Hiring Leaders

A global manager's failsafe guide to dominating any industry by employing its dominant people

Southeast Asia edition

Richard Mills

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Southeast Asia edition
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Chairman, Chalre Associates

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To my family and friends… you know who you are.

Attention: Corporations and Organizations
In-depth training and development programs are available to improve management level hiring performance in your organization.

For information, please email: hiringleaders@chalre.com
See other contact information at the website of
Chalre Associates at chalre.com/hiring_managers .

Chalre Associates has many years of experience helping international companies hire leadership talent throughout the Asia Pacific region. There are marked differences in hiring practices in Asia from other regions. We have set down some key information for hiring managers to use when recruiting management staff in Southeast Asia.

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Introduction

Introduction: Hiring Leaders

Why Learn
Excellent Recruiting?

This series of articles under the title "Hiring Leaders" will upgrade your ability to bring the finest people available into your organization and your life.

At perhaps no other time in history is success determined as much by a leader's ability to perform this critical task. In the past, economic factors such as access to capital, controlling scarce resources or great ideas were considered foremost. But in today's highly connected and efficient global economy, these are more often considered mere commodities as long as the right people can be brought together to oversee them. Below average managers tend to spend a lot of time worrying about the many usual challenges in business: costs, sales revenues, competitors, efficiencies, lawsuits, disruptive technologies, strategic decisions, and so on.

That's all well and good but top managers seem to spend disproportionately more of their time worrying about having the best people on their side. They know that any problem can be solved (or at least side-stepped) if the right people are managing the situation. Humans are the source of our biggest opportunities — as well as our greatest problems. Organizations that are the best at sourcing, hiring and retaining the best people will vanquish those that are not.

Given how fundamentally important the task to the success of organizations and individual managers, it is remarkable that specialized training for the skills required for recruitment are so hard to come by. Most corporations don't have in-house development programs on management hiring and, more scandalously, business schools seem to ignore the subject completely.

The key ability so essential to you and your organization's success is developed mainly in the haphazard manner of trial-and-error with intermittent and off-the-cuff advice from mentors. The result is that personnel selection decisions are more often created through instinct and emotions. It is clear that the hiring process can be vastly improved if it is based on scientifically-founded fundamentals. This electronic book is meant to address this deficit and help to make you preeminent at the critically important skill.

Recruiting is Learnable!

Richard Mills - Executive Search in Asia

About **the Author**

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Richard has spent more than 20 years in recruiting and estimates he has interviewed and assessed upwards of 20,000 people working across North America, Europe, the Middle-East and Asia. From his current base in Manila, he supports many of the most senior leaders across Southeast Asia. He has followed the careers of many who have made monumental contributions to their industries and to society, and more than a few others who ended up broke or in jail.

He is Chairman and Founder of Asia CEO Forum, one of the largest regular business events in Southeast Asia and Asia CEO Awards, one of the largest business awards in the region.

Richard is a featured presenter for Asia regional conferences and provided Keynote Addresses for the following international expositions: HR Shared Services & BPO (Singapore), Successful Shared Services (Singapore), Executive Compensation & Benefits EXPO (Singapore), among others.

He is a past columnist and thought leader for a host of international publications including: CIO Magazine, Economist, ComputerWorld, FinanceAsia, AsiaMiner, among many others. He is founder of the International ICT Awards, the largest event of its kind in Southeast Asia for the booming Business Process Outsourcing (BPO) sector.

Richard's clients are multinational corporations for senior management positions. Of the many international recruitment projects he worked on in the Asia Pacific region, one was particularly noteworthy as it was reported on national Korean television as the largest technical recruiting venture in Korean history. The project was also a cover story for ComputerWorld magazine throughout North America.

Richard has an Honours Bachelor of Science degree from the University of Waterloo, Canada's most prominent technical post-secondary institution. He possesses the designation of Chartered Financial Analyst from the CFA Institute with its world head-quarters in Charlottesville, VA, USA.

Richard is a founder and past Prize Committee Chairperson of a large charitable Dream Home Lottery corporation. During his involvement, it was the largest fund raising event of its kind in Canada. Mr. Mills is also a former president of the largest district of Crohn's Foundation of Canada.

Career Advancement in Asia

Advancing Your
Management Career

Many people ask us for advice on what they can do to improve their careers and become more valuable to employers. It is a noble objective and important for all societies that people desire to improve their situation.

Most management people are hard-working and smart but often don't have well defined strategies for their own career progress. They seem to put all their faith in their organizations to provide the right experience, guide them on training and promote them regularly. In Asia over the past couple decades this strategy has worked for many people. Fast economic growth has lifted millions of people farther and faster than at any time in history. However, counting on being in the right place at the right time is not a sustainable strategy for long-term career success.

The key for ambitious managers is to think how to differentiate themselves from the crowd of other qualified people – most of whom are also smart and hard-working. Since virtually all people are promoted or hired into positions after being compared with other options, this only makes sense. Decision-makers always keep their eye out for who stands out.

If you happen to have remarkable skills in something important like sales, leading people or innovation, then your strategy is clear – continue developing these skills to be the best in your industry and you will stand out. But most of us have to be content with being only a bit above average in some things and perhaps a bit below average in others. It is for this vast majority of people that the strategies below are written.

Here are some of the main tactics that will differentiate you from the crowd of other candidates whether you are trying to be promoted in your own organization or move to another.

Strategy 1:
Build Relationships

Most people would agree that top people tend to be well known in their industries and business communities. This is not an accident. They need to know people so they can get things done. Successful people have close contacts with suppliers, customers, government and even competitors so they can get

contracts signed, disputes resolved and know where to hire the best people.

If you desire to be a senior executive, you need to build the same relationships with people who could support you and rely on you in return. It is not enough to be a good Sales Leader or Plant Manager. Relationships magnify your abilities many-fold and especially so in Asia where almost anything can get done if you know the right people.

In addition, senior management positions are positions of trust and people naturally trust those who they know or are familiar with. This fact is true anywhere but more so in Asia for various cultural and other reasons.

Therefore is it any wonder that when deciding on who to promote or hire from a group of similarly skilled people, the person who is better known will more often get the job. Not only are they more useful to the organization because of their relationships but people trust them more.

Too many Asians seem to believe that developing relationships is something that can only be done by having attended the right schools or being born into certain families. Gladly these beliefs are changing with the younger generation.

There are various methods to build relationships with like-minded people. We counsel up-and-coming young executives to schedule themselves to attend 1 or 2 business-related functions per week. The obvious ones are industry related events but also try to diversify into general business functions such as various chambers of commerce, Rotary Club, and so on.

Strategy 2:
Expert In Your Field
The old saying that leaders are learners continues to be true. People who proactively advance their skills by completing relevant courses or certifications are always considered highly. Become an expert in your industry and your chosen profession without waiting for your boss or HR department to tell you to do so.

Many people are promoted quickly in the early stages of their careers because of natural ability or charisma and seem to think it will continue. Later, however, they are overtaken by those who studied and persevered, and eventually became recognized as authorities in areas important for their organization.

Hard-working nerds will always leave behind those who rely only on personality and genetic gifts.

Strategy 3:
Acquire New Skills
Sometimes a manager cannot easily differentiate themselves through the expert-in-your-field strategy above. Certainly all managers need to be very knowledgeable of their chosen fields but senior managers also need to be well-rounded. A sales manager or software development head who completes an MBA is an obvious example of this well-roundedness concept. Other examples are accounting managers who become experts with IT systems or HR managers who acquire law degrees. Such people will always stand out over the crowd of people with skills in one area.

An interesting trend that makes this 2-for-the-price-of-1 strategy particularly compelling is called position bundling. Many companies are combining 2 or more functions with one manager. People who can take on such responsibilities are always more valuable. As well, such people become candidates for top management because they are naturally more useful to organizations.

Strategy 4:
Employment Stability
Many talented young managers have destroyed their careers by changing employers too often. During the past decade of fast economic growth in Asia, job-hoppers have thought themselves clever by jumping from one employer to the next to get increases in compensation – often 10-15% per jump. Employers will play this game while they are desperate to find anyone who can manage anything. When normal rates of growth return, job-hoppers will discover that they are priced higher than others in the market. They will be out the door after the first restructuring and will have difficulty finding other employers interested to pay above market rates for below market stability.

Senior management positions, more than any other, are high-trust positions. It is impossible to trust someone to manage a key business unit who has had 3 jobs in the past 4 years. Senior management positions also require long periods to learn how to deal with complex business issues. Senior managers are generally stable in their careers and loyal to their employers, customers and people reporting to them.

Strategy 5:
Become Known
We have noticed that people who take an effort to become known as experts in their field are usually actually experts in their field. Many start off writing articles for industry journals or association

websites and later write columns in newspapers or magazines. Others host radio programs for people to call in for business, financial or career advice.

Another strategy is to get involved in your industry association or other volunteer organizations that are of interest. Start by joining one of the committees and progress to lead it. As your reputation grows, run for a place on the board of directors. It is important to make a positive contribution to the organization and not just a show of it. Key activities of such organizations to consider becoming involved with are: attracting new members and sponsors, newsletter and website production, events management, administering training programs and regulatory affairs.

Strategy 6:
International Experience

In the near future, it will be difficult to imagine an executive being called senior who doesn't have international experience (or very strong international exposure). The globalisation of multinational companies is already well underway. Within Southeast Asia, extensive regulatory integration is scheduled for 2014 and the impact will be profound over the next 5 to 7 years. People with proven ability to lead people across different countries will be valuable. Conspire to gain any international experience or exposure you can.

Strategy 7:
Small Companies, Big Experience

We see many highly talented managers become stuck in middle management positions of large organizations as they wait for promotions to senior management. Top executives, however, often delay retirement and when the positions finally become open, second line executives who waited years for their chance find they are passed over for younger managers.

It can be beneficial for middle managers to leave the comfort (and higher salary) of large organizations to work for smaller ones if they are given broader management responsibility. In so doing, executives become more valuable because they bring ideas about managing both large and small companies.

Strategy 8:
Small Countries, Big Experience

Related to the above, another more adventurous idea that we have seen work is to relocate to a newly emerging country like Myanmar, Vietnam, Cambodia and Laos as long as it is for a more senior position. In these countries, people with experience in more advanced countries like Malaysia, Philippines and Thailand can bring valuable skills and ideas. This option is best for single people without children.

Strategy 9:
"Boss" Stamp of Approval

A concept to understand for people who aspire to move up in their careers is that each time a manager is promoted to a higher role, he or she seldom moves back down again unless something drastic happens like a serious failure on the job or general economic turmoil. Psychologists and marketing people call the phenomenon mental imprinting . Once a person obtains the post of CEO, CFO, CIO or similar top management role, he or she will forever be thought of as that. It will usually be more difficult to move back down than it will to move up.

It is for this reason that it is important to gain the senior post you desire (and are qualified for) sooner rather than later.

Strategy 10:
Asian Multinationals

In the past, most international managers and many talented Asian managers would not consider working for "local" companies. They were convinced that such organizations would be managed in stereotypical third-world manners: overly centralized decision-making, promotions based on loyalty not performance, poorly qualified friends and family of patriarch in key positions, etc. There are still many Asian companies that are run in traditional styles but more and more they are changing.

In particular, Asian multinationals often have a younger generation of family members in key positions. Most of these people have been educated abroad and many have worked abroad or for international companies. They often bring the best of both worlds into their businesses. These keen managers are updating systems, empowering their people, and pushing hard on non-performing groups. They also know how to run businesses cost effectively (unlike many multinationals) and take better advantage of home country knowledge.

At a time when many international companies are cutting back or being timid about expansion, Asian multinationals are gushing with cash and expanding aggressively. It is time for both expatriates and Asians to start judging organizations by what they can offer rather than being snooty about their local label.

More Difficult Times to Come

Asia has experienced outrageously high growth rates over the past decade or so as most everyone would agree. The result in many countries has been a large expansion in the number of managers and management levels in organizations that are well above what would be acceptable in other regions. It seems reasonable that when more normal rates of growth return, restructurings to severely reduce the number of middle and senior managers will be inevitable.

The best time to improve your odds of employability is when times are good.

How is Success Determined?

How is Success Determined?

The success of individuals is shaped by many factors and the topic has been argued about for centuries. More and more, however, researchers are focusing on 4 key elements that explain most of the phenomenon of success.

Genes, development, career choices and relationships have become understood to be the 4 factors mainly responsible for success in people's careers. Let's briefly describe each one.

1. GENES - When we are born, we are given genes that determine much of what will be easy for us to do and what will be gruelling. Our personalities, drive, athleticism, verbal ability and so on all have a strong underpinning from our genetic inheritance.

2. DEVELOPMENT - How we are raised and where we grow up are also very important. It is not much use to have great genes if we grow up as orphans in a Kenyan slum. We have to be developed within a family, community and country environment where a culture of achievement is nurtured.

3. CAREER CHOICES - The schools we go to and courses we study are very important to our future success, as is where we work in our first full-time job. A gifted person with right degrees won't do well if he chooses an industry in terminal decline. On the other hand, an average person with lower tier academic credentials can be carried to great heights in a fast growing industry.

4. RELATIONSHIPS - Beyond nature, nurture and career choices, our relationships are decisive in determining how far we go in our careers and personal lives. Some of these, like our family and childhood friends, might seem like flukes but the on-going maintenance and quality of these relationships are very much within our control. More decisive are the relationships we develop throughout our lifetime.

It should become obvious that the first 3 of the above success determinants are mainly fixed and beyond the control of most of us by the time we reach our late 20's.

Genes are completely out of our control from the instant of creation, as most people would agree. Most of our development is decided for us by our parents

and our community. Later on, we are able to take a more active role in our education and employment decisions but with the support and strong suggestions of others.

As for career choices, studies show that before age 30 most of us are set on career trajectories that will carry us forward for the rest of our working lives. Yes, we all know that some people do make extreme career changes later in life — like running away to the circus, for instance — but statistically they are a smaller group. Therefore, most of what determines our success is out of our control by the time we reach early 30's. While that might sound depressing, there is still one key success factor that is very much within our control.

Relationships are our only real choice

As we build our careers, our decisions and expertise in developing the right relationships with the right people will be the deciding factor for our success. And, our choices of friends, colleagues, subordinates, customers and industry partners are almost COMPLETELY WITHIN OUR CONTROL.

As we manage larger and more complex groups, the quality and the productivity of these personal relationships become more and more important because naturally the only way for leaders to do anything is through other people.

In assessing the careers of roughly 20,000 leaders over the past 20 years from many different countries, professions and industries, it is clear to this author that the quality of our decisions in choosing the right people to work with, sell to and buy from, as well as our personal friends and marriage partners, is the most important factor in determining our lifetime success. Genes, Development and Career Choices are important, yes, but they form the foundations of us as people and become more and more difficult to change as we move up in our careers and years as human beings.

The key to success in life seems to be to find and attract the right people to be all around us and then keep them there. While this book is focused on sourcing, assessing and convincing the best people to work with us, the same skills can be broadly applied to our personal lives in finding suitable friends and even lovers.

Fundamentals Affecting Executive Careers

Key Trends
in Executive Careers

(Southeast Asia)

1. Head Office Relocation

In the past, regional managers generally chose to locate regional offices in Singapore and Hong Kong where work environments and lifestyles are similar to those of their home countries. Over the past decade, however, these cities have become 2 of the most expensive places to do business on the planet and cost has become a serious concern. Regional managers are therefore starting to move their regional head offices, or components of them, to less expensive cities like Manila, Kuala Lumpur and Bangkok. Successful transfers have yielded tremendous savings — easily half the operating costs of running a regional head office.

Another more strategic reason behind the trend has to do with economic growth. It is reasonable to say that the bulk of the opportunities in Asia are in countries where the bulk of the population lives. Relocating a head office puts senior staff in better touch with economic opportunities as they unfold.

2. Position Bundling

Because of advancements in technology and other reasons, responsibilities for 2 or even senior positions are more often being combined under one manager. Typical examples include: finance and IT, HR and communications, HR and legal, finance and logistics, and so forth. In some mid-sized companies, finance, HR and all other support functions are being combined under the title Head of Administration.

The trend seems to have great potential in Southeast Asia where economies are somewhat small by global standards.

3. Asia: This Season's Fashion

For most multinational companies, Asia currently accounts for less than 15% of total revenues but a disproportionate share of its growth. Global managers see slower growth ahead in so-called advanced economies of Europe, North

America and Japan. Countries in Asia were taught tough lessons about fiscal prudence during the Asian Crisis of the late 1990's and are now poised for strong sustainable growth in the coming years. Asia is currently a prominent focus for future investment of global companies.

The result is that today's global managers are keen to garner experience in Asia and managers without it risk not being called global.

4. Regional Integration

In 2015, the ASEAN countries are scheduled for integration of many key aspects of their economies. This is an important step since the entire GDP of countries like Philippines, Thailand or even Singapore is about one-third that of individual cities like Paris or Dallas-Fort Worth. Despite their fast economic growth, countries in Southeast Asia are still economically small and global managers often consider them as an economic group already.

Rather than employ Country Managers for single countries, more companies assign managers to handle multiple countries in a hands-on operating capacity. Dividing time among 2 or 4 countries gives an adequate return to the employer and a more significant opportunity to the manager. The only downside is extra wear-and-tear on managers due to increased travel requirements.

5. Rise of Asian Multinationals

In the past, Asian-owned companies were perceived to be closely controlled and run as family businesses by patriarchs. More often today, large Asian companies are run by a younger generation of managers with impressive education credentials, international mind-set and global experience. These Asian enterprises are also cash rich and ready for aggressive expansion at a time when many multinationals are slow to move or pulling back.

Wealthy Asian business owners who in the past may have invested their funds in real estate or financial investments in the west, today feel there are better opportunities closer to home. The result is that Asian companies are becoming realistic career opportunities for experienced international managers.

6. Asia Run By Asians

It took some time but today virtually all multinational organizations have come to the realization that Asians are suitable to lead other Asians. The majority of multinational organizations that have not already done so have plans to migrate senior management roles to Asian nationals in the near future.

There are 2 main reasons behind this trend. The first is obvious. Asia managers bring deep local knowledge. Business in Asia is traditionally considered more relationship driven than in the west and it is reasonable to say that someone who grew up in a local environment will be better off than someone who is new to the country.

The second reason has to do with the cost of expatriate managers. Base compensation levels for locals and expatriates have mainly converged in most industries, but expatriates have traditionally been provided with expensive benefits such as executive housing, international schooling for children, annual fly-backs and so on. This "expat package" adds tremendously to the overall cost for expatriate managers.

7. New Demand for Expatriates

The enormous depth and quality of Asian workforces and high-growth markets is inspiring global companies to open new operations and expand existing ones. Expatriates are required in many countries where adequate supplies of local managers with specific skills have yet to be developed to meet high demand.

Across Southeast Asia, there are different needs depending on the country. In Singapore, expatriate managers are said to be required in creative industries like media and advertising. In Philippines, the booming phenomenon known as Business Process Outsourcing is responsible for large demand. In Indonesia, it's infrastructure. In Vietnam and Myanmar, expats are required in many sectors.

8. The Vanishing Expat Package

In the good old days, it was standard for expatriates to be provided with luxurious benefits to keep them comfortable during "hardship postings" in Asia. These included executive housing, automobile & driver, expensive international schooling for children, annual fly-backs for the entire family, country club memberships and even a "hardship bonus" that by itself added 10% - 30% to compensation cost.

Except for a few hold-outs, the traditional "expat package" has steadily been eroded over the past decade. Far from being considered an expatriate's right, today everything is negotiable. Companies often still provide financial support to their relocated managers but the amounts and types are gradually being reduced. A notable exception to this very advanced trend are public sector employers such as embassies and development agencies.

9. Income Convergence

Most Asians still think expatriates earn more than they do but the fact is that most of these differences have already been minimized. Equal-pay-for-equal-work has become a reality for some time in advances economies such as Singapore and Hong Kong. In emerging countries, the situation is still evolving but the trend is well advanced even there.

Across Asia, local managers in growth sectors have seen relentless salary increases and many earn as much these days as any expatriate could ever hope for.

10. Cross Postings Open to All

It used to be that overseas executive postings were top down in nature. Managers were sent from head-quarters to far-flung country offices to gain international experience. They would spend 3 or 4 years dictating company operating procedures to local staff whose performance was measured by how well they complied. There was little opportunity for "locals" to aspire to senior management within their own country let alone outside it.

Today, Indians, Filipinos, Malaysians and Singaporeans all can be considered for the top jobs in their own countries and have the same cross posting opportunities in other countries as well.

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Planning

What is the Cost of a Bad Hire?

Bad Hires Cost Plenty

Some managers put themselves in the situation of only hiring people when a position becomes empty or as a solution to a problem. In this putting-out-fires method of human resource allocation, speed is naturally an important determinant of success since extinguishing fires quickly is seen as a good thing.

However, many of the worst problems we face as managers come when trying to hurry the hiring process to save time. A general rule of management is that the faster employees are chosen, the longer will be the process of fixing the problems that result.

Bad hiring decisions cost tremendously in our time, money and in many other ways that we don't always appreciate. All the time of everyone involved in sourcing and interviewing candidates is lost. The time of the people who helped with the on-boarding and training processes is wasted. There is the lost money in salary paid to unsuccessful employees and recruiting fees.

Harder to measure are the significant costs due to reduced employee morale, client dissatisfaction, lost sales and lower quality output. Employees naturally question a bad hiring decision and become anxious about how blame will be assigned, and even what it all says about their employer.

Cost calculations for all of this by companies that compute such things can seem outlandish until you consider how consistent they are from different sources. The consensus is that it costs about 3 times an employee's annual income to correct a bad hire and higher the more senior the position. Whatever the real cost, it is clear that bad hires are very expensive and especially so for key management positions.

Therefore, making correct hiring decisions is critical to our success. A few good hires in key positions will result in a tremendous upsurge for our businesses and a similar tremendous upsurge in our own careers. A few too many bad hires, on the other hand, and the outcome will be our bosses and clients seeing the need to correct their own bad hiring decisions by terminating us.

Hire hasty, lament later.

Creating a Useable Position Description

Planning the Position:
Creating the Job Description

There is always a strong return on investment for carefully thinking through the requirements of a position in a methodical manner. Successful organizations declare that much more time is spent planning and envisioning their positions, and the people to put in them, than on executing the search.

The 10/90 rule is sometimes cited such that 90% of the time required to fill the position should be used for planning versus only 10% in execution. While this may seem extreme, the point is that the clearer and more vivid the position description, the greater the chance that suitable candidates can be recognized when they are put in front of those involved in the sourcing, interviewing and assessment processes.

When hiring for junior positions, some organizations recruit solely on attitude and personality believing that everything else can be learned. That may be fine when the stakes are low but management level positions require specific experience, technical skills, actionable relationships and much more than just a pleasing personality.

The Position Description:
Step 1:
Results Expected
The first step to creating a Job Description is to list all of the business results expected from the position. These outputs are what we are purchasing as hiring managers just as if we were buying a basket of them in a marketplace.

Focus on what the position will deliver to your organization rather than just the activities and be clear about the quality and quantity of each desired. Think carefully about which of these deliverables are absolute requirements and which are strongly preferred but not essential.

Separate the required from the preferred with suitable titles and both lists together should not be more than a page in length. Each list is then ordered by priority under section titles such as Position Responsibilities, Basic Functions or something similar.

Step 2:
Competencies Required
Second, list all of the specific skills and experience required to get the business outputs specified above. Years of experience, people managed

and sales revenues obtained are examples. Along with these are commonly desired attributes such as trustworthiness, hard-working, a positive mind-set, discipline, enthusiasm, open-mindedness, intelligence, career motivated and nice.

Create this itemized list by visualizing in your mind exactly what abilities, experience, talent and training/education candidates will need to achieve their targets.

Again separate this list into qualities that are required and those that are preferred but not essential and organize all of them in order of priority. The title of this section should be Experience & Skills, Abilities & Background or something similar and should be less than one and a half pages.

Step 3:
Activities of the Position
Next, the hiring manager should visualize in his mind what the person will be doing on a daily, weekly and monthly basis to produce the required deliverables and write a clear description.

The result of the above 3 steps should be the basic layout of a usable job description that can be pasted into your organization's standard template.

This analytical process is critical to building clear pictures of what the ideal person will look like in the minds of everyone involved in the search process. The position description should be created before individual candidates are considered.

Because senior candidates are typically highly charming and strong-willed people, they can interject themselves into the minds of hiring managers unless the position requirements are set forth ahead of time.

The Lois Lane Syndrome

Be honest with yourself that a single person can do all that you think is required. Sometimes different hiring managers involved in a process will have opposing views of what are absolute requirements. For instance, a world-class sales manager who is also meticulous about contractual details might be too much to ask for in one person, as is a Chief Fraud Manager with a gregarious personality.

In many instances, expectations have to be mitigated or more than one person hired to do all that is required. Supermen who can do it all are difficult to source in the real world.

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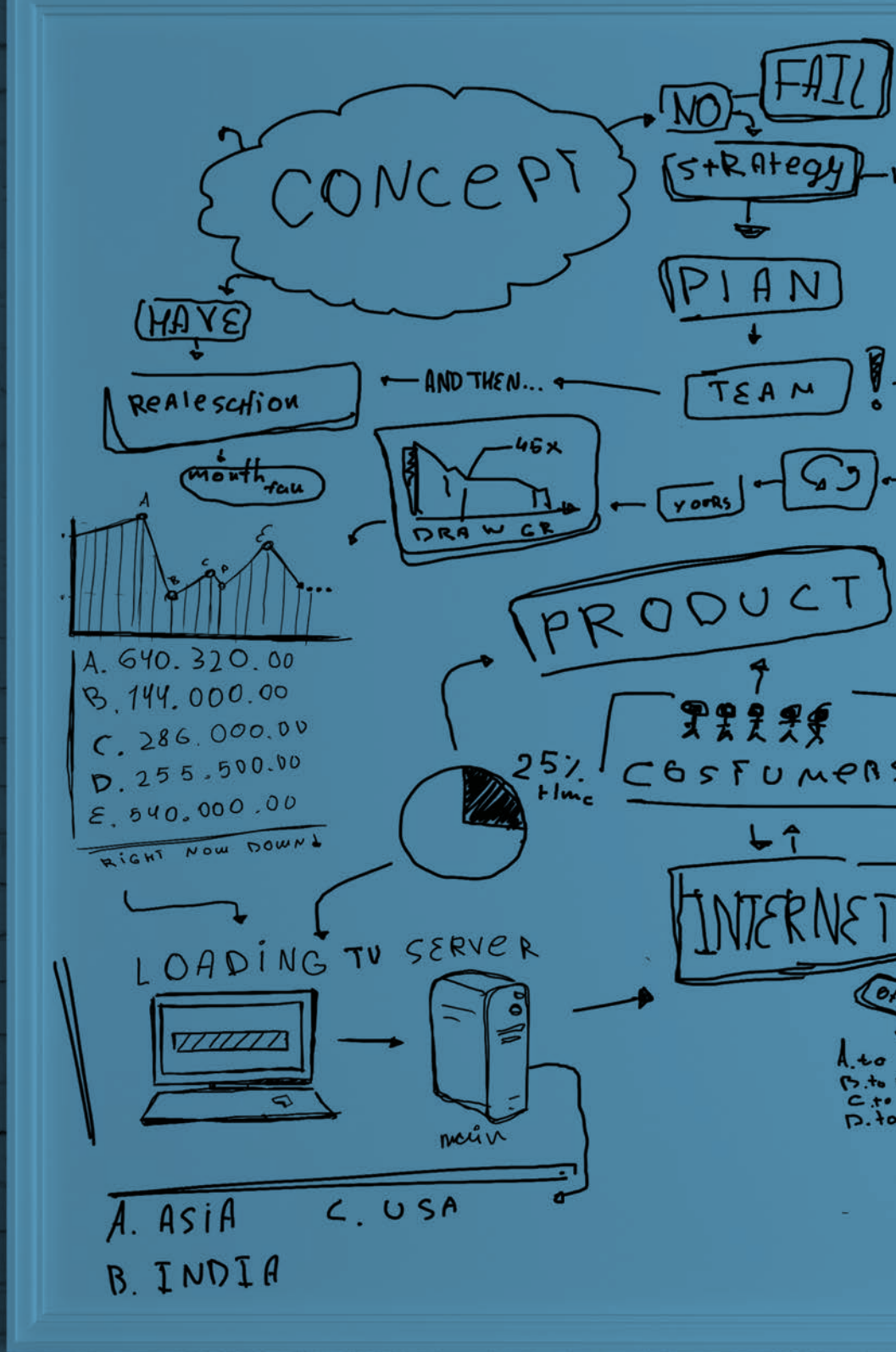
Sourcing

Where to Find Management Talent

Sources of
Experienced Managers

In the past, managers could get away with looking for candidates only when there was a clear need, either because of an open position or as a solution to a problem. These days, the sourcing of high-value candidates should be a never-ending process for successful managers who wish to be considered high-value in their own organizations.

A manager's commitment and ability at continual candidate sourcing will be a primary determinant of his or her career success.

Below we describe the various options for sourcing candidates in order of typical preference.

1ST CHOICE
Recruit from inside

Most of us would agree that elevating our own employees is preferable to hiring from outside the organization. Promoting from within rewards performance and stability in current employees, and motivates others to do what's necessary to qualify for their own advancements.

Internal promotions also save on the time of many people involved in the hiring process and recruiting costs. Hiring outside managers is naturally more risky than working with people whose strengths and weaknesses are already known in an organization.

2ND CHOICE
Recruit from outside

Sometimes hiring from outside the organization is necessary for management level positions. If an organization is growing quickly or entering a new market, there may not be enough time to develop veteran managers internally. Hiring experienced outside managers will be the only option.

There are also times when non-aligned people bring new ideas and open minds to allow an organization to move forward. Outsiders are less likely to be emotionally and politically tied to the past and are perceived to make fair decisions regarding difficult problems.

1. Hire From Competitors

If what is needed is industry experience, then the most obvious option is to recruit people from the same industry. It is always worthwhile to consider hiring people with relevant knowledge of your sector and relationships that can be beneficial.

It is important to keep in mind that this needs to be done with sensitivity or risk retributive action from competitors if your actions are perceived to be attacking someone else's business.

2. Hire From Related Industries

Companies that are suppliers or clients of your company or your competitors are often good sources of candidates since such people have experience working with your industry in ways that are different and can bring fresh ideas and opportunities.

As above, it is important that the hiring process be done with compassion for your industry partners. Reckless hires can damage your relationships with clients or suppliers with negative consequences for years to come.

3. Hire From Unrelated Industries

People in professions like finance, HR and IT have skills that are transferable. It is common for them to move to entirely different industries and still perform well. In functions like sales and operations, it can be more difficult for senior professionals to change industries. As an example, it might be possible for a finance manager to move from a heavy equipment company into cosmetics but a sales manager can't. Some industries are more related than they seem. For instance, many product-focused multinationals hire Country Managers whose main job is to oversee a sales & distribution network. Someone who has experience with running a high-end confectionary business can sometimes be just as good at branded garments.

4. Hiring Nearby Asians

Within Southeast Asia, it is becoming more common for Asian managers to move from one country to another. In doing so, they become able to work at international levels but retain the streetwise sense of how business is done in Asia.

Malaysian and Filipino managers, in particular, seem to do well almost anywhere. Singaporeans have superb skills but don't always want to be posted to less developed countries. Indonesians and Thai managers can be first-rate in their own countries but language abilities can hinder them from being considered for outside postings. Indian managers are another very good source of highly productive and adaptive people.

One hindrance to relocating Asian managers to other countries within Southeast Asia has to do with compensation expectations. When relocating for postings in Singapore or the Gulf region, it is common for Malaysian and Filipino managers to double their current income levels. Many have come to believe they should receive similar increases when relocating to less prosperous countries. Clearly, few developing countries within Southeast Asia can support such high incomes. Therefore, explanations are required up-front to reduce unrealistic income expectations.

5. Asian Returnees

Over the years, people from Southeast Asia have dispersed themselves throughout the world. Adapting to any new country is difficult and not everyone is contented in their adopted countries. It is also natural for immigrants to have an inner longing to return to their home country someday. The grim economic situation in many so-called advanced countries has lately made this desire more intense than usual.

There are sizeable numbers of Vietnamese, Singaporeans and Malaysians throughout Asia, the Gulf region, and the west, and more than a few would be open to suitable opportunities in their home country or region. Ethnic Chinese and Indians originating from Southeast Asia are often a particularly open-minded group.

In absolute size, however, there is no overseas group larger than the Filipinos. There are roughly 8M of these pleasant people are working outside Philippines currently and this number includes a sizeable portion of the country's middle and upper class elite.

There is strong demand for returnees since companies are more hesitant about relocating full expatriates to emerging countries. Returnees are a better option since they are perceived to be able to adapt quickly and are motivated to stay for the long-term.

Returnee managers are more expensive than local candidates but not by much and they usually don't expect expatriate benefits. Their main desire is to return to their home country and have a suitable job to go to.

6. "Local Expats"

A "local expat" is defined as a foreigner who chooses to live in an adopted country for his or her own reasons. Often, such people were previously posted as full expatriates and later decided to remain indefinitely. The majority of local expatriates in Asia are male — it's a guy-friendly region — and have married Asian females or have personal business interests.

Local expatriates work at local terms but are usually compensated at higher levels than local managers who lack international experience. They are often stable employees since there are perceived to be few job opportunities for expatriates in Asian countries and job-hoppers are easily noticed and quickly penalized.

There is strong demand for localized expatriates since they have already gone through cultural acclimatization and have proven success. The suitability of this group for management positions varies from candidate to candidate.

7. Full Expatriates

Full expatriates are those managers posted to Asia by their employers. It used to be standard that they were provided with luxurious housing, expensive private schools for children, annual fly-backs to their home country, country-clubs and a hardship bonus. Today, these "standard benefits" are no longer standard with most organizations.

Importing expatriates can be necessary if your business is a new concept in an emerging country since local management talent may not yet exist in ample supply. An expatriate may be the only option if a company is to ensure that a new branch office meets international standards.

In choosing people suitable for expatriate postings, there are many elements to consider. It has been found that people with adventurous mind-sets and outgoing personalities are often better suited. Managers who come from immigrant families or who grew up in ethnically diverse environments can also be more adaptable to foreign cultures.

Another key element is the commitment of the expatriate's family and, in particular, the spouse. More often it is the trailing spouse rather than the expatriate who will disrupt the overseas posting. That person needs to be part of the determination process from an early stage.

HSBC is an example of one company that has developed a superb cadre of international-track managers. They recruit them early in their careers from different countries across the world and mold them into HSBC bankers. They then spend their entire careers going all over the world spreading the good news about the HSBC-way.

Another successful company with a different approach is Siemens. Despite the vast size and complexity of its businesses, almost all of their operations throughout the world are headed by German nationals. The few non-Germans in their senior ranks almost always have been Germanized by living for multi-year periods in Germany.

The "Long List" of Possible Candidates

"Candidate Universe" Explained

For every open position, there are a number of people who meet basic qualifications and can be considered worthy of further investigation. This group is called the Candidate Universe and creating this long list of every conceivable candidate is the first step of every search.

The size of the Candidate Universe will vary tremendously by many factors: job type, industry, geography, organization and hiring manager requirements. Roles in finance, IT and HR can often consider candidates from across industries since skills are usually transferable.

Specialized fields like sales and scientific research have much smaller Candidate Universes since skills are not as transferable — great sales managers of expensive perfumes do not necessarily make great sellers of heavy machinery, for example.

As well, a hiring manager who will only consider hiring candidates from his competitors will have a smaller Candidate Universe compared to one who wishes to "bring in outside ideas" to his organization.

MANAGEMENT RULE:
The creation of the Candidate Universe is the first step of every management search.

Stability Separates Candidates

Candidates in every Candidate Universe can be divided into 3 categories relating to the stability of their employment relationships. Stability is closely related to success in management positions since successful managers are generally happy with their employers and remain for extended periods.
The size of each group can be best understood by placing all candidates in the Candidate Universe Triangle as below.
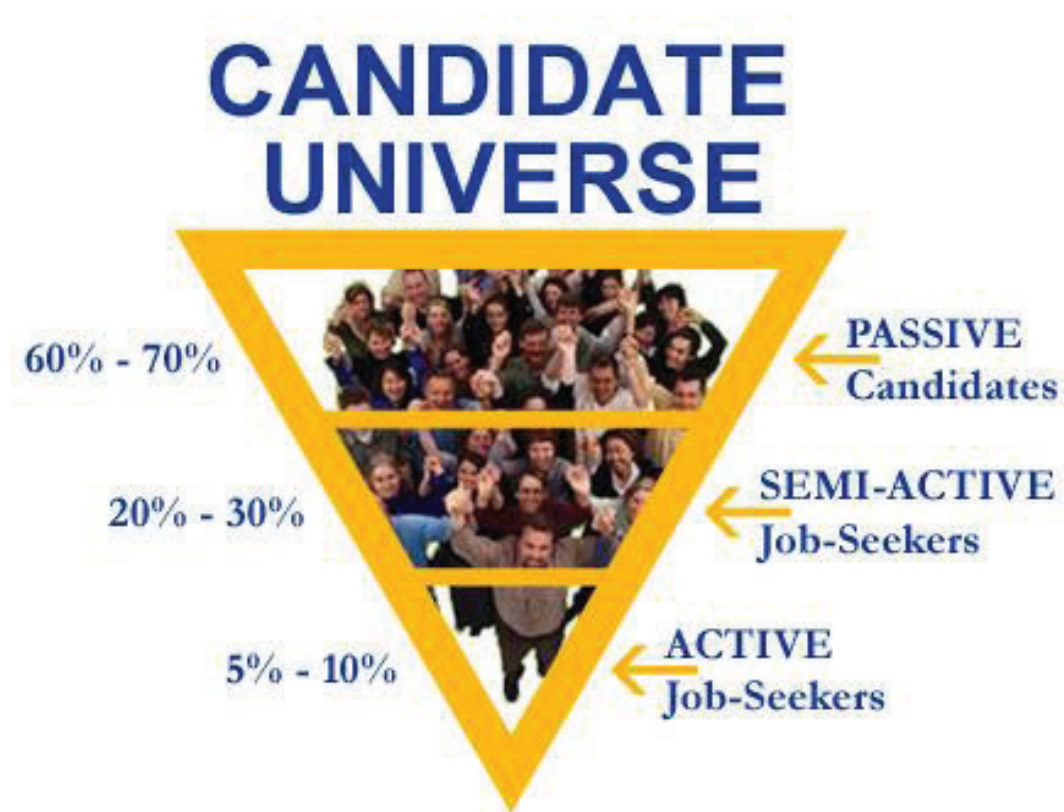
Passive Candidates
(60% to 70% of Candidate Universe)

The top group on the Candidate Universe Triangle are called Passive Candidates and these are generally considered the most suitable and desired for management positions. They have a history of long-term employment relationships and are mainly happy and successful in their current positions. They are usually at more mature phases of their careers. Such people have busy lives and do not send their resumes to job postings or employment agencies, nor do they attend career fairs. They are typically highly concerned about confidentiality of their employment information and can usually only be reached through time consuming direct personal interaction with trusted sources.

MANAGEMENT RULE:
Management level candidates are generally stable and don't send their resumes to job postings, career fairs and other non-confidential services.

Semi-Active Job-Seekers
(20% - 30% of Candidate Universe)

The middle group on the Candidate Universe Triangle are employed but still seeking other job opportunities. They may not be doing well at their current organization and fearful of losing their jobs or they may be unstable in their careers and change jobs frequently. Semi-Active Job Seekers tend to research job postings regularly and send resumes intermittently. They often become friends with employment agency staff and call them regularly for updates on the job market. This group of candidates are often at less mature stages of their careers and are considered of lower quality for management positions that Passive Candidates described above.

Active Job-Seekers
(5% to 10% of Candidate Universe)

The bottom and smallest group on the Candidate Universe Triangle are highly motivated job-seekers. They are usually unemployed (or soon will be) or very unhappy in their current roles. Young people looking for their first jobs fit this category as do those whose employment was terminated for various reasons. For most Active Job-Seekers, finding a new job is their full-time occupation. They send resumes to employment agencies, respond to job postings, attend career fairs and spend time online with social networking websites. Active Job-Seekers are usually in the earliest stages of their careers although more mature candidates enter this category when economic times are depressed.

MANAGEMENT RULE:
Junior level candidates tend to be less stable and easier to reach through services such as job postings, career fairs and general employment agencies.

What are Active & Passive Candidates?

Active & Passive Candidates

All possible candidates for a position can be placed in the Candidate Universe Triangle as seen in the previous section and divided into categories according to how actively they are seeking employment.

PASSIVE Candidates
60% - 70% of Candidate Universe

Who are they?

Passive Candidates are people who are currently employed and not seeking new employment. They typically have a history of career stability and effectiveness. They are mainly satisfied with their current employers and challenged in their roles. Passive Candidates are more often mature people in the middle or late part of their careers. Their loyalty to employers and success on the job makes them the most valuable as regular employees. Virtually all successful senior managers are Passive Candidates.

How many are there?

The majority of the working population (about 2/3's of it) can be considered Passive Candidates. This is consistent whether the general economic situation is positive or negative.

How to find them?

Passive Candidates do not attend career fairs or send resumes to job postings. They also do not have much contact with general employment agencies because they are satisfied with their jobs and stable in their careers. Passive Candidates are also concerned about confidentiality and often resist sending their private information to unknown sources. Such people can only be found through time-consuming direct sourcing techniques by people who are knowledgeable and trusted in the industry. Passive Candidates are generally found through personal relationships of hiring managers or through retained executive search practitioners. See Retained vs. Contingency for explanation of differences.

MANAGEMENT RULE:

Passive candidates are usually stable and professionally mature. Most successful management level candidates are Passive Candidates.

SEMI-ACTIVE Candidates

20% - 30% of Candidate Universe

Who are they?

Semi-Active Candidates are usually employed but not satisfied with their employer or unsuccessful in their position. Some are unstable job-hoppers who change employers frequently. Others are concerned about the stability of their position due to company or personal reasons. Semi-Active Candidates are often in the early part of their careers — young people are naturally more transient as they build their skills and experience. Semi-Active Candidates who are in the middle part of their careers are less valuable due to concerns over stability and perception of negative career abilities.

How many are there?

Between 20% - 30% of all the working population are Semi-Active Candidates, depending on the industry and state of the economy.

How to find them?

These candidates are readily available through job postings, career fairs, resume databases, social networks and contingency staffing agencies. Comprehensive services like retained executive search are not required to source these candidates. See Retained vs. Contingency for explanation of differences.

