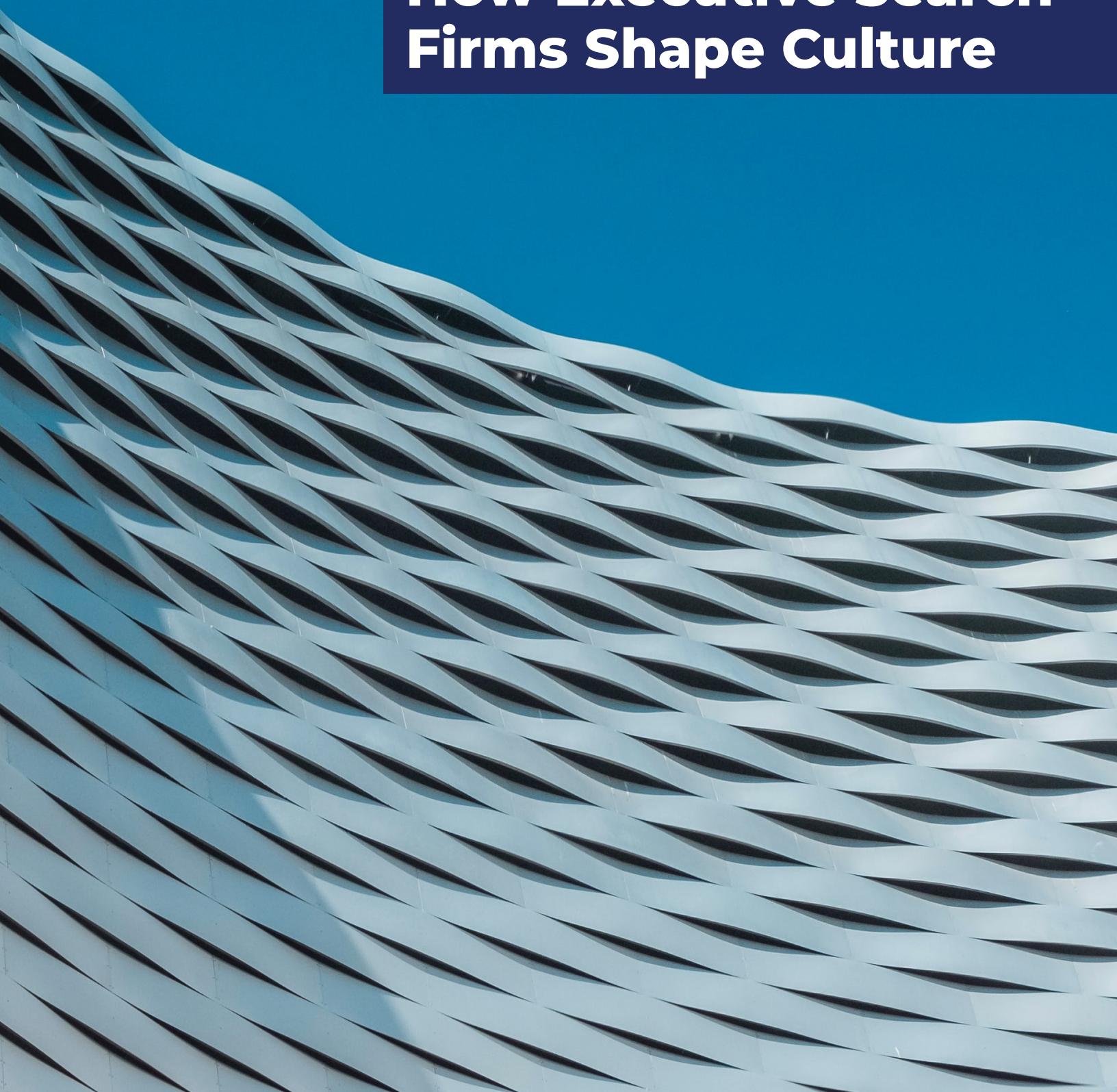




# How Executive Search Firms Shape Culture



A culture that promotes diversity and inclusion, empowers and engages employees, and readily adapts to change is a pivotal factor for attracting and retaining top talent, and for supporting business performance. Yet, it is a complex prospect to shape and maintain your culture with continually shifting business conditions and higher-than-ever employee turnover. Not to mention withstanding the fragmenting effects of major shocks from financial crashes, natural disasters, and even global pandemics. Using just one example: the COVID-19 outbreak forced organizations to rapidly switch to remote working with no time to ease in new guidelines and procedures.

