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Globalisation of the Executive Search Industry in Europe, 1980-
2007

USER GUIDE

REFERENCE No. RES-000-22-1498

THE GLOBALIZATION OF THE EXECUTIVE SEARCH INDUSTRY IN EUROPE

BACKGROUND

The globalization of producer/professional service firms has received considerable attention in both academic and policymaking circles since the 1970s with a range of case studies focussing on the delivery of embodied, bespoke products through worldwide office networks (Aharoni and Nachum, 2000; Jones, 2005, 2007; UNCTAD, 1996; Ward, 2004). However, despite growing from its US heartland in the mid 1960s and coming of age in Europe in the 1980s, the clandestine world of headhunting has been comparatively neglected. This project responds to the research void. By using the case of retained executive search firms in Europe it provides theoretically informed, empirically rich insights into the globalization strategies, organizational forms and 'intermediary' roles of elite labour-related professional services².

Theoretically, the project develops three strands of work. First, research on the globalization and transnational form of professional service firms that highlights the complexities of the strategic management and organizational forms of spatially distributed firms (Alvesson, 2003; Bagschi-Sen and Sen, 1997; Cooper et al. 1996; Henderson et al. 2002). Second, studies of the role of executive labour recruitment in the knowledge economy and, in particular, the complex three-way *client-headhunting PSF-headhunted* relationship (Britton et. al., 2000)³. Third, research into market intermediaries who create, lubricate and shape their own markets when buyers (clients) and sellers (labour) are disintermediated then bought together by service providers (Coe et al. 2007; Peck and Theodore, 1998; Peck et al. 2003).

Empirically, the project explores the practices deployed by executive search firms in Europe to facilitate their expansion into new markets. It examines the organizational forms used, the search and selection techniques applied and the market-making activities enacted. It also seeks to understand the role of professional bodies in the regulation of the globalization process. Europe was selected as the arena for study because: it is the most important geographical region by revenue/offices; and was the first destination for US firms' organic growth (Jenn, 2005; Jones, 1989).

² We focused solely on retained executive search firms i.e. those firms that charge for their services regardless of whether the client ultimately recruits one of the candidates identified. In contrast contingent search firms, which usually operate in the middle management sector, only get paid on successful recruitment of a candidate.

³ Throughout we refer to the client as the organization employing the headhunter find an executive and the candidate as the individual being headhunted for the vacancy.

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OBJECTIVES

The **objectives** of the research were eightfold.

1. To deepen the theoretical understanding of the globalization of professional service where delivery to the client is bespoke, face-to-face, trust-based and embedded in complex firm-client relations.

This objective was successfully achieved through an interview survey of 50 C.E.O.'s, partners, consultants and researchers in 21 of the top 30 European executive search firms. This research was used to develop a typology of headhunting firms and their associated globalization strategies through the lens of theoretical work on cultural economy and the varieties of capitalism. It also allowed us to advance understanding of theories of professionalization and market intermediation (see output A and Results).

2. To unpack the practice of global headhunting firms as intermediaries in executive labour search in Europe.

This objective was successfully achieved by drawing upon the research framework indicated above in 1. We revealed the way headhunting firms act as governance agents in elite labour networks, something that allowed discourses associated with talent and the knowledge economy to be critiqued (see output B and Results).

3. To investigate the role of professional and regulatory bodies in the representation and development of the headhunting industry in Europe.

We completed interviews with the President and Secretary of the Association of Executive Search Consultants (AESC) and the Chairman of the Executive Researchers Association (ERA). We also interviewed AESC and ERA members in 20 headhunting firms and in addition to our original plans completed participant observation at two of the AESC's European meetings in London and Frankfurt. Our research indicated that the industry has little or no direct national or pan-European regulation outside of employment and other generic legal frameworks (e.g. data protection). This objective was, therefore, addressed by focusing on the two professional bodies that represented and set standards for the industry worldwide and the way they have supported and influenced the globalization process (see Results).

4. To collect, analyse, map and interpret new time-series data sets the on global headhunting industry in Europe.

This objective has been successfully achieved through time-series analysis of the leading firms based on office numbers at five yearly intervals from 1980 (when data was available). This revealed the time-waves of expansion of

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executive search firms in Europe and the use of different globalization strategies in each time period (see output A and Results).

5. To execute discourse and textual analysis of printed, virtual (internet) and image sources published by global headhunting firms in Europe.

This objective was successfully achieved through detailed evaluation of the leading 30 European firms: Annual Reports, Corporate Prospectuses, Marketing Strategies; International Office Directory's detailing partner and employee profiles; worldwide web sites of firms; and other secondary sources providing sector- and firm-specific commentators (e.g. Economist Intelligence Unit; AESC; Fortune Magazine). Outputs A and B provide evidence of the findings from this stage of the research.

6. To generate new qualitative firm-specific data sets from research in a range of international locations that illustrate the practices of global headhunting and executive labour search in Europe.

This objective has been successfully achieved through the corporate interviews completed and described above. Respondents were based in London (24 interviews), Paris (6); Brussels (8); Amsterdam (7) and Frankfurt (5) (see Results).

7. To disseminate policy-orientated findings to private and public stakeholders in Europe.

This objective has been successfully achieved (and is still ongoing) through the dissemination of policy-orientated findings to firms, professional bodies and other relevant stakeholders throughout Europe. Dissemination strategies include: the project website (see www.geog.lancs.ac.uk/headhunters) providing access to research bulletins and elements of the data collected by the project; direct mailings to research participants; participation at the AESC's World Researchers Summit in London and Annual European Conference in Frankfurt; 'roundtable' discussions of the research involving members of the project team and the president, secretary and other members of the AESC; 'virtual discussion groups' through which interviewees provided feedback on user reports and an executive summary of the project.

8. To disseminate academic-orientated findings to learned societies, journals and books, conferences and all relevant ESRC REGARD outlets (Archive; Qualidata).

This objective has been successfully achieved and is still ongoing (see Activities and Achievements Questionnaire).

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METHODOLOGY

The research design was divided into five distinctive and complementary phases:

P1: Searching, selecting and mapping the transnational headhunting industry in Europe

A valuable source for identifying the leading firms in Europe was the Executive Grapevine's Directory of International Executive Search Firms. First published in 1979, the Grapevine was analysed on five yearly intervals to collect time-series data on Europe's top 30 transnational firms, ranked by number of offices⁴. It was found to be of less value to rank those transnational firms beyond the top 30 because a very small number of global firms dominate the market. Maps were produced for a selection of firms for each five-year period to illustrate office expansion throughout Europe (see appendix 1).

