Europe, and Asia on behalf of FORTUNE 1000 companies, as well as small- to mid-sized organizations. As part of his overall efforts, Mr. Nosal has handled assignments for both public and private-sector organizations, working closely with a diverse selection of companies and their boards of directors and search committees in identifying, evaluating and attracting senior management teams.