However, leaders do not have to confront the task of creating and maintaining a thriving culture alone. Many consulting organizations specialize in this domain, and one of these vital partners is executive search firms.

"Our job is not limited to finding the best possible candidate: we believe that an executive search consultancy can and should have a vital impact on shaping a successful company culture."

— Michael Eckert, CEO, Höchsmann & Company

Search firms provide services to evaluate culture and leadership teams, identify and deliver executive talent—installing culture 'change agents' when needed—and employ executive coaching to help individuals reach their potential and adapt to change. They also advise on onboarding processes for new hires, map talent networks across sectors, and build succession pipelines for leadership continuity.

In sum, they provide a range of services across human capital management to help organizations maintain an engaged and productive workforce, and carefully introduce culture change when necessary.

## ANALYZING CULTURE

The start of every executive search engagement begins with an in-depth assessment of the hiring organization's culture—and the stakes are high for getting it right.

"The cost of a new hire failing is 1.5–4x the annual salary. Taking time at the beginning of a search to better understand culture is key to avoiding this loss."

—Todd Hohauser, CEO, Harvey Hohauser & Associates

So how do search consultants evaluate culture?

**1. Assess values:** Organizations take great care to figure out who they are—or who they want to be—during the creation of marketing materials, mission and value statements, and 'about us' guides. Evaluating these resources offers valuable insight into their cultural aspirations.



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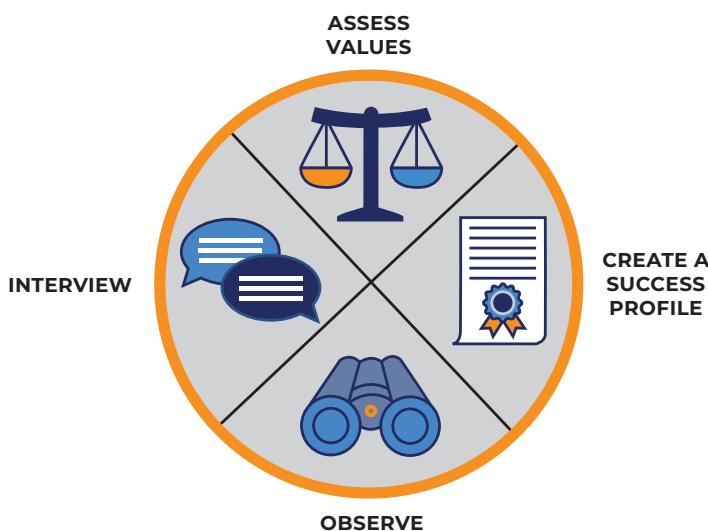
—Michael Eckert, CEO,  
Höchsmann & Company

"We identify management principles, corporate values, and policy guidelines that are influencing factors for the organizational culture and employer branding. This identification will allow a solid overview of the company and its portrait image."

—Marco Feuerstein, Managing Partner, Level Consulting

Feuerstein's use of the term 'portrait image' is telling—this stage of culture evaluation offers a snapshot that can differ from reality.

## ANALYZING CULTURE



"The most sensitive issue usually relates to the gap we may detect between the proclaimed culture highlighted by the published values and the actual one as perceived by the insiders."

—Michel Grisay, Partner, Hoffman & Associates

Carefully advising that some areas may be falling short of their desired standards, allows the client to take corrective action. One of those actions can be to hire a candidate with experience of leading a cultural transformation—more on that later.

**2. Observe:** Observing real interactions between people in the organization, without interfering, brings the evaluation process to life. From meetings to casual encounters, you can observe verbal and body communication, as well as leadership styles.

"As a starter, spending 15 minutes in the reception area can be surprisingly enlightening."