P2: Content and discourse analysis of firm web sites and public documents

The second phase of the research used content and discourse analysis to scrutinise the documents collected as part of objective five. For each firm an archive was established incorporating printed material and documents available from the firm's website. This provided insights into the activities of firms, the biographies of consultants, the challenges facing the executive search industry and the recent trends and future directions in terms of globalization. This methodology, combined with P1, ensured that researchers had expert knowledge of the generic workings of the European industry and the strategies and tactics of different global firms prior to the execution of the interviews in P3 and 4.

P3: Semi-structured interviews in the European HQs of the leading headhunting firms

Fifteen semi-structured interviews in the European HQs or largest office of the top thirty firms (table 1), predominantly in London (see appendix 2), allowed data to be collected on the firms': changing business functions; entry modes into new and existing European markets; and the organizational competencies and 'best practices' used to deliver services to clients *in situ*.

⁴ With the exception of four, all of the top 30 search firms operating in Europe operate as private partnerships. As such there is no requirement to release information on revenues. Consequently, firms jealously guard revenues and hourly rate data requiring the use of proxy measures such as number of offices and number of consultants to measure the significance of a firm in each search market.

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Table 1. The 30 most significant retained executive search firms. Firms in *italics* participated in the project. Source: project dataset.

Rank by offices (2005)	Firm/network	No. offices 1980	No. offices 2005
1	Intersearch	0	42
2	<i>Amrop Heaver</i>	0	40
3	AIMS	0	34
4	<i>Transearch</i>	0	31
5	<i>Ray & Berndston</i>	0	28
6	<i>Egon Zehnder</i>	9	28
7	Boyden	8	28
8	<i>ICC</i>	0	26
9	<i>Korn Ferry</i>	4	23
10	<i>Heidrick and Struggles</i>	8	21
11	AEA International Search	0	20
12	<i>CFR</i>	0	20
13	EMA Partners International	0	19
14	Spencer Stuart	9	19
15	<i>Signium</i>	0	18
16	<i>Stanton Chase</i>	0	17
17	<i>Antai International</i>	0	15
18	Taplow Group	0	13
19	<i>Russell Reynolds</i>	0	12
20	<i>AT Keamey</i>	0	12
21	Spendler Fox	0	12
22	Globe	0	11
23	IMSA	0	10
24	<i>Penrhyn International</i>	0	10
25	<i>Alexander Mann</i>	0	9
26	Norman Broadbent	0	7
27	Ward Howell	4	7
28	Leaders Trust	0	7
29	ITP	0	6
30	<i>ACES</i>	0	6

P4: Semi-structured interviewing in the European office networks of three case study firms

Following on from interviews in firm European HQs (P3), the fourth phase of the research began by identifying one owned, hybrid and network global firm for further investigation (as per the Research Proposal). The choice of city in which each firm was traced reflected the second and third European offices (ranked by nos. of partners/consultants depending on data availability). Whilst analysing the interviews it did, however, quickly become clear that because of the inter-typology variations in owned, hybrid and network firms, and because of the various stages of development that European executive search markets are in (see results sections), expanding the number of firms traced and

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European cities visited was desirable. Therefore, we expanded the study (see table 2 and appendix 2). Importantly the selection ultimately targeted more than one US and European nationality firms in each typology. We thus exceeded our original aspirations and completed 35 interviews with consultants and researchers across different specialisms (see appendix 2).

Table 2: Interview location by typology of firm (bold illustrates originally planned research design)

Firm Typology	London	Amsterdam	Brussels	Paris	Frankfurt
Owned 1	X	X	X	X	X
Owned 2	X		X		X
Owned 3	X			X	X
Hybrid 1	X	X	X	X	X
Hybrid 2	X	X			
Hybrid 3	X	X			
Hybrid 4	X	X	X		
Network 1	X	X	X		
Network 2	X		X		X

P5: Semi-structured interviews with professional and regulatory bodies in Europe

We completed interviews with representatives of the professional bodies (AESC and ERA) 'regulating' the executive search industry so as to uncover their roles and strategies. We coupled this to insights gained through participant observation at AESC conferences in Frankfurt and London. We also spoke to twenty members of the AESC and ERA as part of our interviews with consultants and researchers.

RESULTS

1. *Deepening theoretical understanding of the globalization of transnational professional service firms through a focus on Europe's executive search industry.*

Four significant results emerged.

(1.1) For the 30 largest firms, total number of offices in Europe grew from 40 in 1980 to 870 by 2006 (Beaverstock et al., 2006). The mapping revealed that this expansion occurred in three distinctive time-waves (see figure 1 and table 3). First, into key European capital cities and financial centres between 1980 and 1990. Second, into the leading regional cities in Western Europe between 1990 and 2000 (e.g. Manchester, Cologne and Grenoble). Third, and most

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recently, an ongoing expansion into Eastern Europe. This final stage only commenced in earnest post 2005. By 2006 the top ten cities by number of offices, which were all in Western Europe, had 32% of all offices. In particular London and Paris each had 5% of all of the offices in Europe and Amsterdam, Brussels and Frankfurt had 3% each.

Figure 1. Growth in offices of 50 leading Executive Search firms in Europe 1980-2006.

Source: Project dataset.

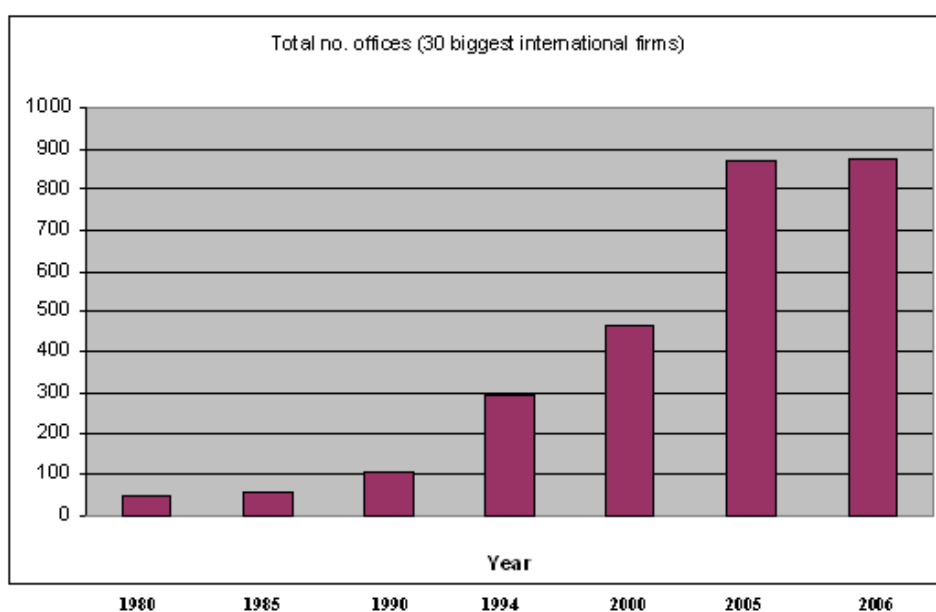


Table 3. The 10 most important European cities by number of offices.

