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Executive Recruitment via Executive Search by Multinational Pharmaceutical Companies in Belgium and the Philippines

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1. Introduction

Recruitment is an activity which involves the searching for and obtaining [of] qualified job candidates in such numbers that the organization can select the most appropriate person to fill its job needs. In addition to filling the job needs, the recruitment activity should be concerned with satisfying the needs of the job candidate. Consequently, recruitment not only attracts individuals to the organization but also increases the chance of retaining the individuals once they are hired (Hiltrop and Sparrow, 1994: 318).

There are two general sources of recruiting: internal recruitment and external recruitment. In internal recruitment, the candidate is tapped from within the organization. This is an easy way of sourcing a candidate, considering that the organization normally has first hand knowledge of its workers who have been tried and tested. In external recruitment, the candidate is tapped from the outside primarily because the job specifications cannot be met by existing personnel. Several external sources exist such as (1) recommendations/referrals of present staff, (2) walk-in applicants, (3) universities, (4) professional associations, meetings and conferences, (5) office files of past applicants, (6) advertisements and, (7) recruitment consultancies, temping agencies and executive search firms.

Executive search or headhunting is one of the known forms of hiring an executive. This entails the use of an executive search firm where the consultant-in-charge of the project focuses on inviting, convincing and tempting the top talent of either a client's most successful competitor or those coming from related industries to move to its client. The end product is to be able to deliver the best available candidate in all of the marketplace.

Executive Search started in the United States. It was a product of the post-war boom. This came about due to the great demand caused by the wealth of opportunities. There was then a need for large numbers of new people with new skills who can immediately be hired. The first firms responding to this need were Boyden and Handy. These firms were actually part of management consultancies such as Booz, Allen and Hamilton and McKinsey & Co. Management Consultancy was a new corporate phenomenon which was gaining credence at the same time. Eventually the big four headhunting firms followed. They were Heidrick and Struggles, Spencer Stuart, Russell Reynolds and Korn/Ferry. Desiring more equity and fairer distribution of the proceeds, individual consultants from existing firms then opted to set up their own outfits such as Ward Howell and Egon Zehnder from Spencer Stuart, both in 1964. (Jones, 1989: 7-9).

Globally, Executive Search or 'Headhunting' has become part of corporate life. It has been a sophisticated business most especially in the United States and Europe where over 75 per cent of all executives placements are the result of executive search activity. In Asia, executive search is still relatively new except for the largest and most mature business centres such as Hong Kong, Singapore and Bangkok where international search firms such as Spencer Stuart, Boyden, Russell Reynolds, Egon Zehnder, Korn/Ferry already operate (Jones, 1995:3-4).

Although executive search is a worldwide phenomenon, the present paper will focus on headhunting activities in the pharmaceutical industry primarily in two countries i.e. Belgium and the Philippines.

In Belgium, there are numerous international and local executive search firms. There are over 110 executive search and selection companies (Hiltrop and Sparrow, 1994: 318). Some of the known international search firms are Egon Zehnder, Russell Reynolds, Spencer Stuart SA and Boyden Global Executive Search.

In the Philippines, more local executive search firms exist versus international ones. Boyden is the only international executive search firm which operates in the Philippines from its base in Hong Kong. Others such as W.D. Scott Philippines, SGV, Arthur Andersen and Price Waterhouse have offices overseas. Local executive search firms include John Clements Consultants, Inc., Corporate Search Professionals, Garrett Guilford & Associates (a member of Transearch Asia) (Jones, 1995: 107).

The research that is reported in this paper was conducted in the cities of Brussels, Genval and Antwerp, all in Belgium, and Manila, Philippines.

It seeks to answer the following questions:

1. What are the approaches used by multinational pharmaceutical companies in recruiting their executives?
2. How frequently would multinational pharmaceutical companies use the services of executive search firms in hiring their executives?
3. How effective is the use of the services of executive search firms?

Its aim was:

1. To determine the approaches used by multinational pharmaceutical companies in recruiting their executives.
2. To know the frequency of the use of executive search by multinational pharmaceutical companies.
3. To determine the effectiveness of using executive search in hiring executives by multinational pharmaceutical companies.