—Michael Eckert, CEO, Höchsmann & Company



Often search consultants have a close relationship with their clients that develops over several years, offering ample opportunity to gather rich observational data.

**3. Interview:** Observation expands to direct conversations. It is essential to talk with all of the stakeholders that would be interacting with the new hire.

"Talking to people up and down the hierarchy of the position is indispensable for the assessment of a company's real cultural heartbeat."

—Michael Eckert, CEO, Höchsmann & Company

However, you need to be careful during interviews to not lead the process.

"We find it useful not to pose direct questions about culture because this is likely to generate only well-used or socially acceptable phrases instead of a genuine impression."

—Michael Eckert, CEO, Höchsmann & Company

Another important consideration is to not only evaluate the existing culture but to assess what a future-state could look like.

"We will extract from our talks the main cultural elements as of that moment, plus the main cultural elements that are intended to be changed."

—Florin Popa, Partner, K.M.Trust & Partners

**4. Create a success profile:** The culmination of this work can lead to a profile of the organization that records the current and desired culture and outlines the hard and soft skills required for the role. Here is an example of a 'success profile.'

### K.M.Trust & Partners: Success Profile

- **Leadership, Ethics, and Governance:** How does the organization define its business and leadership?
- **Soft Skills and Values:** Which soft skills are encouraged, and what values should we be seeking in candidates?
- **Measurements and Effectiveness:** What metrics are being used to evaluate business performance? How is culture being measured?
- **Organizational Structure and Business Strategy:** Is the business strategy and structure appropriate for the desired culture and business performance?

## CANDIDATE CULTURE FIT

Executive search firms play a significant role in helping organizations to shape their culture and fulfill their vision for a productive and healthy environment. But to play that role successfully, they must become experts at evaluating people, especially during the hiring process. Let's discuss how consultants assess a candidate's culture profile.

**1. Learn from the past:** A vital source of information is the candidate's professional experience, as different career paths offer exposure to vastly different working environments.

"Do they have a background in diverse international environments, in small businesses with a few employees, or were they self-employed or part of a family-run organization? What environments have influenced their business acumen and leadership style?"

—Allan Laurie, Managing Partner, NOVUS Search Partners

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—Allan Laurie, Managing Partner,  
NOVUS Search Partners

**2. Interview:** Interviews are a crucial tool to gather information, but in a similar way to evaluating hiring organizations, direct questions are usually not helpful.

"The interview is a conversation rather than a role discussion or 'job interview' and is structured to avoid socially desirable response bias, harness the power of reflection, as well as the power of non-verbal communication. It places candidates outside of the expected interview comfort zone, which is reflective of real life."

—Allan Laurie, Managing Partner, NOVUS Search Partners

**3. Make space for the candidate's self-assessment:** While search firms lead the process for evaluating culture fit, candidates will do a lot of work to gather information and assess the match for themselves.

"Executives often ask rigorous questions to gain a better understanding of our clients in the interview process."

—Todd Hohauser, CEO, Harvey Hohauser & Associates

Within the evaluation process, search consultants must make room for the candidate to perform their own assessment. This approach is vastly different from the standard interview format, where only five minutes are saved at the end of interviews to allow candidates to ask questions.

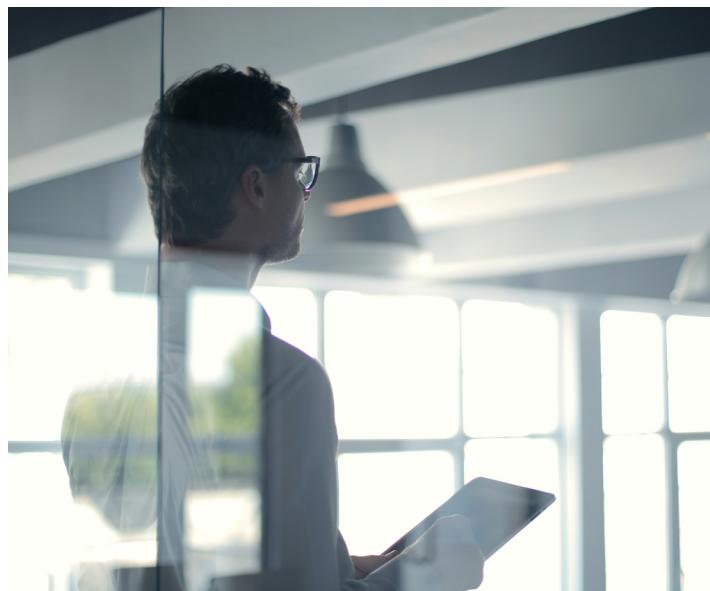
**4. Observe chemistry:** Observing interactions between the hiring organization and the candidate offers a great insight into culture fit.