MANAGEMENT RULE:

Semi-Active Job-Seekers are either unhappy or unstable in their current roles. Care must be taken when recruiting them for management roles because of the risk of bringing negative influences into an organization.

ACTIVE Candidates

5% - 10% of Candidate Universe

Who are they?

Active Candidates are generally people who are unemployed or soon will lose their jobs. They might be young people looking for their first job or displaced employees whose position was terminated. They may also be people who are extremely unhappy with their current employer and desire immediate change.

How many are there?

Between 5% - 10% of all possible candidates for typical positions are of this type, depending on the industry and state of the economy.

How to find them?

These candidates are readily available through job postings, career fairs, resume databases, social networks and contingency employment agencies. Comprehensive services like retained executive search are not required to locate these candidates. See Retained vs. Contingency for explanation of differences.

MANAGEMENT RULE:

Active Job-Seekers are generally desperate for work. Great caution must be taken in considering them for management roles.

Creating Industry Talent Maps

Talent Mapping
for Executive Positions

Most organizations are naturally reactive about recruiting management talent. When a key position suddenly becomes open and the phrase "we need to fill this job today" is heard, many companies go into a mode of crisis to fill it. They scramble to start the recruiting process with any candidates who say they are ready to make a move and too often hiring decision are made in haste.

Since the process has to be started from scratch, months can required with many dead-ends along the way. When a possibly suitable candidate is finally found, salary negotiations can be one-sided since the employer may seem desperate to complete the process.

Most people would agree that a better approach is to assess the candidate market ahead of time and on an on-going basis. Departures of senior managers are not an uncommon occurrence in any organization and plans need to be in place to anticipate the inevitable.

The advantages of pre-planning are that months of time can be saved, disruptions are minimized and costs reduced. Most importantly, the employer can choose from the best people across relevant industries, rather than just those few who happen to be currently eager for job change.

Talent Mapping Explained

Talent mapping (or Industry Mapping) enables organisations to proactively recognize and track the progress of key management talent who could be suitable for their organization. The process allows a candidate pipeline to be created so positions can be filled with high performers quickly and becomes a key tool in succession planning.

Talent Mapping charts the positions, skills and experience of key individuals across entire industries. For each target company, an organizational chart is created and comprehensive career information is collected for each manager. The purpose is to create a list of all possible candidates who are relevant to be considered for future positions within an organization.

Where to Target?

Since most senior positions will be filled from within the company's own industry or related ones such as suppliers or clients, the Talent Map should include the key managers in all relevant organizations that may reasonably yield candidates in the future.

Revenue creating roles related to sales and delivery can be particularly costly while they are vacant and so should be given special attention. Similarly, many technical positions are highly specialized and critical to day-to-day operations, and often can only be filled from a narrow subset of source organizations. Positions such as finance, HR, IT and legal are certainly highly important but the skills required are often more generic and transferrable from outside the industry. As much information as possible should be collected about each person and updated regularly so recruitment options can be quickly assessed when replacements are required.

Talent Mapping: 3-Step Process

Step 1:
Populate the Charts
The initial structure of the Talent Map can be assigned to a senior HR manager or market research expert. A list of all competitors and relevant source companies is first created. The names of as many key managers as possible will populate the empty organization charts for each organization. Much of this information is widely available from various sources such as social media, HR databases, internet search, internal senior managers, etc. Direct calls to industry insiders and the companies themselves will be necessary to fill in the blanks.

Include everyone, even those who show no interest in leaving their current employers or who might be overly expensive. Personal situations can change regularly and tremendously. It is common that people out of reach today can become available suddenly and when they are most needed.

Step 2:
Collect Background Information
For each manager on the populated organizational charts, basic career information needs to be compiled. Some of this information can be acquired from on-line sources such as regulatory reporting documents, social media (LinkedIn), newspaper announcements, and so forth. The goal is to create resume information for each person. For many people, it is necessary to contact individuals directly and ask for their career history and resumes. This stage may seem time-consuming but not as much as the next stage.

Step 3:
Assess Candidates
As a result of the information gathered in step 2, it will become apparent that some candidates stand out from the industry as possible high performers. More attention should be given these people. Brief informal interviews should be set up with appropriate senior managers to further appraise the candidates and form initial relationships with them.

It should be made clear to such prospective candidates that while no urgent position currently exists, they are well thought of by the senior management team who would like to consider them for positions that will certainly come up in the future. Notes should be created by interviewing managers that become part of the permanent Talent Mapping records. Most candidates will be impressed with such a forward-thinking approach to relationship building and talent management.

There are specialist firms that provide Talent Mapping service although the industry is a still a young one and there are many wild-west operators. Beware that the same information that you paid for does not end up being offered to competitors a few months later.

How to Gain the Attention of Candidates

Getting
Candidate Attention

"You do not want to waste your time on candidates that are not qualified."

"We eliminate so many of our candidates, and we never see them in person! What a great way to speed up the interview process."

There is all sorts of bad advice about screening candidates over the telephone. Quotes such as those of the side of the page might apply when recruiting for high-volume, commodity jobs if there are masses of applicants but it is a SURE ROUTE TO FAILURE in most other situations.

This is especially the case when dealing with high value professionals like senior managers. It should never be considered a waste of time to speak to management people. Such people may not be suitable or interested in a specific role today but they will certainly be so in the future. As well, senior candidates always know other senior candidates and certainly understand the game of hiring since they do it themselves. They can be great sources of information and contacts if recruiters take the time to build relationships with these people.

Making abrupt, tactless telephone calls to senior managers to "eliminate candidates" and "speed up the interview process" will ensure the long-term failure of most executive search consultants involved in management recruiting.

When calling on executives or any other highly skilled people, there are only 2 things that are important: creating dialogue and offering benefit. If they see the caller as a valuable career mentor who they might want on their team of life-time contacts, any business leader who is somebody, will stop to talk (or schedule another time to do so).

On the other hand, if the caller sounds like just another salesman looking source product (i.e. candidates, in this case) he can unload on a customer, then the conversation will be very different indeed.

Act in the short-term, Work for the long-term
When calling professional candidates, you initially have a short period of 20 to 30 seconds to get their initial attention. If this can be done without creating a reflex rejection, the call that starts as a monologue of the candidate listening to the recruiter can become a 2-way conversation between industry professionals with benefits to both.

Professionals like senior managers are busy people and calls to them are interruptions to their work day. Recruiters must provide a benefit by offering information that adds to their base of knowledge and motivates their curiosity.

The best method is to simply explain the reason for the call in a clear but not too specific manner. If the caller gives too much information immediately, he or she may either overwhelm the candidate or say something that creates an automatic negative response. It is important there are both an immediate purpose for the call (an open job) and a long-term purpose (future jobs and mutually beneficial relationship). Senior managers who are going anywhere immediately recognize the value of relationships with executive recruiters in their careers and businesses.

How Not to do it?

Most recruiters have heard statements such as these at some point in their careers when calling on candidates for the first time without being referred by a trusted intermediary.

"Tell me the company name and I'll tell you whether I'm interested."

"Take me off your list and don't call again."

"I don't want to change my job."

People who make comments like these have either had bad experiences with recruiters in the past or the caller may have come across as manipulative, desperate or overly focused on their own needs. If this happens, there is little that can be done to save the call. The recruiter needs to politely exit and try again in the future.

Ask Open-Ended Questions

In most cases, initial rapport can be established within a few minutes. At this point, open questions should be asked to learn about the person's current situation and his or her career and personal objectives.

> *What sorts of roles might be of interest to you in the future?*
> *Tell me a bit about how you are doing in your career now?*
> *What were you doing before this?*
> *How is your company perceived in the market?*
> *Do you see opportunities to grow where you are now?*
> *How would you rate your sense of engagement?*
> *What do you like a lot about your current situation?*
> *What might be improved about it?*
> *What do you want to be doing in a few years?*

Such conversational questions are necessary to allow candidates to formulate their thoughts. Senior executives are often so absorbed and challenged in their work, that they don't have ready answers to specific questions about their careers. This is especially the case with candidates who are key in their organizations and who stay many years with employers — the most desirable ones, in other words.

Be cautious of people who have ready answers to specific career questions and know exactly what they want. They may have been through the recruitment process too many times — a history of frequent job changes — or are overly eager to leave (and may not be doing well).

With the sincere use of open-ended questions and listening intently to answers, recruiters can become career mentors in the minds of candidates rather than salespeople looking to make a one-time placement.

Inexperienced recruiters often charge ahead too quickly and aggressively. The result may be that the candidates they source are too often job-hoppers or desperate to make a move. This may not always be bad but it is clear that the best candidates are stable and successful in their current roles.

All hiring managers and recruiters need to remember that job changes are life changes to most people. Take time to listen and understand.

Blacklisting and the Do-Not-Hire File

"Blacklist" **Candidates**

When people have a bad customer experience at a restaurant or an automobile dealership, they naturally wish not to repeat the experience. They make a mental note not to use the services or products of the offending company again for a period of time - they "blacklist" it, in other words. The same sensible response occurs when hiring managers have bad experiences with candidates.

Most companies do not keep formal do-not-hire lists since many countries have ambiguous legal regulations surrounding the practice. The sharing of candidate blacklists between companies, for instance, is outright illegal in many countries.

But whatever well-meaning politicians do to limit the practice, we can be sure that informal candidate blacklists will forever be kept inside the minds (and sometimes the computers) of all hiring managers. They logically desire to keep liars, losers and misfits out of their organizations and so they should. This noble objective is especially important for senior management roles that have much greater impact on the lives of other people and society as a whole.

Below are some of the main reasons hiring managers could exclude certain candidates from being considered for senior management positions with organizations in Asia.

1. Past Corruption Scandal

As economic progress continues upward across Asia, problems with graft and corruption continue to decline. Multinational companies that were active participants of corruption in the past have become particularly diligent at eliminating all forms of sleaze in their global operations because of regulations making corruption a criminal offence in many countries.

That is all well and good but in emerging countries, being as they are, corruption scandals will occur from time to time. Senior managers in organizations where scandals are uncovered are naturally tainted in the eyes of the business community. Those implicated can have their careers severely disrupted because no credible organization will consider hiring them.

2. Too Closely Affiliated

In most emerging countries, elite families have large, sprawling conglomerates with sizeable interests in various business sectors. In the past, most senior positions in the enterprises were held by family members and close friends of the patriarch. Today, however, non-family professional managers are being promoted on a meritocratic basis and occupying the most senior positions in many of these formerly closed organizations.

The problem that occurs for these non-family managers has to do with career

growth and transferability. When people become too closely associated with strong-willed patriarchs and their family members, it can become impossible for them to move outside the organization. The reasons behind this are very interesting.

First of all, few in the local business community would believe such people are legitimate candidates. Most would think they will eventually return to the patriarch's enterprise and bring as much confidential information as they can with them. Conspiracy theories will even allege that the managers are specifically sent by the patriarch for that very purpose. Such lack of trust makes job change difficult to say the least.

The second concern is the probable likelihood of a severe negative reaction by the patriarch and his family. The departure of a senior manager in some organizations is treated like an act of treason against the family. Some autocrats become inflamed with anger over the potential loss of confidential business information and personal privacy, and will do what they can to destroy the traitor's career and the organization that hired him.

(To outsiders from genteel countries, this may sound far-fetched and even grotesque but this author has dealt with similar situations in the past. Gladly, it is becoming a less common problem as economies continue to expand and become less controlled by a small number of dominant players.)

The unfortunate result to all of this is that high quality professional managers will usually spend the rest of their lives reporting to family members and cronies of the patriarch. Their only alternative is to migrate to another country and start a new life.

3. Argumentative with Hiring Managers

Some candidates can be overly aggressive in their demands for employment terms, schedules and compensation. These people may have an inflated view of their abilities and value in the market or have a confrontational personality and enjoy the competitive nature of arguments. Candidates displaying excessive arrogance and/or combativeness toward the wrong people in Asia can find themselves out of the interview process and onto the do-not-hire list of the employer for years to come.

Asian candidates can usually be counted upon to be courteous and diplomatic in most situations, and rarely create problems of this kind for themselves. Candidates from other regions, particularly the west, destroy their careers in Asia on a regular basis by conducting themselves like ill-mannered jerks or obnoxious know-it-alls.

4. Substance Abuse

It is rare for senior Asian managers to be abusers of either alcohol or recreational drugs. However, most experienced executive recruiters in Asia are aware of certain expatriate groups whose members are considered to be at high risk of alcohol addiction with the resulting severe decrease in work performance over time.

In past decades, Asia was known for a business culture of late-night "entertainment" and some expatriate groups relished in it long after the practice had disappeared in their home countries. Today, most hiring managers have come to the conclusion that regular and excessive drunkenness is destructive to the individual and the organization, and are less keen to put up with it.

Executive recruiters and hiring managers in the region have come up with various techniques to judge the risk profile of candidates for alcohol abuse. Interviews with candidates from high risk communities should be scheduled late in the day or immediately after lunch (when drinking may have occurred). Interviewers manoeuvre to stand as close to candidates as possible to smell their breadth. They look closely at skin tone to determine if there is discolouration and dehydration (common conditions for excessive alcoholism). As well, alcohol tends to dilate capillaries creating blood-shot eyes and visible red and purple veins around cheeks and nose (especially in fair skinned people).

Similarly, interview questions are asked about the personal life of the candidates: What clubs and sports do they participate in? What do they do on weekends? Who do they spend time with?, and so on. Experienced recruiters will know which clubs and groups are locally known for being of greater risk. (Team sports like rugby and football are more conducive to alcohol abuse than individual sports like long-distance running or mountain climbing, for instance.)

Reference checking can also be very helpful since candidates usually give the names of close acquaintances who may be known alcoholics in the community - birds of a feather...

5. Not Showing Up

Senior managers are generally highly dependable and organized people — that's why they are called senior. Therefore, it is considered a serious concern if one fails to show up on time for a confirmed meeting without giving notice. If this occurs more than once without extremely good explanations, most recruiters and hiring managers will demote the candidate or eliminate his or her file.
More serious are those people who accept positions and then fail to turn up on the start-date. This happens much less rarely at the senior level but it does happen more often than most people would imagine. In such cases, candidates can be sure their CV will be spending a lot of time in the do-not-hire bin and more than one person will hear about it in the industry.

6. Becoming Incommunicable

Candidates sometimes get enticed into an interview process because they are flattered by the attention and curious about what might offered in other organizations even if they have no sincere desire to leave their current employers. After a period of infatuation, most of these "tire-kickers" will give notice to their recruiters to end the process in a ways that are professional and polite.

However, a minority of between 5% and 10% behave in seemingly immature ways for people in senior management positions. Candidates can suddenly refuse all contact requests and seem to disappear in a very late stage of the recruitment process (sometimes even after receiving a job offer). The result is they leave hiring managers in a difficult situation and destroy months of other people's work.

Some candidates will use the job offer to negotiate an increase at their current employer and have no interest to move. More often though, they are sincere people with great fear of saying the word "no."

The phenomenon is alleged to be more common in Asia than in other regions because of the cultural stereotype that Asians avoid confrontation. Whether it is more common in Asia is not clear, but it is clear that the behaviour is dying out with the current generation of Asian managers. Nevertheless, it occurs enough that most active hiring managers have a dozen or so executives on their personal blacklists because they were left in the lurch in the past.

7. Previous Failed Candidates

Candidates who were assessed in the past by one manager but deemed unsuitable can usually be considered again by another manager or department in the same company. The exception is when the candidate fails the reference check, background confirmation or some other important indicator of past performance or integrity. The result can be a checkmark in the do-not-hire box beside the candidate's name in the company's HR system.

8. Applying for Unsuitable Positions

Submitting multiple CV's for positions a candidate clearly does not qualify for is an obvious way for someone to be downgraded in the eyes of hiring managers. Senior executives are supposed to have superior judgement and especially an ability to put the right people into the right jobs. If they are too desperate or dim-witted to determine their own suitability, this is a serious black-mark indeed. If hiring managers see resumes turn up too often for dissimilar positions, they will understandably decline the candidate for current and future positions.

9. Overstating Qualifications

Candidates sometimes push the limit on exaggeration when trying to fit into a position. Most hiring managers become alarmed when a senior person twists a story to inflate his personal success in a project or seniority in a department. By trying too hard to take all the credit, candidates risk becoming designated for the do-not-hire list of the recruiting professional, whether they are otherwise qualified or not.

10. Stalker Candidates

Most executive recruiters and hiring managers do not have enough time to respond to all the email and telephone messages they receive every day. A supposedly senior manager, who pesters a hiring professional more than once per week on a regular basis, is showing a lack of experience at dealing with other senior professionals or his desperation for a job. This is another sure way to severely downgrade the assessment of a candidate in the opinion of a hiring manager.

CONCEPT

NO → FAIL

strategy

PLAN

HAVE

REAlEScHion ← AND THEN... ← TEAM !

mouth tau

46X

DRAW GR ← yours ←

A. 640. 320. 00
B. 144. 000. 00
C. 286. 000. 00
D. 255. 500. 00
E. 540. 000. 00

RIGHT NOW DOWN

PRODUCT

25%
tlmc

COSFUMERS

INTERNET

LOADING TV SERVER

main

A. to
B. to
C. to
D. to

A. ASIA   C. USA

B. INDIA

Interviewing

Senior Manager Interviewing

The 10 Rules
of Executive Interviewing in Asia

Conducting interviews with senior managers is quite different from those with junior candidates mainly because the people involved are different. Junior candidates are often called Applicants because they are usually applying for new employment. In interviewing these people, the emphasis is on the candidate to sell himself to the employer.

Desirable senior candidates are the opposite. These people are generally successful and satisfied in their current positions and have no urgent need to change jobs. Confidentiality is of critical importance and they do not send resumes to job postings or employment agencies nor do they attend career fairs — be worried if they do. Nevertheless, such people can be enticed to discuss a career opportunity if approached in an appropriate manner by people who they consider respected and trusted in their business community. Interviewing these people requires greater emphasis on the employer to provide strong justifications for career change.

Rule I:
Executives Interview Executives
Senior managers need to be interviewed by people who are senior in the organization. In status conscious Asia, recruiting department staff who are great for interviewing individual contributors are usually not involved in meetings with senior managers who will be above them in the organization. Veteran executives should only be assessed by other veteran executives. There is probably no better way to turn off a desirable candidate than to have him be interviewed in a cubicle by someone holding a clipboard.

Rule II:
Candidates, not Applicants
Successful managers are almost always employed and self-actualized in their current positions, and don't change jobs often or easily. In order to recruit them, tremendous effort must be made to demonstrate that the candidate is highly valued and his career would prosper in the new organization. He is not an applicant applying for a job — he is a gifted manager who could be critical to the success of the organization. If such a person is told to fill out an application form and left alone in a dreary waiting room, you may find nothing except a pile of ripped up paper when you return.

Rule III:
Be Concerned about Confidentiality
Senior candidates are stable career professionals with a history of long-term employment relationships and are not desperate for work. They are also well-known and recognizable in their business communities. For these reasons, they

take a very real risk at being interviewed by another employer. Attention needs to be taken to ensure their confidentiality. If they ever come to feel their privacy could be at risk, they will discontinue the interview process or, at the very least, down-grade their interest in the organization.

Rule IV:
Use a Conversational Style
Senior managers have many years of experience interviewing others for their own positions. You will do yourself no good by using a set of questions that you would use for junior applicants. Manage the interview as an intelligent conversation between industry professionals.

Rule V:
It's Not a Beauty Pageant
Research has proven conclusively that tall, good-looking candidates and good-talkers get the most job offers. Senior candidates, especially, can be utterly captivating because they have developed their personality skills over many years. A charming facade is certainly not a bad attribute but it does not necessarily make the person an ideal candidate. Don't let this one quality overshadow the huge number of other important requirements necessary for management success.

Rule VI:
Ignore "New-and-Improved" Tactics
As in other industries, consultants to the HR sector create novel interviewing concepts regularly to catch each new generation of hiring managers — rather like fashion cycles. Many of these "highly-innovative" interview systems employ techniques to either intimidate or relax candidates in order to trick them into giving information they might not otherwise have provided.

These should be ignored. Similarly, interview questions like, "Give me a sales pitch for my tie," or "What kind of animal would you like to be?" are unsuitable for senior managers (or probably anyone else). There are no shortcuts or sure-fire systems to assessing candidates. It is a long process and a comprehensive interview is just one component.

Rule VII:
Sell the Opportunity AND Yourself
Hiring Managers are naturally more used to interviewing candidates for less senior roles and sometimes assume everyone they meet will plead to work for them. Desirable senior managers are almost always successfully employed and happy in their careers. They don't need a job but are interested to improve their situation.

Many interviewers are so focused on evaluating the candidate that they forget it is a 2-way street – candidates are evaluating them just as much. Effort needs to be made by hiring executives to describe the opportunity, the organization and its people in a compelling but realistic manner. Most importantly, don't forget to sell yourself. Senior people understand that the "who" is more important that the "what."

Rule VIII:
Be Friendly But Non-Committal
In selling-the-opportunity, it can be tempting to become overly enthusiastic about "what can be achieved" if the candidate joins the firm. Remember that if you give a range of income or bonus opportunities, the candidate will almost always remember only the top end of the range. It is no

exaggeration to say that more than 50% of all hiring processes are harmed (and sometimes destroyed) by exaggerated expectations through such miscommunications.

Rule IX:
Consistency is Your Friend

Unlike junior candidates, desirable senior managers are usually in no urgent need to change employers. They understand that decision processes require time. That said, a confusing or disordered interview process that takes too much time will harm the candidate's impression of the opportunity and the organization. The hiring process should be straight-forward and proceed at a pace that is consistent and credible.

Rule X:
People are Mainly Honest

It is our experience that most senior leadership people are essentially sincere. Something that helps keep them so is that most industry sectors are small communities where people know each other - this is especially so in the relatively small economies of Southeast Asia. While there are exceptions, the pressure to "say anything to get the job" is overwhelmed by the stronger coercive pressure to not get caught telling exaggerations.

One obvious mark of a deceitful candidate is a person who rarely admits to past failures or meaningful flaws. They will either use verbal calisthenics to evade "weakness" questions or they will twist around a negative attribute to make it seem positive: "I allow myself to get burned out because I work so hard." People who don't admit to their own faults are actually admitting to many.

By using your own highly developed people skills and some commonsense, it is possible to find high-quality people. It starts once you connect with the candidate on a personal level and then the 2 of you work together to determine if the job you have is, or isn't, best suited for the candidate.

Resume Deceptions and Tricks

Dealing with
Resume Deceptions

Economies in emerging countries tend to have more dramatic fluctuations between good times and bad, and are generally more disruptive than those of mature countries. Not surprisingly, resumes of senior managers reflect this reality and even high quality managers can have experienced extended time out-of-work or in filler positions outside of their industry or profession.

This fact should not reduce a candidate's value (much) in the eyes of experienced hiring managers. However, in Asia many candidates use various common tactics to reduce the unsightly impact of breaks and blemishes in their resumes. These tricks are generally not considered fraud but it is up to the interviewer to ask specifics about each degree and employer listed on their resume. In most cases, candidates will be up-front with the truth but interviewers must know the local market in order to dig out the full truth.

Below are some of the most common resumes tricks that appear in dealing with senior management candidates in Asia.

Tactic 1:
University listed but is there a degree?

A large percentage senior management people in Asia begin advanced degrees but are not able to complete them. The reasons behind the poor record of completion have to do mainly with the reality of life in emerging countries: poor transit infrastructure, onerous family commitments, unstable economies and so on. It is common for people to have extreme demands on their time with long hours at work and a 3-hour daily commute, people can run out of money for studies because of family medical emergency, an unexpected employment change can disrupt studies, and so on.

Candidates with completed advanced degrees should be looked upon favourably given the environment. People with incomplete degrees, on the other hand, should not be downgraded because of it unless there have been too many of them (and they are associated with too frequent job changes).

Candidates with incomplete degrees will usually list the university and the degree of study but can be less clear whether it was completed. The interviewer needs to ask specifically whether each listed degree was completed in full.

Tactic 2:
Free Enterprise "Universities"

In emerging countries there are big variations in quality among educational institutions. There are a small number of leading schools at the top and a

multitude of less credible degree-granting "universities" at the bottom with many variations in between.

Educational institutions in emerging are often privately-owned and can naturally provide great differences in service quality depending on the needs and competence of the entrepreneur owners. To keep costs low, substandard instructors can be employed, students may have no access to useable equipment for hands-on training and course oversight may be poor. In striving to please their customers, degree certificates can often be provided without completing a full course load. Non-local hiring managers must take a lot of effort to become knowledgeable about the various levels of first tier, second tier and non-tier schools to know when to discount or even eliminate academic credentials.

Tactic 3:
The Functional Resume

The vast majority of recruiters despise non-chronological resumes because they are so difficult to understand career progressions of candidates. Hiring managers want to know how people got from one position to another in a clear manner.

The so-called "functional" resume is supposedly organized into categories of skills and experience around broad titles such as: problem solving, detail mastery, communications, turn-around, and

so on. Experienced recruiters know it as the format most used by candidates with things to hide. Because of its employer unfriendly layout, interviewers must spend much more time understanding candidate history and they are often suspicious (and irritated) about having to do so.

Tactic 4:
Dates in Years Only

Another common resume trick is to exclude the months from the dates of employment. This is fine for candidates who spend periods longer than 5 years at employers. But candidates who have made frequent job changes need to make more complete disclosure. For instance, if the employment date is listed only as 2010, it is not clear whether the person worked for 12 months or one month at the employer. An experienced interviewer will immediately wonder whether he or she is hiding something. And in any case, lack of clarity by a senior manager in an official document like a resume will be highlighted as a concern by any experienced hiring manager.

Tactic 5:
Filler Positions

The majority of senior candidates in emerging countries come from upper-class families. Many have close relatives with family businesses. When candidates are in-between corporate jobs, it is not uncommon for them to claim they worked for family enterprises. Often they do meaningful work for these companies but sometimes they don't.

More commonly, their functions at these family enterprises are not related to the rest of their careers but there is more flexibility to adapt titles to suit appearances. Hiring managers and recruiters need to understand clearly who is behind the employers candidates claim to work for and the actual work that was done.

Tactic 6:
Started at the Top

Many candidates list only their last position at previous employers and leave out starting and intermediary roles. There is certainly no deception intended in such documents but interviewers need to understand the career progress of candidates and ask for specific details. Senior executives (especially high quality ones) typically spend long periods at employers and perform different roles at steadily more senior levels.

Digging out the Good and Not-So-Good

Balanced Interviewing:
Getting the Complete Picture

It is usually relatively easy to uncover a lot of information about most people's past career successes. All that is required is to sit and listen to candidates as they tell their story.

In Asia, candidates more often need some coaxing but most people can provide good examples of accomplishments at past employers. This is, of course, very useful and important information that should be given great consideration.

That said, it is also important to learn about the misfortunes and setbacks of candidates in order to gain a balanced view of their backgrounds and capabilities.

It is not that past failures are bad. Most successful business people feel strongly that experience with failure is essential to the development of well-adjusted, adaptable leaders.

A person with more than 10 years of working experience who claims to have never seriously blundered might not be a risk-taker or mature in his or her career. More significant, the candidate might be emotionally insecure about dealing with failure.

Never having failed is an indicator of immaturity in management careers.

Allowing People to Open Up

The challenge is that people naturally don't want to talk about their failures since they are worried about it being used against them. Many people will only describe examples of minor slip-ups they made.

Others will turn the question around to make it seem like it was actually a positive: "I worked so hard that I burned myself out." Still others will put the blame on someone else: "I trusted my people too much and they let me down."

It is essential for the interviewer to create an environment of trust for the candidate so they will feel comfortable to speak freely. Using some of the justifications in this article is usually sufficient. As well, conducting interviews in social settings like business club or upscale restaurants (including lobbies in attractive hotels) often works better than typical business offices.

Yes again, Asia is Different

Given the exhilarating growth across the Asia region over the past decade, young professionals showing promise have found themselves promoted quickly to middle and senior management. It is not uncommon for people to have achieved positions and incomes that would have required another decade in slower growing regions. In some industries, people still in their late 20's find themselves managing 500 to 1,000 people.

The concern when hiring such managers is how stable and effective will they be when growth inevitably slows and business conditions become more normalized. It is important to understand the adversity people have faced in the past in order to determine whether they will be able to deal with it in the future.

Following the Law in Interviews

What are
Illegal Interview Questions?

In most so-called advanced countries, there are stringent laws that support principles of anti-discrimination and equal employment opportunities. Anyone involved in recruiting knows to avoid questions with discriminatory implications since to deny employment based on answers to such questions could be breaking the law and consequences can be severe.

People in Asia, on the other hand, have completely contrasting views about such regulatory encumbrances. Candidates themselves almost universally provide personal information on resumes including some or all of the following: age, marital status, number of children, height & weight, religion and ethnic background. It is widely felt that such information are valid determinants for job suitability and people can be incredulous when told it might not be.

Global Standards - Global Morals?

The potential for problems occurs when Asians find themselves recruiting people from countries with strict anti-discrimination laws, an increasingly common occurrence.

Asian-based hiring managers feel they rightfully must discuss issues such as marital situation, religion and age because some countries can be harsh postings for families from rich countries, people of certain ethnic backgrounds and older people. Gender and religion can also be critical issues in many countries – Jewish females have bleak chances of success in some Muslim countries, for instance.

The dilemma is that it is illegal to deny someone's employment on the basis of these attributes in many countries.

Imagine, if you will, an interview between a hiring manager in Malaysia and a candidate in the United States who decides to record the conversation. The Malaysian manager will almost certainly discuss a number of these "illegal discriminatory" issues out of concern for the candidate's well-being. The candidate may not appreciate the concern after being told he or she is unsuitable for the role and call a lawyer to sue the multinational company for its discriminatory hiring practices.

Only a Matter of Time

Multinational organizations are already expected to adhere to the most rigorous legislation in the domains of corruption, environmental control and health & safety when doing business in countries where such laws either don't exist or

are poorly enforced. It seems reasonable that anti-discrimination laws will soon be added to the list of regulations that international organizations are required to adhere to.

Given the increasingly globalized and litigious world in which we live, it seems reasonable that all that is required is for a couple of scandals to be reported widely in the media and large change will occur.

In the meantime, it is important that all hiring managers working for internationally-focused organizations understand the basics of what are Illegal Interview Questions to keep themselves and their organizations out of embarrassing and expensive legal jeopardy.

Illegal Interview Questions

Any question that could lead to a person being denied employment because of discriminatory beliefs is normally unlawful in most so-called advanced countries. Hiring managers should not ask about any of the following attributes because it would be considered contrary to equal employment opportunity and anti-discrimination laws.

- *Age*
- *Gender*
- *Ethnicity*
- *Religion*
- *Disability*
- *Marital status*
- *Pregnancy*

Therefore, seemingly innocent questions such as the following could lead to breaches in the law in many countries.

- *What arrangements do you make for child care while you work?*
- *How old are your children?*
- *Are you a citizen?*
- *What does your wife do for a living?*
- *Where did you grow up?*
- *Will you need personal time for special religious holidays?*
- *Are you comfortable reporting to a woman?*
- *How many more years do you plan to work before you retire?*
- *How is your health?*
- *There is a big difference between your age and that of our staff. Would this be a problem for you?*

During interviews, questions should be focused on the skills and experience that are required for the position. If the discussion strays into personal affairs or gossipy chitchat, change the subject by asking another role-related question.

There is nothing wrong when candidates volunteer information about their personal situations. If someone says, "My most important after-work activity is a bible study group I manage." You can acknowledge the information but do not pursue the matter to find out specifics about his or her religious beliefs.

How to Survive as an International Interviewer

Western hiring managers recruiting in emerging countries are often aghast at the legal jeopardy they are put in by even seeing "personal" information on resumes.

On the other hand, hiring managers from emerging countries recruiting expatriates from more regulated countries put their organizations at risk by asking seemingly commonsense questions about marital status (to advise on offshore family arrangements) or religion (in case the emerging country is not tolerant).

MANAGEMENT RULE:
When the hiring manager and the candidate are in different countries, adopt the regulations of the country with the strictest legal regime.

If both the hiring manager and the candidate are located in a lenient country but the multinational employer is based in a highly regulated one, then the rule-of-thumb becomes:

When-in-Rome-Do-as-the-Romans-
But-Don't-Go-all-the-Way.

In other words, you can recruit in the manner that is customary in the local country but don't publish prominent advertisements with titles like:
Wanted Single Female (age 20-25 years)
with Pleasing Personality.

Keeping the above facts in mind should allow you to keep yourself and your organization out of trouble when conducting candidate interviews in a global business environment.

Following the Law in Interviews

Unlawful Questions
Made Legal

Safeguard your company and your career from potentially serious legal jeopardy by understanding how to make your recruiting legal while still being able to acquire the information you need. We have placed a number of interview questions below that would be deemed unlawful in many so-called advanced countries.

Unlawful Subject 1:
NATIONALITY
Certainly, it is important to ask whether a candidate can legally work within the country, but it's important to be careful how the question is asked. These questions address citizenship, language and other sensitive subjects.

1. DON'T ASK
"What is your citizenship or visa status in this country?"
While this seems like a common sense question that determines whether the person can work, it could also be alleged to be discriminatory on the basis of nationality. Rather than inquiring about citizenship, question whether or not the candidate is authorized for work.

DO ASK
"Are you authorized to work in this country?"

2. DON'T ASK
"What is your native language?"
This question could also be deemed prejudiced on the basis of ethnic background and may be understandably offensive to people from certain countries. It is not relevant to the job what language the candidate learned first only that they are fluent.

DO ASK
"In what languages are you fluent in reading, speaking or writing?"

3. DON'T ASK
"When did you start living here?"
It is reasonable to want to know how adapted the candidate is to the country but it could be misconstrued as biased if the question is asked directly. It is best to ask a general question and to infer the information.

DO ASK

"Do you have other addresses not listed on your resume where you can be contacted?"

Unlawful Subject 2:

RELIGION

It is valid that you need to know a candidate's availability to work the long hours typically required of senior managers for multinational companies. Sometimes a person's religious adherence may not enable him to do what is required and this should be understood beforehand so as to prevent disruption to the candidate's life and the business.

1. DON'T ASK

"What is your religion?"

It is objectionable (and offensive) to ask such a question directly since it could easily be seen as judging a person by his religion. It is best to just ask when they are available to work.

DO ASK

"What schedule can you work?

2. DON'T ASK:

"Which religious holidays do you need time off for?

As with the previous question, it is critical to word the question in a manner that is relevant to the needs of the business and does not appear discriminatory.

DO ASK:

"Are you able to work the hours we require?"

3. DON'T ASK

"What social organizations are you active in?"

The question is another that could be taken as intrusive to the person's political or religious affiliations. It must be worded as relevant to the role.

DO ASK

"What industry relevant associations and clubs are you involved with?"

Unlawful Subject 3:

AGE

The wisdom that can come with age and experience are just as important as the energy and enthusiasm that come with youth. That said, most so-called advanced countries have laws that prohibit age discrimination and for good reason. Who

is to say that older people are less energetic or that younger people lack suitable experience. Within Asia, many candidates believe that age is a reasonable determinant of a person's suitability for a management position and are open to talk about the issue.

1. DON'T ASK:

"How old are you?"
It is unreasonable to presume that an old person does not have the vigour to run a business effectively or that a young person may be too inexperienced. Therefore, the question is unacceptable apart from confirming their legal working age.

DO ASK:

"Are you over 18 years of age?"

2. DON'T ASK:

"How many more years do you want to work before retirement?"
This question could also be deemed as discriminatory and should be worded in an open-ended manner to allow the candidate to volunteer as much relevant information as he wishes.

DO ASK:

"What are your career objectives for the longer term?"

Unlawful Subject 4:
FAMILY STATUS

Women, in particular, have been discriminated against in the past because it was assumed they could not handle a demanding management work schedule while being responsible for children. It is important that the issue be discussed up-front but not in a manner that might be considered to be prejudicial to female candidates in particular. It should also be understood that baring talented candidates from being considered purely because of outdated stereotypes is bad for business.

1. DON'T ASK:

"Do you have children?"
It is important to be upfront that the management position will probably require long working hours and a flexible schedule. Ask the question as it relates to this issue so the candidate can determine herself whether family obligations will prevent her from doing well in the role.

DO ASK:

"Are you able to work overtime? Can you travel as required?"

2. DON'T ASK:

"Will you continue working if you have children?"

While it reasonable to want to know a candidate's career goals to verify their intentions after an important milestone like pregnancy, it is improper to ask a woman (or a man) about this issue directly. Instead, ask a more general question and have the person expand on the issue herself.

DO ASK:

"Describe your long-term career plans."

3. DON'T ASK:

"What is your maiden name?"

This question seems especially blameless since there may be another name the person has used in the past. However, it could be considered biased toward a female candidate's marital status and should not be used. The question should be worded as it relates to confirming their career and educational experience.

DO ASK:

"Have you used other names in the past?"

4. DON'T ASK:

"Tell me about the family you grew up with?"

It is common in Asia to ask details about a person's family background because such connections can be important for doing business. Unfortunately, it can often be considered prejudiced (and irrelevant) by many international organizations. If the information is still deemed important, word the question in a more open-ended manner.

DO ASK:

"Tell me who you know who could help you in this role."

Unlawful Subject 5:
GENDER & RACE

At the interview stage, it is (usually) clear what the sex and racial background of the candidate is. However, it is critical that the candidate is not be made to feel there is a race or gender bias for the role. You risk offending the person and losing him or her as a candidate. As well, you risk labeling your company or yourself as either racist or gender prejudiced.

1. DON'T ASK:

"Could you manage people different from you in race (or sex)?"

A similar question could be asked but without making the candidate feel that he is the one who is different.

DO ASK:
"Are you comfortable managing a diverse workforce?"

2. DON'T ASK:
"What is your view of dating in the office?"
Relationships within the office should be kept professional to prevent the predictable disruptions that are bad for business. But posing this question could be seen as making conjectures about the person's marital situation. Another concern is that some people could consider the question a "come-on." The replacement question below should cover the concern.

DO ASK:
"Have you ever been disciplined at work?"

Unlawful Subject 6:
Health & Disabilities
Physical and mental handicaps and general health issues should not be discussed directly so as to avoid assumptions and possible allegations of discrimination.

1. DON'T ASK:
"Do you have any disabilities?"
It is improper in an international work environment to ask such a question directly. Ask the question in a way that allows the candidate to explain his physical or mental handicaps if they exist.

DO ASK:
"Is there anything we should discuss that could prevent you from carrying out the role?

2. DON'T ASK:
"Have you had any operations or illnesses lately?"
Determining a candidate's ability and commitment to work is important but even devoted managers can get sick. As above, the question needs to be worded to determine whether they can do the job.

DO ASK:
How many days of work did you miss last year?

Assessing

Appraising Managers

The Management Assessment Process:
Is it really only interviews and reference checks?

It has been a 100-year search to find better methods of predicting people's behaviour in positions. Very smart people have spent billions of hours devising and analyzing the results of personality tests, intelligence tests, aptitude tests, polygraph tests, emotional intelligence tests, on and on.

So far, there is little of substance to show for it. Each of these techniques, and many more, came into fashion for a while and then slowly disappeared. After all that has been tried, there remain only 2 methods that are confirmed and widely accepted to be worthwhile in predicting people's performance in jobs. They are:

1. Interviews with Experienced Managers
2. Reference Checking

Of these 2, reference checking is not much used as an actual predictor of behaviour but more as a verifier of information obtained from resumes and interviews. Background confirmation is mainly useful for deciding to eliminate someone from consideration or for discovering information that will help the new employer better work with the person.

That leaves the Interview with Experienced Managers as the preeminent technique for assessing and connecting with professional candidates. And for good reason, studies done over decades have shown conclusively that structured interviews conducted by experienced professionals have the greatest predictive ability for complex positions.

MANAGEMENT RULE:
The only method shown conclusively to be highly predictive of candidates for leadership roles is interviews with experienced managers.

"New-and-Improved" Systems
Over the years, a vast number of new assessment systems have been developed by intelligent and usually well-meaning people. Some of these techniques, such as personality tests and assessment centers, have proven useful for assessing entry level and junior candidates.

Unfortunately, they have been shown to be too general and simplistic for use in predicting the actions and performance of experienced (and wily) management people for the complex roles they fill.

MANAGEMENT RULE:
New and "highly-innovative" systems come and go and probably it is best to let them go when assessing senior management candidates.

Interview Reigns Supreme

Since the only method shown conclusively to be highly predictive of candidate performance in leadership roles is structured interviewing with experienced managers, it is necessary to understand the specifics of this.

There has been much said over the years by HR consultants about the best interview method; structured interviews, behavioural interviews, situational interviews, experiential interviews, and so on. All have been studied and debated endlessly. While there are elements of each style that seem useful in particular situations, there has not been any one style shown to be better at assessing all people for all positions.

This is especially so for management roles which are extremely complex and highly unique. Assessing candidates to run a semiconductor plant is very different from appraising people to oversee an animation studio. A fast growing start-up company will need very different management skills than a long established one, even if they may be in the same industry.

There will also be great differences within the same organization. Most would agree that the CFO needs to possess very different skills and priorities compared to the VP of Sales if the organization is to prosper.

As well, it should be clear that candidates for senior management positions are some of the cleverest and most enchanting people in the world. They are experts at the recruitment game since it is one of their key abilities as a successful leader. You can bet they will use their experience to their advantage. Therefore, interview styles need to adapt and evolve in order to challenge and interest executive candidates.

How Many Interviews?

Given that leadership positions are multifaceted and highly distinctive, it is critical that candidates are assessed by multiple decision-makers with multifaceted backgrounds. The hiring decision needs to be a consensus among a manageable sized group of experienced senior managers with a direct interest in the success of the position.

The question then becomes what is usually the right number of interviews required to receive the right outcome. The number needs to be balanced by the needs of the interviewers and the candidates — both groups being very busy people.

Based on study and years of experience, the ideal is THREE interviews conducted by THREE different managers at THREE different locations. Let us discuss the different aspects of this practical rule-of-thumb that many consider a law of recruiting.

> *THE RULE OF 3:*
> *Candidates for management positions should be interviewed*
> *3 times by 3 different senior managers at 3 different locations.*

Who are suitable to interview?

Interviewers should be more senior in the organization than the candidate being interviewed. In some cases, a manager at a similar level could be part of the assessment team if that person is critical to the success of the position.

People in positions less senior to that being assessed should not be part of the interview process. Not only may they not have the experience or suitable personal motivations to make a suitable assessment but their involvement might put the relationship with the candidate at risk. Few things are more of a turn-off to an in-demand senior manager than being treated like a low-level "applicant."

