

March / April 2006

Route to:

When to go outside for search

— AND WHEN IT MAKES SENSE TO DO IT YOURSELF

POSITION OPENINGS OCCUR for all the well-known reasons – job creation, promotion, termination, resignation, retirement, disability and death. Some are anticipated and some aren't. Very few, it seems, happen at a convenient time.

Employers today have a range of options and a range of sources for filling these positions. The options include direct employment, short-term temporary staffing, longer-term contract staffing, outsourcing to third-party providers and/or offshoring to reduce costs. Personnel sources include an organization's existing workers, employee referral programs, internal and external databases, print and electronic advertising, internal recruiters and outside search and staffing firms.

Let's assume for the moment that the opening in question has occurred individually and has nothing to do with the transfer of payroll accounting to an outfit in Dallas or the company's call-center operations to a service in Bangalore. Moreover, let's assume the opening has occurred within the managerial or individual contributor ranks and is "critical" in the sense that, if left unfilled for long, it will impact the company's bottom line or derail an important project. Additionally, contract or temporary staffing would be only a stopgap solution.

Companies and institutions that routinely engage advertising agencies and law firms sometimes balk at the use of search firms on the basis that spending money to find top talent is a greater extravagance than spending money to attract customers or defend themselves in court. In fact, corporations that use ad agencies and law firms almost always have internal advertising and legal departments

that make careful judgments as to when to go outside for assistance. The same principle applies to the use of executive search firms: there are times when it makes sense and times when it does not.

Consider internal resources as a first resort

No sophisticated employer is without internal resources – including its HR operation, personnel files, applicant-tracking systems, management development programs, training centers, etc. Those may be buttressed by an internal recruiting staff as well. So when a position opening occurs, here are some guidelines for considering the use of inside sources and resources:

1. ***Your organization has excellent "bench strength" for the position in question.*** Companies such as General Electric and Procter & Gamble frequently are able to promote from within because of their passion for nurturing talented performers and exposing them to a variety of developmental opportunities. If you have one – or, better yet, two or three – well-qualified employees ready to proceed to the next level, go for it. Nothing does more for morale than promotion from within.
2. ***The position is predominantly skill-based.*** If you do need to turn to internal or external databases, it generally is easier to verify hard skills than to assess leadership and other "soft" attributes. Thus, locating an acceptable computer programmer in your applicant-tracking system will be easier than finding the right team leader.

3. ***Your HR operation has the time and expertise to identify, attract and evaluate high-potential candidates for the position.*** In most companies today, the Human Resources Dept. is like other staff departments – stretched to its limits and juggling competing priorities. While the handful of individuals in charge of recruiting may be experts in filling certain types of repetitive openings (for example, sales reps or admins), it is unlikely they know how to find everyone from an Internet marketing guru to a molecular biologist – and unfair to assume they can.
4. ***You don't need to find a needle in a haystack.*** Let's face it: not all position openings are critical, nor do all require the kind of superstar who is happily employed and whose résumé is not in circulation. The people visiting your corporate website and listing themselves on Monster are generally people hoping to work somewhere else, generally in a more rewarding or pleasant job. They may be acceptable for some of your openings, though probably not for all.

Outsource search activity to supplement, expand internal capabilities

Those law firms, advertising agencies, auditors, public relations firms, architects, management consultants and other service providers used by modern organizations don't so much replace as supplement the capabilities of inside staff. Often, service firms provide highly specialized individuals whose skills are not needed daily within the company and whose remuneration can be spread over several or many clients. A public affairs firm, for example, one day can supply media relations experts, the next day an investor relations specialist, and the day after that a crisis communications team.

The same principle applies to executive-search firms such as Sanford Rose Associates. Based on the proposition that no single recruiter can be equally experienced in filling all kinds of positions in all kinds of industries, professional search consultants typically specialize by industry and function (e.g., finding R&D executives for pharmaceutical products companies).

In deciding whether to engage an outside search firm to help fill a critical position, hiring authorities need to remember (1) that unfilled openings

can cost real dollars in terms of income generation and/or lost productivity, and (2) that openings filled with the wrong individual can cost many times more than doing it right the first time.

Therefore, consider outside assistance in the following types of circumstances:

1. ***The position relies heavily on soft skills, such as management and leadership, and bench strength is not apparent.*** The professional search consultant can help determine what really counts in successfully filling the position – and where those factors can be found.
2. ***The position is skill-based, but candidates are in short supply.*** There is a growing shortage of new engineering graduates in the U.S. Once manufacturing sheds its excess fat, good engineers will become in short supply. Professional search firms will know how to snag them.
3. ***The organization needs a radical change in direction.*** When a large regional bank tired of “me-too” marketing, a savvy recruiter led it away from other bank marketers and to a rising marketing star at a major snack-food company. Good recruiters think outside the box.
4. ***The position is new to the organization.*** If your organization is about to enter e-commerce for the first time, or add a new manufacturing process, a skilled search consultant can help pluck the right expertise from a leading company in the field.
5. ***Confidentiality is of paramount concern.*** It's sad but true: many organizations are like sieves. If you need to replace a key manager who is still on the job, you can't advertise the position – nor do you want the manager's administrative assistant bursting into tears when a confidante tells all. A professional search firm can cast a broad net on your behalf while maintaining strictest secrecy as to who its client is.

Like any other resource, use search firms wisely – and to maximum effect.

— George Snider

© 2006 SRA International, Inc. All rights reserved, including electronic reproduction or alteration. This SRA Update is published six times a year for the clients of Sanford Rose Associates – now in its 46th year of Finding People Who Make a Difference®.