We chose Belgium and the Philippines as the focus of our study primarily because executive search is now extensively being used in both countries as an effective way of recruiting executives for various companies. However, we believe that there are some differences in both countries regarding the recruitment practices of multinational companies, the kinds of executive search firms and the extent to which executive search is being used by most multinational companies and its effectiveness.

We found the pharmaceutical industry as a relevant industry to study. This was due to our professional experience with our former employer, John Clements Consultants, Inc., when we noticed that the pharmaceutical industry was among the first five industries where the services of executive search was frequently used. Most local offices of big pharmaceutical companies in the Philippines then required a big number of personnel, some of which occupied executive level positions. With sufficient resources for the recruitment of their executives, we observed that these companies normally hire their executives via use of different recruitment methods, one of which is executive search.

Although we were uncertain whether the same practice was done in Belgium, we knew that most of the head offices of the pharmaceutical companies are based in Europe. We thought it likely for these companies to resort to the use of headhunting.

It is hoped that findings from this study would:

1. show the existing similarities/differences of the use of executive search firms in Belgium and the Philippines. Local and multinational organizations from both countries can learn from these similarities/difference and use these findings as tools in effectively recruiting executives;
2. show the extent to which executive search is found as a useful tool in recruiting executives in both countries;
3. encourage managers of multinational pharmaceutical in both countries to closely scrutinize and evaluate the effectiveness of using the services of a search firm with the view in mind of attaining the objectives of the company. Such an evaluation could then be utilized in strategically coming up with an Human Resource Management plan for their organization, thereby precluding losses and maximizing profits.

2. Definition of terms

1. **Academic qualifications** - refers to the academic background of the individual which is normally a major factor used in hiring an employee.
2. **Advertised recruitment** - is a kind of recruitment activity where the company releases an advertisement to gather a pool of talents. The employee to be hired is selected from the said pool of talents.
3. **Candidate** - is a person being considered for a particular shortlist of the headhunter's client.
4. **Contingency recruiter** - is a type of recruiter who gets paid only if someone he/she submits is eventually hired (Lucht and Toby, 1991: 52-55).
5. **Executive** - an individual involved with the management or administration of things.
6. **Executive search or headhunting** - is a recruitment activity which involves exhausting all means to be able to identify and refer the best suitable candidate for the client company.
7. **Experience** - is the knowledge or skill gained in the process of doing something.
8. **Multinational pharmaceutical companies** - organizations operating in several countries which is primarily involved in the producing, marketing and distributing medicines.
9. **Network of contacts** - depth of contacts used by the Search Consultant.
10. **Retainer** - is a type of recruiter who are paid a fixed-fee retainer merely to apply their time and skill to attempt to fill an opening (Lucht and Toby, 1991: 52-55).
11. **Search consultant** - the person in-charge of looking for the best candidate for his/her client's requirement.
12. **Shortlist** - this is the final list of candidates presented to the client, all of whom have expressed real interest in the position and in whom the client is interested.

During the course of the study, two types of data were simultaneously tackled. These were published data which were gathered from researches, and field data, which were gathered from interviews with participants coming from the pharmaceutical and headhunting industries.

Published sources were obtained from industry studies, newspapers, trade magazines, business publications, annual reports and company brochures.

Secondary sources gathered regarding recruitment particularly discussing executive search in Belgium and the Philippines were found to be limited. Most materials discussed recruitment or executive search in the European or American context. Nonetheless, these were still included in the report particularly in the Resume of Related Research and Professional Literature portion.

The field sources, on the other hand, were obtained through formal interviews with (1) General Managers or Human Resources Directors/Managers of various pharmaceutical companies; and (2) Consultants of various executive search firms. The first set of people interviewed were those who were knowledgeable about the recruitment practices in their particular firm. Questions that were asked from them particularly focused on the manner they normally hire executives, the extent to which they make use of headhunting, and the satisfaction/dissatisfaction they obtain in using headhunting, considering the amount they invest in using the services of such firms. The second set of people interviewed were those who have been very much involved with headhunting practices. Questions that were asked from them particularly focused on the extent to which pharmaceutical companies normally make use of their services to hire their executives, the various positions they normally fill up for these clients and the usual arrangement they have with these clients.