Successful leaders have no lack of options in their careers and are assessing the new organization as much as they are being assessed by it. If the person is given the impression that either he or the position is of reduced significance, his interest in the role will be similarly reduced. This is especially so in Asia where people are more status aware.

Appraisers should also have somewhat differentiated backgrounds so they can appraise different characteristics. It is fine for a salesperson to be assessed by a couple of good sales managers, but candidates for the VP of Sales role needs to be assessed for a broader spectrum of skills.

In all cases, the interviewers should have a direct interest in the success of the position. Studies have confirmed what most people would agree is common sense. If someone does not view the position as important to his career or is distracted for some reason, he will not make a positive contribution to the selection process.

What if less than 3 interviewers are available or suitable?

In many of today's lean organizations or smaller companies, it is not uncommon that 2 senior people must make hiring decisions on their own. In emerging countries such as Asia, it is not uncommon that key country management positions are decided upon by a Regional Manager and one other person (usually the regional HR manager or a more senior person from the global head office).

In these circumstances, effort should be taken to differentiate the environment of each interview. An initial meeting might be held in a hotel business centre, a second in a private office and the third over a meal at an attractive restaurant. Another very useful idea is for the candidate to be flown to the regional office for final meetings.

What if more than 3 people want to be involved?

It happens in larger organizations, in particular, that several people are determined to be important to the assessment process. In some cases, there may be good reasons for wanting more people to feel they are part of an important hiring decision since numerous people will depend on the success of the new hire. In some cases, it may be for learning purposes so an internal manager gets experience interviewing management candidates.

There are a multitude of good reasons for increasing the size of the hiring team. But it should be clear that each additional person beyond 3 will result in added complexity that may not improve the assessment decision or the outcome of the hire.

The larger the group, the more convoluted and time-consuming will be the overall process. The cost in executive time increases not only because more people are involved but the amount of time required of each person also increases. Through all of this, the motivation of interviewers toward the process (a significant factor in success) can be reduced.

Since many more opinions are involved, the number of candidates required up-front is usually larger since a greater number will be disqualified in the process – for many niche sectors the number of candidates required may be more than are available in the market. Further to this, an increased number of candidates will resign themselves from the process either because of a bad interview experience or concern about how their time is used.

MANAGEMENT RULE:
The Rule-of-Three-Interviews has statistical backing as the number most correlated with hiring success. Increases or decreases to this number can be done but at risk to the final outcome.

What about Panel Interviews?
Group interviews are often a better idea when a larger number of people need to be involved in a hiring process. They are generally used at a later stage when a candidate has passed initial screenings.

Panel interviewers are able to confront each other's assessments and thus reach better decisions. The technique also reduces the number of suitable candidates lost due to the duplication and fatigue caused by too many separate interviews.

The Final Decision
As long as the number of people involved in the assessment is not too many, key decision makers should agree unanimously that a candidate will make a strong contribution to the organization. If even one assessor has a strong objection to the candidate, then usually this will be deal breaker and the process needs to be started all over again.

Unique Aspects of Southeast Asia

Evaluating
Asian Candidates

When assessing senior level candidates, there are certain attributes that are consistent across most cultures. However, there are some important differences among the world's regions and Asia also has unique charactistics.

Some of the special differences that are unique to the Asia Pacific region are discussed in this section.

1. Career Stability

Frequent job changes are considered a concern in virtually all regions of the world when it comes to recruiting senior management people. For various reasons, job stability is perhaps more important in Asia than elsewhere.

The economies of Southeast Asia (mainly Singapore, Malaysia, Thailand, Indonesia, Philippines and Vietnam) are relatively small on a global scale and many industries are dominated by a few family-owned conglomerates. As a result, there are a small number of possible employers (as well as customers and suppliers) in each industry sector. Because of these limited employment options, senior managers tend to stay with their employers for longer periods of time.

Another reason senior managers are inclined to be stable has to do with the importance of relationships to doing business in Asia. Job-hopping is a notorious bridge-burning activity and too much of it is seen as harmful to a senior manager's career.

Exceptions to this rule have become apparent over the past few years in Singapore, Vietnam and Hong Kong. These countries have experienced extraordinarily strong demand for experienced managers because of high rates of economic growth and foreign investment. The result has been that a habit of frequent job changes has developed. International managers building businesses in these countries should not be disappointed if the candidates they see have uncomfortably high rates of job changes.

2. Local Company Experience

Within most of Asia, there are still a lot of perceived differences between the quality of managers developed in "local" companies as compared to international companies. This distinction is slowly fading as more locally-owned organizations aspire to become more professional in their management style. These days, each country in Southeast Asia has a number of successful

companies employing superb senior managers. : The most obvious examples of this are Singapore and Hong Kong where leading local companies would be considered internationally competitive by any measure.

Despite these exceptions, the perception of international hiring managers is that only people with multinational company experience should be considered for management positions in multinational organizations. There are various reasons behind this but some stereotypes of emerging country companies include: overly hierarchical management style, promotions based on personal loyalty rather than performance, hiring of friends and relatives, overly centralized decision making, and so on.

International managers who are hiring leaders need to ensure that candidates have experience working at, or very close to, international standards. Otherwise, they may end up with an organization functioning in a stereotypical third-world company manner.

3. Blames Past Employers

Most people would agree that something is very wrong when a senior leader points his finger at others for mistakes that were made while he was in charge. While this is true in all societies, it is of particular concern in Asia.

It is reasonable to say that Asians are generally more concerned with matters like good manners and relationship-building than people in other regions. They are diplomatic people and usually very cautious about what they say about others.

It should be considered a great cause for concern if a candidate denigrates a past employer or its senior managers during the interview process since it indicates that he could have burned bridges at previous employers. If he has done so with employment relationships, there is a risk he may have done similar harm with other relationships such as with clients, suppliers, regulators, etc. and this is not a good thing in Asia.

4. Decision-Maker or Order-Taker?

Unfortunately, there are some international organizations that do not empower local managers to make decisions of any consequence. In these companies, important decisions are made in a regional office and local management merely carries out instructions. Across Asia, there are too many senior managers with impressive sounding titles who are mere figure heads – they do not have the authority that their position would normally entail.

In addition, it has long been a grievance of regional managers that some of their Country Managers behave like "relationship managers" rather than leading sales initiatives. In these situations, local managers simply maintain customer relationships with people who they already have long-term relationships with. They rarely prospect for new clients or even try to introduce new products and services for existing clients.

A disproportionate number of large Asian companies are family-controlled and family-run businesses. Decision making is often centralized among family members and a few personal confidants. Employees outside this narrow sphere are not able to develop what would be considered by multinational companies as management accountability. When assessing candidates from local companies, it is critical to determine the exact nature of the organization's reporting structure and authority.

5. Can't Describe Career

A primary duty of virtually all senior managers is to communicate their ideas and instructions to others in clear and compelling manners. Successful managers typically have a high sense of self-confidence and can usually be expected to talk a lot about themselves and their amazing achievements.
If a manager representing himself as senior is unable to describe his own career history in an understandable and convincing manner, it should be cause for concern.

That said, it should be understood that Asians are not as comfortable with self-promotion as western managers. Asian culture demands a softer approach that avoids being seen as boasting. As well, English is a second language to most Asians and this will somewhat limit their ability to make a strongly-worded western-style sales pitch.

Another important consideration is that people who have a history of long-term employment within one or very few organizations can be bad interviewers. These desirable candidates may not have interviewed competitively since graduating from university and are understandably out of practice with what is expected. On the other hand, people with career histories of frequent job changes or sales experience will usually be experts at selling themselves. If not, it may indicate that the candidate is less impressive than he seems on paper.

6. Overly Eager for Job Change

Successful senior managers are generally entrenched in their roles and usually cautious about entertaining other opportunities. Within the tightly-knit economies of Southeast Asia, it is not uncommon for managers to be wary even about meeting to discuss new opportunities since they realistically fear negative impact of a privacy breach.

If a candidate seems overly enthusiastic about making a career change, it might be because their current employment relationship is either severely flawed or soon ending. This may not be a bad thing but it is useful to understand why.

Helpfully, international managers (westerners or otherwise) representing multinational companies will usually not be perceived as a confidentiality risk by local managers since they are seen as coming from outside. People are naturally interested in meeting such people to talk about their careers.

7. Risky Loyalty

International managers who are new to Southeast Asia are often impressed when a newly hired local Country Manager brings team members with him from his previous employer. Group transfers like this are not uncommon since managers in Asia often have very close relationships with their staff.

The short-term benefits are obvious since an organization can be built from scratch quickly. However, the risks should also be evident. Employees are loyal to their local manager and less so to the organization. Some of these employees will almost certainly be long-term friends and possibly even relatives of the manager who hired them (but use different family names). If the international manager tries to make necessary changes to "his" organizational structure or replace staff, he could experience tremendous resistance. He may also discover that when the local Country Manager leaves the company, he will leave with everyone he came with.

Across Asia, there are international managers who feel they have lost partial (or sometimes complete) control of their organizations because they did not understand the nature of the relationships of their staff. It is important to understand ahead of time whether your new senior hire will attempt to build staff loyal to the company or to himself.

8. Poor Developer of People

It used to be a common negative perception of some Asian managers that they were more interested in building a fiefdom for themselves than building capabilities of their people. For various reasons, traditional managers in emerging countries used this strategy to ensure tenure of their own employment. They hired and promoted staff based on assessments of personal loyalty rather than on performance. In this way, everyone would cover everyone else's backs and the boss would never have to worry about someone showing him up or threatening his job.

Gladly, this self-retention strategy seems to be losing favour as local managers come to understand the benefits of modern management practices. Nevertheless, work is required of international managers to research the practices in the candidate's past work-places.

9. "Connected" Candidates

When meeting candidates for senior positions in Asia, international managers will discover some who describe their personal or family connections with supposedly high-powered people. They may mention an uncle who is the head of this or a friend from school who is the head of that. They may also emphasize their last name as part of some prestigious family.

Many international managers are perplexed how to determine whether such relationships exist, first of all, and then whether they have more value than risk to the organization. To people from egalitarian countries, it might even seem revolting for candidates to pride themselves on supposedly unearned advantages rather than on earned achievements. Nevertheless, relationships are important to doing business in Asia and the international manager will need to determine which ones are important to his business.

In general, if a business involves large contracts and approvals with high profile people in government and the private sector, then candidates with established personal relationships could be important to success. In that case, it is necessary to assess the suitability and quality of candidates' relationships through extensive background checks. It is not enough that candidates are beneficially connected – they need to be willing to use those relationships for the benefit of their employers.

If a business requires a hands-on manager to drive a sales business, then a manager who has worked his way up the ranks solely on his own efforts will be better suited.

Hedging Interview Investments

The Candidate Short-List Method

The interview process is time consuming and emotionally exhausting for senior managers involved in the process. Unless managed properly, it is also a great risk whether the position will be filled at all, let alone by a person who is later deemed to be successful and happy in the role.

A frightening outcome might be to expend months of valuable management time focusing on a single star candidate who is later found to be unsuitable for the position or turns down the opportunity.

In order to have the highest probability of a superior result, it is important that multiple candidates be put through the same interview process simultaneously. The purpose is to maximize the odds that suitable candidates are found who are also interested in joining the organization. For it to be successful, the system below needs to be transparent and sincere to candidates.

The Candidate Short-List Method

1. Working with an executive search consultant or a strong internal recruiting team, it is necessary to source 4 to 6 candidates with appropriate skills and experience to do the role and who have expressed possible interest in the position.

2. After reading detailed reports for each candidate created by the search consultant, the hiring team decides upon a short-list of 3 to 4 people for comprehensive individual appraisals.

3. The members of the hiring team conduct separate interview assessments for each short-listed candidate to determine who will be most appropriate for their organization.

4. Results of the individual appraisals are discussed and, ideally, 2 or 3 candidates are deemed suitable and ranked by degree of interest.

5. A job offer is presented to the most favoured candidate. Other candidates are kept interested during salary negotiations until final agreement is made.

6. Secondary candidates are informed of the outcome but sincere effort is made to keep in contact in case of later problems with the chosen candidate.

THE RULE OF 3 (EXTENDED):
For successful outcomes, 3 credible candidates need to be interviewed 3 times by 3 different senior managers at 3 different locations.

It is not uncommon for different hiring managers to have different opinions of who is most suitable for the position. There can be much heated debate about who should be hired. This can be healthy to the process since all issues can be put forth as part of the discussion.

It is important to explain the process to all candidates involved so they are aware that other candidates exist and there is no perception of duplicity. It should be made clear that the determination is a matter of finding a unique fit within an organization and not who is better or worse. No candidate should ever be given the impression they are substandard or less of a manager than another.

MANAGEMENT RULE:
Be sincere and respectful to all candidates. You may need them in the future and it is the right thing to do.

Candidate Differentiation: Success Indicators

Leading Indicators
of Future Success

Hiring managers are always faced with the problem of how to differentiate candidates with similar backgrounds. This occurs most often when assessing middle and junior level managers, and especially when choosing young people to be fast-tracked into management development programs.

In the Good Old Days

Many indicators thought to be of great importance in the past have been found to be delusions when long-term outcomes have been studied. Obvious examples are grade scores in school and IQ tests which used to be given significant weight. Today, these measures are considered of minor importance outside of a few professions. Some studies have even shown that advanced degrees like a PhD (and the high marks required to get them) can even lower the chance of achievement in the competitive private sector.

Many people still believe that charisma and sociability are critical success factors for senior leaders of organizations. Certainly charming personalities are important for many individual contributor roles but studies have shown that mundane attributes like problem-solving proficiency, self-discipline, organizational skills and ability to make difficult decisions are more important for achievement as a senior manager.

Another indicator that still is given weight but is coming into question more recently is the value of ivy-league schooling to future success. One of many concerns is in many business schools are "professors" who are former senior executives in-between jobs. While such people have much to offer in theory, many are lecturers for short stints and naturally lack experience in educating young minds. More significantly, too many lack the motivation to do the drudgery it requires. These "rock-star professors" often deliver performances rather than lectures in theatre settings to huge classes with predictably substandard results. Tier 2 schools continue trying harder to improve and generally employ a greater percentage of dedicated career educators. In the future, it may be that the advantages of high-prestige schooling are shown to be less than compelling.

Treasure at the Bottom of the Resume

In order to differentiate high potential candidates from others with similar work experience, education and credentials, it can be useful to actually read the bottom of the resume. It is here you can find information that might indicate something special or unique about the person. Similarly, in interviews, it is also important to go beyond people's career basics and get to know their personal stories.

What to look for?

Most people would agree that the earlier people start learning how to do something, the better they should become at doing it. As an example, it is considered a truism that to produce a world-class athlete or musician, people need to start playing in early childhood — age 3 is often quoted as a typical starting age for future stars in tennis, golf, music and so on.

This early-bird-gets-the-worm maxim is true for most professions. People who were successful selling as teenagers will usually be good sales people for the rest of their lives. People who wrote computer programs early on will have tremendous advantage over those who just played computer games.

Similarly, individuals who grew up in families where members worked in skilled professions — whether doctors, lawyers, carpenters, policemen or entrepreneurs — will almost certainly gain more knowledge about the vocation than those who don't.

The indicators below are the most common ones used to determine the possibility of future success in management.

Leading Indicator 1:
Ran a Business

Most people appreciate that starting and running your own business is an achievement at any time in a person's life. Young people who start businesses are, therefore, especially interesting because many of the key skills necessary to be a successful manager of a business unit are often already in place — sales and marketing skills, organizational ability, self-motivation, risk reduction, etc. In most cases, the businesses they started will not have been overly successful — that is why they are working for someone else. The key is that they tried and they learned.

Business owners sometimes worry about hiring such people since they don't want to train future competitors for themselves. This is usually a short-sighted approach since building a successful business from scratch takes a lot of luck to carry out. That said, it is a lot easier if established competitors have not developed suitable people in key management roles. Entrepreneurship at a young age is a good predictor of future success in business management.

Leading Indicator 2:
Training Experience

The ability to teach and develop other people is a key skill that every manager is judged by. People who have experience training or coaching others in an organized setting are therefore of interest. Examples include people who tutored individuals, led a group training program (in school or sport), or coached a team (sports, music, debating or whatever). Young people who gain this experience learn far more themselves than those they helped and bring a healthy mind-set into an organization.

Leading Indicator 3:
Volunteering

Volunteers are special people because they contribute their time and energy without financial compensation. Young people who become involved in noble pursuits that they have passion for are

usually valuable. The quality and type of non-profit organizations varies widely so it is important to understand its structure and leadership, and details about the involvement. Participation that involved independent initiative, leading others and defined outcomes is ideal. Look for people who were involved over an extended period and speak knowledgably and with enthusiasm about what they did. If the person got involved for a short time, he may only have wanted to put something on his resume or it was part of a school program and this is less appealing.

Leading Indicator 4:
Civic Leadership

Similar to volunteership above, civic involvement in politics or community building organizations involve organizing people to achieve defined goals but without financial compensation. It can display the same impassioned enthusiasm as a charitable pursuit and does offer the leadership experience and competition since positions are often jockeyed for.

Leading Indicator 5:
Parental Background

It is reasonable to suppose that people who grow up in families of lawyers will know something about law when they are adults. In Asia, it is more common for young people to follow in their parents' professional footsteps or, at the very least, to pay attention to them when they drone on and on about what they do for a living. The result is that young people's understanding of the workplace of their parents becomes somewhat second nature and their functionality in a related workplace can begin at higher levels and continue upward faster. This is a good thing if parents are involved in occupations involved in managing others.

As well, family relationships are more important in Asia and those relationships will help adult children in ways that foreigners can only imagine. Parents even take an active role to ensure their children's success.

Leading Indicator 6:
Working through School

People who work themselves through school need to be particularly self-disciplined and organized since they are doing 2 jobs at once. This is especially so if people take on leadership responsibilities — very possible if working in industries like retail or restaurant that employ large numbers of young people. Such people will generally be a good bet since they are used to taking on commitments, meeting deadlines and working under stress.

Leading Indicator 7:
Sports Achievement

Accomplishment in competitive sport is another endeavour that develops valuable skills. Merely being involved in a sport is probably not a differentiator. The person must have achieved success in organized competition. Achievers in individual sports like golf or tennis usually bring strong personal discipline, motivation and similar abilities necessary for management. People who were part of a team that succeeded need to be more carefully assessed unless they were leaders in the group.

Note: While athletic pursuits when a person is young can be very good for skills development, the

same is not always said of adult involvement. Adult team sports like rugby, football (soccer) and so forth are too often entangled with self-destructive behaviours like substance abuse (especially heavy alcohol consumption). The result, over time, is a professional whose effectiveness declines in a steady manner. Individual sports like triathlon or tennis are more wholesome but can be a distraction from career attainment if the adult is an overly zealous participant.

Leading Indicator 8:
Family Provider

In many emerging countries, young people are often made responsible for raising younger brothers and sisters, especially in larger families. They are accountable to ensure they are fed, clothed, do their school work and pay for many of the costs. Many expatriate managers have discovered that such people (often females) can quickly become exceptional in leadership roles and are highly motivated to achieve since they have heavy financial responsibilities.

Characteristics of Leadership Excellence

Attributes
of SuperAttainers

It is said that creative geniuses are at their most creative when writing their own biographies. Great leaders are a particularly creative group in this regard because, in addition to ample self-pride, they usually have the resources to pay for self-flattery and lots of adoring fans to carry it out.

An entire industry of "leadership experts" has evolved to provide this well-heeled market with what it wants to hear. Common attributes of great leadership described by such sources virtually always include such boy-scout pledges as: Put Duty Before Self, Maintain Absolute Integrity, Lead From the Front, Take Care of Your People, and so on.

Such pronouncements are stated by (and for) great leaders mainly because this is the behaviour they desire from their followers. It is not always because they follow it themselves. Research into the backgrounds and histories of great leaders clearly displays this fact.

Real leaders can often be more like Winston Churchill, a former leader of Great Britain during the Second World War. In the heat of battle and while average British people suffered great hardships for their gallant nation, Winston bellowed, "I have nothing to offer but blood, toil and sweat," and, "This is no time for ease and comfort. It is the time to dare and endure."

All the while, he continued his devotion to the high-life, consuming vast quantities of the world's most expensive alcohol and tobacco products. He was literally without booze from the moment he woke until he went to sleep — typically in a drunken stupor.

In front of the microphone, the valiant Churchill roared, "Never...Never...Never...Never Give Up!" As for himself, he had detailed plans of running away to Canada if the Germans ever got the upper hand.

That is not to say that all supposed great leaders are blowhards. But, in assessing people for superior ability, it is clear that attributes need to be based on proven research into detailed biographies rather than descriptions by the leaders themselves or their pliable followers.

The 8 attributes of SuperAttainers listed below are the most common and easiest to identify when accompanied by other aspects of career success.

LEADING INDICATORS OF SUPERATTAINERS

1. Early Success
The Early Bird Gets the Worm…and Everything Else

SuperAttainers usually begin doing amazing things early in their life. In fields like music and sport, it has long been known that for people to develop greatness, they need to begin around age 3 and then work at it for many years. In business and politics, unusual ability is also recognized early in a SuperAttainer's career and is followed with many years of continued achievement. In the greatness game, it is the rabbit who wins the race — as long as he also persists like the tortoise.

2. Contrarian
When in Rome, Don't Do As the Romans

SuperAttainers generally think of themselves as different and apart from other people. They can often be described as rebellious and disobedient by those who try to rule over them and are never willing crowd followers. Tremendous success seems to require doing things tremendously different from others. It seems that doing things a little better will yield results that are only a little better than others and this is not what SuperAttainers are interested in.

3. Conceited
The Pride Before The Rise

In order for someone to be thought of as great in the minds of others, he must first be thought of as great in his own mind. The tremendous achievements of SuperAttainers seem to be merely a realization in the outer world of what is already in their inner world. Predictably, it is uncommon for such people to be overly shy about describing their abundant abilities. Many SuperAttainers have come to recognize that being known as arrogant does not help their purpose and they do a good job of appearing modest. However, a bit of digging into their personality should uncover a deep feeling of self-significance.

4. Hard-Knocked
Nothing Succeeds Like Suffering

SuperAttainers have often experienced traumatic periods when their careers or even their lives were in great peril. It is during these times that they gain a deep seated feeling of personal vulnerability that can stay with them for the rest of their lives. The advantage to the future SuperAttainer is that they become consumed by the realization that they must accomplish all they can while they have the chance because it can all come crashing down at any time. It is a psychological condition that will drive them forward for much of their lives.

5. Loner
One is Company, Two is a Crowd

SuperAttainers are often described by others as dreamers, outsiders, cold-hearted and similar labels often given to loners. They are comfortable spending long periods in the company of themselves to ponder, learn and envisage the future. Many develop a love of solitary activities such as book-reading early in their life. They are not usually enthusiastic participants in team activities except when they are leading the group.

6. Mentored & Motivated
Behind Every Great Man are His Parents

Parents often play the key role in the cultivation and realization of SuperAttainers; spending immense amounts of time and money to give their offspring the skills, experiences and relationships required for immense amounts of success. They tutor baby SuperAttainers from the crib, send them to the best schools and put them in touch with the best mentors. It has been shown that mothers, in particular, can play a strong role if they are supremely confident in their sons' innate abilities and then take devoted and continuing action to develop them.

7. Discontent
Patience is No Virtue

SuperAttainers have an abnormally intense need for continuous accomplishment. Success does not bring these people a sense of inner peace. There is always someone else to overtake or a higher target to aspire to. They are impatient, dissatisfied and edgy when not engaged in activities that lead to the fulfilment of their personal goals. They seem psychologically unstable in this regard compared with most people.

8. Promoted
Self-Flattery Gets You Everywhere

There have been many great people who have lived and died in the history of our species but nobody knows most of them because their achievements were inadequately documented. In order to be thought of as a great success by large numbers of people, someone needs to be a great success at publicizing the SuperAttainer. In most instances, it is the SuperAttainer himself who is a great self-promoter. In other cases, another talented person takes on the critically important role.

TWO TYPES OF SUPERATTAINERS

1. Aristocratic SuperAttainers
Pampered and pompous, these people excel despite having been given it all. They grow up with all the best things, attend the best schools and hobnob with the best minds. Because they are so deeply bonded to a powerful and privileged elite, they are often conservative and elitist. Real change seldom happens with these people in charge. On the plus side, they are less likely to lead themselves and their followers down paths of mutual destruction. Examples of Aristocratic SuperAttainers include: Winston Churchill, Peter the Great, Louis XIV and Frederick the Great.

2. Come-From-Nothing SuperAttainers
Rags to riches, these people pull themselves up to greatness through tremendous obstacles. Luck plays a role but most of their success is due to relentless force of character. Since they come from outside the establishment, they can be great agents of change. Unfortunately, they are prone to crash and burning when they inevitably overstretch themselves and their supporters. Examples of Come-From-Nothing SuperAttainers include: Napoleon Bonaparte, Joseph Stalin, Adolf Hitler, Benito Mussolini and Ferdinand Marcos.

Management Failure

Why Managers Fail
and What Can Be Done About it

Successful managers generally start off as exceptional individual contributors who then worked their way upward. This is obvious. What is less obvious is why high-potential managers fall by the way side later in their careers.

Smart, hard-working people usually do well working individually or leading smaller-sized groups and, as a result, ascend organizations quickly. It is only once such people oversee larger numbers of people does the risk of downfall become more likely.

Managers may still be able to achieve results that are expected of them but the key is whether they can do so by working through other people. If a manager has bull-dozed over the authority and feelings of others to obtain his results, then the person may not be suitable for senior management where building consensus and being inclusive to stakeholders is important.

That is not to say that people who can get results will necessarily be eliminated from the organization — although that is often the case when the harm caused to relationships are serious enough. Such people are often kept to implement special projects and to oversee narrow focus areas where their get-it-done-at-any-cost skills are important. But, it is clear that managers who cannot achieve results through others and with the support of others will usually be excluded from senior management positions.

Below are reasons most often responsible for holding back or stopping the senior management careers of otherwise high-potential leadership people.

1. Arrogance
An overly expanded ego is one of the most common reasons for career failure. The characteristic is familiar to most people. A sharp, hard-driving person initially achieves noticable success and is recognized by the organization as a high-potential manager. Over time, the person begins to think very highly of himself and dismissively about the abilities of others.

Gradually, the high-potential manager loses support for his projects from key stakeholders whose backing he needs and gradually becomes ineffective. Some of his efforts are even sabotaged by people who feel harmed or threatened by the person's behaviour. Unless the high-potential manager can tame his conceit, he will find himself limited in upside within his current organization and most others.

2. Promoted Too Soon

It is not uncommon for talented people to be promoted quickly. This is especially the case in Asia over the past decade where growth rates have been stellar and demand for people who can manage others is desperate. It is common to see young managers promoted to relatively senior levels while still in their twenties. Unfortunately, their skills may not have had time to develop to world-class levels and performance begins to degrade. At the same time, their expectations for continuous promotions expands. The result is that a severe mismatch abilities and expectations develops that can end in disaster if not addressed.

3. Recurrent Failure

This is an easy to understand reason for non-success. Anyone who was previously designated as a high-potential manager but fails to meet his targets repeatedly won't be considered high-potential for long.

4. Self-Oriented

Another common negative development with high-potential managers is over emphasis on themselves and their own initiatives. Since they are so focused on their own goals, high-intensity people can often fail to build reciprocal relationships with stakeholders in and out of the organization. Over time, they lose support for their initiatives and effectiveness declines.

5. Narrow Ability

Sometimes a person becomes labelled as a high-potential manager because he has been successful in a specific type of function. One not uncommon example in Asia is in the set-up of new operations. This is a critically important and very complex capability that will gain a lot of recognition when done well. Some people are able to master this task and they thrive on the excitement and autonomy that goes with it. Sometimes such people are not able to settle down to run a day-to-day business since they crave the excitement and newness of start-ups. Other examples are people with strong specific ability in sales or finance who cannot develop the skills required for other areas.

3 Key Factors for Senior Management Success

When assessing management level candidates, the 3 questions that are needed to be answered are:

> *1. Did the candidate exceed expectations?*
> *2. What lasting value did he build for the organization?*
> *3. Who did he develop?*

In interviews, candidates often focus mainly on showing they met or exceeded their financial outcomes and Key Performance Indicators (item #1 above). While this is certainly very important, it is just as important to understand how they achieved their results. If business colleagues or client relationships were sacrificed to get the outcomes or their groups self-destructed after the manager left their organizations, then he may not be able or interested to create lasting value.

Fixing the Problem

Clearly, it is important to be able to recognize behaviour that will destroy otherwise talented people's career. In many cases, it is possible and desirable to try to correct bad behaviour. This is especially so in fast-growth countries like those of Asia where the supply of qualified managers is constrained relative to demand. As well, Asian managers are often more open to following the guidance of more experienced managers.

The usual steps to take are as follows:

> *1. Discuss the problem directly with the manager.*
> *2. Set aside regular time to mentor the person to change the bad behaviour.*
> *3. Reassign the person to a place where he can do less harm if resolution requires an extended commitment of time.*

It is always easiest to solve the problem when it is first noticed rather than waiting until a monster is created that must then be slayed.

Compensation

Management Compensation in Southeast Asia

Long Live
the Expat Package (for now)

When managers are posted on overseas assignments, it is often considered a promotion and they can expect to received an increase to their base income. While this is exciting, it is usually only a few percentage points in additional income.

By far the most significant financial opportunity for expatriate managers and their families is the benefits they receive while being posted to the overseas location. Much of their family's personal expenses can be funded by employers. For this reason, it is the "expat package" that is considered most interesting in the discussion of expatriate compensation.

The Good Old Days

Forty years ago, expatriate postings to so-called third-world countries were considered disruptive and often dangerous to managers' careers — and even their lives. It was a tremendous sacrifice for anyone to take such a risk on behalf of their employer and such dedication was rewarded handsomely.

From the employer's side, the supply of multinational-experienced managers in developing countries was almost nonexistent a few decades ago. And of the few who did exist, it was impossible to monitor their work because of the rudimentary communications technology that was available at the time. Global organizations found they had no option but to relocate their own managers. So, British companies had British expatriates, American companies had American expatriates and so on. Given the lack of options and the difficulty to induce quality people to become expatriates, international organizations were forced to provide regal benefits to their overseas managers.

Over time, a standard "expat package" was developed that included most or all of the following benefits:

The "Expat Package"
- Hardship bonus (often between 10% - 30% of base income)
- Executive housing for the family (including utility costs)
- Automobile including fuel and maintenance (often with a driver)
- International private schooling for children
- Round-trip airfare to the home country for the entire family (at least once per year)
- Executive relocation for the entire family (before and after the posting)
- Sale or safeguarding of original family home
- Tax equalization with the home country

- Financial planning advice
- Executive healthcare coverage for entire family

For expatriates, these benefits usually result in a substantial boost in net compensation and overall quality of life. For employers, however, the "expat package" can add between US$150K and US$200K per year to the overall cost of the manager – in addition to cash compensation, bonuses and regular benefits. That is an especially large sum to sustain in many small emerging markets such as those of Southeast Asia. The expatriate benefits package by itself can be equivalent to the entire labour cost of 30 or 40 rank-and-file employees.

Still Hardship Postings?

Over the years, many emerging countries have progressed and are not the hell-holes they once were. Most major cities in Asia have affluent districts where most expatriates live that are as comfortable and luxurious as anything in their home countries. Another positive change is that fast-track managers today recognize overseas experience as valuable, or even critical, to their long-term career success.

For these reasons, expatriate managers don't need to be as heavily enticed nowadays to consider overseas postings in fast-growth emerging countries.

At the same time, multinational employers have a lot more options for who runs their far-flung operations then they used to. Most progressive emerging countries have been able to develop a generation of local managers and many are capable of working at the most demanding international standards. While the base income levels of these local managers is quickly converging with those of expatriates, locals do not require the expensive "expat package" so they are less costly overall.

The "Expat-Light" Package

The combination of quality managers becoming more open to working overseas and more options for employers has resulted in a gradual clawing back of expatriate benefits by most international organizations. Many companies have reduced or removed hardship bonuses except in outright war zones. Others have reduced allowances for housing and international schooling such that they cover only a portion of the entire cost. The expatriate is expected to pay the difference himself or to find cheaper alternatives.

Mid-sized and small companies seem to have been the most enthusiastic at reducing expatriate benefits. Some industries such as the contact center providers seem to be on track to eliminate them completely. The change has also not escaped various large development agencies (such as the Asian Development Bank) and many prominent international schools. All are well noted to have reduced expatriate employee benefits over the past few years.

Not So Fast

But the process is far from complete and many of the largest global organizations continue to provide full expatriate benefits with no sign of any looming policy change. Companies with long established international-track management programs such as the large global banks and industrial companies are obvious examples. In the public sector, embassies also seem keen to continue their policies for full expatriate support.

Management Compensation in Southeast Asia

Income Structures in Emerging Countries

Salary structures in emerging countries are more interesting and complicated than they are in more mature economies. International managers who are first posted to fast-growth countries such as those of Asia are often perplexed at the seemingly illogical contradictions in income levels.

Outrageous salary differentials are the norm. Among multinational companies, one similar sized competitor might pay twice what another is paying for similar positions. Managers and other employees at locally-owned companies can be paid half what multinationals companies pay. Local government employees often receive starvation income levels although they exercise the power of life or death over industries.

How can anyone make sense of all of this?

There are a number of interesting dynamics that are the cause of most of these confusing circumstances. Most of it seems to be the result of a momentous clash between traditional economic structures of emerging countries and those of disruptive global market forces.

Concept 1:
Multinationals Pay More

It is a fact that multinational organizations pay higher wages in most emerging countries. There are various explanations for this. Locally-owned companies are often family owned-and-operated and many senior employees are long-term friends or relatives of the owners. Such relationships count for a lot in emerging countries and managers will remain for years at low salaries.

Some might think that local companies could use their cost and other home-team advantages to thrash the multinationals. Unfortunately, companies run by families and friends are often not as productive as those employing international management techniques.

The local companies give up much of their advantage in lower wage rates by employing more people to do the same work.
Gladly, this situation is changing as many families are employing professional managers to run their businesses and paying international salaries to do so.

MANAGEMENT RULE:
Multinationals companies in many industries pay can pay up to 50% more than local competitors.

Concept 2:
Wide Income Differentials Between Companies

Another interesting situation is that salary gaps can be irrationally large even between multinationals. Direct competitors with similarly-sized businesses can often have pay-scales that are 50% higher at one over another. As one of many examples, this factor was a large problem a few years ago when Alcatel merged with Lucent since the acquiring company's salary levels were much lower than Lucent's.

This is often the result of a peculiar situation when the initial hiring decisions were made. In some cases, overly zealous or inexperienced expatriate managers paid too much when hiring their initial staff and income levels became set in place. Remarkably, outrageous differences in cost structure can sometimes persevere for long periods since overall labour costs are low compared to margins in many emerging countries.

MANAGEMENT RULE:
Pay-scales need to be set at reasonable levels from the beginning or they will persist over the long-term.

Concept 3:
Large Salary Gaps Between Job Levels

Emerging countries in Southeast Asia tend to be demographically youthful with huge numbers of people suitable for entry and junior level roles. As a result, salary levels for such people are usually low compared to those in so-called developed countries.

On the other hand, managers and other highly-skilled professionals are in short supply. Therefore, salaries for such people are comparatively high especially in industries with strong multinational participation. Given that salaries are very low at the bottom and comparatively high at the top, there are naturally large gaps in all the little steps in between.

MANAGEMENT RULE:
There are large jumps in income as you move up the corporate ladder in Asia.

Concept 4:
Government salaries are meager

It is difficult for many new expatriates to accept the gargantuan problem of getting things done in many government departments. Many feel that one major factor for this has to do with salary levels.

Official incomes of government officials are shockingly low. Many civil servants would not be able to survive without financial support from other family members or "unofficial contributions" from patrons. It is difficult to find and keep people motivated to work conscientiously when they can't feed their family.

MANAGEMENT RULE:
When dealing with government employees, it is best to show understanding of their difficult financial situation but that does not mean submitting to informal payment requests.

Financial Incentives in Compensation

Pay For **Performance**

Above average compensation is considered essential to attract and retain above average talent. This is common sense to most business people and academic research has proven conclusively that it is true.

With this in mind, it is surprising that the ability to motivate above average performance through financial incentives remains unproven despite much research on the subject. In other words, while it is possible to hire great people with great compensation, it doesn't mean they will do great things because they're offered great compensation.

Some researchers have even come to the conclusion that the concept of pay-for-performance is more of an ideology rather than something with methodical basis to support it. It seems to them that the biggest reason great people achieve great things is that they are great in the first place and don't need special incentives — other than high overall compensation to retain them.

That said, it has been shown conclusively that poorly constructed incentive plans can cause great harm to people's motivation and effectiveness. An obvious example is when short-term risk-taking is grandly rewarded while long-term prudence is not. The lavish bonus opportunities provided to senior banking managers in the years leading up to 2008 is often cited as an important cause of the catastrophic financial crisis that followed.

Despite the confusing situation for researchers, pay-for-performance is believed by business people who pay for them to be an important component of overall compensation. Annual bonuses and share plans have become a standard part of most senior managers' compensation plans and God help anyone who tries to eliminate them.

The Long and Short of Incentives

Possibly the biggest concern with financial incentives is how to balance the needs of the short-term and the long-term for an organization and the manager.

1. Short-Term Incentives

Defined as benefits and payments given for goals achieved over a period of less than one year, they are usually a combination of formula-determined incentives (based on a profitability measure of some sort) and/or a discretionary bonus.

2. Long-Term Incentives

These are defined as incentives provided over a performance period longer than one year and often 3 to 5 years. In the past, Stock Options were the most fashionable choice but more recently they have become less common. It is

alleged that option plans promote risky behaviour with sometimes disastrous results since potential down-side losses to holders are minimal (or zero) while upside profits for successful roles-of-the-dice can be huge.

Compensation consultants now advise that Restricted Shares are better for long-term incentive plans. These are grants of shares that vest over multiple years. The difference with stock options is there are real losses if stock prices decline and shareholder concerns of heads-I-win-tails-you-lose risk/reward scenarios are lessened.

Perks are Not Incentives

Non-cash benefits such as lavish retirement plans, opulent health insurance, interest free loans, financial planning advice and so on are considered perks and not usually considered part of pay-for-performance, although they are important to attract and retain talented managers.

Goldilocks and Stress

One theory behind the structuring of incentives has to do with brain chemistry and the concept of mental stress. The right level of stress activates certain parts of the brain that produces chemicals (especially cortisol) that stimulates competitive drive and learning related activities that are important for high performance. However, a tipping point can be reached when a person is put under too much stress. In high stress conditions, other parts of the brain are activated generating other chemicals (such as norepinephrine) that initiate the fear response and other negative emotions that can severely inhibit mental abilities like rational-thought and learning.

An example of a situation causing high mental stress might be when compensation plans are overly focused on commissions and bonuses. People under too much pressure to produce short-term results, can become mentally debilitated to the detriment of performance. Everyone has had the experience of dealing with desperate commission-only sales people trying to push sales in manners that are clearly ineffective and even self-destructive to their long-term career.

On the other hand, too little mental stress can also slow the mind and impact performance. An example is when otherwise self-motivated people say they are going to learn a new skill during their vacation or take time off from work to write a book but often don't follow through.

It is important that people are put under the right amount of mental stress for them to operate most effectively. Of course, there are wide differences between individuals in this matter. Successful sales people can flourish under much higher levels of stress than others. Software engineers and medical doctors often function best under lower levels of stress — a surgeon who is desperate to make a "sale" might have weakened judgement and is not one most people would want to cut them open.

More Incentive Issues

Certainly it is important to ensure managers are not rewarded for outcomes that were the result of external factors. Some incentive plans used to reward senior managers for stock price appreciation even though a large portion of such price movements (more than 70% portfolio managers say) is due to the overall stock market and the industry category of the company. Today, such incentive plans compensate for appreciation above that of industry and overall stock market. In the same manner, senior managers should be compensated when good results are impacted by events out of their control.

Another issue becoming more and more important has to do with individual versus team incentives. Most companies have adopted a sliding scale of benefits that incorporate rewards for both ends of this spectrum but there are wide differences among countries, industries and companies.

1. Eat-What-You-Kill

At the extreme end of the scale is the incentive plan widely known as "eat-what-you-kill" that rewards individual merit over group performance. (The more genteel expression used by law firms is called "Source of Origination.") This plan is especially popular in corporate finance, legal services and management consulting. The United States led the way in developing incentive programs of this kind with the result that it is one of the world's most innovative societies with a widely disproportionate number of patents and innovations to its credit.

On the downside, extreme individual incentives can create problems if not restrained. It is alleged that large part of the root cause of the 2008 financial crisis was aggressive behaviour of bankers rewarded under eat-what-you-kill incentive schemes.

2. Lockstep

Modern organizations are complex and managers depend on the support of many highly-skilled people with often competing objectives to carry out projects. Incentivizing individuals to work for the group can create a more collaborative and sustainable organization. Lockstep incentive structures reward managers' seniority, usually determined by position in the organization and length of service. Japan has a reputation for rewarding group rather than individual achievement with many positive

benefits to their society including being one of the world's leading export economies. An alleged downside might be a less than stellar record of individual innovation.

The long-term trend in the private sector seems to be to move toward the middle of the 2 extremes. Investment banks claim to be trying to tame their overly aggressive corporate cultures by rewarding more wholesome behaviour. In countries with lockstep traditions, they are experimenting with merit incentives to encourage individual initiative.

Germany is often cited for its sustainably innovative management culture that has helped to make the country the largest exporting dynamo in the world on a per capita basis.

Rewards Without Working?

Signing Bonuses and Golden Parachutes are examples of compensation agreed to be paid for work not being done. While the concept is understood in Asia, it is far less common than in so-called developed countries in the west.

It sometimes happens that candidates take extraordinary risk in leaving their stable current employment to take on a new uncertain one and that risk can be compensated in certain situations.

1. Signing Bonus

A signing bonus refers to a lump-sum payment given to an employee when he joins a new employer. Within Asia, these are provided for individual contributor positions that are in very high demand. For senior management roles, the practice is less common.

A possible justification for doing so might be to pay a highly desired candidate to motivate him to leave a stable, known employer and join one that is unknown and possibly less stable. Many feel that if a senior manager needs a signing bonus to make the change, his commitment to the new opportunity is questionable. The consensus in Asia is that such payments are not usually a good idea.