Source: project dataset.

Offices	1980	1985	1990	1994	2000	2005
Paris	7	7	10	21	24	42
London	7	9	14	17	22	41
Madrid	4	6	8	15	19	33
Brussels	7	8	8	15	17	29
Milan	3	4	5	15	19	32
Zurich	3	2	6	14	18	25
Frankfurt	4	5	7	12	15	24
Amsterdam	2	2	6	8	13	30
Munich	0	0	3	9	12	26
Stockholm	0	0	4	11	12	23

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(1.2) Combining this time series data with material from our corporate interviews revealed the different ways the owned, network and hybrid firm forms were used to facilitate the expansion of headhunting firms in Europe (see also output A).

- *Owned firms* (e.g. Spencer Stuart) use their transnational organisational form to develop longstanding relationships with transnational corporate clients. All firm offices used the same name and corporate culture, allowing clients to receive the same level of service worldwide.
- *Networks* (e.g. Globe Search Group) are architectures linking single country firms into alliances of 'best friends'. Firms call on other members of the network on a search-by-search basis. As such, networks are dynamic and temporary thus minimising the risks associated with international expansion.
- *Hybrid firms* (e.g. Amrop Hever) bring independent firms together to trade under the same name, but still operate as independent businesses. Hybridity allows headhunters to draw on particularly strong and embedded 'local' knowledges, something that is not always the case for an owned firm.

(1.3) There are further important forms of inter-firm variations in the practices associated with the owned, network and hybrid typologies. In particular strategies are influenced by whether the firm is public (market-listed) or a private partnership. Four of the top thirty search firms are market-listed (Korn Ferry; Heidrick & Struggles; Alexander Mann; Neumann International) and they all adopt the 'owned' strategy. These firms describe their search and selection techniques using metaphors of efficiency, rationality and scientific, total quality management. Economies of scale and the integration of search databases and selection practices allow profit-maximising approaches to be taken that reflect, in many ways, the logics of financialized practice (Froud et al. 2006). In contrast partnerships often promote their professionalism, tacit skills and bespoke service offerings. Whilst the efficient use of databases and selection skills is promoted, less emphasis is placed on the development of aligned economies of scale.

(1.4) Analysis of our corporate interviews revealed that degrees of local adaptation are significant because of the diverse, yet converging national contexts for executive search in Europe. Our approach was informed by the varieties of capitalism literature (Hall and Soskice, 2001) and work on the dynamic nature of institutional contexts within which economic activity takes place (Clark et al 2002; Crouch, 2005). Our findings are summarised in Table 4.

(1.5) Our research revealed that cultural-economic explanations are needed to fully explain the success of firms and the expansion of the industry into Europe (see output A and Hall *et al.*, 2007). Informed by the approaches of

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Amin and Thrift (2004), Du Gay and Pryke (2002) and others, our research points to the important role of certain 'iconic individuals' and 'brand leaders' in influencing the geography and practice of internationalisation by executive search firms in Europe. This was particularly important in waves one and two of the expansion of the industry into Europe. The challenges faced by executive search firms seeking to expand their operations include: describing and legitimising the services and standards of service associated with executive search; and, overcoming problems associated with the image of the industry, linked to its status as an 'unbounded profession' (see objective 3 results below). As a result we identified the role of:

- '*Iconic individuals*' - a cadre of headhunters who began their careers with the 'big four' in the US in the 1960s and went on to establish their own leading executive search firms. They were identified by our research participants as significant actors in shaping both the growth and practice of executive search because of the way their image, practice and status helped promote and legitimise the use of a headhunter.
- '*Brand leaders*' - the firms whose corporate reputation is used by *other* executive firms to legitimate the nature of executive search and educate potential clients about the advantages of hiring a headhunting firm rather than keeping searches in-house. This is similar to the McKinsey effect in management consultancy. The most significant brand leaders were Egon Zehnder and Korn Ferry.

During waves one and two of the executive search industry's globalization firms also used previous searches conducted by iconic individuals and brand leaders as evidence of the value of using headhunters as opposed to keeping searches in house, as had previously been the case. As such, our research points to the value of combining cultural economy approaches with extant understandings of the globalisation of professional services.

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Table 4: National contexts for executive search in Europe.

National Context	Socio-economic context for executive search	Current executive search market
UK	<ul style="list-style-type: none"> • Staging post for European growth from US • Anglo-American model of capitalism with relatively de-regulated labour markets favourable to executive search 	<ul style="list-style-type: none"> • Continues to act as the most important market in Europe.
Germany	<ul style="list-style-type: none"> • Executive search effectively illegal prior to early 2000s • Rise of UK and US firms operating in Germany and concerns over competitiveness resulted in legislative changes 	<ul style="list-style-type: none"> • Maturing • Top 30 firms have 24 offices in Frankfurt alone.
Netherlands	<ul style="list-style-type: none"> • Established history of executive search dating back to 1970s echoing UK • Slow growth due to small national market and Amsterdam's declining position as a financial centre • Top 30 firms had only 8 offices in mid 1990s 	<ul style="list-style-type: none"> • Maturing after a slow start • Top 30 firms have 30 offices in Amsterdam alone in 2006.
France	<ul style="list-style-type: none"> • Established, distinctive market (7 offices in Paris by 1980). • Domestic demand dominates, influenced by French version of 'coordinated capitalism'. 	<ul style="list-style-type: none"> • Domestic demand reflected in decentralised market • Office clusters in Lyon and Strasbourg (8 and 3 offices respectively) as well as Paris in 2006.
Belgium	<ul style="list-style-type: none"> • Focus on servicing EU in Brussels • Small country size and EU focus results in all firms based in Brussels. 	<ul style="list-style-type: none"> • Driven by activities surrounding the European Commission; focus on professional services as a result

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2. Unpacking the practice of global headhunting firms as intermediaries in executive labour recruitment.

