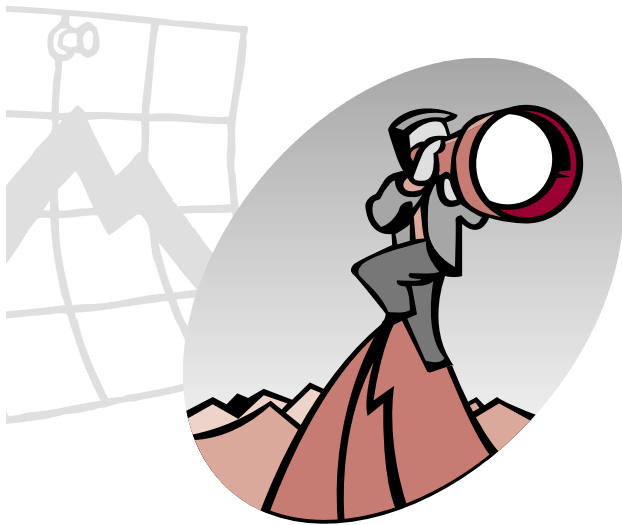


# Topics

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## Hiring Key Executives in a Down Economy



**T**he popular thinking in this economy is that companies have the clear upper hand in hiring senior executives and that it's a buyer's market. So how easy is it to hire the right executive in a down economy? The fact is that successful hiring at the executive level is just as difficult, and even more so, than it was a few years ago.

Clearly there are lots of senior executives out there looking for their next opportunity. However, the key question for hiring companies is, are they the right senior executives. Only two years ago, in a frenetic hiring environment, companies and job seekers often made hiring and career decisions that were disastrous for both parties. Today, companies need to be far more selective and exacting. They must be precise in defining the transfer-

able skills and experiences that are needed. This more rational approach has not made the hiring decision easier. Instead, it is more difficult and time consuming to find the right person.

[ In this economic climate, companies cannot afford to make a mistake. ]

Secondly, it is increasingly clear that successful executives who are employed and have the right skills are less willing today to consider leaving their present position for another. The evidence of worthless stock options and failed companies is not lost on most discerning executives. Employed executives are being far more cautious today about considering a change. This has made the recruiting process more challenging as well.

Lastly, in putting together an offer of employment, the attraction formula must still be sufficiently compelling to attract the high potential candidate who fits the company's needs. Failure to offer a market-competitive package creates the risk of the newly hired employee being lured away in short order by another company. At a minimum, the risk is that the individual joins the company with a negative feeling rather than upbeat enthusiasm and true commitment.

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In this economic climate, companies cannot afford to make a mistake. For smaller companies, a bad hiring decision can make the difference between success and failure. Larger companies also pay a big price for a poor hire, both financially and in opportunity cost. As a result, it is crucial that hiring managers carefully define the needs of the company and clearly lay out the requirements and skills of the executive who can satisfy and even exceed those needs. Whatever methodology is used to identify and select candidates, it should scrupulously evaluate the candidates' skills and experiences against those requirements. And the process must move forward with little delay and without indecision. The well-qualified and motivated candidate can lose interest if the process drags on.

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Beyond the basic issue of experiential fit, hiring companies also need to explore and get comfortable with the intangible interpersonal traits of the candidate. At the end of the day, old-fashioned gut feel usually comes into play in reaching a sense of comfort, but there are many subtle signals that must not be ignored along the way. Differentiating between the "A player" and the "B player" can make all the difference. Careful reference checking is an important step in the process as well, including verifying educational backgrounds, which surprisingly still seems to trip up companies and organizations.

This is a challenging time for companies seeking to improve their executive teams and for individuals who are exploring their next career opportunity. In many respects, in this difficult economy, it is crucial and more difficult for the right decisions to be made on both sides of the equation.

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*Ben Beaver is a Managing Director and Principal.*

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