A signing bonus is justified and common when a candidate is giving up a defined payment that he has earned at his current employer. For instance, if the employer wants a newly hired manager to start work as soon as possible and lose out on an end-of-year bonus or some other payment, this should be compensated for.

2. Golden Parachutes

Golden parachutes are meant to compensate a new manager if he is terminated or terminates himself down the road. In consensus-oriented Asia, these are looked upon as a scheme designed to build conflict since it seems to reward getting fired.

The exception is when the new opportunity is one entailing a lot of risk such as setting up a business from scratch or entering a new market — a somewhat common situation in emerging countries. In these situations, extra payments could be provided if the project is terminated down the road.

Show Me the Money

Uncovering Compensation Information

Offer accept-
ance is one of
the most im-
portant steps
in the recruit-
ment process
since months
of work can be
destroyed if a
chosen candi-
date declines a
job offer.

A majority of candidates will declare up-front that money is not the most important factor in accepting a position and they are usually telling the truth. That said, experienced hiring managers know that money is certainly the most important factor in turning down a job offer.

Therefore, it is critically important to get all 4 of the following money questions answered definitively before a job offer is created.

Compensation Data 1:
1. Market Income Range

It is important first to know the compensation paid in the market for the position. An experienced management recruiter is usually the best source of such information. He or she should be able to provide a rough salary range immediately that will depend on factors such as candidate seniority, company size and so forth. As a search engagement progresses and up-to-the-minute data accumulates, the salary range can be altered somewhat. The salary information that emerges is highly specific and is valuable when discussing compensation with the chosen candidate in the final negotiation.

Compensation Data 2:
2. Employer Income Range

Executive recruiters (internal or external) and hiring managers need to know precisely how much the company can afford to pay for the position. Responses such as "whatever it takes," or "it's open" and "it all depends on the candidate" are not acceptable. All organizations have pay-scales and budget constraints that need to be adhered to. The hiring manager and the recruiter must work together to determine the appropriate salary range given what the company can pay and what the market is paying.

Compensation Data 3:
3. Current Compensation

The executive recruiter must discover the current compensation package of each candidate who is interviewed and considered for the the position. It is important to get complete information and not just base salary since annual bonuses, special tax plans and extra benefits like a housing allowances and car plans can dramatically impact total compensation. Candidates who have changed jobs recently should provide incomes for previous jobs as well.

Complete information is important so the hiring manager can prepare in his mind what the final compensation package will need to be.

Compensation Data 4:
4. Expected Compensation

Shortlisted candidates need to be asked well before they receive an offer what they expect to earn to justify moving to a new employer. It is ideal if candidates are asked this information by more than one person so conflicting information can be sorted out ahead of time. Junior people should not be involved in obtaining compensation information from more senior managers. As well, market compensation data should be shared with candidates if expectations seem out of line.

The decisive question to have answered is, "What is the lowest income you would accept for the position and anything below you would give it to someone else?"

In the salary negotiation, hiring managers should be guided to provide a fair income that is above the absolute lowest level stated by the candidate and well within the market rate for the position. In this way, there is little chance of turn-downs by candidates.

Expectations often change once people have an offer in their hands and realize they are in demand. And, Asia being Asia, friends and family will be consulted and their income ideas will certainly be at the high end of the range further complicating the process. Candidates may also receive counter-offers from current employers — another common situation in fast growing Asia — and this issue needs to be addressed carefully up front. (See Last Minute Changes of Mind for dealing with this complicated issue.)

Bargaining for Compensation in Asia

Salary Negotiations **in Asia**

People in Asia are used to negotiating for most things in their lives and usually begin learning the required skills at an early age. They consider it part of their culture and often take pride in their bargaining skills.

To people from so-called developed countries, Asian negotiations can seem rather flamboyant, and at times even hostile, but they are usually performed with an undertone of humour.

It should not be a surprise that this is usually the manner in which compensation is negotiated by people in the region. Experienced Asian managers usually understand the negative impact that hard-ball negotiations can have on hiring managers from more genteel countries and often soften their behaviour so as not to unduly upset them. However, many do not do so and most naturally wish to improve their personal situation by using negotiation strategies they have honed all their lives.

It is important that international managers understand the tactics sometimes used by candidates so as not to be overwhelmed by it all or disillusioned when the going gets tough. A few of the more common tactics employed are discussed below.

Tactic 1:
Low-ball Salary Expectations
REGULARITY: Medium

EXPLANATION:
Early in the recruitment process, some candidates provide current salaries or salary expectations that are lower than the actual. They believe that these low "teaser" rates will help entice the hiring manager to think he is getting a good deal.

Then, when the job offer stage is reached and after the hiring manager has invested a lot of time to assess and approve the candidate, the real salary is presented along with various excuses for not providing accurate information previously: "my earlier salary was just an estimate"; "I didn't know what my total salary was because I don't keep close track"; "my compensation has been recently increased." The result is that the hiring manager is faced with a much higher cost candidate than he was earlier led to believe and is put in an uncomfortable negotiating position.

RESOLUTION:
Gladly, this ploy can be dealt with by pushing for the candidate's total salary and benefits in the early stages of the process and not excepting estimates. The recruiter and the hiring manager need to work together and ask separately for

precise current compensation information. Along with this, it is important to let the candidate know that he may be asked to provide company payslips later on.

Tactic 2:
Sudden External Interest
REGULARITY: Common

EXPLANATION:

At various stages of the recruitment process, candidates will state they are being considered by another employer for a similar position. This is an especially common ploy when using contingent (non-retained) recruiters since candidates are sent to many employers simultaneously. It is less common with retained recruiters since they rarely accept overlapping searches at the same time and candidates should not be parallel processed. It may be true and the candidate is simply being up-front with the hiring manager. It other cases, candidates use the ploy to give the impression of being in high demand and hoping to increase their desirability and salary.

RESOLUTION:

The situation is best addressed in 2 steps. First, ask the candidate early on whether he is being considered for other positions. Then later if he claims to have received sudden interest from another employer, you are in a better position. When the candidate gives notice of an another employment opportunity, explain that while the person is well regarded and a strong contender for the role, he or she is not the only candidate being considered (as long as there are other candidates, of course) and if he or she needs to decline the opportunity, there will be no bad feelings.

The purpose of the statement is to determine whether the candidate has genuine enthusiasm for the role. The person should respond by declaring keen interest and provide compelling reasons. If he or she doesn't, then either the candidate is not sincere about the opportunity (and may be a manipulative person), or the recruiting process has been flawed and needs improving.

Tactic 3:
Future Pay Increase and Promotions
REGULARITY: Medium

EXPLANATION:

During final salary negotiation, some candidates will abruptly claim to have just received notification of an upcoming increase in compensation and expect this new-and-improved salary to be used as their current income. Such salary increases and/or promotions are difficult to confirm since a candidate can easily state he was given verbal assurance. Hiring managers find it difficult to push for proof since they risk appearing not to trust the candidate after building rapport during the recruitment process.

RESOLUTION:

The situation is complicated since the candidate may or may not be genuine. It is not uncommon for managers to receive salary increases in high growth Asia. However, it could also indicate an ethics problem if the person is lying. It is important in the early stage of the recruitment process to ask the candidate whether he expects to receive a pay increase in the near future. If he later claims to have received an increase, then it will put onus on the candidate to explain the situation and there will be justification to ask for proof.

Tactic 4:
Claimed Industry Salary Knowledge
REGULARITY: Medium

EXPLANATION:

It seems to be genetic within human beings that they generally think themselves underpaid for the services they provide. When people hear about others who supposedly earn more than they do for a similar or lower position, they naturally are distressed by the news. They also seem to forget when other people earn less.

Keeping this in mind, it is reasonable to expect that some candidates will declare an above average knowledge of industry salary levels and state that they are grossly underpaid. They may then call for salary expectations entailing an unreasonably large increase over their current compensation, severely jeopardizing the candidate's viability.

RESOLUTION:

First of all, the candidate's earnings may actually be considerably below the market. This is not an uncommon situation in disruptive emerging countries and especially if the candidate is a long-term employee in a locally owned company. The situation is best managed by stating that the hiring company is a professional organization that wishes high quality relationships with loyal employees and certainly does not want to underpay its people. It should be made clear that income levels are based on the company's own understanding of what is fair for the industry. In almost all cases, the candidate will agree that this is reasonable and will not push the matter further. If not, then perhaps other candidates need to be given priority.

Tactic 5:
Delaying the Income Discussion
REGULARITY: Medium

EXPLANATION:

Some candidates attempt to postpone providing their current salaries by claiming they are "not overly money motivated" or they are "only looking for what is fair." In many instances, these statements are sincere. In others, the candidate is trying to improve his negotiating position by having the employer invest a lot with him up-front and then be less able to refuse demands for high compensation and other benefits later on. In either case, postponing the income discussion has strong potential to harm the overall process and needs resolving.

RESOLUTION:

As above, the candidate's total salary and main benefits should be acquired early in the recruitment process and estimates should not be accepted.

Tactic 6:
Add-on Extra Benefits
REGULARITY: Medium

EXPLANATION:

After much time has been spent back-and-forth to arrive at an agreement for base salary and other significant compensation items, a hiring manager may be under the impression that bargaining is

completed. However, certain individuals will use "negotiation fatigue" to squeeze out a few more benefits from reticent hiring managers. These candidates can provide a long list of supposedly "standard benefits and allowances" to the hiring manager in a manner that indicates they are of "minor consequence" and there should be "no problem" approving them. Examples of such items include: transportation allowance, food allowance, clothing allowance, special tax benefits, unusual bonus items, first-class travel benefits, elevated per diems, etc.

RESOLUTION:

Experienced hiring managers will recognize the problem immediately. The extras can be small individually but added together, are significant to overall cost. Of greater consequence, such added benefits and allowances for a new employee can soon become the standard for all employees when they are found out about — increasing overall costs without any return to the organization. The hiring manager will need to push back on any non-standard benefits.

Tactic 7:
Drawn Out Salary Negotiation
REGULARITY: Low

EXPLANATION:

At the final stage and after weeks of meetings and email correspondences, some candidates suddenly become hard to communicate with. This is a cause for concern at any time but particularly during final salary negotiations. In most cases, such candidates will give somewhat plausible reasons for being difficult to reach such as: "my regional boss is in town", "tied up with overseas clients", "travelling in remote areas without telephone access," among others.
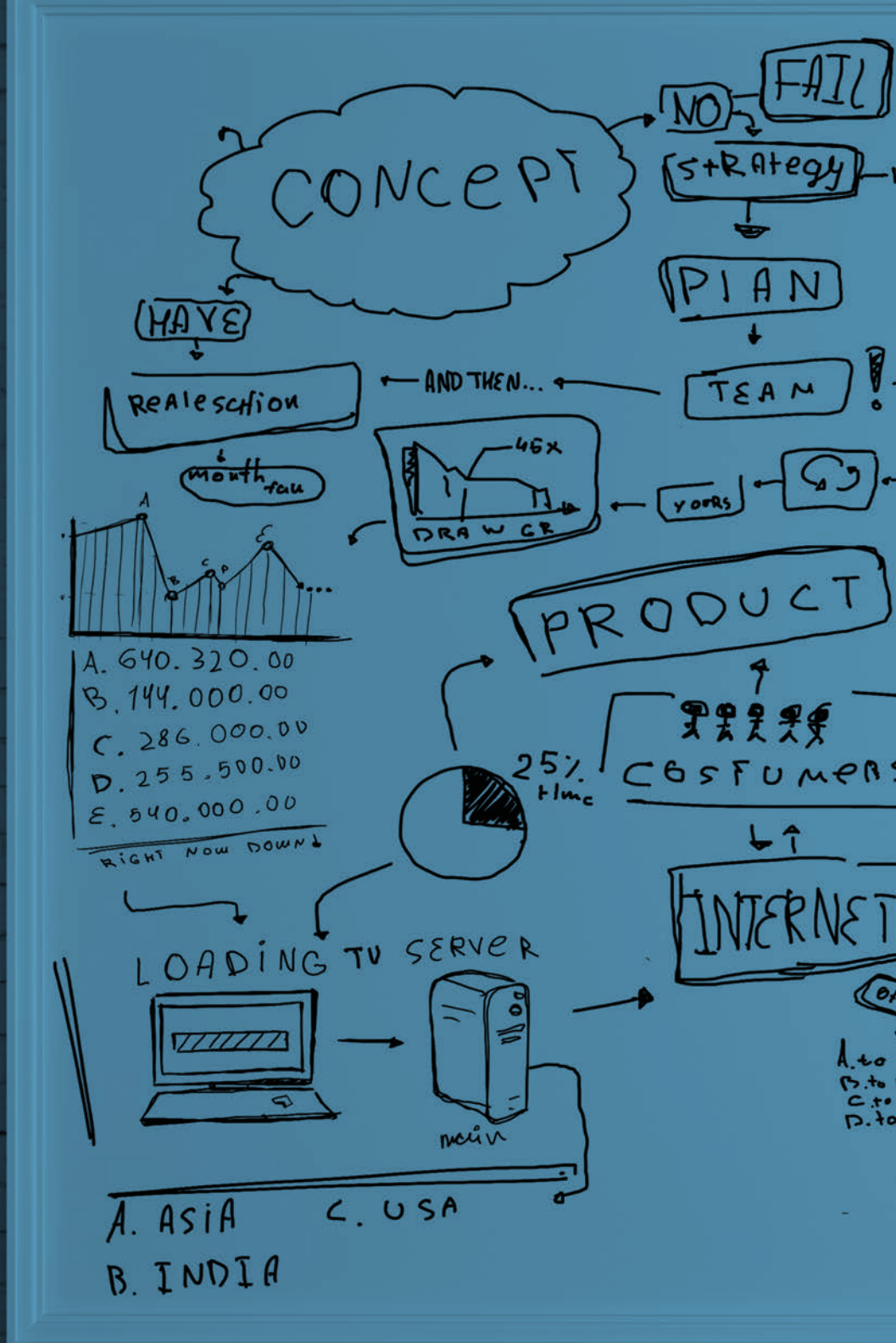
There are often 2 reasons for candidates who were otherwise responsive to suddenly become out of touch. They may be unsure of the opportunity which is a serious issue and indicates that the position may not have been sold well earlier on. Alternatively, the candidate might be trying to seem nonchalant about the role thinking a higher offer could be negotiated if the hiring manager is worried about acceptance.

RESOLUTION:

Whatever the reason, it is important to get control of the situation. Try to meet with the candidate in person, if possible, to again describe the opportunity in a compelling manner and ask directly whether he or she has interest to continue pursuing the role. The candidate should provide a persuasive explanation that he is interested in the position. If not, then the person may not be overly motivated for a job change or, worse still, may be a manipulative person and not someone worth hiring.

Counter Offers

A Counter Offer occurs when an employer immediately proposes to increase an employee's compensation after receiving a notice of resignation. These are more common in Asia than in Europe and North America because of various cultural differences and the nature of personal relationships in the fast growing region. This important topic is discussed as a separate topic on this page: Last Minute Changes of Mind.

Confirming

Background Confirmation

Candidate Intelligence
& Reference Checking

For many thousands of years, people have been trying to figure out ways to predict the future actions of human beings. Of the many concepts devised, only one has shown itself consistently useful.

Past behaviour is the best predictor of future behaviour of people.

If someone has been a superstar salesman for the past 15 years, then he will probably be a superstar for the next 3 or 4 if you hire him. If someone has been a great ball player all his life, he will probably continue to be so if you buy his services for your team.

The basis for Candidate Intelligence is that to determine candidates' potential to thrive in another organization, it is critical to understand their career and personal characteristics exhibited over a long period of time.

Formal References

Checking references provided by candidates are an important step in this discovery process but such sources almost always provide information that is flattering to candidates.

Informal References

It is critical to research deeper by acquiring informal background information from various sources: former supervisors who have moved on, colleagues, competitors, suppliers and clients. The objective is not necessarily to find scandalous gossip about the person but to find information that will help ensure the people's success in a new working environment.

Candidate Intelligence Interview:

In doing research for Candidate Intelligence, it is important to use an informal conversational style when speaking with sources. It is also important that discussions be structured and not degrade into idle chit-chat with no result. We have found the format below to be useful over the years.

I Opening the Conversation

1. Please tell me about yourself and how you came to know the candidate?
2. When did you meet and how well do you know him or her?

II Basic Information

1. What was your reporting relationship to the candidate?
2. What was the candidate's title and main responsibilities at the time?

III General Impressions

1. How was your overall experience working with the person?
2. What would you say are his most important personal qualities?

IV Leadership skills

1. How would you describe his or her management style?
2. Did he lead any major change in the organization?
3. Did the candidate have profit & loss responsibility?

V People Skills

1. How did the candidate relate with his staff and other managers in the organization?
2. How does he or she relate to senior management?
3. Do you remember a time he or she had to resolve a serious conflict in his staff or management?
4. How does he motivate his people?
5. How would you rate his overall communication skills?

VI Strengths & Weaknesses

1. What would you say are the candidate's major strengths?
2. What would you say are areas the candidate could improve?
3. How would you rate the candidate's attention to detail?
4. How strong are the candidate's selling skills?
5. Can you describe a situation when he or she worked under a lot of pressure?

VII Accomplishments

1. What do you recall as the candidate's main achievements while he worked with you?
2. Do you think he had any lasting impact on the organization or others in the firm?

VIII Closing

1. Why did the person leave his position?
2. Would you like to work with the candidate again?
3. Do you think the role I described would be suitable for him or her?
4. Is there anything else that should be said about the candidate?

People living in countries with strict anti-discrimination legislation need to be aware of the legal requirements for conducting background confirmations. Check your HR department for specifics. The Association of Executive Search Consultants (http://www.aesc.org) is another source of information on this important matter.

When hiring senior managers in countries with large populations and highly mobile work forces, it can be difficult for a few referred individuals to know everything necessary about a candidate. They may

have worked with the person for a few years only. Therefore, it can be necessary to separately verify critical details such as the following:

EMPLOYMENT – check position titles and dates with the specific employers named by the candidates.

EDUCATION – substantiate the person's university and college degrees and professional certifications.

CRIMINAL & CREDIT RECORDS – In sensitive industries, sensitive information relating to criminal and credit background is required. Candidates need to be made aware ahead of time and often their permission must be given in writing.

In smaller countries such as those of Southeast Asia, senior executives are usually well known in the local business community. It is relatively easy to find key people who have known the candidate for some time. Such people will usually be able to confirm the career histories of individuals.

Mistakes in Reference Checking

Reference Check **Mistakes**

Most experienced hiring managers have had the experience of changing their minds about a candidate as a result of information uncovered from background confirmation. An even greater number have learned something important about how to get along with, motivate, or at least not upset, a candidate.

Given the importance and usefulness of reference checks, it is necessary to consider some of the more common errors with the practice.

Reference Check Error 1:
It's Just a Formality

After the exciting build-up stages of candidate sourcing, interviewing, relationship building and closing the compensation deal, it is easy to see reference checking as an emotional let-down. In many companies, the important process is demeaned as an administrative function and delegated to junior staff or an outsourced service. This is a serious concern when dealing with management candidates.

It is reasonable that credential verification can be outsourced or delegated down but reference checks with senior executives to discuss the performance of senior managers who reported to them should not be given to junior staff to carry out. It needs to be conducted personally by the hiring manager or a credible senior recruiter. In Asia (and most everywhere else), senior managers consider it is an insult to be contacted by junior people to discuss confidential personal information about people who reported to them.

Reference Check Error 2:
Cross-Referencing

The backgrounds of most senior executives, or at least parts of them, are commonly listed online on various information services. Securities related information is very useful since there are legal reasons for it to be highly precise. Employer websites are also valuable since candidates' titles and breadth of responsibilities might be listed.

LinkedIn, the social networking tool, is also useful since profiles are filled out by professionals themselves. Questions need to be asked if any information is different from what is listed on resumes provided by candidates.

Reference Check Error 3:
Relying on LinkedIn Too Much

LinkedIn has become a widely used tool by professionals. Some candidates and recruiters are starting to dispense with formal CV's and use LinkedIn profiles as if they were official employment records. This is a mistake for the simple reason that candidate resumes are considered legal documents by courts of law while LinkedIn profiles are not.

In other words, if a candidate is hired from information posted on a LinkedIn profile and that information is later found to be materially false, the hiring manager will not have legal recourse to terminate the person's employment without worrying about a wrongful dismissal lawsuit and a large severance package. On the other hand, someone caught lying on a resume that they provided can be dismissed immediately for legal misrepresentation. In the future online profiles may be considered legally binding but at this point it is easy for candidates to claim they are not.

Don't be lazy. Always require complete resumes from candidates.

Reference Check Error 4:
Subordinates are Not References
It is sometimes difficult for senior candidates to provide suitable reference contacts especially when they have spent many years at their current employer. Their reporting relationships are too deep and personal, and candidates literally risk their careers by asking for references from their bosses.

To people without experience in Asia, this might seem a bit melodramatic but it is a common concern for senior executives. As a result, candidates will provide references from colleagues (managers they worked with but did not report to), people who reported to them or sometimes even supplier representatives.

Candidates need to be pushed for more suitable references. But in many cases, people's concerns need to be respected or their careers can be impacted. Informal reference checks (explained below) may need to be acquired confidentially by a skilled intermediary such as an executive search professional who is known in the industry.

Reference Check Error 5:
References, Not Fans
Related to the above, it is common in Asia for people who have worked together to have very close personal relationships. References from such sources will typically yield information that is flattering to the candidate and not very useful. It may be necessary for the candidate to be pressed for more references in order to find people who have arm's length relationships with candidates.

Reference Check Error 6:
Informal Reference Checking
Senior business communities in Southeast Asia are usually small and close-knit. Most senior candidates are well known by other leaders in their industry. Deep information can often be gathered confidentially by third-party sources such as a credible executive search professional who is known in the industry. Executives will open up about people they have worked with for all manner of subjects. Because of factors described in the previous 2 paragraphs, informal reference checks can sometimes yield the most valuable and useful information about candidates.

Background Confirmation without Legal Jeopardy

Lawful Background Checks

As with interviewing, strict laws exist in most so-called developed countries about what is acceptable when checking references. The laws are said to have become so draconian in some countries that many companies now refuse to provide assessment information and will only confirm basic employment data such as date started and ended for fear of lawsuits.

In most emerging countries the situation is much looser. Employers regularly speak to former employers about all manner of subjects. The majority of Asian managers feel that age, family circumstances, church involvement and similar issues are important in determining the viability of candidates.

That is probably fine when Asian managers working for Asian companies are recruiting Asian candidates. But hiring managers and recruiters leave themselves open to legal jeopardy when they are employed by international companies or recruiting international candidates.

Anti-discrimination laws in place in most developed countries already prevent questions related to any of the following subjects: age, gender, ethnicity, religion, disability, marital status and pregnancy. In addition, further laws specifically address what is acceptable for background checks.

With my permission, if you please

The first important point is that employers are required to inform job seekers that background checks will be conducted and receive written permission.

The information that can be checked usually includes credit checks, criminal and civil suit history, driving records and interviews with neighbours, friends and colleagues. The intelligence gathered should not extend back beyond 7 years. The exception is for anything in the public domain such as criminal convictions and media reports.

In the United States and other countries, if an employer decides against hiring a candidate because of negative information garnered from a background check, the employer must notify the candidate. The candidate is also entitled to receive a copy of the report from the organization that created it.

Only a Matter of Time

On hearing this, many Asian hiring managers can be incredulous that such burdens and legal risk could be placed upon them. They should not be. Multinational organizations are already required to follow demanding cross-border legislation related to corruption, environmental control and health & safety in their far flung locations where such laws are either not in place or weakly enforced. It should seem logical that anti-discrimination and background checking laws will become part of this list within a short time

span. All it will take is a couple of scandals to be reported widely in the media and standards will change.

In the meantime, it is important that hiring managers working in Asia understand the essentials of what is considered lawful in so-called developed countries when performing background checks. It does not mean they should change what they do within their own countries but it should keep them out of legal jeopardy when recruiting senior candidates internationally.

Counter-Offers and Offer Acceptance

Last Minute Changes of Mind

There are still some differences in working culture between so-called developed and emerging countries although these are minimizing over time.

International managers who are new to Southeast Asia can be dumbfounded when a candidate who previously gave acceptance of a job offer later changes his mind and gives seemingly irresponsible reasons such as:

"My boss said I can't leave right now."

*"I spoke to my family and they told me
I should stay."*

*"My company just gave me a promotion
so it wouldn't be right for me to leave."*

For some managers in Asia, such justifications are thought reasonable and adequate for seeming to go back on their word.

What is Going On?

First of all, most large local companies in Asia are family-owned and run, and have limited local competition. In such situations, values like loyalty and trust are well-rewarded while attributes like on-the-job performance are perceived as secondary.

In such companies, the boss is a patriarchal figure and takes a personal role in the lives of his employees. When someone from this workplace "family" comes with a resignation notice, it is a powerfully emotional situation and full of all sorts of things Asians don't like – losing face, conflict and so on.

Some Asian managers will never forgive an employee for betraying the "family" – a big concern if there are only a few companies in the industry. So traumatic is the offense that more than a few careers have been destroyed by bitter senior people seeking revenge.

A second important factor to understand is the influence of the family in Asia. Large extended families typically have close connections and it is expected that they are part of the decision process for important decisions like career change. Parents, in particular, have much more control over their adult offspring than in

the west. If parents or other close relatives have personal relationships with the boss or boss' boss, they can often be a strong force to limit job change.

A third cause of failed job offer acceptance is simply the desire for a raise at a candidate's current employer. It is difficult for Asians to ask for raises since doing so creates the potential of conflict, losing face and other things that are uncomfortable. Therefore, it is sometimes easier to use a job offer from an outside employer to help them achieve their purpose in a less direct manner. The boss will provide a counter-offer for the employee to stay and everyone is outwardly happy (although perhaps not inwardly so).

Early Signs of Problems

There are 3 main indicators that a candidate may be having second thoughts and is at risk of rejecting a job offer.

> **1. Unusual Delays** – Candidates who were previously responsive and enthusiastic but suddenly stop returning calls and repeatedly reschedule meetings may be having second thoughts. Common excuses provided can be important sounding ones like emergency meetings at work or sick family members in the hospital. Be wary.

> **2. Unreasonable Requirements** – Some candidates will create unrealistic requirements at a late stage of the hiring process rather than admit they are not interested. Income expectations may become inflated, reporting requirements might change, requests for more information may seem never ending, and so on.

> **3. Increase in Reported Earnings** – It can also be common for candidates in a final salary negotiation stage to suddenly "remember" that their real salary is higher than they earlier stated. The most common justifications are a salary increase they "just received" or income items that weren't described earlier.

Why Accepting Counter-Offers is Bad?

People in so-called advanced countries have mainly come to the conclusion that accepting counter-offers is a bad idea for both employees (especially) and employers. And, study after study has shown that this is statistically true.

The vast majority of employees who accept counter-offers regret their decision. They depart on their own (usually within 6 months) after it becomes clear their original reasons for considering to leave are not going to change.

Or, they are pushed out by employers (usually within 12 months) when the boss discovers the problems he has created for himself by giving in to providing the counter-offer. Other employees resent a co-worker being rewarded for what they consider disloyal conduct. Previously content staff members suddenly become disengaged and even confrontational.

As well, other employees usually start showing up at the manager's office with their own outside job offers expecting counter-offers and salary increases. The situation can quickly become out-of-control and the most appropriate solution is to eliminate the "conniving" employee who started it all.

So Why Do Some Managers Offer Counter-Offers?

When someone resigns, it is the boss whose ability is questioned and it is him or her who has to clean up the mess. Unless the employee is deemed disposable, the boss will certainly look bad to his superiors since his department's results will suffer.

A second-rate manager, who may have other problems with performance, might not want something else for his supervisors to complain about. As well, he certainly doesn't want another crisis to consume his time. As a result, such managers will attempt to manipulate the emotions of a departing employee to keep him or her until he can be released at a time when it is less inconvenient or embarrassing.

It doesn't matter what the boss says are the reasons for his action. Counter-offers are only given because of a notice to resign and they should be considered as highly dubious.

Well-managed companies and competent managers don't make counter-offers. They understand the damage that would be done by such self-destructive actions both to their organizations and to their departing employees.

Preventing Job Offer Problems

There are 3 steps to take to reduce as much as possible the chance of last minute changes of mind.

Stage 1:
Discover the emotional reasons the candidate is considering a job change.
During the interview stages, ask questions that uncover candidates' emotional commitment to their employer and uncover current concerns that are deep seated and unlikely to be resolved. Here are examples:

A) What do you like most and least about your current job?

B) What is it you enjoy the most and least about your current boss? (Note: in most cases people quit the boss rather than the company.)

C) Describe your most and least favoured jobs that you've had in your career?

D) Which of all your bosses did you most and least enjoy working with?

Stage 2:
Walk candidates through the mental process of resigning and starting with a new company.
It is important that people understand what they will face when they attempt to leave their employer – especially if the person is a long-term employee. They must visualize the process so are ready when the time comes. Questions that allow this discovery include:

A) What is it you will miss when you leave your current company?

B) What will be the biggest problems you will face in leaving your current company?

C) Has your company ever given counter-offers to employees who resign?

Stage 3:
Connect with candidates early and often.
Relate with candidates on an emotional level regularly and be attentive to changes in their behaviour or responsiveness. Do not expect candidates keep you up-to-date if they suddenly have second thoughts about changing employers — especially in Asia.

A) Has anything changed for better or worse at your current company?

B) What have your family (or friends) said about you possibly changing jobs?

C) Do you think the role we are speaking with you about will be right for you?

D) On a scale of 1 to 10, how excited are you to work for our company?

These 3 steps should allow you to detect early on whether a candidate will be at risk of declining the role or accepting a counter-offer. It is not fail safe but it will considerably improve the consistency of your hiring process.

Onboarding

Manager OnBoarding

Integrating New Managers

Assimilating a new senior manager into an organization always entails far more difficulties and risks than with junior employees. Learning the new job is just a start. They must decipher the corporate culture and actual reporting structure, and then quickly build relationships with key people who will help their situation. While doing this, their every move is being scrutinized warily by those with vested interests.

Given the visibility and importance of senior leadership positions and the horrific consequences for failure, it is clear that newly promoted managers should have help during the initial hazardous period.

Integration Stages

Stage 1:

Immersion & Taking Control

In this stage, the newly hired manager makes some initial judgements and takes action to correct problems that are obvious and immediate. The period can often require 4 to 6 months to complete.

Stage 2:

Restructuring

After taking time to learn about the organization's problems and opportunities, the manager reshapes it to fit his personality and to meet strategic goals. This stage is generally the most important and traumatic to the organization. This stage can begin at around 6 months and last to 18 months.

Stage 3:

Enhancement

The manager takes what he learnt from the previous stages and makes refinements to consolidate his strategic vision more completely. The process involves fewer changes than the Restructuring phase.

The time needed for each phase depends on many factors such as the size and age of the organization. In all cases, the new manager walks a narrow line between acting too quickly before proper diagnosis and taking too long, and risk losing support from within the organization.

OnBoarding Process

An organized integration process will increase the chances of a manager's success in a new position. The process will depend on many factors but should contain the following basic components.

1. Introductions and Announcements

This is a key first step that is overlooked too often. The new leader should be presented to other managers and senior reports in a personal manner. A general welcoming announcement should be made to the entire relevant organization.

2. Relationship Building
Schedules should be put in place for the new leader to spend ample time necessary to get to know his most important stakeholders on a personal level. Meetings that occur during mealtimes are best.

3. Organization Structure
The new manager should be given clear information of the structure and governance of the organization along with an understanding of its main strengths and weaknesses, and key profit centres.

4. Immediate Priorities
The direct superior should come to an understanding with the newly installed leader about what urgent action is required that would address urgent problems. As well, determine what actions could achieve quick successes that would gain the new manager credibility with stakeholders.

5. Strategic Plan
Senior manager should also describe clearly the long-term vision of the company and how the new manager could fit within it.

Problems Integrating New Management Hires

Problems Onboarding New Managers

Studies and experience have determined the following as some of the most important factors behind the unsuccessful integration of new managers into an organization.

Main Reasons for Failure

Reason 1:
Exaggerations

EXPLANATION:

Overstatements can occur from both sides during the recruitment process. Hiring managers who are inexperienced or desperate to make a hire can inflate the positives of a career opportunity and belittle the challenges. As well, candidates can exaggerate their experience and capabilities, especially if they are overly eager for the position or inexperienced about the problems they create for themselves down the road. The expectations gap that results can therefore be compounded on both sides.

RESOLUTION:

Sometimes if the search team consisted of less than 3 people, there is greater possibility for exaggerations and/or inadequate assessment on the employer's side. There needs to be multiple senior people involved in the search process so balanced information can be provided to candidates and ideally better assessments of candidate exaggerations can also determined.

When a very strong-willed person, such as the CEO or majority owner, is part of the search committee, he or she may expect to dominate the process. While this is reasonable (he is the boss after all), decisions made by a group of interested people are statistically better than those of one person. The situation needs to be handled delicately and often an outsider like a search professional who is respected in the industry can help by saying things that must be said and challenging assumptions.

Reason 2:
Environment Shock

EXPLANATION:

Similar to culture shock, it is the stress resulting from people finding themselves in unfamiliar situations. If too severe, a manager may not be able to function effectively and failure will be assured unless he receives outside help.

People who have spent many years with one organization commonly experience a difficult time of adapting to another. Managers from an aggressive,

individualistic corporate culture will have a difficult time moving to a consensus organization, and so on.

RESOLUTION:

During the assessment process, corporate culture and related issues are important to determining whether a senior manager has a strong probability of adapting to a new environment. Some organizations wish to hire people from one corporate style in order to bring fresh ideas and outlooks into their organization. However, this transformation objective needs to be explained ahead of time so candidates know what they are going into.

Once a new manager is onboard, regular meetings with more senior executives will help mentor and guide the manager. Meeting during meals are generally more effective since people create strong emotional bonds while eating. As well, senior executives should make public displays of their support of the new manager to subordinates.

Reason 3:
Management Style
EXPLANATION:

Different managers and companies operate under very different types of management styles. Some are authoritarian with high degrees of centralized control and micro-management, while others are consensus-driven and delegate decision making among many people. Groups used to one extreme will not perform well under another. New managers used to working under one style and hired to "shake things up" in another with a different management style often find it is they who are shaken up the most — and often pushed overboard.

RESOLUTION:

As above, the search committee needs to assess candidates' management styles and ensure there is a strong fit. If a transformational manager is desired than this needs to be clear from the beginning.

Reason 4:
Poor Relationships
EXPLANATION:

It is reasonable to expect that some new managers focus so much on their immediate tasks that they fail to build strong rapport with their supervisors, peers and key subordinates. Most studies show that bad working relationships are highly correlative to failure in the first year.

RESOLUTION:

New managers may be so overwhelmed that they may forget how important building relationships to support their objectives are until it is too late. Senior executives can help the situation by ensuring that relationship building occurs through meal-time meetings and other team-building activities.

Reason 5:
Time Bombs
EXPLANATION:

In some cases, new managers inherit serious problems they did nothing to create. Predecessors may have put off responding to critical problems or tumultuous changes in the marketplace. They may also

have severely cut back on expenses necessary to long-term success to boost short-term results. New managers can be doomed to failure unless there is outside recognition of serious problems.

RESOLUTION:

The situation is a delicate one since there is a tendency for both new managers and employees (and even senior executives) to blame current problems on past managers. The result can be a finger-pointing contest in which no one takes responsibility for solving the problem. Senior executives must assess the situation carefully to determine how credible the claims and take appropriate action toward a solution.

Reason 6:
No Patron

EXPLANATION:

Some organizations hire managers on a sink or swim basis. They are thrown into their positions and expected to survive without senior support to back them up. While this may be an organizational strategy to ensure "only the fittest survive," it will certainly guarantee that many new managers are needed to replace those who don't endure the first year.

RESOLUTION:

New managers need backers with authority and a stake in their success who will support their efforts. In most cases, this role will be filled by the hiring manager and direct supervisor. Whoever it is, their identity and willingness to help should be made clear to the new manager.

Reason 7:
Organization Support

EXPLANATION:

Despite investing so much in hiring them, the majority of organizations do not support new managers with a formal onboarding process and suffer a higher failure rate than they otherwise would.

RESOLUTION:

Most of the problems described above can be improved upon by providing an integration process — now more fashionably known as onboarding. There are numerous outside service organizations that provide this service with different levels of support for senior and junior employees.

CONCEPT

NO → FAIL

Strategy

PLAN

HAVE

TEAM !

REALESCHION ← AND THEN... ←

mouth tau

46X

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RIGHT NOW DOWN

PRODUCT

25% tlmc

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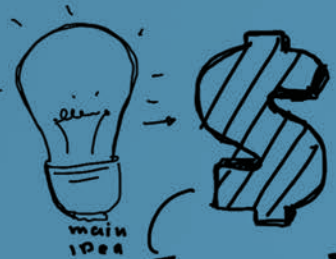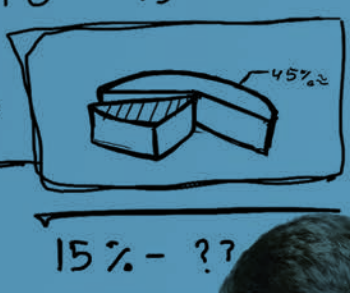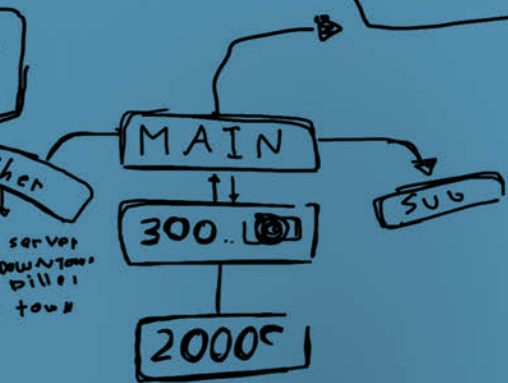
Retention

Retaining Key Managers in Asia

Employee Retention in Asia

Since all managers are judged by the output of the people who report them, keeping talented people employed in their organizations is an important duty for all executive managers. Employee retention in Asia has similar concepts as in other regions but naturally comes with some important differences.

The following are some of the more successful methods to retain key staff as reported by managers with experience in the region.

Strategy 1:
Hiring through a Respected Intermediary

Most agree that personal relationships and status are more important in Asia than in other regions. People genuinely don't like upsetting their friends or making them look bad, especially if they have high standing in the community. Therefore, when managers are hired as a result of referral from close friends or high status individuals, the chances of them remaining in the roles are much higher. Asians know this intuitively and often hire through friends and family contacts since they can expect greater loyalty and resolve to make the position succeed.

An employee referral program is an obvious formal way to attract loyal employees since money and reputation is on the line for the employees who do the referring. High profile search consultants can also be used for this purpose since managers hired through such people do not want to be seen to fail or be quitters since they worry about the long-term impact on their careers.

Strategy 2:
Connect with Family

A good practice for all managers in Asia is to become introduced to the family and other important people in the lives of valued employees. Relationships among family and friends are strong in Asia and such people are often consulted about major decisions such as employment change. Many managers in emerging countries in Asia are youthful and parents often have strong influence over their adult children. Parents have even been known to veto employment change decisions.

Therefore, connect with the families of your key people either through formal company events where families are encouraged to attend or informally through dinner parties and personal invitations. If family members come to know and believe in the senior manager who their bread-winner reports to, they can usually be counted upon to support employer loyalty.

Strategy 3:
Something Bigger than Ourselves

Most people have a deep inner longing to work toward goals that impact a great number of people and go beyond their own person ambitions. Corporate goals such as "to grow by 15%" or "to be the preferred vendor for our customers" are not going incite much enthusiasm. Find a mission that will have an emotional impact on your people.

In Asia, people are excited about the tremendous economic advances being made in their countries over the past decade. They are intensely excited to participate in noble undertakings that highlight their country's success and show they are as good as everyone else. Many leaders in the region have reported tremendous success and cohesion in their management teams by challenging their people to attain audacious goals that matched or exceeded what used to be possible only in so-called advanced countries.

Strategy 4:
Team Building

Activities that build team spirit are important in the emerging countries of Asia. People need to feel part of the group in order to be inspired to work for group goals. In the west, it would be hard to get a group of 15 managers together for a weekend to play games and get to know each other better. In Asia, people can think of nothing better and look forward to such activities. Many international managers (and Asian returnees) often are repelled by the costs in time and money that are spent on team building exercises. "Why can't they just do their work and go home," they say. However, international managers who become wholehearted participants have always improved their business and their enjoyment of work lives as a result.

Strategy 5:
CSR Activities

Corporate Social Responsibility programs involving groups of people working together for common goals are another means of building team spirit. Examples such as building homes or schools for low income people or raising funds to feed needy children are inspiring for many people and they become justifiably proud of their organization. Like all goals, CSR objectives should be compelling and clear.

Strategy 6:
Informal Relationship Building

 Formal team building events and CSR activities often require a lot of time and resources to undertake and usually take place only a few times per year. It is clear that relationships need to be built and maintained through less formal means in between. In Asia, activities involving food are considered important and psychologists confirm that there is a link between eating together and creating emotional bonds. Instead of eating alone or in front of a computer screen, international managers should eat lunch with their key people on a regular basis. They should also arrange evenings together with managers that include families.

Strategy 7:

Group Competition

International managers (including Asian returnees) are often dumfounded to discover that initiatives to improve company results by giving rewards for individual performance can have the opposite effect. For example, a competition that rewards individual managers in production, sales or some other important measure can lower motivation and also harm team cohesion.

The reasons behind this are interesting. People in Asia are concerned about the feelings of others and worry about retribution if they are seen to be showing off or putting themselves too far ahead of the group. Talented people will sometimes hold themselves back so group harmony does not suffer (and so they don't have to worry about being a target for vengeance). Managers should group people into teams and have them work together in competition with others. Top performers will often help less gifted team members with the result of better results for all and harmony (and retention) is strengthened.

Strategy 8:

Group Projects

When involved in key company initiatives such as implementing a new system, working toward a quality certification or helping with an important company expansion, people in Asia will often not want to disappoint the group by leaving before the project is completed. During such projects, senior managers are wise to organize special team building sessions, formal ceremonies for milestones and regular planning meetings that ensure people are engaged. If key managers involved in such projects are targeted by competing employers, they will be thwarted by demands by candidates to delay start dates for many months in to the future when current projects are completed.

Strategy 9:

Long-term Incentive Plans

Implementing incentive plans that pay benefits over multiple years can be another good retention strategy. Key managers see a big payout as an opportunity worth remaining for. Competing employers who target key managers will have difficulty justifying recruiting them because of demands for large signing bonuses to compensate for the long-term incentive plan.