Here we provide a summary of the four significant results (see Output B).

(2.1) In many ways, by the early 2000s the role of executive search firms in the recruitment of elite executives has become institutionalised as a recruitment practice in first-wave cities and countries. Here it is important to note that, in the eyes of both of the two key agents in the headhunters' network - the client and candidate – the use of headhunters had become accepted and even expected by the 2000s.

(2.2) Search firms now define who classifies as 'elite talent'. Interviews revealed that headhunters produce a model of the 'ideal candidate' and that this is innately geographical and exclusionary. The 'ideal candidate' is used to define the terms of reference for the search process and identifies a number of characteristics that researchers use when producing a shortlist of candidates. Three elements that are central to the definition of an 'ideal' candidate are particularly significant.

- *Where a candidate comes from.* Reflecting in many ways the elitism of the 'old boys network' in the City of London (Leyshon and Thrift, 1997; Michie, 1999) a certain university education marks out individuals as ideal candidates.
- *Where an individual has been* is critical to being successfully headhunted. This means having worked in the 'hot spots' of an industry – e.g. London and New York for finance, Silicon Valley for IT.
- *'Being there' in particular spaces and places* is crucial for getting headhunted. Private members clubs, charity parties, exclusive and expensive executive conferences and invite-only launch events act as spaces through which consultants identify and develop relationships with leading executives. These people then become part of the consultants 'network' of candidates.

An important caveat to this argument is that there are subtle national variations in these social-geographical markers. For example, the French prioritise education from one of the *écoles supérieures* with INSEAD sitting at the top of the university hierarchy rather than Harvard or Oxford that are often treated with contempt.

(2.3) Headhunters are key actors in elite labour markets, but their role is not simply as a lubricator of existing processes of mobility. This suggests that the three-way relationship where clients rely on and buy into the need for headhunters, and where headhunters act as gatekeepers to elite labour markets for candidates who see search firms as a legitimate and often the best way to get a new job, is more sophisticated than existing analyses suggest.

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3. *To investigate the role of professional and regulatory bodies in the representation and development of the headhunting industry in Europe and conceptualise the development of headhunters as market intermediaries.*

(3.1) Our research suggests that the formal regulatory environment only exists in an indirect sense. For example, search firms are affected by freedom of information and data protection regulations. None of these frameworks are specifically targeted at search firms and national and European agencies have expressed little interest in directly regulating the industry.

(3.2) Executive search is primarily loosely regulated by its professional associations. The AESC represents and 'regulates' at the level of firms. The ERA 'regulates' the researchers that support consultants. Both organizations operate worldwide and as such are not guided by any one national legal regime. There are low barriers to entry in terms of being accredited by the AESC (membership is by peer-nomination and approval by the executive committee after a review of the firm's business practices) and almost all of the top 30 firms are members. Complaints by clients or candidates can be brought to the AESC or ERA and, if upheld, the employing organization is expected to take 'appropriate' action against the offending consultant or researcher. There are normally only one or two such cases a year.

(3.3) The 'regulation' of executive search is best understood through debates about the nature of the industry as a 'profession'. We conceptualise executive search as a 'new' profession as opposed to 'traditional' professions such as medicine (Abbott, 1988; Dent and Whitehead, 2002). There is no closure regime in place as entry is not formally restricted based on qualification or experience. Instead, firms view 'professional' status as something defined by the behaviour of researchers and consultants and the knowledge-base of in-house search and selection methodologies. Headhunters, therefore, often use a tactic of relational differentiation to distinguish themselves from both other types of labour intermediary (e.g. temping agencies) and previous generations of headhunters who were seen as nepotistic and unprofessional.

(3.4) The resulting 'unbounded' nature (Glückler and Armbruster 2003) of executive search as a profession raises a number of issues in relation to the globalization of the industry. In particular, legitimising the work of executive search firms continues to be difficult. In contemporary expansion into new markets and sectors, and also in wave one and two markets where the battle for legitimacy continues, headhunters are, therefore, also developing a model of the 'professional' persona and organization they wish to display so as to foster trust with clients and develop their European operations. This model complements and builds on the role played by iconic individuals and brand leaders.

(3.5) Analysis reveals that both the AESC and ERA are producers of the language and rhetoric that has been used to grow the role of executive search in Western Europe. This means both producing reports for distribution to the

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media (e.g. Annual Human Resource Surveys; reports on Work-Life balance and the challenge of recruiting committed executives) but also enrolling the media (from likes of *Fast Company* and *Wired* to the *Financial Times*) in promotional strategies. Our attendance at AESC workshops and interviews with the AESC revealed that debates going forward are likely to hinge on whether individual accreditation should be introduced for headhunters to move the AESC beyond its current role and develop a more 'traditional' model of professional regulation. Whilst the AESC might wish to develop such a closure regime firms are unsure however of the value of such an approach, particularly because of the 'fuzzy' nature of the knowledge needed to practice.

ACTIVITIES

(1) Conference paper session organization

'Organizational geographies of power', *Royal Geographical Society-Institute of British Geographers Annual International Conference*, Royal Geographical Society, Kensington, London, 30th August-1st September 2006 (11 papers presented in the session).

'Economic geographies of the corporate knowledge economy', *Association of American Geographers Annual Meeting*, San Francisco, USA, 17th-21st April, 2007 (4 papers presented in the session).

(2) User-group network building

An important activity of the research has been to build very strong relationships with respondent firms and the Association of Executive Search Consultants which resulted in the Research Associate being invited to two AESC membership only meetings in London and Frankfurt for dissemination and research purposes.

OUTPUTS

All outputs/dissemination activities have been uploaded onto ESRC Society Today and the project website. Important outputs include:

(1) Articles in internationally refereed journals

Falconbridge, J. R., Hall, S. J. E., Beaverstock, J. V., 2007, 'New insights into the internationalization of producer services: organizational strategies and spatial economies for global headhunting firms,' *Environment and Planning A* advance online publication, doi:10.1068/a3924

Falconbridge, J. R., Beaverstock, J. V., Hall, S. J. E. and Hewitson, A., 'The 'war for talent': Unpacking the gatekeeper role of executive search firms in elite labour markets,' submitted to the international journal, *Geoforum*

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Hall, S. J. E., Beaverstock, J. V., Faulconbridge, J. R., Hewitson, A., 'Cultural economies of internationalisation: exploring the role of 'iconic individuals' in global headhunting firms', submitted to the international journal, *Global Networks*

(2) Chapters in books

Beaverstock, J. V., Hall, S. and Faulconbridge, J. (2006) The internationalization of the contemporary European headhunting industry, In *Knowledge-Based Services: Internationalization and Regional Development* Harrington, J. W. and Daniels, P. W. (Eds.) Ashgate, Cheltenham, 125-152 (ISBN 0-7546-4897-4).

