

## THE REAL VALUE OF EXECUTIVE SEARCH

By Lee Perrett, Vice President | Coker Group

Recruitment, development, and retention of top-caliber senior talent are among the most critical tasks charged to a Board of Directors or CEO. Many organizations find that the value of executive search is not only in the quick recruitment of a suitable candidate to fill an open position, but also it is in sourcing, identifying, qualifying, and hiring the highest performing talent. In concert, the individuals must fit the culture and have a positive impact for years to come. A successful executive search adds value to your organization not only for the near term but also for the future.

Although most organizations have internal recruiting resources, many hospitals and health systems find that engaging a qualified and experienced executive search firm is a wise investment in their senior-level leaders. The search firm's advantage is that it focuses quickly on developing a slate of candidates who are the best matched and most qualified for the organization to consider.

A few of the outcomes you can expect to receive for investment in an executive search include:

- 1- **Longevity of the recruited candidate.** Most search firms have a one-year guarantee on individuals placed in C-suite positions, and if they leave within 12 months for any reason (other than death, disability, or retirement), the firm will recruit and place another executive for no additional search fee. Most executives placed by search firms have stability and serve long beyond the guarantee period.
- 2- **Time and effort focused on your specific search.** You get the full time, focus, and attention of an executive search firm, because searches are our sole pursuit—it's what we do all day long. Search consultants usually work on just a handful of positions at a time, so they have the time and resources to maximize their efforts on your search.
- 3- **Senior search consultants with years of experience and deep industry knowledge.** Most search firms' consultants have 20 to 30 years of experience in search, an in-depth knowledge of an industry or service line, and a robust network of contacts around the country that they tap to generate leads and candidates. Also, they can offer data on market intelligence, compensation, the talent market for particular positions, and other valuable information.
- 4- **Candidates who are a good cultural match with the leadership team and the organization.** By using assessment tools and trained professional psychologists on their team, executive search firms can identify a good match for the person and the culture. Search firms administer assessment tools to candidates and can perform leadership assessments with the management team to make sure the candidate will be a good cultural fit with the team and the organization. Finding leaders is critical to

any group, and every leader defines the culture. It is imperative that new hires match the organization's culture.

- 5- **Deeper and wider pools of qualified candidates.** The candidate pool an executive search firm generates is broad and deep. Search executives can actively pursue and recruit candidates who are not seeking a new position and who are happily and productively employed. In contrast, internal recruiting departments tend to rely solely on postings to attract a handful of job-seeking candidates, which restricts the depth and breadth of the candidate pool. Lack of resources, time, and experience are hindrances to an internal department's ability to provide this dimension.
- 6- **Value-to-cost considerations.** Although executive search is not inexpensive, it should be viewed as an investment in a top-performer who will add value far beyond the cost of the search. Additionally, this fee is much less expensive than the harm and consequences of hiring the wrong person and the accompanying cost of resolving hiring mistakes. An inadvertent or faulty hire at a key position can cost up to 100% or more of their salary, along with the additional negative fallout from a poor decision. Consequences include the possibility of costs to the organization's reputation, damage to morale, lack of productivity, lost opportunity from the position being unfilled, and interviewing and training expenditures. On the other hand, leadership teams that realize that investing in a search done correctly from the start can achieve significant long-term value.
- 7- **Ability to conduct confidential searches.** There may be a time when you need to replace an underperformer in a key role while they are still in the role. Searching for a candidate in this environment using internal resources is risky. Executive search firms can generate and screen top-tier candidates discretely and confidentially while conducting a senior level search.
- 8- **Robust reference and background checking.** Search firms can conduct thorough reference and background checks throughout the hiring process as they focus on a specific position and candidate. Supplemental due diligence often includes a national criminal history search, OIG exclusions, motor vehicle/driving report, education substantiation, and professional credential verification, all of which the search executive can manage professionally.

The increasingly competitive healthcare industry calls for placing and maintaining the most talented individuals in key positions. Having the best talent in the right places will continue to be crucial and significant differentiators that separate successful organizations from those that fail. Executive search firms can provide many value-added services to help groups stay ahead, including recruiting, assessing, hiring, onboarding, coaching, and on-going leadership development among others. These additional services can support healthcare organizations in their mission to be the very best they can be in a tenuous industry.

Coker Group would be delighted to show the value executive search could bring to your organization. Please call 678-832-2021 to speak with Lee Perrett, Vice President.