Strategy 10:

Paying for Education

People in Asia value education and anything that is free. Companies that support their people through advanced degrees are more likely to keep them. The cost for education programs in emerging countries is often minimal by international standards but retention will be noticeably better. In most emerging countries, contracts can be made such that education costs are reimbursable if employees leave the company within a certain period after completing the program. The result is a happy, motivated employee who is committed to remaining with the organization.

Strategy 11:

Retirement Benefits

Pension plans in emerging countries are often not expensive by international standards but are considered very important for employees. Key managers with lucrative retirement benefits will

generally be more stable than ones who do not have them. Sometimes qualification periods can be shortened so managers deemed critical can be covered. The result are happy employees who feel looked after for the future. Competing employers who may target the high performance managers discover their costs to hire will be high since there will be demands for large payments to compensate for the loss of the pension plan.

Strategy 12:
Extra Benefits

People in emerging countries value extra employment benefits. Companies that provide extra benefits and can bare the extra administration aggravations to do so, are often rewarded with higher retention rates. For instance, executive healthcare benefits that include extended family members (such as parents) with smaller deductible payments do not cost much to provide but will be well thought of by the entire family (and they can be allies for employment stability). Providing an automobile to key people is another powerful motivator, as is home internet service and regular updates to smart phones (a high status item in Asia). Some companies report that giving days off on birthdays is also a good idea.

Programs that provide low interest rate personal loans for employees to buy a house or automobile is another particularly good retention strategy, although challenging to administer. Qualifying for bank loans is still a difficult process in emerging countries and the result will be a major advance in the employee's life. Such loans often become immediately payable if the employees leaves the company and are strong motivators for career stability.

Strategy 13:
Religion

Most so-called advanced countries have passed strict legislation preventing religion from invading the workplace. In emerging countries, such regulation is usually non-existent and people are often more connected to their religion. Managers who are sincere in their faith find that they are able to use religion to bring people together to accomplish noble goals, as it is intended.

That said, religion can also be a divisive force if used incorrectly. A US call center manager from the US bible belt can build enduring relationships with his key people in ardently Christian Philippines. The same person in Muslim Malaysia, will have challenges.

Main Reasons Key People Leave Employers

Major Motivations People Resign

Asians share the same basic attributes of all people with regard to leaving their employers. But while the main reasons key employees depart may seem familiar, the circumstances can be a lot different from people in other regions.

One problem confronting managers (and especially those who are new to Asia) is that it is hard to get straight answers about people's feelings and beliefs. First of all, many Asians believe it is inappropriate to make public displays of their emotions so it is difficult to tell if they are unhappy. Secondly, people will often deny they are upset about something even when taking drastic action like quitting suddenly because they don't want to create conflict or make others lose face.

What seems confusing to foreigners is usually easy for Asians to figure out and non-Asians should learn from their deep knowledge. Managers with experience in Asia state the following main reasons key people leave their employers.

Reason For Leaving 1:
Problems with The Boss

It is true in virtually all societies that people more often quit the boss than quit the company or the position. This is especially the case in Asia where managers are given a somewhat exalted status and can even be seen as secondary father (or mother) figures to the people who report to them. As well, employees are generally younger in the emerging countries of Asia and need more hand-holding and micromanagement from the people they report to. In such an environment, employees' relationships with their bosses will naturally be central for their level of engagement at work.

People who resign because they are unhappy with their managers generally give reasons that fit neatly in the following statement:

They did not feel informed, recognized or rewarded.
Let us describe each of these categories critical for successful boss/employee relationships

A. Didn't feel informed
Top performers are logically career-oriented people and crave to know in detail how they are doing, how their work will be measured, what they need to do to be deemed successful and what their career path could be. Managers need

to set time aside to talk over performance and career related issues so key people know clearly what they need to do and that their boss is behind them. Positives should be emphasized whereas criticisms should be stated gently or risk harm to the relationship.

B. Didn't feel recognized

Managers who are successful in Asia report that they spend a lot more time interacting with their key people than in other regions. Team building events and formal recognition ceremonies where top performers are recognized in front of others need to be done regularly. Informal activities such as food breaks together, after-hours invitations and just dropping by to say "thank you" go a long way to make people feel recognized. A boss is a high-status person in people's lives and any time together to share ideas and experiences is important.

C. Didn't feel rewarded

Being considered likeable and nice is a great start but managers also need to reward key staff based on contribution. Above average compensation is an easy way to keep people in their jobs in Asia where people are at least as financially motivated as others and maybe a bit more. As long as rewards are tied in clear and understandable measures of results, the outcome in retention can be tremendous. Small gifts and minor promotions regularly given are another manner to build highly engaged people. That said, rewards not directly tied to performance are naturally destructive to the organization since unrealistic expectations will soon take hold. Many managers who are new to emerging countries have created all manner of problems for themselves by giving away unearned raises and bonuses because "it seems cheap" compared to their home countries.

Reason For Leaving 2:
Compensation Too Low

High performance people often have high performance ideas about the value of their contribution. Their expectations about compensation can be difficult to manage. The problem is compounded in Asia for many reasons. First, Asia has been the fastest growing region in the world over the past decade and talented people have gotten used to double digit annual increases in base salary and large performance bonuses.

Second, in disruptive emerging countries, compensation structures are all over the map. Similarly sized competitors might have pay-scales that are 50% different. Local companies often pay half what international companies pay. It is easy, therefore, for employees to get misleading information and become very distressed when they hear about other companies supposedly paying much higher compensation. Third, people in Asia often have responsibilities to support aged parents or younger siblings and are financially motivated as a result.

The combination of high expectations, chaotic salary structures and financial needs makes for a challenging environment to ensure stability but it is made much easier if managers discuss compensation issues regularly with staff.

Some managers have reported great success in attracting and retaining talented people by paying above industry levels.

Reason For Leaving 3:
Career Growth

High performing employees become restless and uneasy unless they are continually challenging themselves and expanding their experience and knowledge. Keeping them busy with projects that are crucial for the organization is an important objective for senior managers. During periodic slowdowns in operations, key people should be sent on training programs to keep them as active as possible. If they feel their skills are languishing and their work not important, you can be sure they will be in contact with other organizations ready to make better use of their time.

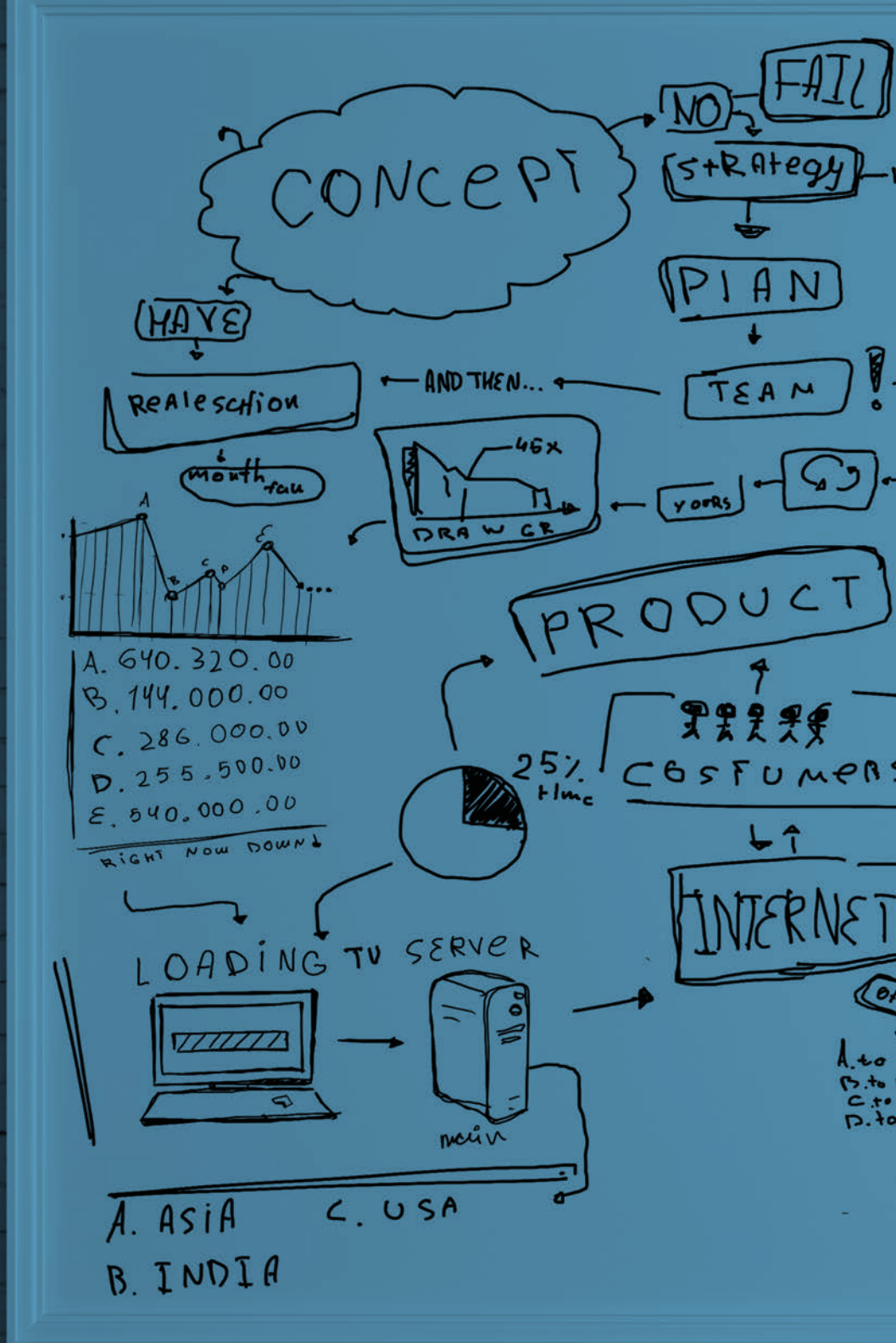**Reason For Leaving 4:**
Outside Experience

It is common sense that managers want to keep their top performing people close to them and working in areas where they have proven abilities. However, it can happen that employees feel stifled if they spend too long in one position or under the wing of one manager. Even if people are well rewarded and appreciated, they will eventually leave unless there is an opportunity to expand skills upward or outward. Large companies with well-established management career track programs allow (actually force) them to work in different departments to gain rich understanding of the entire organization. Smaller companies struggle to provide this opportunity since they have less flexibility but accommodations need to be made.

If not, managers will need to accept that career-minded people will probably leave -- unless of course they are willing to give up their own positions so others can be promoted. Senior managers need to maintain relationships with talented people and hope they can be hired back in the future when appropriate roles become open for them.

Reason For Leaving 5:
Set up to Fail

There are times when talented managers fail at important duties or projects. Sometimes the problem has to do with the personality required to do the job. For instance, a hard-driving sales person might be bogged down with as assignment requiring a lot of detail. However, it is overly common in Asia that people are given responsibility to oversee tasks but not the authority, tools or training to accomplish them.

Most visitors to Asia notice this when dealing with customer service issues in many emerging countries. They can see immediately that staff members and even junior managers are well-intentioned and hard-working but they have no support systems to provide what is necessary. The obvious result is high turnover rates among managers and staff.

CONCEPT

NO → FAIL

Strategy

PLAN

HAVE

REALESCHION ← AND THEN... ← TEAM !

mouth tau

46X

DRAW GR ← YOURS

A. 640. 320. 00
B. 144. 000. 00
C. 286. 000. 00
D. 255. 500. 00
E. 540. 000. 00

RIGHT NOW DOWN

PRODUCT

25% tlmc COSFUMERS

INTERNET

LOADING TV SERVER

mein

A. to
B. to
C. to
D. to

A. ASIA   C. USA

B. INDIA

Rejection

When to Terminate a Struggling Manager?

Fire Fast, Or Maybe Not

There is a strong consensus view that hiring slowly, rather than quickly, will improve the probability of making successful hires in a statistically significant manner. However, the same cannot be said about dismissal.

There are 2 opposing views about how fast to terminate a bad hiring decision.

American managers and those of Anglo Saxon countries more often believe that trying too hard to correct a bad hiring decision is rarely good for anyone. An unproductive employment relationship harms the organization, the people in it and especially the person who should be terminated. They believe that if concerns appear with a newly hired person, it is usually best to terminate quickly and professionally. They believe good managers should have the courage to admit their mistakes, correct them quickly and get on with their business.

It makes logical sense until you consider that European and Japanese managers seem to do things rather differently. Managers from these countries often take what they feel is a more holistic view of the situation. They believe things are made far worse if the hiring manager does not give a struggling employee every opportunity to correct his or her performance. They worry about the impact of appearing callous to people within their organization, to clients and even to their industry by terminating too quickly an employee whose career they helped disrupt.

Asian managers seem confused about which approach is best and often use both at different times. It is an open question as to which approach is best.

Rejection Notices Suitable for Respectful People

Rejection Notice for
Executive Candidates

The topic of whether to give formal rejection notice to non-chosen candidates has been an evolving one over the past decade.

In the genteel days of paper correspondence, formal letters to notify candidates to keep looking were accepted practice for both interviewed candidates and non-interviewed applicants. Even entry level candidates usually got hand-signed rejection letters.

While requests for information from interivewed candidates always needs to be answered, the practice of formal rejection notice has become less common among the younger generation. Surprisingly, it is with executive recruiting where the greatest negative sentiment toward the custom has developed.

Hiring managers often give the following reasons for their condemnation of the practice:

> 1. Concerns about lawsuits require that modern rejection notices be worded in a manner that is legalistic and therefore gives nothing of value to candidates.

> 2. Unlike junior candidates, management people understand very well the hiring process and know that only one candidate can be chosen. If they do not receive a follow-up call, candidates automatically know they were deemed not a fit for the role. Giving formal rejection notice, therefore, to state the obvious appears redundant and wasteful of everyone's time.

> 3. There are many twists and turns in the recruitment process and candidates set aside early can come to the forefront later on. Therefore, the only possible time for rejection notices to be sent is after the successful candidate is on the job — many months after initial interviews. At this belated time, candidates have long forgotten about the position and receiving formal rejection notice comes across as irritating and humiliating.

> 4. Most standard rejection notices are impersonally (and poorly) worded, and often insulting to candidates by seeming to rub-it-in that they were deemed a bad choice compared to others.

As an example of what not to do, consider the wording of a standard rejection notice posted online and used widely throughout the world. Anyone with experience as a job-seeker in the past decade will recognize its structure and terminology immediately.

Bad Rejection Letter: DO NOT SEND

Thank you for coming in to interview for the position of [state the position title] with our company. As you know, we interviewed a number of candidates. This letter is to let you know that you have not been selected for the position.

Thank you for taking the time to come to our company to meet our interview team. The team appreciates that you interviewed for the position.

We wish you success with your ongoing job search. Thank you for your interest in our company.

The letter is an ideal example of the main complaints with using formal rejection notices. It does not give candidates useful information of any sort and its bluntly insensitive wording carries the very real risk of offense — especially in face conscious Asia. Do not risk your long-term career by sending communications of this sort to management candidates or anyone else.

If formal rejection notice is to be provided, the hiring manager needs to take an active role to create a message worded in a manner that will not offend the candidate and will hopefully build a relationship for the future. The crafting of the message should not be given to a junior person to construct.

Better Rejection Notice: Example

I enjoyed getting to know you through our recent position search. You were deemed an exceptional candidate by the interview team, and we would like to keep your file open in case their are roles that we may have in the future.

For the particular position I spoke with you about, there were various personalities involved in the decision and we felt our opportunity would not be the best use of your exceptional skills. But it should be clear that that you were highly thought of.

Don't forget about us because we will not forget about you. Please continue doing great work at your current employer and let us know if your career situation changes so we can keep track of you.

The point is that all communication should be respectful of people and provide something of value. Any candidate who was considered worthy enough to be interviewed should be considered a high value professional. With management recruiting, it is not a matter of who has better skills, it is a matter of who has the most suitable skills and this fact should be made clear to candidates.

In the fast growing countries of Asia where relationships are critical to success, hiring managers will surely come across candidates again either for future positions or as clients, suppliers or even as a supervisors. People who risk relationships, risk their careers and businesses.

Outplacement Saves "Face" in Asia

Outplacement Services
for Terminated Executives

When companies downsize, people who see their careers vanish are often put into emotionally difficult and financially inconvenient circumstances. The situation can be traumatic and disturbing for both displaced employees and employees who keep their jobs.

Outplacement services ensure that morale of remaining staff is maintained by demonstrating concern for those leaving. As well, the employer's image in the community and industry is preserved — an important factor in Asia.

Wasteful legal actions that are always more destructive to the ex-employee than the former employer can also be avoided or tempered when credible job search services are provided.

Most outplacement programs include variations on 4 basic steps:

1. Create an Individualized Career Plan
Senior partners of the outplacement firm meet with displaced employees personally to learn about their background and desires for future activities. Their job related skills, strengths and weaknesses will be assessed and career and personal goals will be discussed. The displaced employees are assisted to create a career plan in order that achievable professional goals can be established.

2. Build a Career Marketing Portfolio
It is important that proper documents be created and collected that will substantiate people's past achievements. The outplacement firm should make guidance on creating a management resume that is understandable, complete and written in a manner that is compelling and marketable.

3. Interviewing and Job Search Guidance
Senior managers are generally stable in their career and change jobs rarely. It is understandable, therefore, that most people's interviewing skills can be improved upon. The senior partners of the outplacement firm should prepare the participants for the toughest management cross-examinations and make suggestions for improvement. People will also be made aware of all of the methods and sources available to reach potential employers.

4. Target and Approach Employers

To be credible, outplacement firms should be active in senior level recruitment and have strong personal relationships with executive hiring managers. They need to be a proactive partner in job searches and make personal endorsements to potential hiring organizations. Otherwise, the service risks being nothing more than a glorified resume writing service. Firms also need to be able to provide business intelligence information to participants.

Conflicts of Interest

It is usual that outplacement participants are highly skilled managers with many years of experience. As such, it is not uncommon that some of these people have immediate marketable value with hiring organizations. To solicit placement fees for such people is a conflict of interest and could limit their possibility of obtaining new employment. Outplacement firms should never accept fees from potential employers.

Recruiters

4 Ways to Work with Recruiters

Different Ways of
Working with Recruiters

As people move up in their careers into senior management, their hiring practices naturally evolve to meet the new and more complex requirements.

Junior managers tend to hire entry level employees whose attributes are often specified and assessed much like those of a commodity. Since the hiring process is similar to buying a product at a department store, recruiting relationships are similar. Contingency recruiters (also called employment agencies, staffing suppliers, personnel recruiters) are utilized to provide candidates meeting stated attributes and receive payment only if a placement (a sale) is made.

At senior management levels, the hiring process becomes exponentially more complex because the number of attributes expands greatly as does the difficultly to assess them. There are far fewer suitable candidates available to be considered so the stakes are high if any are lost due to mistakes. They are also highly experienced and wily, and will use all their skills to maximize their advantage.

The recruiting relationship to handle such complexity becomes comparable to engaging an accountant, lawyer or other skilled professional. They are "retained" exclusively and compensated on a project basis or for time spent. Management recruiters don't even use the word recruiter and call themselves search consultants or similar names instead.

At its most basic, there are 4 methods of working with recruiters (and search consultants). Let's describe each of these, starting from the one that is simplest and used for most junior positions and moving up to those used for recruiting senior managers.

Contractual Arrangement 1:
Simple Contingency Recruitment

EXPLANATION:
This arrangement is what most managers first come into contact with. The client provides job openings and the recruiter sends off whatever resumes he has immediately available or can source quickly, and hopes that one might be hired. A client pays a fee only if a hire is made. There is no responsibility on the part of either the client or the recruiter to do anything.

Candidates are sourced through various online job boards and resume databases. Typical candidates are actively seeking employment either because they are not happy at their current employer, out of work or change jobs regularly. There is little time for digging out hard to find passive candidates since their greater stability and employer loyalty requires more effort to find, and attract. There is no exclusivity, so highly suitable candidates that are found are sent to multiple clients simultaneously to increase chances of a successful placement. Clients often find themselves in competition with other hiring managers through the same recruiter.

COMPARISON:

Contingency recruiting is similar to buying a product at a grocery store. Customers pay only if they make a purchase and suppliers offer the same products to any customer who will pay.

USE:

Contingency recruiting is used widely for junior level positions since it is easy to enter into and can achieve fast results.

Contractual Arrangement 2:
Exclusive Contingency Recruitment

EXPLANATION:

Hiring managers typically enter this arrangement to give a chosen recruiter incentive to devote more time to source candidates who are stable, loyal and not under urgent need to change employers. The recruiter is made solely responsible for sourcing candidates within a defined period (often 30 to 60 days) until it lapses and the job requirement becomes open to all. Highly placeable candidates found through the work of the recruiter will usually be sent to other employers simultaneously and clients often find themselves in competition with other hiring managers through the same recruiter.

COMPARISON:

Exclusive Contingency is similar to working with a listing agent in a real estate transaction. The agent is granted sole responsibility to sell the property within a period.

USE:

Exclusive Contingency is used for positions that are urgent and somewhat more difficult to fill than used for Simple Contingency.

Contractual Arrangement 3:
Commencement Fee

EXPLANATION:

In this arrangement, clients grant an exclusive relationship with the recruiter (now called a search consultant) and pays an up-front initial retainer but the bulk of the fee is paid only if a candidate is successfully placed. The initial retainer is non-refundable but sometimes can be applied to other searches if the first is not successful.

Since some of the search consultant's costs are covered, he or she can justify spending the time required to source and attract difficult-to-find candidates and passive candidates, especially those who

are stable and happy in their careers and highly successful in their current roles. Other names for this contractual arrangement are Engagement Fee, Initial Retainer and Up-front Retainer.

COMPARISON:

Commencement Fee is used by highly skilled professionals such as engineers, architects and corporate finance professionals to cover initials costs of an engagement with the understanding that if the project is successful, full payment is due.

USE:

The arrangement is widely used for high priority management level positions where filling the role within a narrow period of time is critical. It seems to be more popular in emerging countries than Retained Search below for various cultural and affordability reasons.

Contractual Arrangement 4:
Retained Executive Search

EXPLANATION:

The typical Retained Executive Search is paid in 3 instalments. The first is the initial retainer or engagement fee to start the search process. The second is paid on the 2nd month or after a short-list of candidates are provided. The final retainer is paid on the 3rd month or after reaching an agreed performance milestone such as when an offer is made or a suitable candidate accepts. The client must be very confident in the search consultant's ability to fill the position within the agreed upon time horizon.

COMPARISON:

Highly skilled professionals such as trial lawyers, project engineers and tax accountants bill on a monthly basis for time spent whether the services they provide produce a positive outcome or not.

USE:

The arrangement is used almost exclusively for the most senior executive level positions. It is most common in wealthy, industrialized countries and less commonly used in emerging countries.

None of these approaches are better than any other. It is between the client and the recruitment professional to determine which is most suitable for both.

Getting the Attention of Recruiters

Motivating Recruiters
to Focus on Your Positions

Many executives complain that their important open positions are either ignored by recruiters or pushed down to junior staff who don't understand the requirements and send unsuitable candidates. They are frustrated and perplexed at how to attract the time and attention of experienced recruiters who can source the high quality candidates they desperately need to move their organizations forward.

To understand how to motivate recruiters, it is important to first consider the daily conflict most face. Experienced recruiters do not suffer from a lack of open positions to work on, they mainly suffer from a lack of QUALIFED job openings on which to focus their time.

Some hiring managers seem to throw requirements in large numbers to their recruiters under the assumption that more is naturally better. Since there is no initial cost or risk to the hiring manager, they have nothing to lose — or so they think. Recruiters are under a lot of pressure to meet demanding metrics such as fill-rate, time-to-hire, offer-acceptance ratio, cost-per-hire and so on. It should be obvious that, in order not to lose their jobs or go broke, they can only focus their time on job requirements that have a reasonable probability of being filled.

Recruiters in most organizations complain that many of the "open" positions assigned to them by clients (internal or external) are not open at all but are better categorized under titles such as the following:

1. Positions that might become open in the future but aren't actually open now.
2. Positions the client sincerely wants to hire but their interview process is so long and convoluted that they usually lose candidates they want to hire.
3. Positions that have been passed down to junior people to fill but who lack the skills or motivation to do so.
4. Positions the client has already filled but forgot to tell us.
5. Positions the client doesn't have hiring authority for but will try to get it if we find the right candidate.
6. Positions that don't exist but the client needs resumes to create a bid document.
7. Positions that don't exist but the client wants to benchmark his internal talent.
8. Positions the hiring manager has discarded but no one has told us.

Recruiters naturally become discouraged when they feel their time and efforts are being wasted, or at least not respected.

How to Captivate Recruiters

There are 2 main methods to capture the focus of experienced recruiters who can fill job orders successfully. The first is rather easy while the second is more complicated.

Tactic 1:
Pay for Their Attention

People with many years of successful experience in a profession generally expect to be paid for their services. Doctors, lawyers, architects, engineers and so on all expect to be paid for their time and expertise whether you decide to use their advice or not. Senior executive search professionals work in a similar manner. If a hiring manager wants devoted focus of an experienced executive recruiter for his or her open positions, it is easiest to sign an exclusive search agreement and pay the up-front retainer required.

Tactic 2:
Provide What They Want

The nature of recruiting is such that it is highly stressful with appallingly severe highs and lows. This is naturally so since career decisions are among the most important of people's lives and loaded with all of our strongest emotions: fear, greed, ego, impulsiveness, etc.

Anything that improves the predictability of the recruiting process will naturally capture the attention of recruiters.

Assessing Job Openings

There are 4 main methods used by experienced recruiting professionals to assess the quality of job requirements and decide where to focus their time.

Factor 1:
Exclusivity

Some hiring managers reasonably feel that the more sources of candidates they use, the greater the probability the right person will be found. They instruct their HR department to post the positions online and promote them to staff through the candidate referral program. The job requirements are then sent off to a half dozen "preferred" recruiting vendors. Hiring Managers also call their friends to see if they know anybody and may even spend some time on LinkedIn.

Such good intentions work well for filling junior positions but it is the road to ruin for management roles. There will typically be a small number of suitable candidates for senior roles in most industries. In Asia, they will also be extremely concerned about confidentiality, the perceived importance of the positions and the seniority of the people they interact with. It is impossible to meet any of these requirements when a stampede of people are involved in the search. High-quality candidates will simply decline participation — although desperate and unemployed candidates will eagerly take their place.

Experienced recruiters naturally place high value on open positions assigned to them on an exclusive basis and much less on those open to general recruiting public.

Factor 2:
Access to Decision-Makers
A search engagement led by the hiring manager who the successful candidate will report to is always considered more positively than one led by even the most competent recruiter from the HR department. Unhindered access to senior decision-makers is always a significant indicator of how important an open position is to an organization and how it will be treated by an experienced recruiter.

Factor 3:
Relationship
The recruiter's past experience with the employer will be a strong consideration for determining how valuable the recruiter's services are to the hiring manager and how their work will be treated.

Factor 4:
Urgency
When recruiting for junior and even many middle level positions, urgency is generally considered a good attribute since the more urgent the requirement, the more responsive and flexible will be the hiring manager. The problem is that it is also an easy attribute to fake. Today, most job openings are labelled as "urgent" by employers who worry they won't get attention otherwise.

More significantly, urgency can be a double-edge sword when it comes to executive search assignments. Experienced executive recruiters are often cautious of organizations that have too much urgency with senior positions. It may indicate poor internal processes if urgent positions result from high turnover, bad succession planning, endless restructurings and similar reasons. The obvious risk to a recruiter is that their "critically urgent" search assignment can just as easily become a quagmire of hurry-up-and-wait scheduling, changing job requirements, failed hires and candidates that lose trust in future opportunities from the recruiter.

It is true that urgent job openings are always preferred to those that no one seems to care about. But what is most preferred are positions that are considered important and systems are in place to attract and retain suitable candidates.

Hiring managers who improve the quality of their job orders by addressing the above 4 criteria will no longer find themselves feeling ignored and having to beg for candidates. Over time a relationship develops such that the recruiter becomes an extension of the organization and a valuable lifetime asset to the hiring manager.

Not All Recruiting is the Same

Retained Search Vs. Contingency Recruiting:

What is the Difference?

All organizations need to recruit outside management talent from time to time. In doing so, there are 2 alternatives for them to consider. First, they can manage the hiring the process themselves or, second, they can use outside recruiting consultants to help the process.

In the do-it-yourself option, the hiring manager has the advantage of controlling the entire recruiting process: placing advertisements, screening applicants, interviewing candidates, salary negotiations, reference checking and so on.

The disadvantage, of course, is that recruiting managers is time consuming and requires specialized skills. The most desirable candidates are happy in their jobs and do not actively seek new employment through job postings, career fairs and contingency employment agencies. Such people usually also have concerns about sending their confidential information to an unsolicited source or directly to a competitor in their industry.

For these reasons, it is common for organizations to use independent recruiters to fill management positions. The question then becomes whether to use a contingency recruiter or a retained executive search consultant.

Different Services, Different Needs

Most people would recognize that recruiting a General Manager or a CFO is much different from hiring applicants for clerical or menial jobs. As a result of these differences, 2 types of recruiting services have developed over time to cater to each requirement.

Virtually all junior and entry level positions are filled using the contingency recruiting model. Common names for the service include: employment agency, staffing & manpower firm, personnel recruitment and placement agency. Contingency Recruiting means their fee is conditional (or contingent) on a placement being made.

Most senior management roles are filled using the retained executive search model. Retained Search is provided in a similar manner to professional services such as accountants, lawyers and architects. They are retained for their specialized skills and work exclusively on behalf of the client. Common names for the service are executive search and retained search.

Important Note: In many emerging countries in Asia, general personnel agencies often call themselves "executive search" since the differences between of management and general recruiting are not well understood.

MANAGEMENT RULE:
Contingent recruiters are most used for individual contributor and some junior manager positions.
Retained (executive) search is most used for management and especially executive level roles.
The way to determine the difference is ask the provider whether their fees are "retained only" or
"contingent on success."

How You Pay Is What You Get
The manner of payment has a profound effect on the service provided.

Contingency Recruiters
These people receive payment only if a placement is made and cannot afford to invest a great deal of time on any one assignment. Theirs is a high volume business and they often serve direct competitors for the same positions. They collect as many resumes as possible from sources like databases, job postings and the like, and then send them as quickly as possible to multiple clients before their competitors do. They often don't have time to interview candidates (or clients) personally to evaluate suitability.

Most people entering the field of recruiting begin as a Contingency Recruiter.

Retained Recruiters
These people are paid in the manner of other skilled professions such as accountants, doctors and engineers, and expend significant time on filling individual positions. They typical source Passive Candidates who are not seeking current employment and are considered successful and stable in their jobs. They will personally interview and assess each candidate for suitability.

Most Retained Recruiters either have many years of management recruiting experience or are themselves former senior managers.

When to Use?
Contingency Recruiting
Use when positions are low level and not critical to the organization
Use when many people are likely to be qualified for the roles
Use when filling large numbers of positions
Use when speed is greater priority over quality
Use when the hiring manager wants to control screening process, interviewing and negotiating with candidates.

Retained executive search
Use when positions are senior and critical to the organization
Use when confidentiality of clients and candidates is important
Use when quality is more important than quantity and speed
Use when a history of career stability is required
Use when professional assistance of recruiting process is required

Who Works For Who?

Another difference has to do with exclusivity. Retained search consultants spend a lot of time sourcing candidates who are happy and stable with their employers and not actively seeking other employment. They evaluate candidates for a particular client and will not present candidates to more than one client at a time. Therefore, the client will almost never find himself in a bidding competition for a desirable candidate with a business rival.

The nature of contingency recruiting is such that exclusivity is not possible. A contingency recruiter is in a race against others to present candidates before they do. When desirable candidates are found, they must present them to as many clients as possible to have the greatest chance of making a placement.

Neither contingency nor retained executive search consultants should accept fees of any nature from candidates. However, contingency firms have incentive to proactively "push" candidates to employers. Retained consultants do not assertively push candidates; they are paid for the process and are expected to be impartial judges of suitability.

How Long Does it Take?

The contingency recruiting process is straightforward and fast. Recruiters get some basic facts of the job, scan for candidates from resume databases and internet sources, and send the raw resumes to clients as soon as they get them.

The retained search process is more involved and takes longer.

- The consultant will typically meet with the client to learn about his company and its culture, as well as details of the type of candidate desired.
- The consultant will target candidates who are successful and have a history of career stability from industries identified as suitable by the client.
- Through this research, a "long list" of candidates who are possibly suitable and interested is collected.
- Screened candidates are personally interviewed by the consultant to determine suitability and interest.
- Several qualified candidates are submitted to the client for interviews along with detailed interview notes of the candidate's background.
- The consultant conducts references checks from formal and informal sources.
- The consultant advises on a job offer and mediates acceptance by the candidate.
- Afterward, the consultant will stay in touch with the candidate to ensure an smooth transition.

Comparison Chart:

CONTINGENCY	RETAINED
1. Contingency recruiter frequently represents candidates seeking placement and works with competing clients simultaneously.	1. Retained recruiter works for the client only.
2. Contingency recruiter works in competition with other recruiting agencies for the placement.	2. Retained recruiter conducts search assignments on an exclusive basis.
3. Contingency recruiter seeks to fill lower level and some middle management roles and handles many job openings at once.	3. Retained recruiter usually works with a small number of senior management and middle management roles.
4. Contingency recruiter does not need to meet clients or candidates in person and spend less time on initial research and specifications;	4. Retained recruiter must understand the client organization and position details thoroughly. Personal meetings with clients and candidates are required.
5. Contingency recruiter mainly seeks applicants who are highly motivated to change jobs and who, therefore, may be unhappy or unstable in their careers.	5. Retained recruiter focuses on acquiring candidates who are happy and successful in their jobs and not actively seeking new employment.
6. Contingency recruiter works concurrently with a multitude of open job orders and clients from the same industry.	6. Retained recruiter works on only 3 to 5 assignments at any time and is personally accountable for success of each.
7. Contingency recruiter has no guarantee of payment for services performed and cannot afford to invest much time in a search beyond the basics.	7. Retained recruiter invests considerable time for each assignment in screening, interviewing, evaluation and client interaction.
8. Contingency recruiter will present most candidates within 1-2 weeks after obtaining a job order; often submitting less desirable candidates to increase probability of a placement.	8. Retained recruiter usually recommends only 3-8 highly qualified candidates to a client company within 4-6 weeks.
9. Contingency model requires considerable involvement of the hiring manager in screening, interviewing and evaluating candidates.	9. Retained model requires minimal time investment of the hiring manager until interview process.
10. Contingency fees range from 10-20% of annual compensation and are paid after placement is made.	10. Retained fees range from 20-30% of annual compensation plus expenses with part of fee paid up-front.
11. Decision to choose Contingency recruiter is usually made by Human Resources department.	11. Decision to engage Retained Recruiter is typically made by executive management.

Executive Recruiting Contracts: Terms and Conditions

Executive Search Contracts:
Term and Conditions

Agreements for Executive Search should, first of all, be clear and easy to understand. Contracts that are unnecessarily long and contain convoluted legal expressions should be considered with concern. Core agreements at most high quality search firms are typically 3 to 5 pages - although marketing and background materials will add to this.

The terms and conditions used in virtually all management recruiting agreements are explained below along with ideas on what are most commonly used in the industry.

Clause 1:
Search Fees:
EXPLANATION:

In days gone past, professional search fees were relatively fixed. Legacy search fees were 30-33% of total guaranteed compensation of the person recruited and paid in 3 instalments:

1. Initial retainer — 1/3 of the estimated total fee and billed on commencement
2. Second retainer — 1/3 of the estimated total fee and billed after 30 days
3. Final retainer — the balance of the total fee billed after 60 days whether a successful candidate is found or not

Today, there are many more variations of the above standard as firms differentiate themselves and adapt to their local environment. Many now use fee structures that are more performance based such that retainer instalments are billed for project milestones such as when a short-list of candidates is provided or after the successful candidate signs the employment agreement. Others use blended structures that charge a small up-front retainer and a balloon payment after a successful candidate is found.

The fee is usually calculated as a percentage of total compensation and this also needs to be defined. Some firms are aggressive at defining total compensation to include any and all forms of cash and non-cash income including restricted stock plans, estimated variable bonuses and so on. Most use base salary plus any guaranteed bonuses and allowances.

WHAT IS COMMON?
In so-called developed countries, search fees and terms of payment are currently in flux but there is a clear trend away from the straight 1/3-1/3-1/3 model toward lower fees and performance deliverables. In emerging countries of Asia, fees are generally lower (20-25% of first year's guaranteed compensation) and payments made for defined deliverables.

Clause 2:
Expenses:
EXPLANATION:
Executive Search projects generate some acceptable expenses to fulfil. Since senior executives work long hours, travel frequently and have onerous confidentiality concerns, it can be costly to communicate with them. Other allowable costs include private meeting rooms for meetings and air transportation to deliver candidates for interviews in regional head offices.

WHAT IS COMMON?
In some countries, search firms charge a flat administration fee of 10% as part of their total fee. In the emerging countries of Asia, out-of-pocket expenses are estimated at the end of the search and billed.

Clause 3:
Replacement Guarantee:
EXPLANATION:
Search firms should guarantee their work. Most will guarantee to conduct a replacement search if a recruited candidate stops working with the client company within a period of time.

WHAT IS COMMON?
In most cases, the guarantee period is 6 months but may be as long as 1 year. Guarantee periods of less than 6 months should be cause for concern.

Clause 4:
Off-Limits:
EXPLANATION:
Off-limits is an industry term for agreeing not to recruit candidates from clients. The off-limits period generally starts at the beginning of the search and continues whether a placement is made or not. When clients are very large with many subsidiaries, it is common to limit the commitment to a specific division. Off-limit commitments can be a big concern when attempting to work with large recruiting firms since they often work with a number of companies in the same industry and this will severely limit the pool of possible candidates.

WHAT IS COMMON?
The usual off-limits term is 1 to 2 years after commencement of the search.

Clause 5:
Parallel Processing
EXPLANATION:
Parallel Processing is a commitment to not present candidates to multiple clients at the same time since doing so would result in clients bidding against each other. The concept is also known as candidate blocking. It is usual in retained executive search but impossible when dealing with contingency staffing agencies.

WHAT IS COMMON?
Parallel processing is mainly a problem in larger search firms. Since they employ many search

consultants, they commonly deal with multiple clients. The result is that their pool of candidates to draw from can be smaller than boutique firms. Many search firms will not address the candidate blocking issue unless asked directly.

Clause 6:
Timing:
EXPLANATION:
Most firms give an estimate of when the client should expect to receive a candidate shortlist and be able to make hiring decision.

WHAT IS COMMON?
A lot will depend on the difficulty of the search so definite timing commitments can never be made. However, most firms can provide an initial short-list of candidates within 20-30 days and aim for a qualified hiring decision to be made within 2 to 4 months.

Clause 7:
Who Performs the Search?
EXPLANATION:
It is important for clients to know precisely who will do the day-to-day work involved in the search. At boutique firms, search consultants are usually partners and take hands-on responsibility for most search engagements interacting directly with candidates and clients. At larger firms, this approach is usually not possible and search consultants manage junior associates for project execution. Many "top-billers" in the search industry are rainmakers — excellent salespeople who focus their time on this function. Once the search agreement is signed with the client, they are off to make the next sale and leave the search to less senior staff to administer.

WHAT IS COMMON?
Search agreements often are not clear about who will oversee the search from a day-to-day perspective. Most clients feel strongly that it be made clear who they are hiring to do the work. Many executive search agreements are not clear who will perform the work and the issue needs to be asked directly.

Clause 8:
Confidentiality:
EXPLANATION:
Most executive search assignments have confidentiality as a requirement for various reasons. Many candidates who are senior in their roles risk their careers if it becomes known they are considering moving to a new employer — especially in Asia. They will need various assurances that their conversations are private. Clients, on the other hand, usually do not want the status of their senior positions known, either because the search is for a replacement of someone currently in the role or because clients, suppliers and employees may question the health of their organization. (Some competitors may seize on the "instability" of their rivals.)

WHAT IS COMMON?
For the above reasons, search firms should not provide the names of their clients to candidates until

the client states interest in interviewing them. They also should not provide names of their current clients for sales purposes without clear permission. Search firms that openly state clients' names may be disregarding their confidentiality.

Clause 9:
Exclusivity:
EXPLANATION:
Exclusivity is a key differentiator between executive search consulting and contingency recruiting (also known employment agency, staffing, personnel recruitment). As with other professions like architecture, accounting and law, management recruiting is a professional service requiring specialized and advanced skills, and it is provided on an exclusive basis. Confidentiality is a critical concern of most candidates (and clients) and this can only assured if a senior level consultant is singularly and exclusively responsible for overseeing the search.

WHAT IS COMMON?
Executive search assignments are almost always exclusive. Non-exclusivity is common for recruiting junior level candidates that are easier to define and attract. In rare instances, clients may insist on exclusivity for a period of time with the objective of opening up the search if no candidates are found.

Clause 10:
Sourcing Candidates:
EXPLANATION:
Search agreements may indicate how they source candidates. It is generally understood that highly desired managers are successful and happy at their current employers and would not send their confidential resumes to job postings, career fairs and contingency employment agencies. Such people can only be found and attracted through time-consuming methods of direct sourcing by people who are knowledgeable and well known in the industry. Sources such as job postings, job fairs, advertisements and resume databases, on the other hand, are used for acquiring junior level candidates who may be out of work, new to the workforce or unhappy in their current positions.

WHAT IS COMMON?
Firms that say they source candidates through job postings, job fairs and resume databases are probably not executive search firms but contingency employment agencies who would like to be executive search firms.

Clause 11:
Time Limit:

EXPLANATION:
Some firms will only commit to search for candidates for a limited time whether suitable candidates are found or not. They will then cease their work until clients agree to extend their fee arrangements.

WHAT IS COMMON?
Once engaged, search firms should not cease their search activities until the assignment is completed or the client instructs them to end.

Answers to Questions about Executive Search

Answers to Questions
about Executive Search
(that you always wanted to ask)

Do search firms recruit from their clients?

"No client wants to give placement fees to a search firm and then their senior employees are later lured away by the same firm for jobs at competitors. Therefore, almost all search firms provide guarantees against recruiting candidates from clients for a specific time.

The list of current and recent clients is known as the "off-limits" list — the companies they cannot recruit from. As firms grow, the smaller becomes the pool of candidates they can draw from. Large firms with numerous search consultants can easily be working with half the companies in an industry. Often the most successful companies with the best people are off-limits! The paradox is that the larger search firms become and the more candidates they need, the smaller becomes their candidate pool."

