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## Hiring Executives for the C-Suite: Source Internally or Externally?

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## **Hiring Executives From Within**

The belief that insiders will always do better is a powerful and well-versed argument when debating whether to promote internally versus looking outside the organization for prospective candidates. Certainly an individual who has been bred and groomed within the organization has a solid grasp on process, corporate culture, and the company's inner workings than would an outsider. Candidates promoted from within are expected to perpetuate strategic goals and objectives, and are married to the history of the organization by having had a hand in creating it. Additionally, if a contender is chosen from within the company, it eliminates outside recruiting fees and the cost associated with assimilating a new employee to the job.

## **Sourcing Externally**

To some, turning to an executive retained search firm in hiring executives may at first seem counterintuitive, but at closer look makes strategic, economic, and long-term sense. The same benefits of hiring a candidate from the existing talent pool are also convincing reasons why not to hire from within. While trained diligently on corporate culture and process, the candidate's mindset has been molded by executive-level decision makers to ensure position for promotion. Carrying on with the status quo may work for some organizations, but in most, a lack of change and innovation is a certain way to erode market share. When there is a strong need to motivate change, recruiting from outside the organization is the key to ensuring this objective is met. An outsider brings new perspective and is more likely to ignite change, going against the status quo. Executives hired from within the organization are less likely to take risks or move the company into uncharted waters.

Exemplary education, top credentials, and leadership charisma are the key traits for leaders to successfully manage incendiary change. The likelihood that a home grown employee who has taken decades to climb the internal corporate ladder is that candidate is slim. Corporate culture and procedure are things that can be learned, but becoming an exceptional leader is

something that is created through a complex array of challenging career experiences. The most prolific CEO's in history have always been those perceived as mavericks by their peers; those willing and able to subjugate their board of directors to inspire change.

While the safe choice may be to promote from within the existing talent pool, the argument that it will produce the most effective executive is weak. The risk of choosing an individual who may not be as strong as his or her predecessor increases, as some C-Level Executives tend to avoid surrounding themselves with robust top-tier executives to eliminate competition. While unlikely, this situation could create a weak group of managers who evolve into little more than C-level 'yes men'.

## **Why Retained Search**

Filling such a critical role in any organization is something that should not be taken lightly or handled by anyone less than an expert. Using a retained search firm for these highly visible, important positions is the ideal option. When utilizing a retained search firm, the deliverable is clear: the most effective candidate for the position. A retained search firm has one objective, and that is providing viable candidates backed with quantifiable data. Background checks, reference checks, academic record and income verifications, in addition to valuable market intelligence, are all provided by an unbiased third party. Additionally, a search firm can significantly shorten the time from candidate identification to hire and improve that employee's stick rate.