(3) Occasional Papers/Globalization and World Cities (GaWC) Research Bulletins

'The fickle 'war for talent': unpacking the gatekeeper role of executive search firms in elite labour markets' *GaWC Research Bulletin 247* (<http://www.lboro.ac.uk/gawc/rb/rb247.html>)

'Cultural economies of internationalisation: exploring the role of 'iconic individuals' in global headhunting firms', *GaWC Research Bulletin 246* (<http://www.lboro.ac.uk/gawc/rb/rb246.html>)

'The internationalization of Europe's contemporary transnational executive search industry' *GaWC Research Bulletin 194* (<http://www.lboro.ac.uk/gawc/rb/rb194.html>)

'New insights into the internationalization of producer services: Organizational strategies and spatial economies for global headhunting firms' *GaWC Research Bulletin 183* (<http://www.lboro.ac.uk/gawc/rb/rb183.html>)

(4) Papers at International Conferences and Workshops

Hewitson, A., Hall, S., Beaverstock, J. V. and Faulconbridge, J. (2007) New insights into the internationalization of producer services: exploring the role of 'iconic individuals' in global headhunting firms. *The Globalisation of Services. The International Conference in Geography*, University of Bergen, Bergen, Norway, 15-17th June.

Beaverstock, J.V., Hall, S and Faulconbridge J (2007) The internationalization of executive search: constructing markets through knowledge, rhetoric and discourse *Association of American Geographers Annual Meeting*, San Francisco, USA, 17th-21st April, 2007.

Faulconbridge, J., Beaverstock, J., Hall, S. and Hewitson, A. (2006) 'Professionalisation and Executive Search: Reality or Rhetoric?' *International Workshop on 'Professions in the Knowledge based Economy*.

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Institute for Advanced Studies, Lancaster University, Lancaster, 20th – 21st September 2006.

Faulconbridge, J., Beaverstock, J.V., Hall, S. and Hewitson, A. (2006) Labour market intermediation: professionalization and the contemporary European executive search industry *The First Institute of Advanced Studies International Workshop*, Lancaster University, Lancaster, 30th August – 2nd September.

Beaverstock, J. V., Hall, S. and Faulconbridge, J. (2006) Transnational headhunting and the orchestration of elite, executive labour markets in the world economy. *Royal Geographical Society-Institute of British Geographers Annual International Conference*, Royal Geographical Society, Kensington, London, 30th August-1st September.

Faulconbridge, J., Beaverstock, J. V. and Hall, S (2006) The globalization of the executive search industry. *Interdisciplinary Workshop on 'Corporations in the Knowledge Based Economy*, Institute for Advanced Studies, Lancaster University, 22nd-23rd January.

(5) Presentations and Research Seminars

Geography, The National University of Singapore, Singapore (March 2007)

Geography and Earth Sciences, University of Wales, Aberystwyth (May 2007)

IMPACTS

The impacts of the research to date can be divided into three main categories.

1. Stakeholders

Both executive search firms and the AESC and ERA professional bodies have had a high-level of involvement in the project from the outset. Evidence of this includes:

- High levels of success in securing interviews and the continual involvement of participants throughout the project. Seventeen percent of interviewees took part in our 'virtual' focus group at the end of the project. This provided invaluable feedback for developing future research.
- Members of the project team being invited to attend AESC's summits in London and Frankfurt. This allowed us to discuss our project with the eighty plus delegates at each event. As a result a number of emails requesting information and offering to participate in the research were received from practitioners across Europe.

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- Ongoing discussions with the AESC regarding future research opportunities. The AESC has been keen to use the data generated from our mapping of the industry and plans to use our existing research and our recommendations for future study in their 2008 strategic research plan.

2. *Academically*

Whilst still at an early stage, the project has had a number of impacts across the social sciences:

- The project has deepened understandings of the internationalization and globalization of professional services in a competitive world economy (see Output A and Occasional Papers/GaWC Research Bulletins).
- The project has helped to widen the debate about the knowledge economy and encourage critical engagement with contemporary discourses. This was achieved through special sessions at the AAG and RGS conferences 2006. The latter has led to a Special Issue of the journal *Geoforum* which is currently being assembled and includes a paper from this project (output B).
- The project has also helped to broaden discussions of labour market intermediaries. Our forthcoming paper (output A) has already been cited in other work on the topic of labour market intermediaries and a special session at the AAG conference 2008 should further develop work in this area.
- Our findings in relation to the 'professionalisation' of executive search have been well received by an interdisciplinary audience of scholars studying professional closure regimes and the emergence of the 'new professions'. An edited collection on this topic is at the early stages of planning. Findings from this research will form a key part of the book.

FUTURE RESEARCH PRIORITIES

The research raises a number of topics for further study. The most significant include:

- *Examining emerging markets worldwide.* How can our understandings of the growth of executive search in Europe be used to inform analysis of the recent rise of the industry in 'new' emerging markets, most notably, Eastern Europe and Asia Pacific including China and India? As a result of this research project, pilot work is currently being carried out in Singapore to begin to address these issues.
- *The dynamics of the labour market intermediaries sector.* What is the emerging and dynamic relationship between executive search firms