Interviews in Belgium were carried out from the period May to June 1996. In the Philippines, however, they were carried out from July to October 1996. Given such time constraints, the proponent was able to come up with limited interviews with various multinational pharmaceutical companies and headhunting firms. Thus data gathered from these interviews are not necessarily representative of the recruitment practices in the entire pharmaceutical and executive search industries both in Belgium and the Philippines. However, findings still indicated some general tendencies regarding executive recruitment practices in both industries.

3. Resume of Related Research and Professional Literature

Hiltrop and Sparrow (1994: 329), particularly mentioned that external recruitment becomes a necessity especially when internal recruitment does not produce enough qualified applicants. Although external recruitment is seen as quite an effective method, they found out that costs are normally high, considering factors such as management time and resources.

According to Hiltrop and Sparrow (1994: 329), there are several external recruitment techniques used in Europe such as (1) national employment office, (2) advertisement in the press, (3) recruitment consultancies, temping agencies and executive search, (4) direct targeting of schools and colleges, (5) personal contacts, (6) radio, direct marketing, posters, electronic mail, and (7) graduate recruitment through visits and fairs.

Martires (1991: 137-138), however mentions that in the Philippines, the popular means of external recruitment are (1) educational institutions, (2) employment agencies, (3) recommendations of present

staff, (4) walk-in applicants, (5) leasing, (6) labor unions, (7) employer's families, (8) management consulting firms, (9) executive and technical recruiters, (10) professional association meetings and conferences, (11) other companies especially competitors, (12) general public, and (13) office files of past applicants.

It is therefore quite evident that organizations normally use several ways to externally recruit their personnel. The use of the services of executive search firms is apparently one of those techniques. Depending on the organizations' resources they look at other means to recruit the right executive for their various vacancies.

Hiltrop and Sparrow (1994: 331-332) emphasized the use of advertisement as a popular source of recruitment in Europe. In Belgium, a research project of VUM, a major newspaper publisher, found that 89 per cent of employers used newspaper advertisements and 29 per cent used magazine advertisement as a source of recruitment while 82 per cent of prospective employees heard of vacancies from newspapers, and 40 per cent from magazines and local newspapers. Well qualified lower and middle management are normally recruited through advertisements in semi-national newspaper and so national campaigns require the use of both media. Moreover, advertisements are seen to comply with the spirit of race discrimination and sex equality legislations or civil code.

A survey reported by Buelens, de Clerq, de Graeve and Vanderheyden (1993) showed the following: (1) 70 per cent of prospective employees in Belgium become aware of vacancies through the use of National Employment Office. In Belgium, Hiltrop and Sparrow (1994: 330-335) cited the use of regional authorities such as VDAB (Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding) which takes charge of placement and training in the Dutch-speaking areas, thereby accounting for 45 per cent of manual job placements and 7 per cent of managerial posts. FOREM (Formation-Emploi) does the same function in French-speaking Wallonia; (2) 44 per cent of Belgian organizations rely on personal contacts whilst 39 per cent of prospective employees hear of vacancies this way; (3) 11 per cent of employers use recruitment agencies (which must be recognised by the government and provide details of their ties with other organizations) and 4 per cent through headhunting consultancies (which are not regulated).

It was also mentioned that in Belgium, small organizations also make use of recruitment agencies and consultancies to source white collar employees and executive staff. Large organizations are also increasingly using recruitment consultancies as they subcontract out parts of their selections process (Hiltrop and Sparrow, 199: 334).

Dr. Stephanie Jones (1989: 184) discussed that although headhunting was established earlier in Brussels, Holland is seen as a more mature market for search. She attributed this to the presence of large multinational companies such as Unilever, Philips and Shell and many prestigious banks such as Amro. She specifically mentioned the presence of large international headhunting firms such as Spencer Stuart and Egon Zehnder in the Hague.