"By participating as a facilitator and observer when candidates meet our clients for the first time, we can monitor chemistry and

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By participating as a facilitator and observer when candidates meet our clients for the first time, we can monitor chemistry and potential fit to the culture. ”

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**5. Use assessment tools:** Search firms employ several assessment tools to evaluate candidate personality and leadership traits.

"All candidates invited for interviews with Level Consulting must complete an online personality profile. For the examination and evaluation of the culture fit, we compare the client "success profile" with the "personality profile" of the candidate and finalize a "matching prognosis."

—Marco Feuerstein, Managing Partner, Level Consulting

These assessment tools often draw on specific scenarios that the executive will face in the role to increase accuracy in predicting candidate performance. Many search firms also employ the latest technology as part of their process.

"We have an AI cultural fit assessment we have access to—which before a candidate enters the traditional process and first provides a resume, we will have them undertake the assessment. If they match within a range, they will be asked to move forward to a face to face discussion."

—Allan Laurie, Managing Partner, NOVUS Search Partners



In some cases, AI can be used to screen candidates, but for the majority of searches, it is just one tool among many when evaluating culture fit.

**6. Gather references:** References can offer great insight into the candidate's working style and potential culture fit.

"We learn from references not only to see their past performance but to help guide onboarding tailored to their leadership style. Within our reference checking process, we are also looking to understand if there are mechanisms that we might employ to draw the candidates closer to the client at the time of offer."

—Marco Feuerstein, Managing Partner, Level Consulting

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Level Consulting

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Executive search is like the medical profession: A successful therapy is only possible if it is based on a thorough and reliable diagnosis. ”

—Michael Eckert, CEO,  
Höchsmann & Company

## BRINGING THE CLIENT AND CANDIDATE TOGETHER

Analyzing culture is one thing; communicating culture is another. So how do search firms document and present an organization's culture to candidates?

To begin with, search consultants go the extra mile when documenting the role and do not only rely on the job description alone.

"We start by writing a general brief on the organization, its values, and the main challenges ahead as part of the position description."

—Michel Grisay, Partner, Hoffman & Associates

A highly detailed and transparent conversation follows—search firms will share their evaluation of client-candidate culture fit and discuss these findings openly.

"It is discussing the culture as a living complex, interconnected thing, rather than in 2D terms of values. We would then challenge the candidate on issues which may be points of friction with the organization's culture."

—Michel Grisay, Partner, Hoffman & Associates



These direct conversations offer the consultant, client, and candidate an opportunity to interrogate the culture fit and all of the intricacies involved with the role.

"It is sharing how employees at the client organization describe their work environment, how they understand the business, and how they see themselves as part of the organization."

—Nairouz Bader, CEO, Envision Partnership

Placing the organization's mission at the center of the discussions is more crucial than ever as the new generation of leadership is highly purpose-driven.

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While many leaders can achieve the results expected, perhaps one is more direct and a progressive change agent, while another adopts a more stealth-like change approach and will take longer. ”

—Allan Laurie, Managing Partner,  
NOVUS Search Partners

"At this stage, we spend an appropriate amount of time to emphasize the purpose behind the role, and the sense of meaning from work."

—Florin Popa, Partner, K.M.Trust & Partners

In fact, much of the candidate-client culture fit is driven by mission and values.

"Culture fit of a candidate is best described as the individual's attitudes, values, and beliefs being in line with the core values of the client."