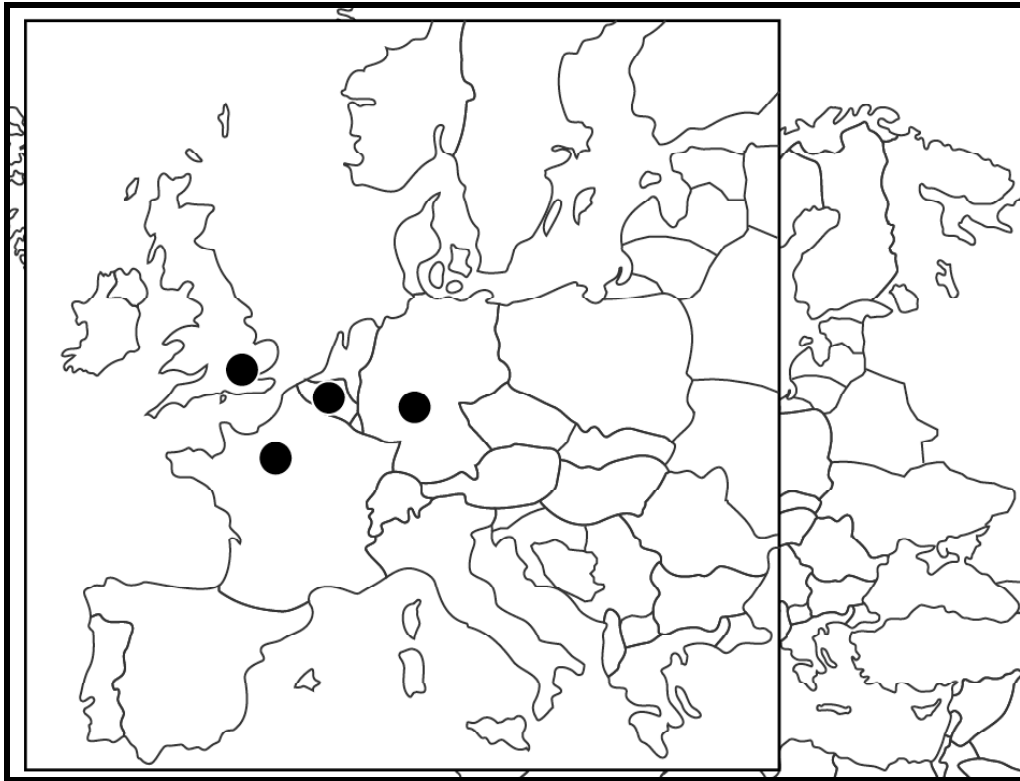
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and other labour market intermediaries, notably temporary staffing agencies, particularly in the competitive arena of middle management search and selection?

- *Technological change and executives search.* What challenges and opportunities are posed to executive search by technological developments? Here, particularly important research would consider the role of recently formed online intermediation services such as LinkedIn.com and Naymz.com. Research investigating this theme would be well placed to develop insights from actor network theory.
- *Recruitment chains and the client-candidate perspective.* Further research is needed into the relationship between executive search firms, their corporate clients and the candidates. Although significant confidentiality issues exist, particularly valuable research could trace specific searches from initial conception and identification of a vacancy by the client through to shortlist and selection. This would bring the clients and candidates into analyses. Work in the social sciences on commodity chains and networks could be profitably deployed in this type of research.
- *Professionalization in the 'new' professions.* There is a need for comparative work that looks at the way a range of 'new' professions (management consultancy, headhunters etc.) are attempting to adopt formal professional closure and regulatory methods. Understanding the similarities and differences in approach is vital in order to tease apart the benefits and costs to consumers and could develop theoretical understandings of the 'new' professions.

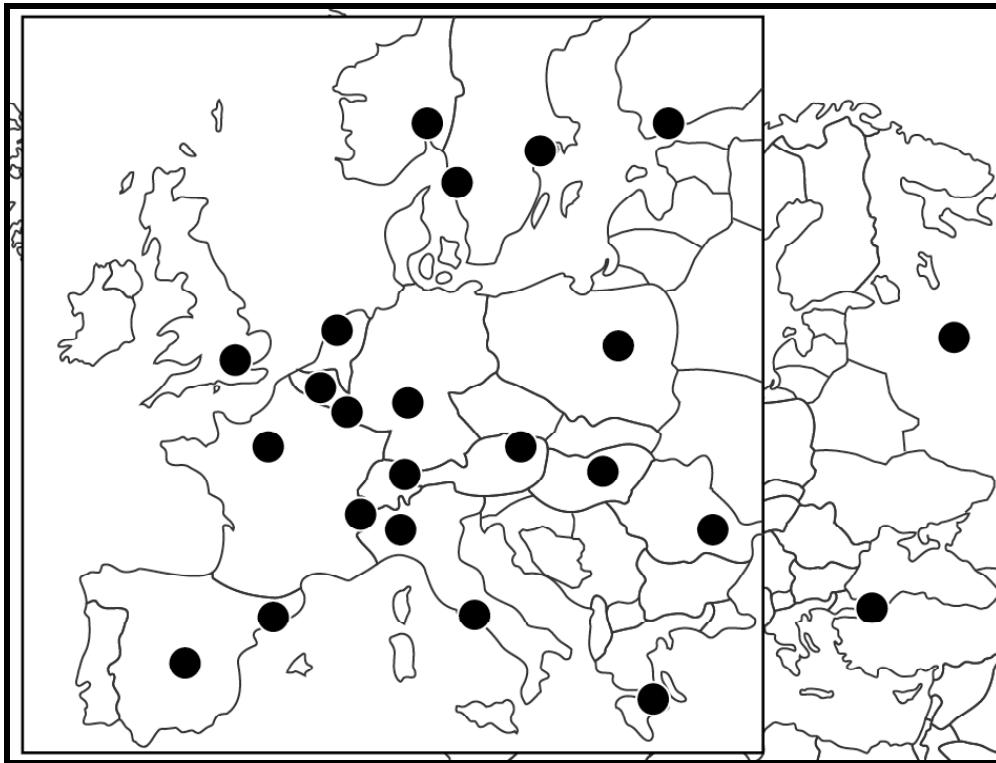
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Appendix 1: Examples of maps produced from mapping of executive search industry



Map 1: European office locations of Korn Ferry, 1980. Source: project dataset

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Map 2: European office locations of Korn Ferry, 2005. Source: project dataset

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Appendix 2: Brief biographies of interviewees

Interviewee	Firm type	City	Position
1*	Hybrid	London	Founder
2*	Owned	London	Vice president of operations for Europe, Middle East and Africa
3*	Network	London	Founder
4*	Hybrid	London	Founder
5	Owned	London	Principle (junior partner) - higher education and non profit practice
6*	Network	London	Founder
7	Owned	London	Partner - Technology, consulting and industrial sectors.
8*	Hybrid	London	Managing Director of the London office, and global practice head for the Industrial sector.
9	Owned	London	Partner – technology practice
10	Owned	London	Partner - Life Sciences and Consumer Goods/Retail
11*	Owned	London	Founder
12*	Hybrid	London	Founder
13*	Network	London	Founder
14	Owned	London	Partner - Healthcare and life sciences industries.
15	Owned	London	Partner – financial services
16	Owned	London	Researcher
17	Owned	London	Researcher
18	Hybrid	London	Researcher
19	Owned	London	Researcher
20	Hybrid	London	Researcher
21	Hybrid	London	Researcher
22	Owned	London	Researcher
23	Owned	London	Researcher
24	Hybrid	London	Researcher

Table 1. Firm interviewees in London.