What if 2 recruiters want the same candidate?

"This is another common problem in large search firms. Since their candidate pool is smaller to begin with, there can be disputes between search consultants over the few high value candidates that remain. Most search firms, however, do not allow parallel processing since the result will be that clients are put at a disadvantage. The result is further reduction in the size of the candidate pool at large search firms."

Is this why executive search firms tend to be small?

"Unlike other industries where there are advantages in becoming bigger, recruiting is the opposite. It is a highly fragmented industry and is steadily becoming more so. The biggest reason behind this trend is the problem of the steady and severe shrinking of the candidate pool as firms grow.

Other factors are that recruiting has few barriers to entry and it is a people-centric business. In other words, clients hire people, rather than firms. Search consultants who depart to establish their own businesses find their clients follow them. For these and other reasons, executive search will continue to be an industry where small is the norm."

But there are some big large search firms?

"Yes, there are a group of highly regarded global firms called the "Big 5." These are: Korn/Ferry, Heidrick & Struggles, Spencer Stuart, Russell Reynolds and Egon Zehnder. They focus almost exclusively on the

highest profile positions of large companies predominately in the largest cities of developed countries. Despite being high quality search providers, they control a small and slowly declining percentage of the global market."

Are the "Big 5" present in emerging countries?

"As of this time, the big firms have presence only in a few emerging countries. In Southeast Asia for instance, they are in Singapore and Hong Kong but non-existent in the rest of the region."

What about others outside the "Big 5"?

"Most other search firms are boutiques and mid-sized companies that are managed by an individual owner or a small group of experienced partners. Many of these owner-operated firms have grouped themselves together with firms in other countries in loosely allied networks to support each other and give the appearance of being global.

These office network systems have become popular and new ones appear regularly. The more established of them include Boyden, Horton, Amrop, Ray & Berndtson, Transearch, Signium, Penrhyn, Stanton Chase, AIMS, among many others. Network systems are not usually counted as individual firms in the same league as the "Big 5" since each office operates as a stand-alone business with varying procedures and standards."

Are my employees going to know about my search?

"Many search engagements are to replace employees currently in place and therefore need to be handled in a very confidential manner. A more common situation is when a senior position is open and internal candidates would like to be promoted into the role. Executive managers, however, have decided they need to consider a broader range of candidates so they can be confident of promoting the best person. In either situation, confidentiality is critical to avoid causing a severe disturbance in the workplace.

Search firms need to be clear about how they will be discrete. Communications should be with suitable hiring managers only and the client names should not be revealed to candidates until they are selected for person interviews."

Are my customers and competitors going to find out about my search?

"It is reasonable to say that most companies do not want the status of their senior positions to be public knowledge. Vacant executive positions can be cause for concern among customers and glee for competitors. As above, client names need to be concealed to all contacts, sources and candidates until clients instruct otherwise. Confidentiality can usually only be assured if a senior search consultant oversees the search with a small number of support staff."

Will details of my search be used for sales purposes?

"This is another sore point for many clients who do not want confidential information about their past open positions to be used to get search business from competitors and customers. Unless specifically granted permission, search firms should never use client names for sales purposes."

Do brand names matter in executive search?

"Clients are the ones who decide this and most clients hire the best person to conduct their search, not the best brand. Like other professions — medicine, law, engineering — executive search is a people centric business."

Who will actually do my search?

"This is another important question. Search consultants at boutique firms take a hands-on approach to their search engagements and most of the sourcing, interviewing and assessment work is that of the person who was contracted with.

Large firms, on the other hand, operate like other management consulting organizations. Consultants act as relationship managers while execution is done by less senior associates. Interactions with many firms are through charismatic rainmakers who are experts at acquiring new business. Charming and connected, such people commonly have 15 to 20 search assignments on the go and must constantly be focusing on selling new business.

This approach may still yield good results but clients generally want to know who they have hired to do their work. Clients need to ask how many assignments the search consultant has underway and who else will be involved in the search and what will they do. They also should know who to call for regular updates."

Won't LinkedIn kill the recruiting business?

"The same prediction was made about recruiters when internet job boards became widely used (like Monster.com and Careerbuilder). A decade or so later the recruiting industry has tripled in size and it is the job boards that seem to be in trouble. LinkedIn is the newest. It is a popular social media service used widely by professionals to find employers. It is difficult to predict the future but recruiting seems to be an innovative profession and able to adapt as new tools become available. It seems it will be around a while longer."

Do search firms use deception to find candidates?

"Tactics such as pretending to be conducting a study or writing an article to discover employee names, titles and responsibilities is highly unethical. Deceptive ploys are a show of desperation and inexperience, and most firms using such methods seem to come and go on a regular basis."

What if we already have candidates we are considering?

"It is not uncommon for hiring managers to refer internal or external candidates. Search firms are used to expand the number of candidates to gain a more complete view of options and make the best decision."

Should I only work with firms with local offices?

"There are usually great advantages to choosing search firms with deep local knowledge of the market. This is true in so-called developed countries and much more so in emerging countries where information networks are more personal and private.

An exception is when engagements require a region-wide search to be done. For example, in Southeast Asia it is common these days for senior candidates to be sourced from across the ASEAN member countries. In this case, the best recruiter to choose is the one who can bring the best candidates rather than one that is located down the street.

Another exception is in markets that are too small or new to have qualified local providers. Examples are tier 2 (and 3) cities in developed countries or major cities in newly emerging countries. Myanmar is an example of a high-growth country in Southeast Asia with strong demand for senior searches but local firms are not yet able to offer acceptable service levels."

Who uses executive search in Asia?

"Most clients of executive search are international companies in the Asia Pacific region. Locally-owned companies within emerging countries are often family-run enterprises and usually hire people well known to them or promote members of their own families. In recent years, we are seeing big changes as these organizations expand regionally and globally, and need to hire world-class talent to run major business groups."

Is retained executive search understood in emerging countries in Asia?

"No, there are very few of what would be called retained executive search firms as the concept is understood in major commercial centers. Confusingly, most general personnel staffing agencies refer to themselves as "executive search." Many of these firms are ideal for hiring non-management personnel since this is their field of focus. However, they have little knowledge of senior management requirements of multinational corporations."

Is corruption a problem in emerging markets?

"In the developed world, providing prospective clients with free meals and sports tickets is not considered corruption because the practice is transparent. In emerging countries, incentives are also provided to acquire business but to a more extreme degree and non-transparently. Buyers don't just get free trinkets, they get hard cash, overseas trips and even free cars.

Recruitment is one obvious area where there are extra income opportunities available for unscrupulous people. Many recruiters share fees with whoever will help them acquire new business. The results for client organizations will be poorer access to qualified candidates (since only those who play the game will be considered) and higher recruiting fees. Company morale is also be impacted since only a small number receive a share of the blessings and you can bet everyone except the foreign boss knows what is going on.

Providing luxurious incentives is expensive and many recruitment firms can't keep up. This is one reason why a small number of recruitment firms tend to dominate the market in most emerging countries."

Is the market for management talent a national or regional one in emerging countries?

"It all depends. In countries like Indonesia, Thailand and Vietnam, executives are resistant to relocating for various language and cultural reasons. Senior managers from Malaysia and Philippines, on

the other hand, are very interested in postings outside their home country. Singaporeans are also interested to relocate but are perceived to be choosy about where.

Is it easy to attract top talent to international companies or should a foreign investor consider bringing in expatriates?

"Importing expatriates can be necessary if your business is a new concept in an emerging country since local management talent may not yet exist in ample supply. An expatriate may be the only option if a company is to ensure that a new branch office meets international standards.

That said, expatriates are not considered a good option in the longer term. Expatriate managers require a lot of time to adapt to a new culture and lack the personal relationships that are important to doing business in Asia. As well, traditional expatriates are rather expensive to be supported by smaller business revenues in emerging markets.

In the long run, most companies localize their senior management positions. Asian cultures consider personal relationships to be very important and deep knowledge of a local business culture can only be acquired by those who have grown their careers within it. Locals or localized expatriates are the best option for most companies in the long-term."

Expatriates

Ideal Expatriate Characteristics

Choosing
Expatriate Managers

As with any senior management role, there are basic requirements that managers need for success. Executive roles based in overseas countries have extra layers of risk to them because expatriates must adapt themselves to entirely new work environments and lifestyles. The possibility of failure is therefore higher than assignments within their home countries.

Failed expatriate postings are those that either are forced to end early or is deemed unsatisfactory by senior management. Failure rates for such postings are generally accepted to vary between 20% and 50% — very high indeed. It used to be understood that expatriate appointments to emerging countries were much higher risk that those to so-called advanced countries. But that was because most expatriates used to originate from so-called developed countries. Today, more expatriates are from other emerging countries and have a somewhat better track record of integration in countries more like their own.

Given the high risks and costs involved in expatriate postings, it is foolish not to reduce risks as much as possible by selecting managers who have attributes that make their success as likely as possible.

Key Attributes of Successful Expatriates
Attribute 1:
Extroverted
People who have outgoing personalities seem to adapt faster than desk-bound introverts. Extroverts are able to build necessary relationships with their new staff and key stakeholders quickly and with more ease. Shyness is not an advantage in a foreign country when you need to get results through other people in short order.

MANAGEMENT RULE:
Select expatriates with outgoing personalities.

Attribute 2:
Adventurous
People who are naturally interested in new experiences and meeting new people often adapt easier in offshore environments than those who do not. Managers who are comfortable travelling overseas and have done so regularly are obvious examples, as are people with a history of participating in activities involving working closely with others in uncertain situations. Group sports, community involvement, volunteer work are examples.

MANAGEMENT RULE:
Select expatriates with a history of adventurous behaviour that includes involvement with other people.

Attribute 3:
Cultural Sensitivity
People who have experience with ethnic diversity tend to adapt better than those who are unfamiliar with international cultures. Look for candidates from an ethnically diverse background. Perhaps their parents were immigrants or they grew-up with or worked among an ethnically diverse environment.

MANAGEMENT RULE:
Select expatriates who have a background or experience with ethnic diversity.

Attribute 4:
Independent
People who are self-reliant are generally better expatriates than those who are used to layers of administrative support. Working overseas can be a lonely and daunting experience. Cut off from established support networks, as well as family and friends, expatriate managers will need to be self-supporting to succeed.

MANAGEMENT RULE:
Select expatriates who function well independently.

Attribute 5:
Career Motivated
People who believe strongly that successful international experience is vital to their long-term career success will be more inspired to make an overseas posting work. Given that senior management roles today are almost always international in scope, this should not be a difficult attribute to uncover. However, there are many people who are not motivated in this way and such people will have a lower chance of overseas management success.

MANAGEMENT RULE:
Select expatriates who believe strongly in the value of overseas experience.

In summation, people most suitable for expatriate postings are outgoing, self-motivated managers with mindsets that are adventurous and internationally focused.

Expatriate Families

Organizations with experience sending managers for expatriate postings abroad soon learn an interesting fact. The most usual cause of expatriate failure is not the manager but the family members who accompany him or her.

The family should be involved in the decision process for the expatriate posting from the earliest stage. The wife (and yes, trailing spouses are still usually females) should have the same expatriate-friendly attributes as those described above. Assess the spouse in much the same manner as you assess the expatriate manager.

The trailing spouse experiences a more intense dose of culture shock than the expatriate in most cases. Unlike him, she will be completely cut off from all of her previous life – family, friends, home, children's schools, shopping, restaurants. Everything will be different. The wife will need to be at least as outgoing, adventurous and independent as the expatriate manager and probably more so.

Young children are blessedly resilient creatures and acclimatize themselves well to different cultures. As children age however, they become less able to adapt.

Teenaged children often have the most difficulty adapting to a foreign culture. They are already going through the most challenging adaptation of their lives — becoming adults. Wrenching them from this already delicate situation to put them into another country and culture seems a recipe for turmoil.

MANAGEMENT RULE:
Select families with suitable expatriate attributes for overseas postings.

Expatriate Women

Given that 40% of employees in advanced countries are female, it seems reasonable that women should be considered for overseas postings as often as men. Both groups seem to do well for assignments in so-called advanced countries but experience has shown that extra care is needed when considering females for postings in emerging countries. The nature of the business and lifestyle environments in these countries are such that women have a lot more going against them than men.

Female expatriates have to be extraordinarily resilient and resourceful if they are to be successful. Asia is known as a "guy-friendly" region and in many countries there is still resistance to having women participate at senior levels in business. As well, the continuing prevalence of after-hours "entertainment" that is part of business in Asia makes relationship building more difficult for women managers.

A further challenge has to do with the nature of personal relationships. Expatriate women are career-minded professionals who are often married to like-minded professional men. Such men often struggle to find suitable work opportunities in emerging countries for various reasons. The result could be a relationship that suffers severely because of a despondent trailing male spouse.

Single expatriate women are confronted with a different problem. As is natural for all people, they generally desire companionship of someone from the opposite sex. However, men in many emerging countries are accustomed to women who are more demure and attentive to men than is common in so-called advanced countries. Attributes such as assertiveness and self-confidence — vital to success as a manager — can seem overwhelming and unappealing to prospective male companions in emerging countries. The result could be an expatriate who feels lonely and dejected in her life and less motivated at work.

MANAGEMENT RULE:
Women need to be chosen more carefully than men for expatriate postings in emerging countries.

Challenges in Expatriate Postings

Main Reasons For Expatriate Failure

Expatriate failure is usually defined as a posting that either ends prematurely or is considered ineffective by senior management. Most research into the matter has come to the conclusion that failure rates are high and can vary between 20% and 50% depending on the country. Emerging countries such as those of Southeast Asia are considered higher risk than so-called advanced nations.

The costs of failure have been estimated by numerous means with widely varying results. Despite the lack of clarity, it is clear that a failed assignment in an overseas location is considerably more expensive than one occurring closer to home.

Below are the chief factors resulting in an unsuccessful expatriate assignment.

Reason 1:
Family Stress

Most expatriate managers are challenged and excited to be in their new postings. They need to spend a lot of time at work since they are under pressure to adapt to the new culture and their overall responsibilities are often larger than they have experienced before.

As a result, the wives of expatriates spend a lot of time by themselves – and yes, trailing spouses are still usually female – and are cut-off from their own family and friends. At the same time, the wife is usually dealing with problems for which she has no previous experience. She may catch a maid stealing or get stopped by a policeman who wants a payoff for a non-existent offence. She may have been told that internet connectivity is available but then finds it takes 6 months to install. All through this, she will probably discover that suitable employment for herself is next to impossible in an emerging country – seriously damaging her own long-term career.

It is no surprise that it is generally the trailing spouse who suffers the greater culture shock in the new country. The result can be an unhappy spouse who does her best to impair the performance of the expatriate manager.

Total marriage breakdown is not an uncommon result. Unofficial numbers from the Asian Development Bank (a large development organization modelled after the World Bank) are that upwards of 40% of their expatriate's marriages fail due to the stress of offshore postings.

The consequence is that many expatriate postings are either terminated early or the performance of the expatriate managers are impaired.

Reason 2:
Cultural Inflexibility

It is common for inexperienced expatriate managers to be taken completely by surprise at the deep cultural differences in their posted country.

Expatriates can find that, after a seemingly open conversation about improvements to be made, staff members don't show up for work for 2 days. In meetings, local staff think it is acceptable to spend hours talking on and on until every possible issue is agreed to by everyone. If expatriate managers are to be successful, they will need to learn how to adapt to concepts such as "saving face" (the cause of staff members not showing up for work) and "building consensus" that are important in Asia. Expatriates also need to realize that transforming their staff into Americans or Japanese workers has been tried and it doesn't work. All expatriates manoeuver a narrow path between accepting local conventions on one side and aspiring to international standards on the other.

Southeast Asia has a rich variety of cultures. The differences in religion are one example. Thailand is graciously Buddhist, Indonesia is gently (but intensely) Islamic and Philippines is completely Catholic. As for Singaporeans, some say their only religion is work. Managing such varied peoples obviously requires very different tactics.

Reason 3:
Emotional Immaturity

In their home countries, most expatriates are middle-managers with relatively ordinary lives. Once relocated to Asia, they are suddenly thrust into the national spotlight as the Country Manager of a high profile multinational organization. They have more people reporting to them than ever and often have more control over them.

On the personal front, expatriates may have household servants for the first time, are called upon to meet senior government officials and are generally made to feel important. Further, some expatriates may be attracting enthusiastic attention of certain local females seeking their own type of fame and fortune by landing a high-status foreign boyfriend or husband.

The combination of greatly expanded responsibility and social status can be difficult to handle for people lacking the emotional maturity to keep themselves grounded. It is not uncommon for expatriates to either destroy their career opportunities and/or marriages by ignoring responsibilities and succumbing to self-destructive temptations.

Reason 4:
Responsibility Overload

In almost all cases, the responsibilities of expatriates in emerging countries will be larger than they are used to overseeing. Given the nature of emerging countries in Southeast Asia, expatriates may supervise 5 to 10 times more people than ever before.

In other words, a German IT Manager who managed 15 people in his home country could have 100 in Malaysia. An American call center manager with 100 people in the US can find himself soon overseeing 800 in Philippines.

Such large increases in responsibility are difficult for anyone to handle. Added to that, are the new challenges of managing expectations of head office managers and clients in other countries and who may not understand the cultural differences that are impacting results.

Reason 5:
Physical Breakdown

Expatriates are generally motivated to succeed and excited about gaining international experience. As a result, they often work long hours in the early part of their postings to do "whatever it takes" to be successful. They are also adapting to seemingly overwhelming cultural differences with local staff and greatly expanded responsibilities.

On the home front, the families of expatriates are almost certainly going through their own severe cultural adjustments and may be clamouring for the managers' time and attention to help them through it.

The combination of emotional despondency and physical exhaustion from elevated stress levels and overwork is a common problem for new expatriates — otherwise known as burn-out. Unless alleviated, the result can be dramatically reduced effectiveness or work-interrupting illness for managers.

Challenges in Expatriate Postings

Expatriate Culture Shock

It is common for even the most flexible of people to endure a period of stress on their first expatriate posting in an unfamiliar country.

Culture shock is the common name of the psychological affliction that results when people become anxious and confused in a strange environment with different customs and beliefs than their own. They experience homesickness, depression, irritability and frustration during an extended period of adjustment.

This condition is the primary cause of expatriate failure. On-the-job performance can be dramatically reduced or the posting can be abandoned altogether.

The process of adjusting from a so-called advanced country to an emerging one is considered more traumatic that moving from one rich country to another. Moving from Germany to France is not as big a deal as moving from Sweden to Bangladesh, in other words.

Gladly, the emerging countries of Southeast Asia have come a long way over the years and the main cities where most expatriates live often appear like mini-developed countries. That said, there are acute and deep-seated differences that will cause emotional trauma to many new expatriates.

Stages of Expatriate Adjustment
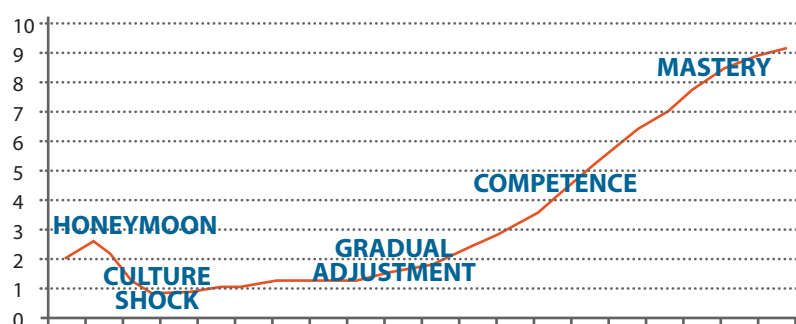
Phase 1:
Honeymoon
Period Lasting: 4 to 6 weeks (depending on the individual)

In the Honeymoon phase, expatriates are excited to be in the new country and fascinated by its sights and sounds. Most expatriates relocating to emerging countries in Southeast Asia will experience a relative increase in status and standard of living. They will probably have household servants and personal drivers for the first time. As well, employers usually fund a portion of

expatriates' living costs so they feel wealthier than in their home countries. For these reasons and others, expatriates feel good about themselves and their family situation in this first brief period of expatriation.

Phase 2:
Culture Shock
Period Lasting: 6 to 8 months (depending on the individual)

Within a month or so of arrival, the honeymoon phase ends and expatriates quickly begin to comprehend the magnitude of the barriers they face to doing their jobs. They discover that methods used successfully over their entire careers are either worthless or even destructive in another cultural environment. The result is expatriate managers who are severely emotionally distressed and ineffective at their jobs. And then it gets worse. When expatriates arrive home from their hard days at the office, they are usually faced with family members who are as traumatized than they are. And, each one is expecting to be saved by the person who is responsible for bringing them to the strange country.

The combination of severe adjustments at both work and home results is classic culture shock symptoms: frustration, anger, confusion, distust of others, etc., etc.

Phase 3:
Gradual Adjustment
Period Lasting: 1 to 2 years (depending on the individual)

During this phase, expatriates slowly regain their self-confidence and effectiveness in a steady but difficult process. Through trial and error, and by building relationships with experienced expatriates and helpful local people, they gradually come to understand the need to adapt themselves to the local culture before trying to manage it. Expatriates eventually come to appreciate local language, cuisine and business practices.

Phase 4:
Basic Competence
Period: 2 to 4 years from start of posting (depending on the individual)

Basic Competence in the practices of business in any country takes years. This is especially so in emerging countries where the rules of the game are not clearly stated or fixed, and very dependant on the vagaries of personal relationships. Despite the challenges, most expatriates are able to develop functional proficiency in the local environment within a couple of years from relocation.

Phase 5:
Mastery
Period: 5 to 7 years from start of posting (depending on the individual)

For expatriate leaders to make substantial and sustainable progress, they generally need strong relationships with people in positions of influence within their own organizations and outside of it. This requires a lot of time. Various studies and experience has shown that at least 5 to 7 years are necessary to develop deep appreciation of the country and its opportunities.

Posting Ends, Expat Stays

"Gone Local" **Expatriates**

Expatriates posted long enough to overseas countries will eventually stop thinking of themselves as foreigners passing through and begin to think of themselves as long-term or even permanent residents.

Over time, people naturally develop strong emotional attachment to the host country and its people, and admit that they would have a difficult time re-integrating into their home countries. It is at this time that they are said to have "gone local" or localized.

The time range when this profound transformation occurs is generally accepted to be between 5 and 7 years. It is interesting that this same time frame is also when most expatriates are considered to have achieved functional mastery in the local business and social environment.

Various studies by global organizations that employ large numbers of expatriates have confirmed this psychologically important milestone. It is for this reason that it is usually very difficult to repatriate managers who have remained in a single country for more than 5 to 7 years. When pushed to return to the home country, expatriates will usually create all manner of justifications to resist transfer and work feverously behind the scenes to find other employers who will allow them to remain.

Even if relocation to the home country is possible, the readjustment back to the "real world" is often not possible or desired. Research has found that most expatriates repatriated after long periods overseas will leave their employers within 18 months of returning to their home countries.

That's why typical postings are 2 to 4 years

Despite the difficulty of achieving expert competence in a country in less than 5 years, most organizations have long-standing policies limiting overseas postings to 2 to 3 years (with a possible extension of 1 year). This range is considered the optimum compromise between allowing enough time for their expatriates to become functionally proficient but preventing them entering the "gone local" phase that risks losing the expatriate forever. It is an imperfect trade-off but it seems to be all that is possible.

Pity the Local Expat

That said, many extremely successful postings are performed by expatriates who decide to remain within their adopted countries for the long-term. The greatest risk in such cases is for the careers of the expatriates themselves. When expatriates are posted to emerging countries, they are focused mainly in activities that transfer skills to the locals who report to them. There are less

opportunities for them to acquire new skills to keep pace with continuing progress with the rest of the world.

The result is that the skills of localized expatriate managers become obsolete over time. Sadly, many find themselves out of work well before they are able financially to retire but at an age when it is difficult to regain their careers.

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Culture

Business Differences Between East and West

Cultural Differences:
Asian Business Customs

Asia consists of many ancient cultures with diverse religions, beliefs and life philosophies. Despite their many unique attributes, there are some broad similarities among these interesting peoples that carry (more or less) throughout the Asia region.

Just as simplistically, broad generalizations are also created of the region comprising the distinct countries of Europe and North America (the west). Despite their many differences, there are also some clear similarities.

Human beings in both the east and west share a lot more similarities than differences. However, the differences are important to understand because not only are they very interesting but they can have tremendous impact on how business is done and social life enjoyed. Some of the more noticeable of these from a business perspective are listed below.

Difference 1:
Giving Instructions
Westerners - try to be direct and clear in their instructions and comments to others.
Asians - often suggest their ideas and directives with subtle inferences and non-verbal clues that are commonly used within their country.

Difference 2:
Asking Questions
Westerners - underlings are expected to ask questions that are explicit and even challenging of their superior's instructions and purposes.
Asians - subordinates often feel intimidated about posing clarifying questions because they might be seen to be challenging an authority figure's command of a situation and risks loss-of-face.

Difference 3:
Dealing with Challenges
Westerners - think it is best to solve problems directly and quickly with as little emotional fuss as possible even if it means disrupting the feelings of others.
Asians - understand that the emotional states of others are of great importance and spend a lot of time seeming to talk in circles about problems while working to find a consensual solution that does not offend anyone.

Difference 4:
Authority
Westerners managers - often consider themselves part of the team but just happen to be the ones in charge because of specialized skills and greater

experience. (Note: Management styles can vary tremendously among individuals.)
Traditional Asian managers - consider themselves a secondary father figures to their employees. They give guidance and personal support to employees and expect strong loyalty and obedience in return.

Difference 5:
Office Relationships

Westerners - believe that professional relationships with colleagues at work should not become overly personal.
Asians - desire to form close relationships with people they work with and often feel offended if others do not reciprocate.

Difference 6:
Punctuality

Westerners - try to arrive at the designated time and start meetings without much delay.
Asians - commonly arrive 5 minutes after a meeting is to begin and then desire to spend another 5 to 10 minutes warming up to the others in the meeting through non-business related conversation.

Difference 7:
Meaning of YES

Westerners - understand "YES" to mean there is an agreement between people or a commitment to do something.
Asians - often use the word "YES" to acknowledge that they are listening to what is being said. It does not necessarily mean an agreement has been made or something will get done.

Difference 8:
Hierarchies

Western society - felt to have a more flattened socio-economic structure with fewer hierarchical levels. Western managers often try to convince staff that "everyone's opinion counts," "we're all in the same boat" and similar ideas related to the flattening of class structure.
Asian society - felt to have a well defined class structure and everyone needs to understand their place within the hierarchy so harmony can be maintained. Foreigners are usually given a special and somewhat exalted status and can get away with much more than locals.

Difference 9:
Reprimanding Staff

Western managers - feel there could be appropriate times when it is necessary to criticize an employee or supplier in public.
Asian managers - rarely scold their staff or people associated with their business in front of others.

Difference 10:
Privacy

Westerners - profess that information deemed confidential should remain so under most circumstances.
Asians - consider it rude and disrespectful if colleagues and friends have secrets that are not shared with the group.

Difference 11:

Accepting of Others

Westerners - often become distressed and angry if commitments are not upheld.

Asians - are generally more accepting of the imperfections of others — including those of foreigners.

Difference 12:

Personal Status

Westerners - publicly claim that worrying about one's standing in the social pecking order is akin to showing-off and is not important to them. That said, they seem to enjoy when their own high status is displayed.

Asians - recognize that one's ranking on the socioeconomic ladder is critical to a person's career and life advancement.

Social Differences Between East and West

Cultural Differences:
Asian Social Customs

Asia consists of many ancient cultures with diverse religions, beliefs and life philosophies. Despite their many unique attributes, there are some broad similarities among these interesting peoples that carry (more or less) throughout the Asia region.

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SOCIAL BEHAVIOUR:
Difference 1:
Expressing Opinions
Westerners - believe it is important to speak directly about issues in a straightforward manner.
Asians - often discuss issues indirectly especially if there is the potential of creating conflict.

Difference 2:
Group Behaviour
Westerners - are considered more individualistic, thinking more of themselves and their own needs and objectives. They are comfortable making decisions and taking actions without the advice or support of others.
Asians - feel more comfortable as part of a group. They actively seek the counsel and direct assistance of other people about both personal and business issues.

Difference 3:
Ordinary Emotions
Westerners - are comfortable displaying a full range of diverse emotions like joy and sadness in an expressive manner. Their facial expressions often change frequently during conversations. They can be offensive when angry.
Asians - habitually don't like to express emotions outwardly. Their facial expressions change less often during conversations. They don't like appearing angry in public.

Difference 4:

Intense Emotions

Westerners - can quickly become infuriated and express strong emotions in loud and sometimes aggressive manners that appear provocative to non-westerners. But they usually quickly calm down when the offense has been rectified and rarely seek violent revenge afterward.

Asians - seldom exhibit extreme emotions and strive to be seem polite and controlled even in the face of severe ill-treatment. When finally pushed over the limit, they can become destructive to others.

Difference 5:

Group Behaviour

Westerners - generally speak softly at public social functions and in restaurants to companions and waiters. Group sizes are usually small.

Asians - can be loud and exuberant when with friends and co-workers at public locations. Noisy revelry in large groups is common at restaurants and social occasions.

Difference 6:

Relationships

Westerners - are more at ease with casual relationships that are friendly and professional but not too deep.

Asians - desire to make strong emotional relationships with others and keep them for life.

Difference 7:

Loyalties

Westerners - claim to put the needs of their organization ahead of the needs of single individuals including themselves.

Asians - believe relationships are personal and people are more important than impersonal entities.

PERSONAL HABITS:

Difference 1:

Diet

Westerners - replacing high-calorie western cooking for healthier Asian cuisine partly to trim down their girth.

Asians - switching unfortunately to high-calorie/fatty western foods and gaining weight.

Difference 2:

Meals

Westerners - regularly eat breakfast in a hurry and lunch in front of a computer. Dinner is the only meal that is eaten with others in a somewhat formal manner.

Asians - expect to dine with others at a seated table 3 times per day with snack breaks at specific times.

Difference 3:

Holidays

Westerners - believe weekends and holidays are for "getting away from it all" so they can unwind and relax by themselves or with a small number of close relatives or friends.

Asians - think noisy, crowded places like shopping centres and big social gatherings are ideal for spending weekends.

Difference 4:

Queuing

Westerners - automatically form themselves into a line when at cashier counters and help desks.
Asians - don't think waiting in line is important if they just have a quick issue to deal with or they know someone behind the counter.

TREATMENT OF OTHERS:

Difference 1:

Colleagues and Co-workers

Westerners - believe it is impractical to have deep relationships with everyone they work with although they hold them in high professional regard. They generally form close relationships with only a few people who have similar tastes and interests.
Asians - often form close emotional bonds with people they go to school with and work with that last a lifetime.

Difference 2:

Foreigners

Westerners - generally feel that foreigners to their country should conform to their manner of doing things.
Asians - generally indulge foreigners as honoured guests to their countries and exempt them from most local social constraints. They allow foreigners to do whatever they wish without much worry of consequences.

Difference 3:

Children

Western children - are expected to become self-reliant and make their own way in the world when they become adults.
Asian children - can expect parent to continue supporting them over their entire life.

Difference 4:

Parents

Western parents - feel it is improper to direct the lives of their adult children and only give advice when asked to do so. They should also not expect to live off their offspring in old age.
Asian parents - feel their guidance is important to ensure the success of children throughout their entire lives. Children who succeed in life should naturally assist their parents in old age.

Difference 5:

Elderly

Westerners - believe adults, old and young, should be responsible for their own needs and strive not to be a burden on family members or friends.
Asians - expect to care for elderly parents and anticipate being cared for when they are old.

Difference 6:

Casual Acquaintances

Westerners - believe common courtesies such as having a chat with a complete stranger and giving way to others are important.
Asians - are used to living in crowded environments where it is impractical to be overly concerned with people you will only see once in your life.

Managing Asians Effectively

Managing Asians 1: Actions that Help

Most expatriates consider Asians to be pleasant and accommodating people. They are generally open-minded to accept new ideas that will develop their skills and chances of success. That said, Asia has ancient and diverse cultures, and there are certain qualities that are not easily changed.

Over the decades, leaders have shared many of the factors that led to success. Some of the most important of these are listed below.

TACTICS THAT BUILD PRODUCTIVITY

Action 1:
Training, Training, Training
All people want to improve their abilities but need direction on how to go about it. Training and development budgets need to be higher in emerging countries of Asia to help people understand the leap that is required to attain international levels of performance. International managers also need to dedicate extra time to mentor key staff individually.

Action 2:
Follow-up, Follow-up, Follow-up
International managers will usually need to spend more time to ensure projects are moving ahead. People need more direction and support to complete tasks. When problems arise, they may be be uneasy about approaching bosses directly for a solution or even informing them of potential concerns. International managers need to seek out problems for themselves.

Action 3:
Selective Dismissals
The termination of staff who are holding back an organization can have a strong impact on productivity. Dismissals are considered more shocking in Asia since it is done less often and involves loss of face. Once this is done, people are more disposed to accept direction involving change. NOTE: Terminations need to be performed in a manner that is sensitive to all employees – including the ones being fired. If executed in a harsh manner or done too often, other key staff may quit in support or they may work behind the scene to achieve retribution.

Action 4:
Develop Females
As in the west, women should be encouraged to advance to senior levels in the organization. International managers working throughout Asia have reported very positive results through senior female leaders.

Action 5:
Cultivate Independent Thinking
In group oriented societies, people expend a lot of time thinking about how to please the group and its leaders. Understand that this is important to local people but also challenge them to think critically and innovatively about how to improve the organization.

Action 6:
Encourage Self-Sufficiency
Repeatedly make it clear that individuals are responsible for completing their own tasks. Motivate people to become wholly accountable for their own contributions rather than just waiting for orders from above and following them.

Action 7:
Group Recognition
Motivational programs that reward individuals over groups are less effective in Asia than in more individualistic societies like the west. Many high performers will worry about attracting jealousies of others and upsetting group harmony by winning individual recognition. Organize people into teams and they will compete exuberantly to win whatever recognition is being promoted. Note: Ethnic minorities such as Chinese and Indians in Southeast Asia are possible exceptions to this group-over-individual recognition rule.

Action 8:
Understand Local Labour Laws
Emerging countries often have complicated and overlapping regulations in many areas including employment law. Despite the confusion, multinational companies need to be strictly compliant since they are usually held to a higher standard by authorities. International managers who don't endeavour to understand and comply with local regulations will certainly cause themselves and their organizations much grief.

Action 9:
Build Relationships
Desk-bound managers are condemned to failure in Asia. People in Asia need to see, hear and converse with their leaders. Interacting with people on a personal level at work is essential. But, to achieve truly break-through results, managers must socialize with people outside of the workplace. Dining together is considered particularly effective. If done sincerely, forming these emotional connections will yield tremendous results in loyalty, motivation and productivity.

Action 10:
Study
Learn the basics about the country's culture, history and even some of the local language. Ask questions and discuss these subjects with staff, clients and other people you deal with. Note: Absolutely avoid making condescending judgments about the country or its people. No nation is perfect and everyone knows they have room for improvement but no one wants to hear all about it from a foreigner.

Action 11:
Accommodate Differences
Adjust as best you can to the cultural differences that don't impact your business or impact it the least.

Action 12:
Practice Good Manners
Some western managers have utterly destroyed their careers in Asia simply by behaving rudely to business partners, clients, employees or other important stakeholders. Asians are more sensitive to proper social etiquette. International managers need to understand what are considered good manners and practice them.

Action 13:
Be Yourself
Thankfully, there are many attributes that Asians sincerely admire about what they perceive are western management styles. Some of these are: more equality among people, straight-forward communication, open discussion and confrontation, less personal involvement in other people's lives, decisiveness, supportive of others, less emotional attachment, result-orientation, and so on.

Managing Asians Ineffectively

Managing Asians 2: Actions that Harm

Some managers have difficulty adjusting to the cultural differences of a new country especially if they are new to expatriate life.

They can sometimes be the architect of their own doom unless they are careful. Some of the more common causes of career disrupting problems are listed below.

TACTICS THAT DESTROY PRODUCTIVITY

Action 1:
Intolerance

A sure method of destroying a career in Asia is to conduct oneself in a bigoted manner. Examples might be expressing disgust at social habits, criticizing the nation's culture and achievements, prejudging people in a negative manner, etc.

Action 2:
Know it All

Managers who assume that their own business culture is completely superior and therefore should be followed at all times in another country will suffer for their assumption. Consideration of the local cultural differences is important before jumping to conclusions.

Action 3:
Introvert

Shy managers experience difficulty being successful in Asia. Social interaction during working hours and after is very important to developing working relationships with co-workers, business partner, clients and others who are critical to success.

Action 4:
Lack of Trust

After a bad experience with a dishonest employee or government official, inexperienced managers can over generalize in a negative manner – "they're all lazy/stupid/corrupt."

More often in emerging countries, certain people can seem undisciplined or even deceitful. But most people are sincere and eager to help solve problems caused by others of their less-than-perfect countryman. Make allies with these people and they will help overcome problems.

Action 5:
Public Scoldings
Western managers can sometimes become frustrated enough to lose their temper in a public display against an individual or group. This is almost always a mistake that will lead to retribution down the road or loss of support among staff. Reprimands should be carried out in relative privacy.
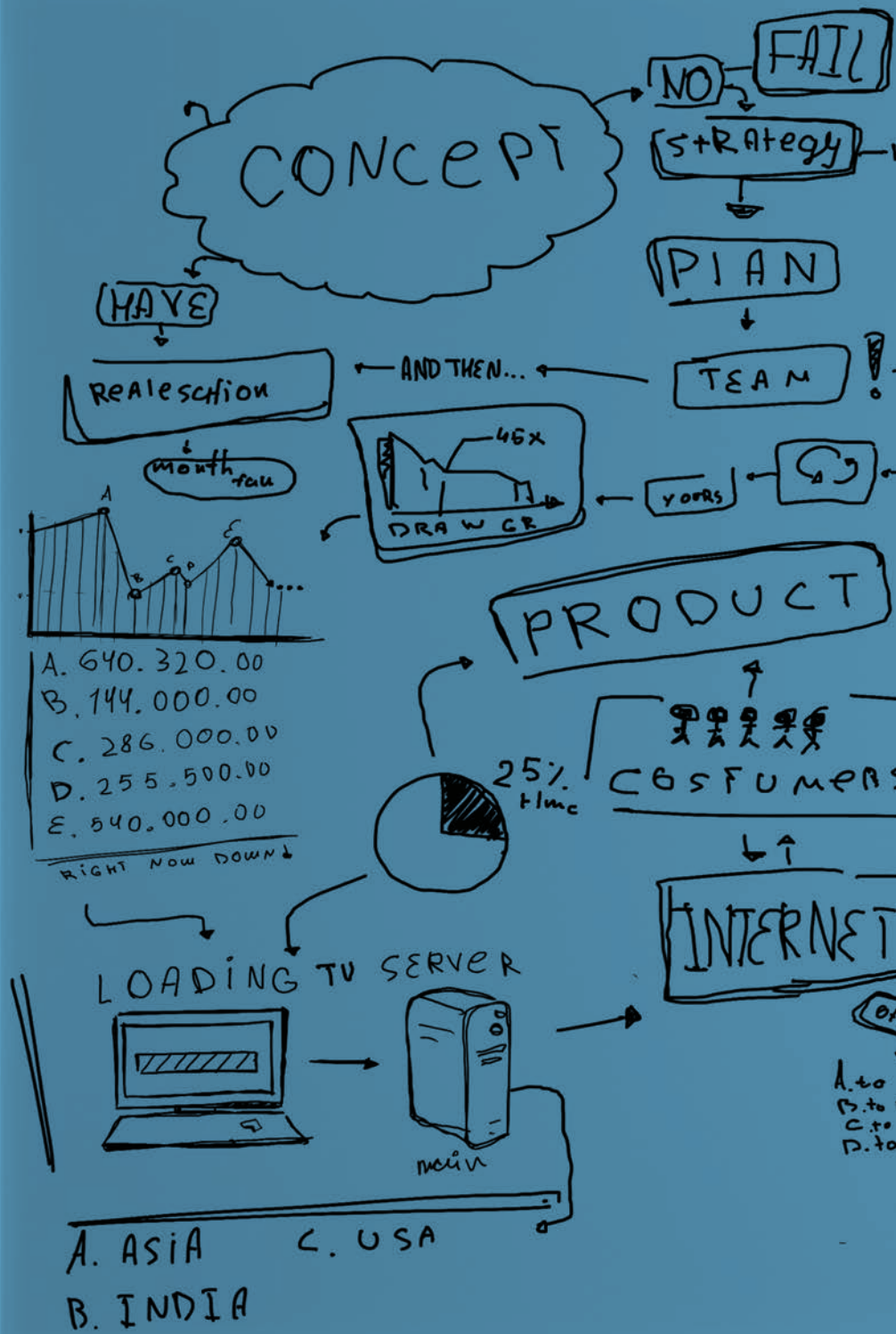
Action 6:
Language Barrier
Most senior staff and even many professional people have good English communication skills that become better year after year. However, English is a secondary language in almost all Asian countries. Even those who seem to speak very good English will naturally use words and expressions in different ways that those in other countries. Managers need to constantly be careful of misunderstandings in their comments and instructions.

Action 7:
Vacation Posting
Some managers think working in Southeast Asia is a holiday. They disappear during the week for golf games at the country club or to the beach with the family. Undisciplined younger managers spend night after night at bars being entertained by women of ill-repute. Such conduct is clearly unsuitable and soon becomes well-known by employees and clients. The result is a lack of support from staff and, not uncommonly, a sudden end to the manager's posting as overall results suffer.

Corruption

Graft & Corruption in Asia

Corruption Perceptions in Asia

Corruption is one of those issues that people want to know about but is difficult to get straight answers for. An effort has been made below to explain some background about this delicate and complex topic.

Why Corruption Exists

According to most research, the phenomenon takes hold in countries where there are perceived large disparities in wealth and political power. Within Southeast Asia, these conditions have been present for centuries beginning when foreign powers dominated the region. When exploitive foreigners control any country, those who defy authority by swindling the elite are considered gallant and even heroic. The result is often a culture of defying and circumventing authority that develops over time.

After the foreign powers departed from Asia (and most other emerging countries) after the Second World War, the disparities remained, and possibly became more entrenched. The result was that the habit of defying authority through corrupt practices continued.