Shawn Tully (1990) emphasized that the market for executive search is exploding. According to a study by Economist Publications Ltd., the London-based financial publishing firm, the revenues of Europe's dozen biggest executive search firms have been climbing by more than 15 per cent a year. The top five executive search firm in Europe are: (1) Egon Zehnder International; (2) Spencer Stuart; (3) Russell Reynolds; (4) Korn/Ferry International and (5) Heidrick & Struggles.

While there are no international search firms in the Philippines, Boyden, an international search firm operates in the Philippines from its base in Hong Kong. Firms with either affiliates or branch offices include W.D. Scott, SGV/Arthur Andersen and Price Waterhouse. Local firms include John Clements Consultants, Inc. (the Philippines largest recruitment firm), Corporate Search Professionals and Garrett Guilford & Associates (Jones, 1995: 107).

There are a number of firms carrying out both search and selection in the Philippines. This entails the use of advertisement in their recruitment. Market leader and pioneer John Clements Consultants, Inc. has been advertising since November 1974, when the firm first started. W.D. Scott also does some selection work but does not advertise unless the client insists. SGV also does some advertising but does not see itself as aggressive compared to John Clements Consultants, Inc. and W.D. Scott (Jones, 1995: 114).

Although there are some executive search firms which specialize in particular functions such as SGV/Arthur Andersen (concentrated in searches for CFOs, Treasurers and Financial Controllers) and Corporate Search (concentrated in searches for CEOs, GMs, and Directors of Sales and Marketing, in a variety of business) Dr. Stephanie Jones' interview with Patty Gallardo, the former Managing Director of John Clements Consultants, Inc. revealed that there is still a tendency for consultants to work on different functions especially in consumer products, pharmaceuticals, trading, chemicals and suppliers of garments. This is due to the fact that the business community in the Philippines is so small and the players are known to each other (Jones, 1995: 108, 114).

One drawback of the use of executive search is the high cost (Hiltrop and Sparrow, 1994: 334). At most times, the use of the services of a search firm is seen as the most expensive way of solving a recruitment problem. Jones (1995: 21-22) believes that this does not always follow. In the case of a middle-to-senior manager from around the Asian region who could be recruited by advertising or search, analysis suggests that the assumption made above is not necessarily correct. Depending on the salary level of the appointment, although search generally costs marginally more than do-it-yourself recruiting by advertising, using an effective and good quality search firm can save considerable staff time and therefore money, and can cut down risks in the long run.

The use of advertisement normally involves several direct and indirect costs. The greatest of these would be the advertisements, which would need to be placed in a variety of newspapers throughout the region. The different rates per single column centimeter in the Asian region are: HK\$125 (US\$16.03) for South China Morning Post in Hong Kong; S\$32.60 (US\$19.60) for Strait Times in Singapore; RM27 (US\$10.13) for New Strait Times in Malaysia; Rp30,000 (US\$13.65) for Jakarta Post in Indonesia; P160 (US\$6.26) for Manila Bulletin in the Philippines; NT\$1,100 (US\$41.46) for China

Times in Taiwan; and Bht320 (US12.05) for Bangkok Post in Thailand. For adequate media coverage, it would be necessary to advertise in at least one newspaper per country. The next heaviest indirect costs come with the time-consuming work of sifting the applications, interviewing perhaps twelve promising candidates and second interviewing at least three finalists. What does this mean in staff time? Including final negotiations to the point of signing on the dotted line, at least sixty man-and woman-hours will have been spent on tracking down the right person for the job (Jones, 1995: 21-22)¹.

Comparatively, advertising could prove to be slightly cheaper and even more effective in some markets with good media facilities. However, it requires considerable staff time for processing applications which could otherwise have been channelled towards other profit-engineering tasks. Search on the other hand could be more expensive but provides a better alternative in markets without good media facilities. It can be more target-oriented as opposed to advertising which is more general in scope. Using search may help save time and provides an added value (Jones, 1995: 23).

4. Views on recruitment activities and use of executive search

This chapter shows views coming from two sources:

- (1) Senior management in pharmaceutical companies in Belgium and the Philippines²;
- (2) Senior management in executive search firms in Belgium and the Philippines³.