* identifies interviewees in the HQ/largest office of a firm in Europe.

REFERENCE No. RES-000-22-1498

Interviewee	Firm	City	Bio
1*	Hybrid	Amsterdam	Global Co-Chairman and Managing Partner of the Amsterdam Office.
2	Owned	Amsterdam	Consultant.
3	Hybrid	Amsterdam	Partner - industry, trade and the services sector
4	Hybrid	Amsterdam	Partner, industry practice.
5	Hybrid	Amsterdam	Consultant – healthcare.
6*	Network	Amsterdam	Managing Partner of office.
7*	Owned	Amsterdam	Executive Director of office.

Table 2. Firm interviewees in Amsterdam.

* identifies interviewees in the HQ/largest office of a firm in Europe.

REFERENCE No. RES-000-22-1498

Interviewee	Firm	City	Bio
1	Hybrid	Brussels	Partner consumer, retail and industry sectors.
2	Owned	Brussels	Co-chairman of the firms Human Resources and Development Committee.
3	Network	Brussels	Principal
4	Owned	Brussels	Managing partner of office.
5	Network	Brussels	Consultant - healthcare and life, financial and professional services, information technology and consumer products.
6	Hybrid	Brussels	Consultant and founder, High-Tech practice group.
7	Owned	Brussels	Consultant – professional services.
8*	Network	Brussels	Founder.

Table 3. Firm interviewees in Brussels.

* identifies interviewees in the HQ/largest office of a firm in Europe.

REFERENCE No. RES-000-22-1498

Interviewee	Firm	City	Bio
1	Hybrid	Frankfurt	Managing Partner for Germany
2	Owned	Frankfurt	Consultant - financial services
3	Owned	Frankfurt	Managing partner
4	Network	Frankfurt	Partner – medical services
5	Owned	Frankfurt	Partner - professional services, technology and consumer goods sectors.

Table 4. Interviewees in Frankfurt.

* identifies interviewees in the HQ/largest office of a firm in Europe.

Interviewee	Firm	City	Bio
1	Hybrid	Paris	Managing Partner – board and CEO level searches
2	Hybrid	Paris	Co-founder of Paris office – financial services, luxury goods
3	Owned	Paris	Consultant - pharmaceuticals
4*	Owned	Paris	Founding chairman
5*	Owned	Paris	Manager of Paris and Brussels office, based out of Paris
6	Network	Paris	Manager of Paris office

Table 5. Interviewees in Paris

* identifies interviewees in the HQ/largest office of a firm in Europe.

REFERENCE No. RES-000-22-1498

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Interview Schedule

Intro

Statement that outlines project

The project is interested in the management and organization of the top headhunting firms.

It is especially interested in the global aspects of headhunting in terms of how firms are organised; how you deal with clients and candidates on a global basis and how firms themselves in an increasingly competitive and global market place

Essentially these are the three strands I would like to discuss today. Starting with some details regarding (a) your firm and how it organizes on a global/transnational basis, then I'd like to move on to (b) the nature of your relationship with clients and candidates and finally (c) I'd like to ask you about how executive search firms market themselves and the kinds of advantages client see from using your services.

Could you start by briefly outlining how you actually became a headhunter

Prompts: Education, previous employers, length of time in industry

1) Organizing as a transnational firm

1. Could you briefly tell me a little bit about the history of (name of firm) (if needed)

2. Your firm is a (owned/part of a network/franchised) could you tell me a little bit more about the role of this office within the firm as a whole

3. Has the firm expanded in recent years (why has it been important to expand globally?)
 - Do you feel that the 'being global' draws clients to you?
 - Sectors, places?

- How have you entered new markets – offices, alliances, mergers etc?
- Have different strategies used different places; advantages of each). Can you give a specific example?
- Are there any areas where it just didn't work

Network typology

If an owned firm has it ever been involved in a network or alliance? Do hybrid firms anticipate becoming wholly owned in the long term? Why the current or past setup and why change?

4. (If applicable) When you open a new office can you tell me how you attract new clients?
 - Is this harder in some places than others? Why?

(Explore in the context of network typology and which one chosen depending on nature of place office is opening in)

5. The firm has (X) number of offices in different countries – what difference does that make in relation to the way you work compared with a 1 office firm?
 - could you tell me how work is co-ordinated between them – do you work together on searches,
 - if so how exactly, why, who takes the lead (power in networks)
 - temporary teams
 - What techniques of 'knowledge management' are used to ensure you share both search strategies and candidate knowledge throughout all offices
 - Is the service you provide within other offices the same?

(Explore in the context of network typology)

6. When carrying out a search for clients – how often does the search take you outside the UK
 - What type of factors lead to the search becoming transnational: More likely in some sectors? Geographical trends? How often is this?
 - And why does being an owned/network/hybrid make this possible (compared with being one of the other types)?
 - Are there any advantages/disadvantages of the forms used?
 - Why was this form chosen?

Regulation

7. To what extent does employment regulation impact on your work?
 - how the industry is regulated in EU context
8. To what extent do different national variations in regulation make your job hard? (this is really important – network embeddedness in territories)
9. And what about best practices or code of ethics – how big an influence are they? Do you have input into them?
 - AESC – any others, thoughts on AESC
 - Are there any major aspects that AESC is lobbying for at the moment
 - What about other bodies – THE INTERNATIONAL ASSOCIATION FOR CORPORATE AND PROFESSIONAL RECRUITMENT? They claim to network people for best practice.

3) Headhunting client and candidates

Headhunting process

10. When you take on a job – could you tell me exactly what you do? From the literatures it appears a database search, personal contact of established networks and cold calling. Is this an accurate representation?

- Database – how useful, how produced and by whom? (commodification of networks)
- What criteria are people placed into a database

11. I'm really interested in these personal networks. How much are they a key component to headhunting

- Do you have an immediate list of people you call when searching for a candidate.
- Who are these people – former candidates; people in similar positions (**how is contact established**)
- What criteria do you use to assess their suitability?
- What about other offices within your firm
- Is this networking aspect different when clients and candidates are in different countries
- Are potential headhunters recruited on the basis of their contacts?
- Try to tease out different networks, collaboration, exclusion

(Explore in the context of network typology)

Candidates

Moving onI'd like to concentrate now on your relationship with the candidate

12. What does an ideal candidate for a headhunter look like – so what is likely to make you want to approach them?

- Are there ever certain types of people you'd never approach?
- So what does someone have to do to be noticed by you?
- Old vs. new boy network

13. When you have selected a potential candidate how do you 'sell' the position to them

- Is this more problematic when a candidate is in another part of the world – what restrictions? – who does this, people from the office where the client is or the local office?