—Nairouz Bader, CEO, Envision Partnership

With detailed assessment completed, along with candid discussions that leave no stone unturned, both parties can feel confident in

moving forward. Doing this level of due diligence when assessing culture fit offers the highest chance of recruitment success.

## CULTURE CHANGE AGENTS

The culture evaluation performed by a search firm may highlight areas that do not match the client's expectations. In this case, candidates with 'change agent' qualities can be hired to help close that gap.

"A result of the analysis of a company's culture might even be that it is necessary to install a change agent if a negative image persists."

—Michel Grisay, Partner, Hoffman & Associates

A clear example of a change agent is the current Uber CEO, Dara Khosrowshahi, who was hired to overhaul the company culture.

When beginning a search with culture change in mind, it is essential to consider different leadership styles, and which pace of change can be accommodated by the organization.

"While many leaders can achieve the results expected, perhaps one is more direct and a progressive change agent, while another adopts a more stealth-like change approach and will take longer."

—Allan Laurie, Managing Partner, NOVUS Search Partners

The longer route is not necessarily a bad thing—slowly evolving the culture allows time for employee buy-in and trust-building within newly formed leadership teams. If the employees are accustomed to fast-moving leaders, and there are high levels of trust, hiring the direct change agent can be the better choice.

However, Michel Grisay points out that hiring executives to drive culture change is not commonplace with large, well-established organizations.

"A change of culture is much more likely to be a topic for SMEs when considering C-level changes."

—Michel Grisay, Partner, Hoffman & Associates

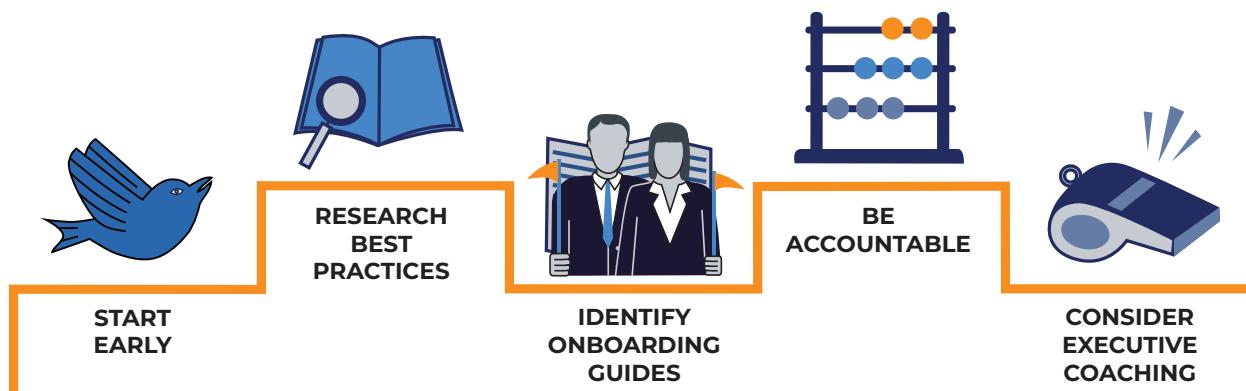
Nairouz Bader agreed with this sentiment and shared that the focus is usually for the candidate to fit the dominant culture, and if there are negative aspects to the culture, they must be corrected immediately.

"It is not possible for an organization to change its culture to match a candidate's style. However, we do advise clients on an overall best practice that they could follow to improve their culture to be more of an attractive employer."

—Nairouz Bader, CEO, Envision Partnership

Executives are very diligent in performing their own assessment of fit, and if there are cultural issues, likely these will be discovered during the hiring process. Organizations cannot wait for a new hire to bring change. Instead, every employee needs to become change agents to help create a high-performing and inclusive culture—we will discuss how executive coaching can assist with this later.

## ONBOARDING EXECUTIVES



### ONBOARDING EXECUTIVES

Onboarding accelerates the assimilation of new hires into senior leadership roles and integrates executives in a more structured and effective way. By strategically immersing new leaders into the culture, businesses empower teams for long term success.

In our research, we discovered many ways that organizations can encourage onboarding success. However, it is important to remember that every situation is different, and there is no one size fits all approach.

