

MAY 2017

The Challenge of Hiring Executive Leaders in a Candidate-Driven Market

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The candidate-driven market has become somewhat of a buzzword, infiltrating every corner of today's business world. In every industry, this candidate-driven market is fueled by growing demand for top talent against a landscape of short supply. Unemployment rates are the lowest in a decade, and open positions sit empty longer.

It's almost as if we've turned the clock back to before the recession of 2008. For years since, employees were just "thankful for a job" at a time when companies everywhere were cutting back, downsizing, and declaring bankruptcy. But with economic recovery comes soaring demand, and candidates across every function and industry once again hold a high degree of power in the hiring process.

Recruiting executive leaders in this tight labor market is just as difficult as seeking your frontline employees. High competition for top talent puts candidates in the driver's seat.

Reasons Behind the Candidate-Driven Executive Market

With the [national unemployment rate](#) at just 4.4 percent and some [5.7 million jobs sitting empty](#), it's not too hard to point to the discrepancy between supply and demand as the root cause of the candidate-driven market. Certainly, job applicants can sense the competition for their skills. Many are receiving multiple employment offers in a single job search, and others are seeing high success in their efforts to counteroffer potential employers. Half the reason for the low supply of talent is that the large majority of [Baby Boomers are now officially retired](#). This challenge alone leads to the topic of training the next generation and [preparing Millennials for executive leadership roles](#). But it doesn't stop there. The challenge of supply and demand only grazes the surface of the problem.

The deeper issue comes down to the fact that organizations everywhere are facing major transformation in the face of digitalization. Technical capabilities change the way business is done, overhauling processes and deepening strategies. Today's leadership team must have the capacity to understand how this disruption impacts their company in both positive and negative ways. They need the right balance of technical skills and soft skills to implement and communicate change. Cross-functional skills are essential, and a diverse background is highly valuable.

Finding a candidate who fulfills these qualities is extremely challenging. Whether they're taking the helm as CEO or leading the way in technology, strategy, HR, sales, finance or something else entirely, these leaders are in high demand. So the question becomes, how do

you attract these executives in a candidate-driven market?

Building an Attractive Culture

The best executives – the ones who can really make a positive impact on your organization – are drawn by opportunity. Building a reputation as a company that takes care of its employees, from the C-level to the ground level, is a big deal. So is innovation, transparency, and employee development. If you can't prove that your company prioritizes cultural fit, many candidates will be quick to dismiss the opportunity.

Whether they're making a lateral or vertical move, senior executives want to know how this position will impact their career. Who will they be working with, what major projects and initiatives are planned, what are the business objectives, and what challenges will they face? Furthermore, what does the work-life balance look like, how far is the commute, and what does the future look like with this organization?

Employer branding is critical, and so are your retention efforts, as both will impact your reputation and corporate culture. Are you creating a sense of community and purpose? Do you provide flexibility, training, and career growth? Do you elicit and act upon feedback from your employees? Are these qualities reflected in your branding initiatives? At the end of the day, if you want to attract the best executive talent, you need to deliver the best opportunity.

Offering Competitive Packages

Culture, innovation, and impact are all incredibly important factors behind attracting executive talent in a candidate-driven market, but compensation is the decisive element. An innovative executive leader who can drive your organization is someone who has built their career upon highly valuable learning experiences. They've worked hard to get where they are, and they know that their addition to any leadership team is an investment. Accordingly, organizations must stay competitive in their compensation structures.

This requires due diligence in market research. In a candidate-driven market, you must know what your local and national competitors are paying. You should also be aware of regional cost-of-living, especially if you're considering relocating a candidate. For every executive position you're looking to fill, you need to run an evaluation on base pay, annual performance bonuses, retention incentive bonuses, stock options, retirement plans and contributions, health and life insurance benefits, and miscellaneous perks. If your total package doesn't live up to market standards, you're going to lose out on the best executive candidates.

Implementing an Efficient Hiring Process

Hiring senior executives can be a long process. Your candidate's job search is likely confidential, which means you should plan interviews with consideration of their demanding schedules. If they're someone you're thinking about relocating, you also need to organize housing visits. There will probably be several interviews with different leaders and stakeholders. And don't forget about getting buy-in from the board. Rush the process and you risk making the wrong decision, which could have a detrimental impact on your organization.

However, if your recruitment process is too long, you can guarantee that candidate will already be seated in a brand-new job before you even get a chance to extend an offer. That's simply the reality of a candidate-driven market. Your hiring process must be highly efficient, streamlining the interview schedule, getting buy-in as early as possible, and communicating with the candidate every step of the way. A refined, consistent recruitment strategy is key, and if your organization is out of practice – due to internal promotion or low turnover – then it might be more effective to partner with an executive search firm that's well established in your industry.

Broadening Your Talent Pool

Even with an attractive opportunity, competitive compensation, and efficient hiring processes, you may be challenged with a short supply of candidates whose attention is elsewhere. It's a dilemma that requires some creativity. If your hiring profile for the executive position you're trying to fill has largely been traditional, it might be time to start looking at [more diverse backgrounds or cross-functional skill sets](#). Searching outside your industry may be fruitful; we recently [talked with the CFO at Sierra Nevada Brewing Co.](#), whose background was not, in fact, in finance or accounting but in chemical engineering. His diverse experience has led him to great success in his executive role.

Furthermore, an honest evaluation of the diversity of your talent pool is vital. Do your candidates cover a broad range of backgrounds, ages, cultures, ethnicities, and gender? This has become an important factor to consider in today's workforce, with some companies even establishing the role of [Chief Diversity Officer](#). Diversity in the C-suite often allows for creative problem-solving, new perspectives, and greater initiative. In a candidate-driven marketplace, a commitment to diversity presents an attractive opportunity.

Navigating Executive Hiring in a Candidate-Driven Market

More than merely a buzzword, the candidate-driven market has become a very real obstacle for companies looking to hire top talent. Because executive candidates are usually passive jobseekers, often happily employed at competitors, the challenge of hiring for the C-suite is even greater. Effective employer branding, competitive rates, streamlined hiring processes and a diverse talent pool are key practices to overcoming these potential barriers.

About the Author

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