Countries such as Indonesia, Philippines, Thailand, Vietnam, Cambodia and (less so) Malaysia have these conditions and rank poorly in transparency by international rating agencies. Steady improvements are being made especially by the younger generation of leaders but much time will be required to change habits that have been in place for centuries. In the region of Southeast Asia, Singapore seems to have done the most to develop a strong middle class and eliminate the large perceived disparities between rich and poor. In so doing, this amazing little country is also now recognized as one of the world's least corrupt.

What is Corruption?

Corruption is defined as the misuse of a position of trust for private gain. It is usually separated into 3 categories and all are interrelated:

1. **Bribery** – offer of money or favours to a person in a position of trust.

2. **Nepotism** – preferential treatment to relatives or friends of a person in a position of trust.

3. **Fraud & Embezzlement** – Stealing property or money from an organization through deceptive practices.

When posted to emerging countries, most expatriates will experience petty corruption within a short time of arrival. They may be asked for a donation to "speed up" their work visa application at the immigration department or be pulled over by a policeman for no other offence than seeming to possess a wallet.

Large-scale corruption involving higher-level officials and is conducted with much more discretion. Expatriates who are new to emerging countries can often have difficulty understanding the complex processes involved with corruption or even determining whether it exists. Many large contracts (especially involving governments) are alleged to contain provisions for "unanticipated overheads" that can add up to 35% of project cost.

More challenging still, corruption can often be found within many organizations wherever there are large or regular payments controlled by individual managers. Functional departments such as procurement, finance, HR and marketing are typical examples.
New expatriates will often be perplexed why many products and services seem so costly in the supposedly poor country. It is common for locals to use the term "overpriced" as a euphemism for corruption.

Corruption is usually only of benefit to a small number of individuals. Most Asians do not benefit from the practice and are disgusted by it but do not report their colleagues out of fear, misplaced loyalty or shame of the behaviour.

Rationalizing Corruption

In so-called advanced countries, people have convinced themselves that providing prospective clients with free meals and sports tickets is not corruption. The justification is that since the value of the items are not large and, more importantly, not hidden from sight it is not corruption.

In emerging countries, incentives are also provided to acquire business but to a more extreme degree. Buyers and decision-makers don't just get trinkets, they get envelopes of cash, overseas trips and free automobiles. In both petty and large-scale corruption, lack of transparency is the key enabling factor.

Petty corruption can usually be explained away easily since it involves small payments to people with meagre financial resources. A typical justification from such people might sound something like this: "I am just a poor person who is trying to survive in a poor country. You, on the other hand, are a rich foreigner from a rich country with so much money that it doesn't all fit in your pocket. What does it matter to you if you give me just a little bit so I can feed my hungry children?"

Larger scale corruption is more difficult to rationalize since the amounts involved can be significant. Corrupt managers can double their annual income through cash payments (often called "enveloping") and major gifts from suppliers or other beneficiaries. The largest opportunities for illicit gains are usually from big projects involving large capital expenditures. A road building project costing $50M but "overpriced" by 30% is a tremendous cash hoard and a lifetime opportunity for corrupt officials.

Graft & Corruption in Asia

How to Handle **Corruption**

With respect to corruption, there are 2 basic rules that today's generation of successful managers follow to protect their business and their careers.

Rule 1:
Don't Pay

There has been a monumental transformation in the manner in which international companies deal with corruption. A short decade ago, most companies believed that graft and other forms of sleaze were an unavoidable component of doing business in emerging countries. Managers would simply make allowances for payments and employ "under-the-counter salesmen" who specialized in facilitating the complexities of such arrangements.

Over the years, it has become clear that accommodating corruption is not good for business and the practice is dying out among the current generation of managers. One big reason is that most countries in North America and Europe have passed laws making such payments illegal. They have also followed through by making public displays of companies caught in the act with large fines and even jail terms for some executives.

The second reason corruption has become unfashionable is that people have figured out that it is not good for business in the first place. Many companies and executives have seriously disrupted their businesses by starting down a road that seems quick and easy in the beginning but slowly becomes a death march of steadily higher costs and business interference. Most failed projects involving international companies include allegations of fraud, embezzlement and wide-spread graft. Corruption is a dance between 2 people and both sides face the music in the end.

Nowadays, it has become understood that paying under-the-counter money to win contracts is the road to ruin — as is partnering with local partners who facilitate corruption on their behalf. Such arrangements only guarantee that companies becomes "marked" as payers and managers discover that recipients come back again and again for more payoffs to cover increasingly arcane expenses. When word gets around to others of the free money to be had, companies increasingly find themselves inundated with requests that are more and more forceful and expensive.

The only course of action is to not pay from the very beginning. Once you start down the slippery slope of corruption it is virtually impossible to climb back up to rectitude.

Rule 2:
Don't Offend

When first confronted with solicitations for illicit payments, a common response by inexperienced managers is to become angry and disgusted at the soliciting person. Voices can be raised and insults or threats delivered. Such behaviour is always a mistake.

In virtually all such cases, the recipient of the affront has suffered "loss-of-face" and will respond by making the "arrogant foreigner" suffer dearly. If the person is a junior government official, then the expatriate might find that his permit or work visa has been delayed for months or denied completely. An offended policeman may impose a trip to the local police station for a few hours of threats and interrogation. If the insulted person is a senior member of society, then retribution may be much more serious indeed.

It is important to understand that people asking for a "share-of-the-blessings" do not believe themselves to be bad people. They are simply following customs in place for decades or even generations and feel such forced donations to be a legitimate component of their total income.

It seems difficult to understand but human beings have a tremendous capability for rationalization. Psychologists would agree that virtually all of the world's greatest gangsters, thieves and thugs thought of themselves as basically good people and any of their actions that may have hurt others were reasonable under the circumstances.

What to do when solicited for bribes?

Step 1:
Be Friendly
Smile a lot and avoid showing any sign of anger or intimidation.

Step 2:
Ignore the Question
Disregard the bribery request and change the subject to other matters. Pretending you didn't understand or hear what was said is a particularly good practice.

Step 3:
Ask Questions
Try to get the person to talk about his family, friends, business, social activities, etc. It is important to get to know as much about the person as possible and be seen to take a sincere interest.

Step 4:
Provide Alternatives
In many situations, it is possible to find legitimate means to provide what the person wants that does not involve bribery. For example, if he is a policeman, ask whether you could call him in case you need assistance in the future. If the person is a senior official or client, then work to build a relationship with the individual (most are remarkably pleasant people) through entertaining and credible business advantages so there is no loss-of-face and benefits to both.

In countries where most people do not speak English, get the telephone numbers of local people who are used to working through such problems so they can negotiate solutions on your behalf.
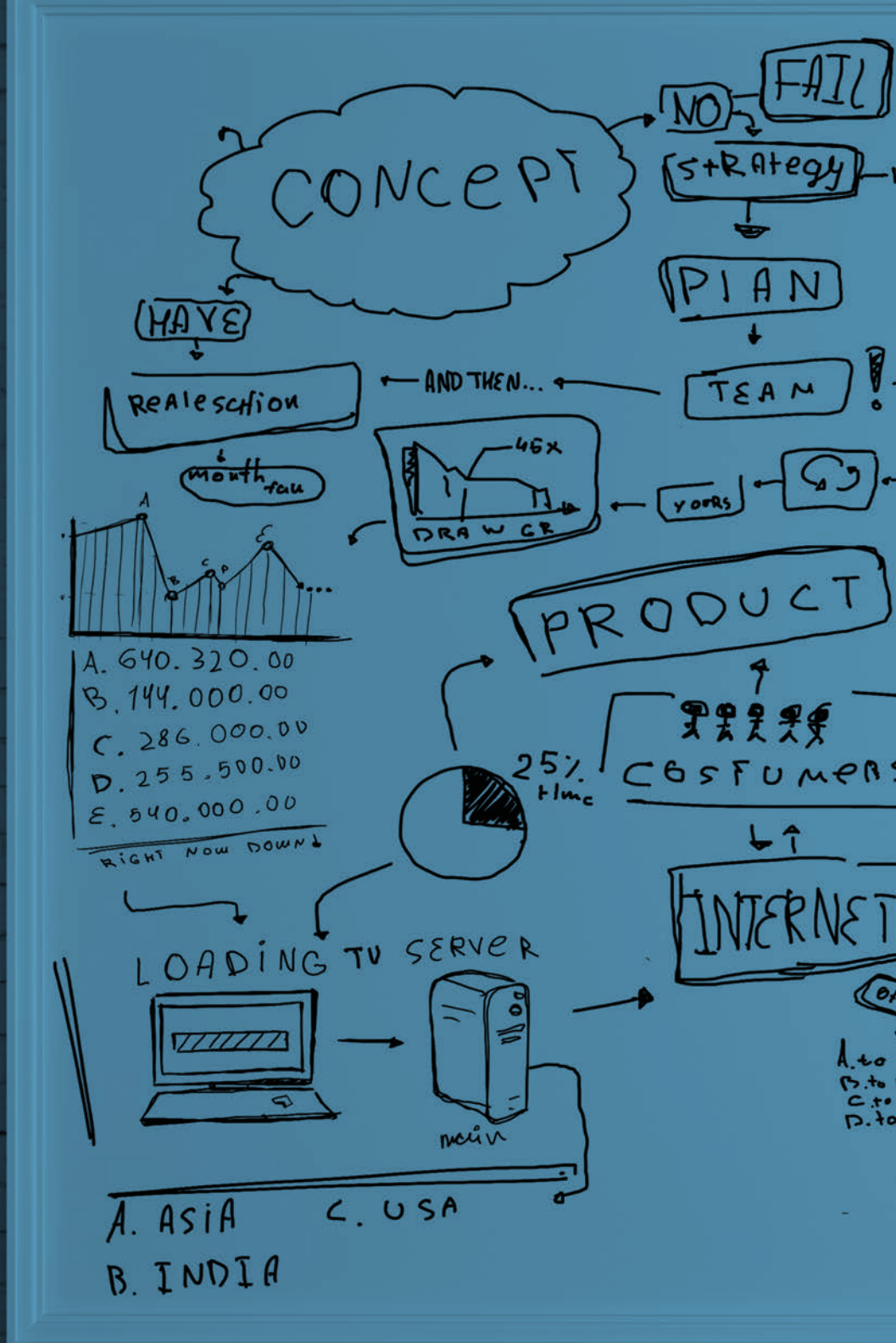
Note:
In Asia, entertainment budgets will be much higher than in other regions. Dinners, golf games and weekends trips are considered an important part of business and are not considered corruption.

Are There Exceptions?

There are some situations where corrupt practices are so deeply entrenched that there can be no alternative. If it is petty corruption such as a small payment to an immigration clerk for a work visa or license to operate the business, then there is sometimes no other option. In these situations, get counsel from experienced people and do what is necessary.

However, if the payment is large and involves a core part of the business, then current managers will walk away and do their business elsewhere. The risks to the overall enterprise, and especially to the executive's career, are too great to justify.

Countries

Executive Recruiting in Singapore

Singapore

Capital City: Singapore City
Population: 5.3M
GDP (nominal) 2012
- Total US$270B
- Per capita US$50.3K
GDP: (PPP) 2008
- Total US$327B
- Per capita US$61.0K
Corruption Perceptions Index (2012): 87
Rank: 5th
Currency: Singapore dollar (SGD)
Dominant Religion: mixed
Languages: English (widely spoken), Malay, Chinese, Tamil
Government: Parliamentary Republic

Background:

Singapore is considered a strong regional hub of Southeast Asia. It has superb infrastructure, efficient government and the most number of regional head-offices of multinational companies.

Expatriates often call Singapore "Asia for beginners" since it is so easy to adapt to. People new to Asia think they are really in Asia because Singaporeans use chop-sticks, speak Chinese and even look Chinese. Don't be fooled, the rest of Asia is very different.

It used to be common for Singaporeans to refer to themselves as "bananas" — yellow-skinned but white on the inside. Today, that self-deprecating comment is less common as Singaporeans become more self-assured in their place as a leading global power (although small in size).

Singaporeans have had a remarkable success of building their small country from a malarial swamp a few decades ago into a cocoon of efficiency and opulence. Others in the region are learning from their success and Singapore is finding itself under pressure from countries like Malaysia and Philippines where costs lower and human resources more available.

Appraisal of Management Talent
Available Types:

Singapore is considered a regional hub of Southeast Asia and, as a result, there are a diverse range of Singaporean and international managers available. It is common to group local managers into 3 ethnic groups: Singaporean-Chinese, Singaporean-Malay and Singaporean-Indian. There are various perceptions of suitability among these groups.

Localized expatriate managers are also widely available in Singapore. There is virtually no cost differential between these people and local Singaporean managers.

Education Standards:
Singapore has an ample supply of managers with international quality education. In past years, the government and parents encouraged young people to obtain degrees abroad to broaden their skills. More recently, Singaporean universities have developed to such an extent that there doesn't seem to be the same focus on overseas education today.

Candidate Experience:
Perceptions are that local managers are able to perform at international levels. The large number of multinational companies with regional head-quarters in the country means that a large number of professionals have been developed to staff these organizations.

As well, Singapore has developed strong world-class companies. Organizations such SingTel, DBS, Singapore Airlines, Keppel, Flextronics, among many others, operate at international standards and have developed exceptional people.

Career Stability:
Singapore has been a fast growth economy for many years and it is brimming with well paid career opportunities. The country's superb transportation systems mean that changing jobs is as easy as changing subway stops. The result is that job stability has suffered. European and Japanese managers, in particular, are often dismayed that supposedly senior managers in Singapore have a history of frequent job changes.

Language Skills:
English is widely spoken in Singapore. Most experienced Singaporean managers have excellent international English communications skills as well as Chinese and other Asian languages.

Candidate Mobility:
Singaporean managers are often interested to relocate to other so-called advanced countries in Asia and the west. However, they can be resistant to relocate to less developed emerging countries in Southeast Asia such as Philippines, Indonesia and Vietnam. Most see such postings as a step backward in their career and will not be interested without substantial financial incentives.

Candidate Motivation:
Singaporeans are career motivated professionals. They are not motivated by empty promises or psychological techniques that pull on their heart-strings. They are inspired by whatever will allow them to expand their skills and earn a higher income.

Compensation:
Singaporean managers are perhaps the highest paid in Southeast Asia. Income levels are similar to other major commercial centres. Singapore is already as expensive as leading cities such as Sydney, Paris, Toronto and Atlanta and projected to reach cost levels of pre-crisis London or New York in the not-too-distant future.

Executive Recruiting in Malaysia

Malaysia
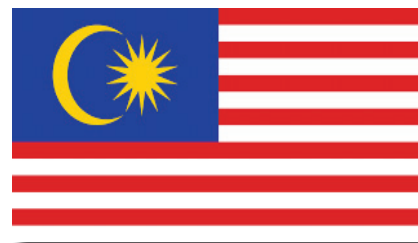
Capital City: Kuala Lumpur
Population: 28M
GDP (nominal) 2013
- Total US$340B
- Per capita US$12.2K
GDP: (PPP) 2013
- Total US$521B
- Per capita US$17.7K
Corruption Perceptions Index (2012): 49
Rank: 54th
Currency: Ringgit (MYR)
Dominant Religion: Islam
Official Language: Malay
Government: Presidential democracy

Background:

Malaysia has emerged as a regional hub for Southeast Asia, secondary only to Singapore in importance. Its infrastructure has been steadily improving and the government has been astute at learning from Singapore's success and implementing policies and laws that enable it to be a strong rival to its successful neighbour.

Malaysia has an interesting ethnic mix of Malay peoples (the majority)with sizable minority populations of Chinese and Indians. It has retained some of the better aspects of its former British colonial rule and has become one of the best examples of a successful progressive country in Southeast Asia.

Most expatriates become comfortable living and working in Malaysia and enjoy its exotic and diverse culture although the adjustment period is sometimes longer than for more developed Singapore. Within Southeast Asia, Malaysia is considered the second most advanced nation and is far along the path to developed status.

Appraisal of Management Talent

Available Types:

Malaysia has established itself as a preferred location for regional head-quarters of multinational companies and is well on the way toward developing an adequate number of Malaysian managers capable of working at international levels. Local managers are often grouped into 3 main ethnic groups: Malay, Chinese and Indian. There are various perceptions of suitability among the groups for different types of roles.

Localized expatriate managers are also available in Malaysia but in smaller number compared to Singapore and Hong Kong. Depending on the industry, there is a slight cost differential between these people and local Malaysian managers although this is steadily being eroded. In many industries, local managers earn as much as any expatriate could ever hope to.

Education Standards:
Malaysia has a supply of local managers with international education that is one of the best in Southeast Asia. Malaysian universities are beginning to be recognized as good quality and the majority of successful managers come from the best of these. Some of the better known include: University of Malaya, Technological University of Malaysia, National University of Malaysia and Putra University of Malaysia.

Candidate Experience:
The increasing number of multinational companies with regional head-quarters in the country means that a growing number of managers have been developed to staff these organizations.
Malaysia has developed a number of world-class companies that are also developing superior management talent. Organizations such MayBank, Telekom Malaysia, Berjaya Group, PPB Group, among others, operate at international standards and develop capable managers.

Career Stability:
Malaysia has been a fast growth economy for a number of years and the number of career opportunities with high-paying international companies has also grown. Job stability is still relatively strong compared

to less career stable countries such as Singapore, Hong Kong and Vietnam. Malaysian managers seem comparable to European managers in job stability.

Language Skills:
English is widely spoken in Malaysia among educated people. Most experienced Malaysian managers have acceptable international English communications skills as well as Asian languages. Within Southeast Asia, only Singapore and Philippines have better English communication skills.

Candidate Mobility:
Malaysian managers are often interested to relocate to other countries to advance their career and income opportunities. They are flexible and open-minded and can be successful in both developed and emerging countries.

These superb managers can be particularly good choices for senior roles in less developed countries since they are usually able to adapt relatively easily — they are self-supporting and get along well with local staff. As well, their income expectations are often more suitable for smaller emerging countries — unlike those of expatriate managers from Singapore, Hong Kong and other more advanced countries.

Candidate Motivation:
Malaysians are an interesting blend of cultures. On the one hand, they seem to retain many of the good aspects of traditional cultures such as loyalty, respect, politeness, etc. But they can also be highly professional and career motivated (and money motivated) when considering new opportunities.

Compensation:
Malaysia is well on its way to becoming a developed country. Management salaries are not as expensive as those of Singapore, Hong Kong and other developed countries but they are higher than all other less developed countries within Southeast Asia (including Philippines, Indonesia, Thailand and Vietnam).

Executive Recruiting in Thailand

Thailand

Capital City: Bangkok
Population: 67M
GDP (nominal) 2013
- Total US$425B
- Per capita US$6.6K
GDP: (PPP) 2013
- Total US$702B
- Per capita US$10.8K
Corruption Perceptions Index (2012): 37
Rank: 88th
Currency: Thai Baht (THB)
Dominant Religion: Buddhism
Official Language: Thai
Government: Parliamentary monarchy

Background:

Thailand was originally known as Siam and established as the Thai kingdom in the 14th Century. It is the only country in Southeast Asia not to have been directly controlled by a European power in past centuries. A constitutional monarchy was put in place in 1932 and has existed ever since.

The country's economic progress has been impressive over most of the past 10 years. In 2006, political uncertainty developed from a military intervention that ousted a democratically elected government. The result has been various policy and legislative changes that reduced investor enthusiasm. Many of the most harmful of these changes have been withdrawn and investor sentiment is recovering.

Appraisal of Management Talent

Available Types:

Thailand has an adequate supply of capable middle management and country management talent who are well thought of by international managers. Given that Thailand does not yet have a large number of regional head-quarters of multinational companies, the country does not have a significant number of senior management people.

Thailand is considered one of the most desirable places to live in Asia because of its delightful people, beautiful country and inexpensive cost of living. For this reason, a growing number of localized expatriate managers are available in the country who are motivated to do what is necessary to allow them to remain in the country.

Education Standards:
Thailand has a small supply of managers with international schooling.

Career Experience:
Local managers in Thailand are thought to be able to perform at international levels. Multinational experience (rather than local company experience) is considered necessary for managers to perform at international levels.

Career Stability:
Thai's are gracious and delightful people capable of forming strong relationships with people and, therefore, they exhibit above average career stability. In most industries, it is possible to hire senior country management people with a history of long-term employment relationships. If managed effectively and sensitively, they can be counted upon to be loyal to their managers.

Language Skills:
The majority of the educated elite in Thailand speak acceptable English. Outside of this narrow group, international communication skills are difficult to find.

Candidate Mobility:
Thai's are interesting in that they are often resistant to relocating outside Thailand, even for career advancement purposes. This is a great shame since Thai managers are highly regarded by international managers. Despite their charming graciousness and elegant mannerisms, they are said to be profoundly pleased with own their country and don't feel there is benefit by leaving it.

Compensation:
Despite the high-quality of Thai managers, Thailand has income levels that are lower than those of so-called developed countries.

Executive Recruiting in Philippines

Philippines

Capital City: Manila
Population: 104M
GDP (nominal) 2013
- Total US$285B
- Per capita US$2.9K
GDP: (PPP) 2013
- Total US$457B
- Per capita US$4.7K
Corruption Perceptions Index (2012): 34
Rank: 105th
Currency: Philippine Peso (Php)
Dominant Religions: Roman Catholic, Islam
Official Languages: Filipino, English
Governmental System: Presidential republic

Background:

Philippines was controlled by a Spanish theocracy for about 4 centuries beginning in the 1600`s. It was later a protectorate of the United States before achieving full independence after the Second World War. Therefore, some Filipinos describe their culture as the result of spending 400 years in a Spanish monastery and 40 years in Hollywood. The country has made strong economic progress over the past few years particularly in fast growth industries such as business process outsourcing and tourism.

There are some special cultural differences that separate Filipino managers from those of other countries. First of all, female participation in the professions and senior management is one of the highest in the world — at par with progressive Scandinavian countries. Despite being a deeply Catholic country within a male-dominated region, Filipino women have developed themselves into formidable managers in this remarkably progressive nation.

The second difference is that Filipino managers are more mobile than those of other countries. They are very adaptable to foreign cultures and can function successfully in developed and emerging work environments. Their work is well-regarded by international managers.

Appraisal of Management Talent
Available Types:

Given that Philippines does not yet have a large number of regional head-quarters of multinational companies, the country does not have a significant number of senior management people with regional experience. That said, it does have a strong supply of very capable, mobile and English-speaking management talent.

There are a growing number of localized expatriate managers and Filipino returnees available who are motivated to work and live in Philippines for their own reasons. Depending on the industry, there is a cost differential between these people and local Philippine managers although this is steadily being eroded over time.

Education Standards:
There is a small supply of managers with international schooling.
A disproportionate number of senior managers in Philippines come from 5 or so prominent universities. These are: University of the Philippines (UP), Ateneo University, De La Salle University, University of Santo Thomas (UST) and Mapua Institute of Technology (MIT).

Career Experience:
Local managers in Philippines are thought to be able to perform at international levels. Multinational experience (rather than local company experience) is considered necessary for managers to perform at international levels.

That said, some large local companies in Philippines are considered to be suitable training ground to develop international management talent. Examples of these include: Smart Communications, Globe Telecom, SPI Global, Jollibee, among a growing number of others.

Career Stability:

Filipinos are capable of forming strong relationships with managers and teams and exhibit above average career stability. In most industries, it is possible to hire senior people with a history of long-term employment relationships. If managed effectively and sensitively, they can be counted upon to be loyal to their managers.

An interesting corollary of this, is that Filipinos often change jobs in groups. A good management hire can result in a acquisition of an entire group of talented people who work well together. Although work must be done to prevent the same group from leaving again.

Language Skills:

English is widely spoken in Philippines. Most experienced managers will have excellent international English communications skills. Other languages are also available but in less supply.

Candidate Mobility:

Filipino managers are often mobile and many are ideal for overseas postings within Southeast Asia and other locations. They are flexible and open-minded toward most cultures and well regarded by international managers.

Candidate Motivation:

Filipinos are capable of developing lasting relationships with overseas managers. They seem to be best motivated in this way rather than the achieve-your-numbers-or-I'll-fire-you approach that seems prevalent in more aggressive cultures.

Compensation:

Despite the high-quality of Filipino managers, Philippines is an emerging country with income levels that are generally lower than those of so-called developed countries.

Executive Recruiting in Indonesia

Indonesia

Capital City: Jakarta
Population: 237M
GDP (nominal) 2012
- Total US$878B
- Per capita US$3.6K
GDP: (PPP) 2012
- Total US$1,208B
- Per capita US$5.0K
Corruption Perceptions Index (2012): 32
Rank: 118th
Currency: Rupiah (IDR)
Dominant Religion: Islam
Official Language: Indonesian
Government: Presidential republic

Background:

Indonesia became dominated by the Dutch in the 17th Century and this dominance continued more or less intact for the next 2 centuries. The Japanese invaded during the Second World War. Indonesia achieved independence shortly after liberation. The country was then controlled by various authoritative regimes until parliamentary elections were held in 1999.

Indonesia is considered to have a bright economic future and is part of the so-called N-11 (Next Eleven) high growth emerging countries. It is also the world's largest Muslim country and the third largest democracy.

Appraisal of Management Talent

Available Types:

Indonesia has an adequate supply of capable middle and country management talent. Given that Indonesia does not yet have a large number of regional head-quarters of multinational companies, the country does not have a significant number of international management people.

It is difficult for non-Indonesians to live in the country so there are a small number of localized expatriate managers available. Given the small supply, the income level of such people are generally higher than local managers.

Education Standards:

Indonesia has a small supply of managers with international schooling.

Candidate Experience:

Local managers in Indonesia are thought to be able to perform at international levels. Multinational experience (rather than local company experience) is considered necessary for managers to have been developed to perform at international levels.

Career Stability:

Indonesians are warm and social people capable of forming strong relationships with international people and, therefore, they exhibit above average career stability. In most industries, it is possible to hire senior people with a history of long-term employment relationships. If managed effectively and sensitively, they can be counted upon to be loyal to their managers.

Language Skills:

Many of the younger generation of educated elite in Indonesia speak acceptable English. Outside of this small group, international communication skills are difficult to find.

Candidate Mobility:

Despite being well regarded, Indonesian managers have not been considered widely for overseas postings elsewhere in Asia. One possible reason is that English communication skills are considered less advanced than Filipinos, Malaysians and Singaporeans.

Compensation:

Despite the good quality of Indonesian managers, Indonesia has income levels that are lower than those of so-called developed countries.

Executive Recruiting in Vietnam

Vietnam

Capital City: Hanoi
Largest City: Ho Chi Minh
Population: 90M
GDP (nominal) 2012
- Total US$138B
- Per capita US$1.5K
GDP: (PPP) 2012
- Total US$321B
- Per capita US$3.6K
Corruption Perceptions Index (2012): 31
Rank: 123th
Currency: Vietnamese dong (VND)
Dominant Religion: Buddhism
Official Language: Vietnamese
Government: Socialist republic

Background:

Vietnam became part of French Indochina in 1887. It achieved independence in 1954 after remarkable success on the battlefield. The country was divided into Communist North and anti-Communist South Vietnam. United States involvement gradually increased during the 1960's in South Vietnam but was withdrawn by 1973. The Communist North seized control of the South and reunited the country in 1975. Vietnam then stagnated economically but enacted liberalization reforms in 1986 that began to have positive affect.

Today, Vietnam has an extraordinary successful economy with a strong future. It is attracting significant investment from a range of industries and countries.

Appraisal of Management Talent

Available Types:

Vietnam is a fast growing emerging powerhouse. That said, most international companies have only been operating in the country for less than 10 years — and most much less than that. Given that more than 10 years are required to develop senior management talent, it is clear that there are few local managers available who are capable of working at international standards.

There has been an influx of Vietnamese returnees who are said to be very good quality but the demand for such people is vastly more than the supply. International companies expanding or setting up in Vietnam will need to consider relocating expatriates to run operations. One common strategy is to use internal expatriates for senior roles or hire Asian nationals (especially Filipinos and Malaysians).

Education Standards:
Vietnam was a restrictive communist country until recently. There is a very small supply of managers with international schooling.

Candidate Experience:
In the past, there were very few multinational companies in Vietnam to serve as training grounds for local managers to develop international skills. Local companies are considered unable to perform this function at this early stage of their development. Most international companies need to consider relocating expatriate managers in order to participate in this market.

Career Stability:
Vietnam has been one of the fastest growing economies in the region for the past few years and has attracted a large number of international companies setting up operations. Each new locator is desperate to hire staff and severe problems with staff retention (and salary escalation) have emerged. Most companies have considered relocating expatriates for management roles in Vietnam until adequate supplies of local managers can be developed.

Language Skills:
There are a small number of people who speak French and English in Vietnam.

Career Mobility:
Vietnamese managers are not often considered for roles elsewhere in Asia for various reasons. Their skills are often in such demand in their own country that there is no reason for them to consider relocating.

Compensation:
Given the tremendous success of the Vietnamese economy and the reality that few people have international management experience, the cost of those who are available is higher than would be expected for a small emerging market. International managers complain bitterly about the cost of management salaries and the quality of the skills they receive. A further great expense is related to staff turn-over which is one of the highest in the region.

Executive Recruiting in Cambodia

Cambodia

Capital City: Phenom Penh
Population: 15M
GDP (nominal) 2012
- Total US$14,2B
- Per capita US$931
GDP: (PPP) 2008
- Total US$36B
- Per capita US$2.4K
Corruption Perceptions Index (2012): 22
Rank: 157th
Currency: Riel (KHR)
Dominant Religion: Buddhism
Official Language: Khmer
Government: Parliamentary Democracy

Background:

Cambodia has had a history of greatness and tragedy. The Angkor Empire extended over much of the Southeast Asia region reaching its high point between the 10th and 13th centuries. Today, most ethnic Cambodians refer to themselves as Khmer people.

The country experienced a long period of decline and eventually came under control of France in 1863 and helped the country to progress. After Japanese invasion during the Second World Ward, Cambodia gained independence from France in 1953.

The Khmer Rouge seized control of the country in 1975 and implemented fanatical control of the population that resulted in the death of upwards of 2 million Cambodians (about 25% of the population) through various horrific means. With much difficulty, the Khmer Rouge was eventually displaced and UN-sponsored elections began in 1993. Today, the country has become a major tourist destination and seems on its way toward strong economic and political achievement.

Appraisal of Management Talent

Available Types:

Cambodia is a newly emerging country and has not yet attracted many international companies to setup operations. As a result, experienced managers with international company experience are in short supply and expatriate managers are usually required.

Education Standards:

There is a small supply of managers with international schooling.

Candidate Experience:

There are few organizations in Cambodia that have served as training grounds for local managers to develop internationally recognized skills. There are a small number of returnees who some say are worth their weight in gold but not enough to meet demand. Most international companies need to relocate expatriate managers in order to participate effectively in this country.

Career Stability:

Despite its remarkable recent progress, Cambodia is still a small market with few job opportunities. As a result, career stability is relatively good compared to (say) Vietnam which is a larger market and further ahead in development. International managers who can find suitable local managers can usually expect to retain them. This happy situation could change in the not-too-distant future as Cambodia advances quickly.

Language Skills:

There are a small number of people who speak French and English in Cambodia.

Compensation:

Given that there are few management talent available capable of performing at international standards, the cost of the few who are available is higher than would be expected. Most organizations relocate expatriates to Cambodia for management positions.

Executive Recruiting in Laos

Laos
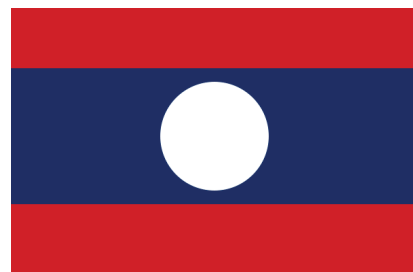
Capital City: Vientiane
Population: 6.5M
GDP (nominal) 2012
- Total US$9.2B
- Per capita US$1.3K
GDP: (PPP) 2012
- Total US$19.2B
- Per capita US$3.0K
Corruption Perceptions Index (2012): 21
Rank: 160th
Currency: Kip (LAK)
Dominant Religion: Buddhism
Official Language: Lao
Government: Socialist Republic

Background:

Laos was founded as the Lao kingdom in the 14th Century and was a successful empire for 300 years. It gradually declined and eventually became part of French Indochina. The Communist Pathet Lao seized control of the country in 1975 and aligned itself with Vietnam. Since 1986, Laos has gradually returned to private enterprise and is liberalizing foreign investment restrictions.

Laos began its economic growth from a very low base and has achieved a lot. However, it is considered at an early stage of economic development. Roughly 80% of the population is employed in subsistence agriculture.

Appraisal of Management Talent

Available Types:
Laos is a newly emerging country and has not yet attracted many international companies. As a result, experienced managers are in short supply and expatriate managers are usually required.

Education Standards:
There is a small supply of managers with international schooling.

Candidate Experience:
There are few organizations in Laos that have served as a training ground for local managers to develop international management skills. Most international companies need to relocate expatriate managers in order to participate in this market.

Career Stability:

Despite its remarkable recent progress, Laos is a very small market with few job opportunities. As a result, career stability is still relatively good compared to (say) further advanced Vietnam. International managers who develop suitable local managers can usually expect to retain them.

Language Skills:

There are a small number of people who speak French and English in Laos.

Compensation:

Given that there are few management talent available capable of performing at international standards, the cost of those who are available is higher than would be expected. Most organizations relocate expatriates to Laos for management positions.

Executive Recruiting in Myanmar

Myanmar

Capital City: Naypyidaw
Largest City: Yangon
Population: 60M
GDP (nominal) 2012
- Total US$54.4B
- Per capita US$854K
GDP: (PPP) 2008
- Total US$88.7B
- Per capita US$1.4K
Corruption Perceptions Index (2012): 15
Rank: 172th
Currency: kyat (mmK)
Dominant Religion: Buddhism
Official Language: Burmese
Government: Military Dictatorship

Background:

Myanmar was conquered by Britain in the 19th century and administered as a province of India. It attained independence in 1948. The country has been ruled by a military dictatorship for most of its existence.

Over the past few years, the country has opened up to the rest of the world including international companies and markets. Costs for everything needed to run a business have escalated in recent years. Despite the challenges, the longer term outlook seems positive.

Appraisal of Management Talent

Available Types:

Despite being one of the largest and most blessed countries in natural resources in Southeast Asia, Myanmar has not progressed beyond subsistence activities for most of its people until very recently. International companies that decide to run businesses in Myanmar will need to import expatriate managers.

Education:

There is virtually no supply of managers with international schooling available in Myanmar.

Experience:

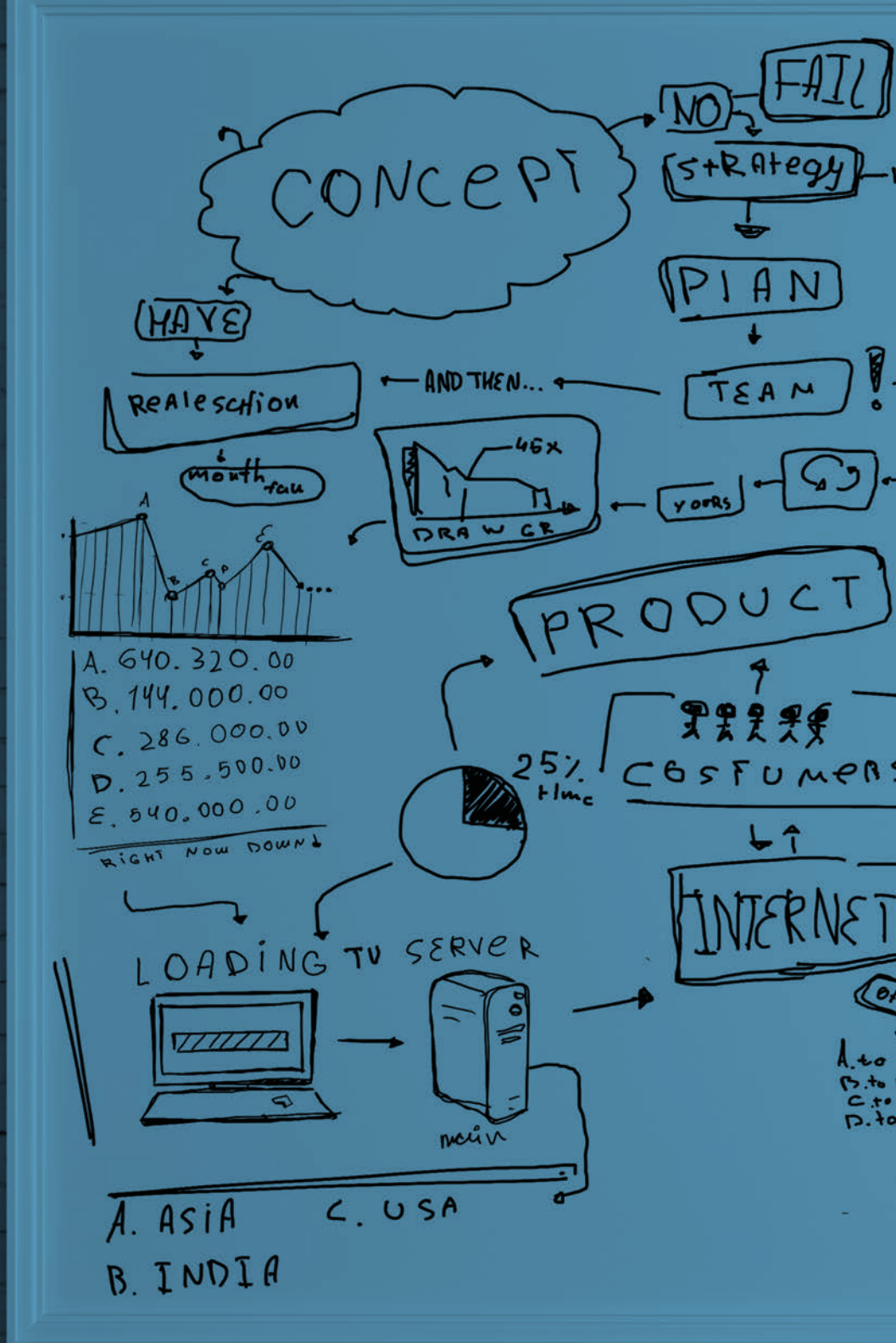There are almost no organizations in Myanmar that have served as a training ground for local managers to develop international skills. International companies need to relocate expatriate managers in order to participate in this market.

Language skills:

There are a small number of people who speak English in Myanmar.

Cost:

Most organizations relocate expatriates to Myanmar for management positions.

Recruiting Quotes by Famous People

Quotes About
Hiring People

"If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don't have to manage them."
Jack Welch

"I hire people brighter than me and I get out of their way."
Lee Iacocca

"The competition to hire the best will increase in the years ahead. Companies that give extra flexibility to their employees will have the edge in this area."
Bill Gates

"The secret of my success is that we have gone to exceptional lengths to hire the best people in the world."
Steve Jobs

"Some people can do one thing magnificently, like Michelangelo, and others make things like semiconductors or build 747 airplanes — that type of work requires legions of people. In order to do things well, that can't be done by one person, you must find extraordinary people."
Steve Jobs

"You need to have a collaborative hiring process."
Steve Jobs

"I noticed that the dynamic range between what an average person could accomplish and what the best person could accomplish was 50 or 100 to 1.Given that, you're well advised to go after the cream of the cream. A small team of A+ players can run circles around a giant team of B and C players."
Steve Jobs

"When you're in a start-up, the first ten people will determine whether the company succeeds or not. Each is 10 percent of the company. So why wouldn't you take as much time as necessary to find all the A players? If three were not so great, why would you want a company where 30 percent of your people are not so great? A small company depends on great people much more than a big company does."
Steve Jobs

"A company should limit its growth based on its ability to attract enough of the right people."
Jim Collins

"Great vision without great people is irrelevant."
Jim Collins

"Get the right people on the bus and the wrong people off the bus"
Jim Collins

"For no matter what we achieve, if we don't spend the vast majority of our time with people we love and respect, we cannot possibly have a great life. But if we spend the vast majority of our time with people we love and respect — people we really enjoy being on the bus with and who will never disappoint us — then we will almost certainly have a great life, no matter where the bus goes. The people we interviewed from the good-to-great companies clearly loved what they did, largely because they loved who they did it with."
Jim Collins

"Often the best solution to a management problem is the right person."
Edwin Booz

"we do not hire experts neither do we hire men on past experiences or for any position other than the lowest. Since we do not take a man on his past history, we do not refuse him because of his past history. I never met a man who was thoroughly bad. There is always some good in him if he gets a chance."
Henry Ford

"The smartest business decision you can make is to hire qualified people. Bringing the right people on board saves you thousands, and your business will run smoothly and efficiently."
Brian Tracy

"As a business owner or manager, you know that hiring the wrong person is the most costly mistake you can make."
Brian Tracy

"A good manager is a man who isn't worried about his own career but rather the careers of those who work for him."
H. S. M Burns

"If you can hire people whose passion intersects with the job, they won't require any supervision at all. They will manage themselves better than anyone could ever manage them. Their fire comes from within, not from without. Their motivation is internal, not external."
Stephen Covey

"A great person attracts great people and knows how to hold them together."
Johann Wolfgang Von Goethe

"The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it."
Theodore Roosevelt

"The most dangerous leadership myth is that leaders are born-that there is a genetic factor to leadership. That's nonsense; in fact, the opposite is true. Leaders are made rather than born."
Warren Bennis

"Focus on a few key objectives ... I only have three things to do. I have to choose the right people, allocate the right number of dollars, and transmit ideas from one division to another with the speed of light. So I'm really in the business of being the gatekeeper and the transmitter of ideas."
Jack Welch

"Executives owe it to the organization and to their fellow workers not to tolerate nonperforming individuals in important jobs."
Peter Drucker

"Never hire someone who knows less than you do about what he's hired to do."
Malcolm Forbes

"Recently, I was asked if I was going to fire an employee who made a mistake that cost the company $600,000. No, I replied, I just spent $600,000 training him. Why would I want somebody to hire his experience?"
Thomas John Watson Sr.