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Onboarding is much more than a series of steps. Each person has a different dynamic to absorb the information; it is ‘personal’ and has to be tailored to each individual. The final result is the total immersion into the organization’s culture.”

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**1. Start early:** Onboarding starts from the candidate’s first interactions with the search firm and the hiring organization, and interviews are an excellent opportunity to begin building rapport:

“A client/candidate scenario work through during interviews draws both the candidate and client stakeholder group closer, and also reveals much about how each might work or react.”

—Allan Laurie, Managing Partner, NOVUS Search Partners

**2. Research best practice:** Search firms often create a guide for their clients based on onboarding best practices.

“We provide an onboarding checklist of best practices to our client to ensure the new hire is thoroughly prepared for their first day of work.”

—Todd Hohauser, CEO, Harvey Hohauser & Associates

The client will also be able to call upon the candidate profile created by the search firm during the evaluation process to help tailor the onboarding approach to the candidate.

“In some cases, we will also provide information packages to create a sense of the candidate and to support integration.”

—Allan Laurie, Managing Partner, NOVUS Search Partners

**3. Identify onboarding guides:** The buddy system is well used for many situations, never more so than during onboarding. Thinking that executives may be above this or that they should stand on their own is false.

“We encourage our clients to identify employees who can help with the transition—for example, an Executive Assistant or HR Assistant—as they can become very supportive and informative ‘friends’ during those early days.”

—Allan Laurie, Managing Partner, NOVUS Search Partners

**4. Be accountable:** The search consultant stays in close contact with both the hiring manager (client) and the new hire (candidate) for 6–12 months following search completion.

“During our onboarding check-ins, we review the job profile we created at the beginning of the search to ascertain if the job and culture are as promised, and to assess if the candidate is performing to expected standards. We also ask probing culture match questions to uncover any disconnects that the new hire and the hiring organization may have.”

—Todd Hohauser, CEO, Harvey Hohauser & Associates

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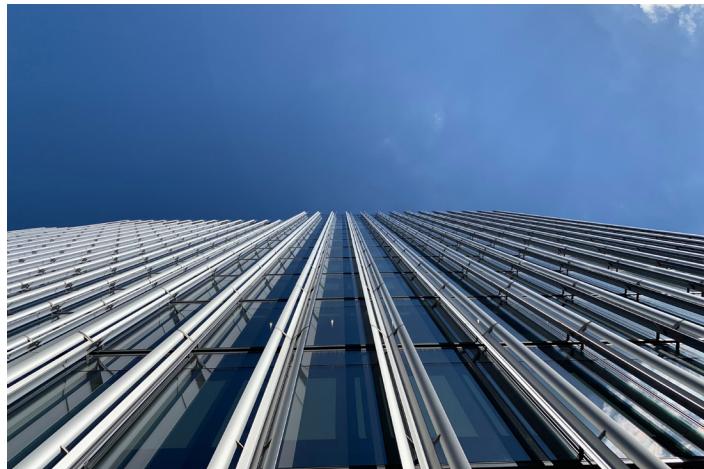
—Allan Laurie, Managing Partner,  
NOVUS Search Partners

Accomplished search consultants do not shy away from accountability for themselves and everyone involved in the search. These post-hire checkpoints should be highly structured so that onboarding success can be measured, signed off, and when useful, compared with other hires.

“Formalize the ‘100 days check-in’ for a proper review with the organization to complete the cultural handover!”

—Florin Popa, Partner, K.M.Trust & Partners

**5. Consider executive coaching:** Many search firms are also retained during the onboarding period to help maximize the performance of the new hire through executive coaching. These services can also be extended to executives across the senior leadership team for a comprehensive approach that actively supports integration.



## CEO SUCCESSION PLANNING

Changing CEO can cause significant anxiety among employees due to the inherent uncertainty of changing the top leadership position. There may be concerns that career aspirations or ways of working will be disrupted, and levels of trust and employee engagement can be impacted. However, by planning the handover carefully, and communicating openly throughout, you can avoid many of these issues. Here are four ways to encourage a successful CEO succession and make sure that the transition does not negatively impact your culture.