14. Following on from this, when you have identified a suitable candidate how often are they sceptical or even dismissive in their perception of headhunters

- In such cases how do you legitimise/sell the process of headhunting to them?
- How do you enrol them into the headhunting process – explore this
- How do you make them feel safe
- Is your ethical policy used in this context? Is it actively promoted to candidates and clients

Would you say that headhunters are now generally accepted? What has contributed to this?

4) Market making

15. What are the key factors driving demand for your services?

- How important is the rhetoric of knowledge and expertise in today's economy?
- What about in other offices overseas – is it as popular everywhere?

16. The headhunting sector is incredibly competitive. In such an environment what techniques do you use to promote and market yourself to potential clients.?

- Any unique factors
- What do you do to separate yourself from other headhunting firms.
- How do you ensure people keep coming to you for your services?

17. And are the same strategies used everywhere? So does the company sell itself in the same way for every office?

18. What are your thoughts regarding the future of the headhunting industry – how might the type of services you offer change in the future?

- Any regulatory changes ahead
- Are there any great debates within the profession

19. Within some sectors there is a strong emphasis to incorporate clients/consumers within areas of innovation, through things like focus groups. Is there any evidence of this starting to happen within the headhunting industry? How do you respond to feedback from your clients in relation to their needs?

Final questions – perception of their role as headhunters

20. Essentially firms did this themselves through their HR departments and could still do it. Why do you feel firms are appointing headhunters?

21. Could you tell me what you feel headhunters do that is additional to a firm undertaking a search themselves?

22. The role of the headhunter is placed between the client and the candidate how do you manage these two separate and completely different relationships

- This appears the 'art' of the headhunter – could you expand on this role a little?
- What type of problems arise?
- What about when client and candidate and even yourself are in different countries, how is this managed?

23. Finally – are there any questions you feel I have forgotten to ask you that you feel are obvious but I have left out

European (non UK) Subsidiary Interview Schedule

Intro

Statement that outlines project

The project is interested in the management and organization of the top headhunting firms.

It is especially interested in the global aspects of headhunting in terms of how firms are organised; how you deal with clients and candidates on a global basis and how firms themselves in an increasingly competitive and global market place

Essentially these are the three strands I would like to discuss today. Starting with some details regarding *your firm and how it organizes on a global/transnational basis, then I'd like to move on to* the nature of your relationship with clients and candidates and finally I'd like to ask you about how executive search firms market themselves and the kinds of advantages client see from using your services.

Could you start by briefly outlining how you actually became a headhunter?

Prompts: Education, previous employers, length of time in industry

1) Organizing as a transnational firm

1. Could you tell me a little bit about the history of the X office

When did it open, how many staff does it have?

How long has the concept of search been established within this country?

2. Could you tell me a little bit about the role of this office within the firm as a whole

Why did the firm decide it was important to have representation in this city/country?

3. Has the firm expanded in recent years (WHY did the firm globalize?)
 - Do you feel that the 'being global' draws clients to you?
 - Sectors, places?
 - How have you entered new markets – offices, alliances, mergers etc?
 - Are there any areas where it just didn't work?

4. The firm has (X) number of offices in different countries could you tell me how work is co-ordinated between them – do you work together on searches,
 - What techniques of 'knowledge management' are used to ensure you share both search strategies and candidate knowledge throughout all offices?

5. When carrying out a search for clients – how often does the search take you outside this country
 - What factors lead to this? How 'globalised' are their practices - language must be more of an issue here. Are we talking mainland Europe rather than global?
 - To what extent is their global work initiated from this country or is it predominately referrals from other offices
 - Role of London office in transnational search, first point of call?
Main refer of business

6. From the fieldwork I carried out in London there was a perception that London was the centre of the European executive search industry. To what extent is European headhunting dependent upon London
 - how does this play itself out, how often do you contact them?
 - How active is the London office throughout the search process - is this their first point of call?
 - Can you expand upon this offices relationship with the London office?
7. Some firms I spoke to In London said they could manage the whole process from there and it wasn't really that important to have offices based in X,Y and Z - what would you say to that?
 - what local variants can they pick out - why not do it all from London?

Regulation

8. To what extent does employment regulation impact on your work?
9. To what extent do different national variations in regulation make your job hard?
10. Are you regulated as an industry?
 - AESC – any others, thoughts on AESC
 - Are there any major aspects that AESC is lobbying for at the moment
 - What about other bodies – THE INTERNATIONAL ASSOCIATION FOR CORPORATE AND PROFESSIONAL RECRUITMENT? They claim to network people for best practice.

3) Headhunting client and candidates

Headhunting process

11. When you take on a job – could you tell me exactly what you do?

- Database – how useful, global or national?
- Are there any type of quality processes used within the search process, e.g. quality metrics etc?

12. I'm really interested in these personal networks. How much are they a key component to headhunting?

- Personal networks - big reliance on these in the UK, same in Europe? Are these networks local, trans European or global

Clients

13. How do you get to understand exactly what it is a client wants from you?

- Cultural differences in the search process - UK very much concentrated on partnerships, consultancy - going into the heart of the business - how does this vary?

Candidates

14. When you have selected a potential candidate how do you 'sell' the position to them?

- Is this more problematic when a candidate is in another part of the world – what restrictions? – who does this, people from the office where the client is or the local office?
- How do you enrol them into the headhunting process

15. How fluid is labour mobility between European cities, London fieldwork indicated a reluctance of global elites to go in to Europe more concerned with key global cities New York, London. Is mainland Europe almost a self contained market?

4) Market making

16. What are the key factors driving demand for your services?

- How important is the rhetoric of knowledge and expertise in today's economy?
- What about in other offices overseas – is it as popular everywhere?

17. Are your clients primarily local or global,

If global, why do they come to you, why this location and not London

18. How do you attract new clients?

19. How do they keep their clients?

20. Are they looking to enter new markets, geographical and sector. How do they intend to do this?

Final questions – perception of their role as headhunters

21. Why do you feel firms are appointing headhunters?

How do firms 'convince' clients to use them – think in terms of cultural economy?

22. Could you tell me what you feel headhunters do that is additional to a firm undertaking a search themselves

23. Finally – are there any questions you feel I have forgotten to ask you that you feel are obvious but I have left out