"I am convinced that nothing we do is more important than hiring and developing people. At the end of the day you bet on people, not on strategies."
Lawrence Bossidy

"Do not hire a man (or woman) who does your work for money, but him (or her) who does it for the love of it."
Henry David Thoreau

"If we weren't still hiring great people and pushing ahead at full speed, it would be easy to fall behind and become a mediocre company."
Bill Gates

"The key for us, number one, has always been hiring very smart people."
Bill Gates

"Hire people who are better than you are, then leave them to get on with it. Look for people who will aim for the remarkable, who will not settle for the routine."
David Ogilvy

"When I find an employee who turns out to be wrong for a job, I feel it is my fault because I made the decision to hire him."
Akio Morita

"Development can help great people be even better—but if I had a dollar to spend, I'd spend 70 cents getting the right person in the door."
Paul Russell

"If each of us hires people who are smaller than we are, we shall become a company of dwarfs. But if each of us hires people who are bigger than we are, we shall become a company of giants."
David Ogilvy

"Recruiting is hard. It's just finding the needles in the haystack. You can't know enough in a one-hour interview. So, in the end, it's ultimately based on your gut. How do I feel about this person? What are they like when they're challenged? I ask everybody that: "Why are you here?" The answers themselves are not what you're looking for. It's the meta-data. "
Steve Jobs

"When I hire somebody really senior, competence is the ante. They have to be really smart. But the real issue for me is, Are they going to fall in love with Apple? Because if they fall in love with Apple, everything else will take care of itself. They'll want to do what's best for Apple, not what's best for them, what's best for Steve, or anybody else."
Steve Jobs

"One cannot hire a hand; the whole man always comes with it."
Peter Drucker

"Somebody once said that in looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if you don't have the first, the other two will kill you. You think about it; it's true. If you hire somebody without [integrity], you really want them to be dumb and lazy."
Warren Buffet

"Leaders don't flock. You have to find them one at a time."
Ross Perot

"If I were running a company today, I would have one priority above all others: to acquire as many of the best people as I could [because] the single biggest constraint on the success of my organization is the ability to get and to hang on to enough of the right people."
Jim Collins

"In determining the right people, the good-to-great companies placed greater weight on character attributes than on specific educational background, practical skills, specialized knowledge, or work experience."
Jim Collins

"The moment you feel the need to tightly manage someone, you've made a hiring mistake. The best people don't need to be managed. Guided, taught, led—yes. But not tightly managed."
Jim Collins

"People are not your most important asset. The right people are."
Jim Collins

"If you think it's expensive to hire a professional to do the job, wait until you hire an amateur."
Red Adair

"First-rate people hire first-rate people; second-rate people hire third-rate people."
Leo Rosten

"Always be smarter than the people who hire you."
Lena Horne

"I don't pay good wages because I have a lot of money; I have a lot of money because I pay good wages."
Robert Bosch

"If you hire only those people you understand, the company will never get people better than you are. Always remember that you often find outstanding people among those you don't particularly like."
Soichiro Honda

"Hire character. Train skill."
Peter Schutz

"If you pay peanuts, you get monkeys."
Chinese Proverb

Management Interview Questions

Master List:
Executive Interview Questions

The candidate interview remains a pivotal factor in the hiring process for virtually all organizations. While it might not deserve all the credit it gets, the job interview is the best forum for the candidate to tell the story of his career to a hiring manager.

The one-on-one meeting allows the hiring manager to determine a person's "fit" within a group. It also enables the hiring manager and senior candidate to get to know each other on a personal level. The candidate interview is essential for creating an emotional connection between the candidate and the people he could work with.

The questions below have been compiled by executive recruiters with many years of experience. Hiring managers are free to use any or all of the material for their own personal use. Please do not publish the material since it took much effort and many years to create — and is protected by copyright.

Executive Interview Questions: Section 1
Career Basics

1. Please tell me the story of your interesting career, position by position.
2. Which was your favourite job in your career?
3. Tell me which was the worst job you've ever had?
4. What do you feel are the greatest accomplishments of your career?
5. What are your greatest strengths?
6. What are your greatest weaknesses?
7. What are the main reasons for your success?
8. What types of problems do you struggle with?
9. How did you come to join your current company?
10. Describe a typical day or week in your current role.
11. What parts of your job do you enjoy?
12. What do you think is the most important aspect of your job?
13. Could you have done better in your last job?

Executive Interview Questions: Section 2
Leadership Experience

1. Would you classify yourself as a born leader?
2. When was your first leadership experience?
3. Describe your management style.
4. In what ways are you different from other managers?
5. What do you look for in people that you hire?
6. What makes you angry at work?

7. How do you develop morale in the people who report to you?

8. How do you support behaviour that you would like repeated?

9. What is a tolerable number of absentee days from work?

10. How have you gone about reorganizing a department that you led?

11. Describe how you led a team to become more effective.

12. Tell me how you have created a shared purpose among people who initially differed in opinions or objectives.

13. Describe how your last few promotions come about?

14. What is the most likely next progression at your current company?

15. When have you transformed your own role to meet company needs?

Executive Interview Questions: Section 3
People Development

1. How experienced are you as a developer of people?

2. Who have you developed who was later promoted?

3. What decisions and activities do you delegate?

4. How much direction and feedback do you require to be successful?

5. How do you develop the untapped potential in your employees?

6. What key skills are required to develop successful managers?

7. What process do you take to address underperforming employees?

8. At what point do you terminate an underperforming employee?

Executive Interview Questions: Section 4
Relationships

1. What defines a good client relationship?

2. How do you build strong client relationships?

3. Tell me about times you built support from people over whom you had no authority.

4. Describe how you go about developing relationships when you are new to an organization.

5. How would you describe your relationship with your boss?

6. How would you describe your relationships with your staff?

7. Are you active in your industry or your community?

8. Are you friends with any of your competitors?

9. Tell me about a situation when your work was severely criticized.

10. What would you do if another manager was harming your results?

11. In what manner do you confront staff whose results are inadequate?

12. What do you say about your boss's "great idea" that you don't think is so great?

13. How do you show you appreciate people as individuals rather than for what they do for you?

14. How do you handle conflict when it comes from your client?

15. Describe a situation where you worked under extreme pressure.

16. How do you resolve serious conflict when it occurs in your staff?

Executive Interview Questions: Section 5
Communication Skills

1. How would your staff rate your communication skills?

2. Can you give me a brief sales pitch for your main product or service?

3. Explain the internal structure of your company and where you are in it?
4. Why does someone buy your product instead of someone else's?
5. Do you participate in creating proposals or other written materials of your company?
6. Are you confident speaking in front of a group?
7. Do you write your own presentations, speeches and articles?
8. When could it be necessary to withhold information from staff members who report to you?

Executive Interview Questions: Section 6
Commitment

1. How would others describe your work ethic?
2. Have you ever suffered for doing what you thought was right?
3. What was the toughest decision you ever had to make?
4. How many hours per week do you normally work?
5. How do you feel about working nights and weekends?
6. What is the maximum amount of travel you are comfortable with?
7. Can you cope in an unstructured workplace?
8. Have you had experience terminating people?
9. What are some justifiable and unjustifiable reasons to miss work?
10. Have you ever been absent from work for more than a few days?
11. Have you ever disagreed with your manager about something important? What did you do?

Executive Interview Questions: Section 7
Results Focus

1. Describe how you exceeded expectations in your current role?
2. What lasting value have you created for your organization?
3. What is the most difficult part of your job?
4. What major challenges do you currently face?
5. Describe an organizational transformation that you led?
6. How do you monitor your staff's day-to-day work progress?
7. Tell me about a very stressful situation that you managed well.
8. Tell me about a situation that you could have managed better.
9. Describe a very successful project you led and how results were measured.
10. On projects that fall behind, how do you get them back on track?
11. What did you do to increase company revenues at your current company?
12. What did you do to reduce expenses at your current company?
13. Can you tell me about your most recent performance review?
14. What types of controls do you use to ensure projects are completed?

Executive Interview Questions: Section 8
Sales Ability

1. How does your sales team rank in the industry?
2. What are the main sales objections you and your sales people face?
3. What closing style do you emphasize for your sales people?
4. How did your group achieve quota during the past year?
5. When you were unable to meet quota in the past, what did you do?
6. How much does sales production vary among your sales people?

7. How long is your sales cycle?

8. How many prospects do your sales people see before a sale is made?

Executive Interview Questions: Section 9
Strategic Thinking

1. Are there ways you could have improved your career progress?
2. Have you ever considered starting your own business?
3. How would you evaluate your present firm in its industry?
4. What are the 3 main strategic issues facing your organization?
5. Describe an action you are taking to address a major strategic issue?
6. How would you evaluate your boss and the people you work with?
7. What might you bring to my company that is unique?
8. How have you improved yourself in the past year?
9. What are the main trends in your industry right now?
10. What are the biggest opportunities in your industry?
11. What are the biggest risks to your industry?
12. Describe your main competitors and what they do well?
13. What are your thoughts with: "the customer is always right?"
14. Describe your ideal company and position.
15. Where would you like to be in 5 years?
16. When do you plan to retire?
17. What do you worry about for your business and your career?
18. In what ways might you stand out from your peers?
19. What might your boss say that makes you most valuable?

Executive Interview Questions: Section 10
Career Stability

1. Please explain the reasons behind your various job changes.
2. Do you think you have too many job changes or too few?
3. Were any of your job changes the result of general lay-offs? If so, explain how events unfolded?

Executive Interview Questions: Section 11
Personal Ideals

1. What do you think about work/life balance?
2. Who are some of your closest friends? What do they do?
3. How would your friends describe you?
4. How much alcohol do you consume?
5. What would you do if you did not need money?
6. What would you have done differently in your life?
7. Would you be able to relocate quickly?
8. Who has inspired you in your life and why?
9. What are your hobbies?
10. What books have you read lately?
11. What did you do for your last vacation?
12. Are you interested in sports?
13. How would you describe your financial situation?

14. What's your opinion on politics (or some other divisive subject)?
15. What work environment is most desirable for you?
16. Could you report to a younger person (or a minority person)?
17. What action do you take when an employee is caught stealing?
18. Tell me about your most frustrating experience over the past year.
19. Describe the ideal organization you would like to work with.
20. What is the proper role/mission of a good manager?
21. What is the proper role/mission of a company in its community?
22. Would you tell a lie for your employer?

Executive Interview Questions: Section 12
Compensation

1. What is your current compensation and how is it constructed?
2. How is your bonus and/or commission structured?
3. Do you feel your compensation is above or below the market?
4. What are your expectations for future compensation?
5. When did you earn your highest income?
6. What would you like to be earning in 3 years?

Executive Interview Questions: Section 13
Position Specifics

1. What do you know about our company's products and industry?
2. What interests you about the possible position?
3. Do you think you have suitable experience for the role?
4. Are you over- or under-qualified for this position?
5. What do you think about working at our company?
6. What have you heard that is negative about our company?
7. What changes would you make if you came on board?

Executive Interview Questions: Section 14
Current Job Status

1. How difficult will it be for you to leave your current company?
2. Why are you leaving (or did you already leave) this position?
3. Does your employer know you are looking?
4. Where else are you interviewing?
5. Do you have other offers you are considering?
6. What are your career options right now?
7. What references could you give us?

Recruiting Terms and Concepts Explained

Glossary of Executive Search:
Terms & Concepts

Active Candidates:
People seeking immediate employment. Active Candidates are usually unemployed or facing unemployment in the near future. They may be young people looking for their first full-time job, people whose positions were terminated or people who are very unhappy with their current employer.

Allowances:
Payments made to employees to cover expenses and usually treated as part of pay and taxed accordingly. In Asia, most executives are provided with a greater number of such allowances than in other regions. Examples include: automobile allowance (often including fuel and driver), housing allowance and executive healthcare coverage for family. Expatriates posted to Asia are often provided with some or all of the following as part of their expatriate package: private school fees for children, air-flights tickets to home country for family and relocation expenses.

Applicants:
People who proactively apply for job openings in organizations. Applicants are considered highly motivated job-seekers and active candidates. They may be recent graduates or immigrants looking for their first job, unemployed professionals, people dissatisfied with their current employer or people who change jobs regularly.

Behavioural Interviewing:
Interview format that seeks to understand and assess the career history and performance of candidates under the premise that the past is the best predictor of the future. Questions in behavioural interviews try to probe candidates' conduct in different situations, for example: "how did you achieve these results" and "what did you do to overcome this unexpected problem." Behavioural interviewing is considered the highly useful by most hiring managers and recruiters especially for management candidates who have strong career histories.

Blacklisted Candidates:
People who are prevented from being considered for open positions because of a breach of confidence. Examples include: substance abuse, failed previous assessment, overstated qualifications, didn't show up for previous interviews, etc.

Blended Search Agreement:
Combines both retained and contingency elements in an executive search engagement. There is usually an initial retainer (non-refundable) with further payments due once defined deliverables are accomplished or a

balloon payment at the end once the position is filled.

Blocked Candidates:
Search firms avoid targeting employees of client organizations for new search engagements because of guarantee commitments. Employees of organizations that are current or recent clients are blocked from being considered candidates. In addition, candidates who are actively under consideration by one client should be blocked from being considered by another client simultaneously. (Related concepts are Off-Limits and Parallel Processing.)

Body-Snatcher:
A slang phrase for recruiter.

Boutique:
Executive search firm that is operated in a hands-on manner by a small number of experienced partners. The migration of senior consultants from large search firms to set up their own boutique firms is one of the main reasons behind the steady decline in market share of the large firms. In emerging countries of Asia, boutique search firms dominate country markets while large international firms are almost non-existent.

Bundling:
A current management trend of combining responsibilities for 2 or even 3 executive positions with one super-manager. In many companies, finance and HR or finance and IT are being combined under one manager — and sometimes all 3 functions. Many companies in Southeast Asia are giving country management responsibilities for 2 or 3 countries to a single person — combining multiple senior positions into one.

Candidate:
A person who is being considered for an open position at an organization.

Candidate Intelligence:
In executive search, candidate intelligence relates to the investigative process of sourcing the names individuals who may become qualified candidates of open positions. Such research is an on-going and time consuming focus of most executive recruiters.

Candidate Reports:
Almost all executive search firms create comprehensive documents about the candidates they recommend for client positions. Called Candidate Reports, they are produced after interviews with candidates, research into past employers and informal background checks to give as complete a picture as possible to the client. Objective evaluations of suitability, strengths and weaknesses are provided as well as judgements about candidates' personal goals, career motivations, salary expectations and so on.

Candidate Universe:
For every open position, there are a number of people who might meet basic qualifications and can be considered worthy of further investigation. This group is called the Candidate Universe and creating this long list of potential candidates is the first step of every search. It will vary tremendously in size depending on many factors: job type, industry, geography, organization and hiring manager requirements.

Career Counsellor:
Firms offering job search services directly to individuals. The concept is similar to outplacement except

that individuals pay for the service themselves, rather than an employer. As in all professional services, fees and quality levels can vary tremendously. (Also called Job Counsellors)

Character Reference;
A person who can attest to a candidate's personal qualities and abilities.

Chemistry:
The term used to describe the quality of the interaction between 2 people. In recruiting, the chemistry between a prospective executives and hiring managers is an important determinant of success and is a factor in the final hiring decision. Skills and experience are, of course, critical but nothing will work if people cannot work together.

Client:
An organization that has engaged an executive search firm to assist in hiring employees for open positions.

Client Anonymity:
Clients of executive search usually expect their identity to be confidential in the early stages of the search. They generally do not want the status of their senior positions known for fear of raising concerns among customers, employees and suppliers. As well, many search engagements are to replace executives currently working and confidentiality in these cases is an even greater concern.

Chronological Resume:
A resume format that lists career experience by date usually with the most recent position first. Most hiring managers and recruiters prefer chronological resumes since it is easier to understand candidates' career progress, positions held and dates.

Compensation:
Executive earnings can include a great assortment of cash and non-cash, guaranteed and variable components. Base salary may comprise only 50-60% of total compensation. Other payments may include the following: annual bonus, long-term incentive plan, profit sharing, restricted share plan (or stock options or phantom share), signing bonus, executive health insurance, pension plan, life and disability insurance. In Asia, senior executives and especially expatriates can also be provided with an automobile (plus fuel and driver), private school fees for children, air-flight tickets to home country for entire family, club memberships, housing allowance, housing loans and hard-ship bonus. (Same as Total Compensation)

Completion Rate:
A term that measures the percentage of executive search engagements that bring about a successful new employment relationship.

Confidentiality:
A large percentage of executive search clients require that their name be concealed in the early stages of projects. They usually do not want the status of their senior positions known for fear of raising concerns among customers, employees and suppliers. Nor do they wish to notify competitors of weaknesses or strategic changes. As well, many search engagements are to replace executives currently working and need to be handled very carefully.

Contingency Recruiting:
A recruiting relationship where fees are paid only when a candidate is hired through the recruiter. Providers of contingency recruiting are usually called by such names as: employment

agencies, personnel recruiters, staffing providers and similar. In emerging countries of Asia, most contingency recruiters call themselves "executive search" without understanding the difference.

Contractor:
A temporary worker being compensated on an hourly or daily rate who is not a regular employee of the company. Interim Executives are employed as contractors for specified periods.

Counter Offer:
A counter offer can mean 1 of 2 things. After receiving a job offer from an employer, a candidate may respond by asking for improvements and this is called a counter offer. In high growth Asia, it more commonly means an offer given by a current employer to keep an employee who has received a job offer by another employer.

Corporate Culture:
Every organization has a specific set of values and manner of doing business. Companies might be entrepreneurial or well structured, adversarial or collaborative, for instance. Candidates who do very well in one corporate culture may fail in another. It is important for hiring managers and recruiters to source people with the personalities and experience that are a fit for the organization.

CV:
A Curriculum Vitae (Latin for "path of life") is an official document prepared by job-seekers to describe their career history, education and specific qualifications. It carries legal standing and consequences for dishonest representation can be severe for executive managers. CV's

are often referred to as resumes but CV's are usually longer, giving detailed history of experience, presentations, publications, awards, affiliations, etc. In Europe, Asia and the Middle-East, CV's tend to be 4 or more pages in length. Resumes of 2 to 4 pages are more common in Anglo Saxon countries and particularly the United States. Academic and other public sector employees tend to write CV's that are lengthy because of their nature of their work.

Direct Sourcing:
Phrase describing a time-consuming method of acquiring candidates through proactive contact after research of target companies' organizational structure. It is understood that highly desirable management candidates rarely submit their confidential resumes to job postings, advertisements, job fairs and resume databases of general employment agencies. The only way to reach such people is for knowledgeable search consultants to contact them directly in a confidential manner.

Discrimination:
In most so-called advanced countries, there are stringent laws that support principles of tolerance and equal employment opportunities. Anyone involved in recruiting needs understand these laws and how to avoid discrimination based on characteristics such as race, religion, gender, age, ethnicity, marital status, sexual orientation, among others. This is true also in emerging countries where senior people are increasingly expected to conduct themselves to international standards.

Diversity:
Diversity in organizations refers to inclusion of people from different

cultures, ethnic backgrounds and gender in key positions.

Employee Engagement:
A measured indication of the emotional connection employees feel for their employer.

Employee Referral Plan:
A program where employees of an organization are compensated for providing names of suitable candidates for open positions.

Employer Brand:
A widely used concept referring to an employer's reputation as a "great place to work." Marketing concepts used in products and services are applied to promoting employee value proposition to attract, engage and retain high quality candidates and employees.

Employer of Record:
The entity that accepts all legal and regulatory employment responsibilities of a person.

Employment Agency:
Phrase used for contingency recruiting companies that focus on volume hiring projects of mainly junior staff and intermediate level staff. Other names denoting the same are: personnel agency, staffing provider and recruiting firm. In emerging countries of Asia, most general employment agencies confusingly call themselves "executive search" without understanding the concept.

Employment Agreement:
A document prepared by employers often in the form of a job offer or along with a job offer to be presented to prospective employees. The employment agreement defines such issues as compensation, job

responsibilities and start date. Once final agreement has been made, it is signed by both the hiring manager and the new employee.

Employment Gaps and Breaks:
Periods in people's career when they were unemployed. In so-called advanced countries, there is some stigma associated with employment gaps when considering the careers of senior managers. In emerging countries where economies and family situations are more disruptive, career breaks are less of a concern.

Executive Coach:
A person who is hired to facilitate professional and personal development of management talent. Successful executive coaches tend to be mature managers with many years of career experience.

Executive Search:
Executive search is the consultative process of recruiting individuals to fill senior management positions in organizations. It involves the engagement of an executive search firm to research and assess the suitability of available candidates to fill open position. Executive search consultants are generally paid by retainer as are other highly skilled professionals like engineers, auditors, lawyers and the like.

Exit Interview:
A meeting with a departing employee shortly before his or her last working day to ask about the person's overall experience with the employer, reasons for leaving and other information that can be used to improve employee engagement in the future.

Expat Package:
Phrase used to describe the extra

allowances and benefits provided to executives who are posted abroad for a defined period of time. The expat package can add a lot to people's overall compensation since many personal expenses can be covered. Some of these include: housing, automobile (with fuel and driver), private school fees, relocation, healthcare coverage, airfare to home country for family, hardship bonus, among others.

Expatriate:
A person who lives and works in a country outside his or her citizenship. Executive employees are commonly posted by multinational organizations to overseas locations to manage business units.

Expenses:
Executive search firms often incur out-of-pocket expenses when sourcing, interviewing and attracting senior level candidates on behalf of clients. This is because senior executives are usually difficult to reach, travel regularly and are very concerned about confidentiality. Therefore, costs for communications, private meeting rooms, travel and so on are billed to clients. Search firms in some countries charge a flat fee of 10-20% for expenses. Same as Reimbursable Expenses.

External Candidate:
A person from outside the organization being considered for an open position.

Falloff:
Term used by recruiters and hiring managers to describe the situation when a recently hired manager begins work only to resign a short time later. The potential of falloff risk must be assessed early by recruiters and

replacement candidates prepared ahead of time.

Fees:
Executive search fees vary widely across regions and providers. In Europe, North America and Japan, recruiters quote standard fees between 30-33% of first year's guaranteed compensation although these are widely known to be negotiable. In other words, the search fee for a $100k per year position would be $30k (plus expenses) whether or not a candidate was placed. In emerging countries, search fees are lower (typically between 20% and 25%) with more requirements for achieving deliverables.

Front-End Retainer:
Fee invoiced at the beginning of executive search engagements.

Functional Resume:
A resume format listing skills and functions in a non-chronological manner. It downplays or even omits dates, employer names and job titles except at the bottom of the document in brief format. The functional resume has gotten a bad reputation among hiring managers and recruiters since it is difficult to understand people's career progression and used most often by candidates when trying to hide employment gaps and other career blemishes.

Garden Leave:
The situation of an employee who is leaving a job for whatever reason is required to not work during a specified period of time. Garden Leave is a common term in the UK and some other Anglo Saxon countries. The purpose is to prevent (or at least delay) former employees from working for a competitor and exploiting sensitive

information that naturally becomes less exploitable over time.

Generalist Recruiters:
Search consultants that provide their services across a range of industries and functions. Most search consultants throughout the world, and especially in emerging countries, are generalists — although most have areas of focus. The big exception is in most large cities of so-called developed countries where search consultants specialize in narrow skill sets and industries. The trend of the global industry is for specialization in markets that are large enough to support it.

Glass Ceiling:
A barrier in a workplace that prevents employees of certain types to advance to more senior positions in their careers.

Guarantee:
Executive search firms provide various contractual assurances to clients. Some of the most common are: promise to replace placed candidates who leave their position for any reason within a certain period, promise not to target client employees for other executive search clients, promise not to recruit employees from companies specified by the client that they may have special relationships with.

Hardship Bonus:
Some companies pay expatriate executives extra income to compensate for living and working in difficult or dangerous conditions.

Headhunter:
A slang term for executive recruiter.

Hidden Job Market:
It is well known that the majority of job openings are filled through personal contacts and referrals from employees, friends and industry contacts.

Hiring Bonus:
Payments given to newly hired executive managers to ensure they join the employer. Hiring bonuses are most commonly used to compensate executives for earnings they would lose by leaving their current employer. A typical example is an annual bonus that may not be paid for months in the future. Managers may hesitate to leave employers because they will lose rightfully earned compensation. In order to secure the hire, the new employer commits to pay the amount as a signing bonus on starting work or after an agreed period. Sometimes signing bonuses are used to lure high value candidates and are encumbered with retention requirements. (Same as Signing Bonus)

Industry Map:
Recruiters specializing in certain industries or functions often build an organizational chart for each company in their target industries and, through on-going research, collect detailed information about each person in senior management positions.

Informal Reference Check:
Process of confirming candidates' background through sources other than those provided by candidates. Such sources can include regulatory filings, online information and, most importantly, speaking with former colleagues, supervisors, clients and competitors. The process needs to be conducted in a delicate and confidential manner that will not jeopardize candidates' career or standing in the business community.

Insourcing:
A term for filling a position with a person who is already employed with the company. Internal candidates should always be a first consideration for open positions.

Interim Executive:
A senior manager with proven specific skills put in place for a short-term assignment to oversee a transformation, resolve a crisis or watch over an organization until a permanent person can be found.

Internal Candidate:
A person currently working within an organization who is being considered for a position within the same organization. It is not uncommon for employers to consider internal and external candidates simultaneously. Hiring managers typically inform search consultants of the existence of internal candidates and to include them in their short-list of candidates.

Interview:
Meeting between a hiring manager and a candidate being considered for a position in which the candidate is introduced to the employer and assessed for an open position.

Job Board:
A website connecting employers and applicants. Most allow employers to advertise open positions and have a process for individuals to apply. Job boards can be specific to an industry, job type or geographic location while others try to be open to all.

Job Counsellors:
Firms offering job search services directly to individuals. The concept is similar to outplacement except that individuals pay for the service

themselves. As in all professional services, fees and quality levels can vary tremendously. Also called Career Counsellors.

Job Description:
An official document describing the skills and experience required for an open position.

Job Hopper:
A slang phrase for a person who changes employers regularly. For management candidates, remaining less than 2-3 years with a number of previous employers, is considered a cause for concern.

Job Order:
Clients provide information about a position opening specifying the description of the job to be done, title, reporting relationships, skills required, experience and so forth. (same as Requirement)

Lateral Move:
A job transfer that involves in similar responsibilities and compensation.

LinkedIn:
Considered the most popular social networking tool for professional candidates. It is being steadily used more and more for job seekers to find employers.

Lobbing:
Search firms passed over for assignments sometimes send unsolicited resumes to clients to entice them to change their minds.

Local Expat:
People working in a foreign country for an extended period of time who have chosen to remain permanently and work on local terms. Local expats

can be valuable for many companies since they have proven success in the local country and understand the requirements of international organizations. They are typically less expensive than full expatriates since they do not require an expatriate package. (see Expat Package above).

Long-List:
Recruiting term for the large inventory of candidates created in the early stages of a search engagement. The number of potentially qualified candidates on a long-list can be less than 10 or more than 50 depending on the specialized needs of the client and type of position.

Non-Compete Clause:
Legal commitment by an employee not to work in the same industry as the employer after departing. The non-compete clause is meant to protect the employer from losses due to improper use of confidential information such as trade secrets, client lists and new product ideas. In some countries, non-complete clause are mainly unenforceable except in severe instances. In countries like the United Kingdom, employees must remain on the payroll during the period of the non-complete clause. (See also Garden Leave)

Non-Solicitation Clause:
Usually part of management employment agreements, preventing a departed employee from contacting the employer's customers or employees about any matter that may impact the employer's business in a harmful manner for a period of time.

Off-Limits:
Refers to the agreement by recruiters not to target executives in client

organizations for open positions at other companies. Mainly an issue with large search firms since they can be dealing with many companies in an industry and, therefore, can be severely constrained for candidates to pursue. Off-limits is a big reason boutique search firms dominate the smaller economies of most emerging countries.

Onboarding:
The process of assimilating new managers into organizations. Senior managers must quickly decipher the corporate culture and actual reporting structure of their new employer, and then develop relationships with key people who will help their situation. While doing this, their every move is being scrutinized warily by those with vested interests. Organizations should have formal onboarding processes in place to help during this initial hazardous period.

Outplacement:
A service to help terminated employees find new employment. When companies downsize, people who see their careers vanish are often put into emotionally difficult and financially inconvenient circumstances. Outplacement helps former employees and maintains morale with current staff since the employer is seen to be acting in a caring manner.

Panel Job Interview:
A personal interview where the candidate is assessed by a group of interviewers simultaneously.

Passive Candidates:
People who are happily and successfully employed and not seeking new employment. Passive candidates are typically mature people in the

middle or late parts of their careers. Virtually all successful senior managers are Passive Candidates. Their loyalty to employers and success on the job makes them the most valuable as targets of executive search.

Per Diem:
A daily allowance paid to contract employees for various expenses such as meals, accommodation and transportation. Per diems can be paid to contractors or regular employees while working at a client site or out of town.

Permanent Employment:
A term used for regular employment where the company becomes the employer-of-record and accepts full legal liability under labour law. Permanent employment is a term used less and less as employers and employees become more temporary in outlook.

Phantom Stock:
Long-term incentive plan where an employer pays cash at defined dates in the future equal to the market value of a number of its shares but without shares actually being given.

Pirate:
A slang term for executive search consultant.

Placement:
The successful hiring of a suitable candidate for an open position.

Poaching:
A slang term for the process of recruiting high value employees from another company, often competitors.

Pool of Candidates:
For every open position, there are a number of people who might

meet basic qualifications and can be considered worthy of further investigation. This collection of candidates could be large for junior and entry level positions or very small for senior positions.

Professional Employer Organization (PEO):
Companies that accept legal employer status of employees who work for client organizations. The PEO provides payroll and benefits administration and handles regulatory requirements for their employees.

Progress Payments:
Many executive search firms bill for their services on a periodic basis (either monthly or based on deliverables).

Proposal:
Formal contract created by the search firm usually in the form of a letter agreement. The proposal, once signed, is the basis of the search contract and specifies key issues such as guarantees, timing, fees, exclusivity, confidentiality and so on.

Psychological Testing:
Many types of standardized methods of evaluating candidates are available. Psychological testing became popular during the 1960's and 1970's by claiming to be able to assess cognitive and emotional functioning of people using scores on standardized tests. Today, psychological testing is used infrequently by large companies (especially in Asia) and almost never by small and mid-sized companies.

Rainmaker:
A person who is highly successful at closing new business for professional services firms. Rainmakers are not usually just good sales people but

key people in firms (senior executives, partners or owners). They often allocate client engagements to others in their firms who will deliver results while going on to develop other new business. Sometimes clients mistakenly believe rainmakers will direct the engagements they sell in the hands-on manner but this will usually not be the case in most mid-sized and especially large search firms.

Ratcheting:
Unethical behaviour by some recruiters to present candidates earning above market compensation to ensure an above market placement fee — since fees are calculated as a percentage of compensation.

Recommendation Letter:
A document written by a previous employer describing a person's past work experience and endorsing him or her for a position. Recommendation letters have come into bad repute since they are often given to terminated employees so they will go quietly.

Recruiting Firm:
Recruiting firms source, assess and refer qualified candidates to be hired as employees by client organizations. Staffing firms, on the other hand, focus on providing temporary help or contract workers to clients for fixed periods.

Recruitment Advertising:
Giving public notice of open positions and inviting applications. Recruitment advertising is popular for junior and entry level level positions but a disappearing practice for senior management recruiting in most countries since it yields mainly Active Candidates (see definition). Some

regulated organizations have legal requirements to advertise all open positions.

References:
People who will verify a candidate's career and personal background, skills, character and other factors. Executive recruiters typically need to confirm specific information about candidates with direct references. References provided by candidates are important but generally yield information that is flattering to candidates. Search consultants should pursue informal references from other sources as well.

Reference Checks:
References provided by candidates are important but generally yield information that is flattering to candidates. It is necessary to speak with informal references not provided by candidates.

Referred Candidates:
It is common for clients to recommend candidates to search consultants for on-going search engagements. Some referred candidates may be senior managers working at competitors or internal candidates who already work for the client company. These people become part of the search consultants' pool of candidates and are considered along with others.

Reimbursable Expenses:
Executive search firms often incur a lot of out-of-pocket expenses when sourcing, interviewing and attracting senior level candidates on behalf of clients. Executive candidates can be difficult to communicate with, are concerned about confidentiality and may be located away from clients. Therefore, such costs as communications expenses, private

meeting rooms, travel and so on are billed to clients. Firms in some countries charge a flat fee of 10-20% for expenses. Same as Expenses.

Relocation Package:
Employees who are transferred to another country for a multi-year posting, are provided with moving expenses. Expatriate managers relocated to Asia for multinational companies are generally provided with relocation expenses for themselves and families.

Replacement Guarantee:
Executive search firms should agree to replace hired candidates who leave their positions within a certain period. The usual guarantee period is between 6 and 12 months. Some reasonable conditions may apply.

Research:
In executive search, research relates to the investigative process of sourcing the names individuals who may become qualified candidates of open positions. Research is an on-going and time consuming focus of most executive recruiters.

Recruiter:
Professionals who specialize in sourcing and assessing candidates for open positions and guiding the hiring process. They act as intermediaries between applicants/candidates and hiring managers.

Recruitment Process Outsourcing (RPO):
A category of business process outsourcing (BPO) where employers subcontract a large portion of its talent acquisition function to an outside service provider.

Regularization:
The process of converting a staff member to full employee status and the employer accepts legal liability of the person as employer-of-record.

Rule of Three:
A general rule for successful outcomes in executive search projects is that 3 credible candidates need to be interviewed 3 times by 3 different senior managers at 3 different locations.

Requirement:
Clients provide information about a position opening specifying the description of the job to be done, title, reporting relationships, skills required, experience and so forth. (same as Job Order)

Restricted Shares:
Long-term incentive plans for senior managers now include grants of company shares over periods of times called vesting. Restricted share plans have become more popular than stock option plans since there is a down-side risk for managers and this is supposed to dampen excessive risk taking behaviour. (Also see vesting)

Resume:
An official document prepared by job-seekers to describe their career history, education and specific qualifications. A resume carries legal standing and consequences for dishonest representation can be severe for executive managers. Resumes are usually 2 to 4 pages in length and can be thought of as sales brochures for people creating them. Resumes are often referred to as CV's (or Curriculum Vitae, Latin for "path of life"t) but CV's are usually longer giving detailed history of experience, presentations,

publications, awards, affiliations, etc. Resumes of 2 to 4 pages are most common in Anglo Saxon countries and especially the United States. In Europe, Asia and Middle-East, resumes tend to include much more information and should properly be called CV's. Academic and other public sector candidates tend to write CV's that are lengthy because of their nature of their work.

Resume Floating:

The practice of sending raw resumes to organizations that might have job openings and hoping for a quick placement. The technique is mainly used by inexperienced search consultants trying to break into a new client.

Retained Search:

The typical method of engaging experienced recruiting professionals to source and assess executives for senior management positions. The retained model is similar to those of highly skilled professionals such as architects, accountants, lawyers and so on. Services are billed monthly (retainers) for the term of the contract — usually 3 or 4 payments in executive search.

Retainer:

Executive search fees are usually paid in monthly instalments over an agreed upon period — usually 3 or 4 payments.

Returnee:

People who lived and worked outside their country of origin for a number of years and returned. Returnees may have been posted abroad for an extended period or emigrated and later decided to return to their country or origin. In emerging countries, returnee managers are considered

highly valuable because they bring international experience to the home country as well as strong local cultural understanding.

Ruse:

The practice of using deceptive tactics to acquire intelligence about an organization's employees. Common tactics include pretending to be conducting a study project or writing an article and asking questions about employees' names, titles and responsibilities. Rusing is usually used by inexperienced recruiters and researchers, and is highly unethical.

Screening Interview:

An initial job interview that is meant to quickly substantiate basic qualifications about a potential candidate. Screening interviews are often conducted over the telephone as a prelude to a more lengthy personal interview.

Search Process:

The procedure of sourcing and screening qualified candidates for open positions. Recruiters typically start with a so-called "long-list" ̕ of potential candidates that are systematically winnowed down to a short-list of perhaps 4 to 6 who meet specific requirements of hiring managers. Candidate assessment is time consuming and involves telephone and resume screening, recruiter interviews, informal background checks, client interviews and reference checking.

Semi-Active Candidates:

Semi-active candidates are usually employed but not satisfied with their employers. Some are unstable job-hoppers who change employers frequently while others are concerned about the stability of their positions

due to company reasons. Semi-Active candidates are often in the early part of their careers — young people are naturally more transient as they build their skills and experience.

Severance Pay:
Payments given to employees whose employment has been terminated without cause. The amount varies by country but a rule of thumb in many countries seems to be one month severance pay for each year of service.

Sexual Harassment:
A legally-defined situation involving sexual advances or sexually charged remarks or conduct in a workplace toward females (typically). Sexual harassment can severely impact work performance because of the hostile, intimidating environment it creates. In so-called developed countries, strict laws prohibit the behaviour. In emerging countries, the concept of sexual harassment and laws to prevent it are not as well defined.

Shadowing:
A process of working closely with a more experienced person to learn the skills required for a position before taking on the role at a later time. Often used in emerging countries when expatriate managers are hired to transfer skills to local managers.

Shootout:
Process of choosing a search firm where sales representatives from each short-listed firm are asked to make presentations to a group of decision makers and a final selection is made. Shootouts are used in a few very fast paced, highly competitive environments in the world — almost all in so-called Anglo Saxon countries. In the rest of the world (and especially

Asia), long-term professional relationships are key to acquiring business to doing business together and the shootout model is rarely used.

Shortlist:
During the search process, a candidate long-list is gradually reduced to a much smaller number of candidates in a time-consuming procedure. The short-list is the group of candidates who survive extensive screening, interviewing and background confirmation, and are to be presented to the client.

Signing Bonus:
Payments given to newly hired executive managers to ensure they join the new employer. Signing bonuses are most commonly used to compensate executives for earnings they would lose by leaving their current employer. A typical example is an annual bonus that may not be paid for months in the future. Managers may hesitate to leave employers because they will lose rightfully earned compensation. In order to secure the hire, the new employer commits to pay the amount owed as a signing bonus on starting work or after an agreed period. Sometimes signing bonuses are used to lure high value candidates and are encumbered with retention requirements. (Same as Hiring Bonus)

Situational Interviewing:
Interviewers place candidates in hypothetical circumstances and assessed by how they would solve problems and exploit opportunities. Questions such as: "How would you deal with an employee caught stealing?," and "What would you do to increase sales of our products?," are situational interview questions.

Considered very useful by most hiring managers for management candidates since they can ask often gain insight about their own company problems and opportunities.

Social Recruiting:
Social media tools such as Facebook, LinkedIn, Twitter and others are being used more and more to recruit candidates directly and through the company's employee referral program.

Source:
A credible and knowledgeable person who may recommend candidates for specific job openings.

Specialist Recruiters:
In large cities of most so-called developed countries, search consultants specialize their practice in certain industries or functions (for example: banking, manufacturing, consumer goods, accounting, HR, IT). Most large search firms employ numbers of recruiters and specialization is necessary. Small boutique firms in large markets also typically specialize in narrow services. Outside of the world's major commercial centres, generalist search consultants are most common. The simple reason behind this is that over-specialization in smaller search markets can lead to impoverishment of search consultants. In the emerging countries of Asia, most search consultants are generalists although they will commonly declare themselves to have certain "areas of focus."ť

Staff Augmentation:
Term for using temporary workers to increase the number of people working on a specific project for a defined period of time.

Staffing Firm:
Staffing firms focus on providing temporary help or contract workers to clients for fixed periods. Recruiting firms, on the other hand, source, assess and refer qualified candidates to be hired as employees by client organizations.

Statement of Work (SOW):
The formal contract between a staffing firm and the client specifying the chosen contractor's identification information, hourly rate, working hours, deliverables and so on.

Stick Rate:
Measures the percentage of placed candidates who remain in their positions after the trial period.

Stock Options:
A type of financial incentive given to key employees to reward them for the performance of their company's share price. Stock options give employees the opportunity to acquire company shares at a fixed price. If share price increases above that price, employees can make a profit when stock options are exercised. For example, if employees are given stock options for 100 shares at $10 exercisable in 1 year and the price goes to $15 at the end of the year, the employee can earn a profit of $500 ($15 - $10 times 100 shares). Stock options have gotten a bad reputation as a cause of risky management behaviour and are giving way to restricted shares as a long-term incentive.

Stress Interviewing:
Interviewers deliberately place candidates in situations of stress to see how they react. They may keep candidates waiting in the interview room, ask argumentative questions

and behave in an aggressive manner. Stress interview tactics are used in industries and locations that are highly competitive and confrontational in their culture. In Asia where relationship building skills are highly valued, stress interviewing is infrequently used.

Suspect:
A person identified in a preliminary manner as a possible candidate to fill a search assignment but who may or may not be determined as qualified or interested until more information is found.

Temp-to-Hire Staffing:
The process of hiring a temporary staff member and transferring them to regular employee status. The company becomes the employer-of-record and access legal employment responsibility of the person. The process is most used for lower level staff but is sometimes used for when interim executives are highly effective and wish to remain with an employer.

Temporary Staffing:
Contractors providing services to a client organization although legally employed by a staffing agency.

Termination:
Dismissal of an employee can take different forms and employment laws in most countries dictate its manner. Termination with cause is usually the result of a significant violation such as dishonest conduct, deliberate disobedience, serious neglect of duties, etc.). In such cases, the terminated employee is not entitled to separation pay or notice. Termination without just cause means the employee is being terminated for reasons not having to do with

misconduct and severance pay is usually defined by law.

Test Candidates:
When position requirements might be unclear, executive recruiters will sometimes present a range of candidates to hiring managers to get their reaction to the work being done and guidance on where to target.

Timing:
The length of the search engagement is sometimes specified in advance by the search firm. Typical executive searches require 2 to 4 months with roughly 1-2 months for candidate sourcing and appraisal by the search firm and 1-2 months of interviews and assessment by client decision-makers. Notice periods are usually longer for senior executives — 30 days is often the minimum in Asia.

Total Compensation:
Executive compensation can include an assortment of cash and non-cash, guaranteed and variable components. Base salary may comprise only 50-60% of total income. Other compensation may include the following: annual bonus, long-term incentive plan, profit sharing, restricted share plan (or stock options or phantom shares), signing bonus, executive health insurance, pension plan, life and disability insurance. In Asia, senior executives and especially expatriates can also be provided with an automobile (plus fuel and driver), private school fees for children, air-flight to home country for entire family, club memberships, housing allowance, housing loans and hard-ship bonus.

Unbundling:
Some service providers offer components of full recruiting services

individually. Examples are firms that provide name sourcing (often called research) and assessment services.

Unethical Research:
Practices that involve deceptive techniques such as misrepresenting the caller or the purpose of the call are unethical and unprofessional, and not acceptable by most experienced professional recruiters. (Similar to Rusing)

Vesting:
Most long-term incentive plans involving shares (stock options, restricted share, etc) are given in specified dates to encourage retention of key employees. Vesting schedules typically specify that employees can exercise a portion of their share plans each year over a 3 to 5 year period.