**1) Provide support:** A primary criterion for a seamless and successful transition from one leadership to the next is solid support given by the board, the outgoing CEO, and, ideally, the CHRO. The new leader must feel empowered. This display of support from everyone at the top will spread through the organization. Strong belief in the new CEO by prominent leaders will help other employees trust them too.

**2) Be authentic:** The incoming CEO should reflect on their leadership style and strengths and prioritize authenticity and transparency. Authenticity encourages employee buy-in by dissipating fears of the unknown. Along with transparency about any changes to strategic direction, employees are left with the sense of ‘what we see is what we get’.

**3) Use trusted advisors:** Make sure your leadership teams remain open to input from succession planning experts. Search consultants bring strong expertise in the complexities of leadership transition. They typically understand the leadership style of the new CEO, the outgoing CEO, and how these match up with the organization’s dominant cultural traits. This knowledge is vital to emphasize strong connection points between the parties while mitigating the risks of potential conflicts.

**4) Promote diversity and inclusion:** Diversity, equality, and inclusion should be central to every organization’s culture, and there is no better place to model this than at the very top. When selecting candidates for the CEO role, request a diverse candidate slate, and make sure your culture has a high level of psychological safety. As the new CEO steps into the role, be conscious of any bias, derogatory language, or business processes that may restrict their ability to be fully authentic.

## EXECUTIVE COACHING TO INFLUENCE CULTURE CHANGE

While culture is a summation of collective beliefs and behaviors, it is individuals who drive change within the organization, and other individuals who must adapt to these changing conditions.

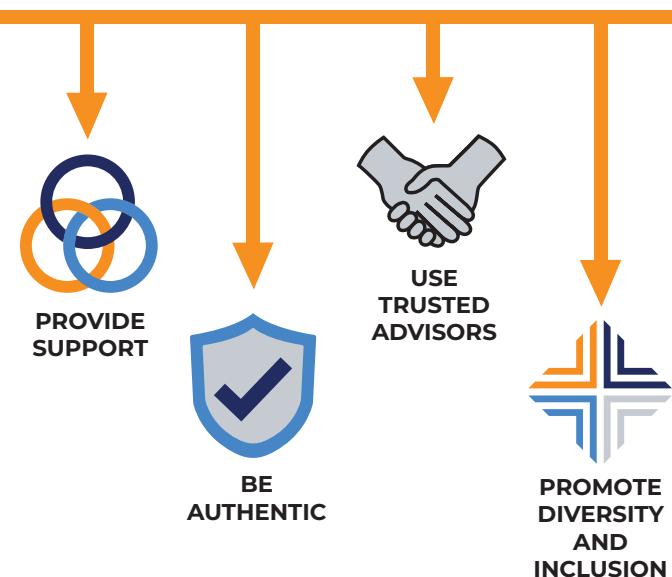
Joe Mazzenga at NuBrick Partners (NuBP) shares three case studies to demonstrate how coaching helps individuals to shape or adapt to culture change.

## CASE STUDY 1: STEPPING UP TO THE CEO ROLE

A practice leader who grew up within a global consulting organization was promoted to the role of CEO. NuBP was hired to ensure the effective transition and success of this first time CEO. The culture he inherited was one of intense internal competition, siloed behaviors within practices (non-teaming), and an absence of talent acquisition and development strategy.

The focus of the coaching was to support the CEO in building a core team of leaders who could drive forward the needed changes in the culture. We helped the CEO identify leaders with high

## CEO SUCCESSION PLANNING



potential, and as a team, they formed a guiding coalition that he could count on throughout the transformation process.

As part of our development work with the CEO, he embraced and began to implement a core set of change management behaviors that included messaging strategies, organizational tweaks, and shifting relational accountabilities to sustain change. These change management strategies were also adopted by the core implementation team.

In addition, NuBP supported the CEO's efforts to design and modify a compensation model for his top leaders that would incentivize the cultural aspects, such as collaboration, teaming, and personal development, to encourage the required shifts in the environment.

### Case Study 1: Lessons learned

- While individuals can lead, they need a team to implement.
- There are proven strategies that help to enable change management. Evaluate, customize, and apply these strategies to maximize your chances of success.
- Culture can and should be measured, and sometimes incentivizing progress towards culture change goals is useful.

### CASE STUDY 2: A CHANGE OF PACE

A physician executive was promoted from within the organization to the top leadership role of a multi-billion dollar health care system. He was replacing a long-tenured ineffective physician leader whose behavior and lack of performance were tolerated for far too long. NuBP was called in to ensure a successful transition and to provide executive coaching for the new physician executive who was stepping up to a role beyond his experience.

The new leader had a completely different style from his predecessor. He was passionate about the vision and need for change in health care, outspoken, data-driven, and forceful in his style and delivery. He was a man on a mission. From a leadership perspective, the former leader worked with a garden hose. This new leader showed up on day one with a fire hose at full force.

While the organization was relieved that the former leader was finally removed, they were not prepared for the velocity of this new leader.

The initial focus of our coaching engagement was to amplify his awareness of his leadership style and understand just how different he was from his predecessor. We suggested that he tailor his approach to what the organization had grown accustomed to in the past, and invest time in building alliances before leading at his usual pace.

Overall, the goal of the coaching process was to ensure that this new and passionate leader would be embraced and that his development agenda would be implemented sustainably.

### Case Study 2: Lessons learned

- A commitment to self-awareness and knowledge of your leadership style is essential for executive leaders.
- You need to adapt your pace and style to the cultural context.
- An engaged workforce with a deep belief in the mission is a prerequisite for transformation programs.

### CASE STUDY 3: PSYCHOLOGICAL SAFETY

NuBP was hired to engage with a CEO who recognized that to achieve the transformational strategy and vision of the organization, she would need to dramatically increase the level of psychological safety within the culture, starting with the top team.

Close observation of the conversations between senior leaders and the dynamics during meetings made it clear that the requisite candor and transparency were not present. With substantial transformation goals of integrating and centralizing core businesses spread across 15 locations, greater trust, honesty, and open dialogue needed to be established.

We focused our coaching on helping the CEO to demonstrate and model explicit ways to create psychological safety, and to be aware of how and where it was not occurring. To support this work, we facilitated targeted conversations between the CEO and each of her direct reports to provide them with feedback on how she experienced each leader creating psychological safety or not, and how she desired them to behave in the future. Along with coaching her to be more effective in creating a culture supported by transparency, we also provided tools and processes that her team could embrace and leverage in their own spheres of influence.

### **Case Study 3: Lessons learned**

- Psychological safety can be measured, evaluated, and improved.
- Modeling behavior can help to encourage desired traits and styles of working.
- Talking through issues is not enough to bring lasting change. Instead, specific interventions are needed to embed the desired behaviors in your culture.

Executive leaders must build close relationships with external partners who can share best practices and draw upon successful experiences of culture transformation. During hiring, extensive assessment processes for both the client and candidate are needed to ensure the highest possible culture fit. No stone can be left unturned. No doubt or question can go unanswered.

Finally, search firms and other culture-shaping partners must commit to fully embrace difficult, direct conversations, even when it can risk client favor. It is through this candor that helps executives to know the truth, and create an environment that allows everyone to thrive.

### **FINAL THOUGHTS**

Shaping and maintaining culture over time, through leadership transitions and shifting business conditions, requires a deep commitment from every person in the organization. Values, ethics, and working guidelines need to be clearly outlined and lived every day in every action. Progress towards these ideals needs to be measured, and everyone held accountable for their contributions.



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## About IIC Partners

**IIC Partners Executive Search Worldwide** ([www.iicpartners.com](http://www.iicpartners.com)) is a top ten global executive search organization. All IIC Partners member firms are independently owned and managed and are leaders in local and national markets, developing solutions for their client's organizational leadership and talent management requirements. For more information, please visit [www.iicpartners.com](http://www.iicpartners.com) or contact Christine Hayward, Executive Director, at [chayward@iicpartners.com](mailto:chayward@iicpartners.com).

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