4.1 Views from senior management in pharmaceutical companies in Belgium and the Philippines

4.1.1 Belgium

Recruitment activities in six multinational pharmaceutical companies

From Table 1, it can be seen that five multinational pharmaceutical companies are still active in hiring executives for their various job requirements. Only one from among the six pharmaceutical companies is currently on a freeze hire for the past two years. This is due to the recent mergers experienced by particular pharmaceutical company. Further interviews with various executives indicate that hiring of executives is mostly due to the need to fill vacant positions. There are few pharmaceutical companies currently expanding in Belgium.

The usual means of recruitment used by the six pharmaceutical companies are advertisement and use of the services of an executive search (see Table 1). Advertising in daily newspapers and trade professionals is still seen by most of these executives as a very practical way of looking for probable employees and at the same time building the companies' talent pool. One interviewee particularly mentioned that he normally uses advertisement as his means of recruitment. In fact, he divides his sources into three i.e. advertisement in the local papers, use of the services of executive search firms and use

¹ The prices and exchange rates are from 1995.

² One Chief Executive Officer, one General Adviser, one Country Manager, two Human Resources Director and eight Human Resources Manager both in Belgium and the Philippines.

³ One Executive Director, one Vice President and Director Operations, one Managing Director and one Consultant of various executive search firms both in Belgium and the Philippines.

of talents in the company's data pool. Another interviewee mentioned that he normally advertises in magazines such as Science and The Economist whenever he tries to hire individuals with very specialized positions and high educational achievement.

Table 1: Recruitment activities in six multinational pharmaceutical companies (Belgium)

	Company A	Company B	Company C	Company D	Company E	Company F
Position of Respondent	HRM Manager	HRM Manager	General Manager	HRM Director	General Manager	HRM Director
No. of Executives Hired per year (for the last two years)	25	2	2	2	0	10
Means of Recruitment	<ul style="list-style-type: none"> • Advertisement • Executive Search 	<ul style="list-style-type: none"> • Advertisement • Expatriation • Own Research (include referrals) 	<ul style="list-style-type: none"> • Promotion from Within • Advertisement • Referral Basis • Executive Search 	<ul style="list-style-type: none"> • Promotion from Within • Advertisement • Executive Search 	<ul style="list-style-type: none"> • Promotion from Within • Expatriation • Executive Search 	<ul style="list-style-type: none"> • Advertisement • Executive Search • Own data base-receives thousands of CVs per year
Functions Normally Filled In	<ul style="list-style-type: none"> • R&D • Sales & Marketing • Regulatory Affairs 	<ul style="list-style-type: none"> • Sales and Marketing 	<ul style="list-style-type: none"> • Sales and Marketing 	<ul style="list-style-type: none"> • Sales and Marketing • Regulatory Affairs • Finance 	<ul style="list-style-type: none"> • Sales and Marketing • Regulatory Affairs 	<ul style="list-style-type: none"> • Sales and Marketing • Operations • Finance • Human Resource
Nationality of Executives Being Hired	<ul style="list-style-type: none"> • Open (has high preference for a Belgian) 	<ul style="list-style-type: none"> • Open (has high preference for a Belgian but not a necessity - individual should speak French and Flemish) 	<ul style="list-style-type: none"> • Open 	<ul style="list-style-type: none"> • Open (depends on the position) 	<ul style="list-style-type: none"> • Belgian 	<ul style="list-style-type: none"> • Open (individual should speak Flemish, English and French)
Period Required to Fill In Vacancy	<ul style="list-style-type: none"> • 2 ½ months 	<ul style="list-style-type: none"> • 2 months 	<ul style="list-style-type: none"> • 3 months 	<ul style="list-style-type: none"> • 2-3 months 	<ul style="list-style-type: none"> • 2-3 months 	<ul style="list-style-type: none"> • 3 months
Individuals Taking Charge of Interviewing Candidates	<ul style="list-style-type: none"> • Direct Superior • HRM Manager • 1 or 2 colleagues 	<ul style="list-style-type: none"> • HRM Manager • Direct Superior • Division Manager 	<ul style="list-style-type: none"> • HRM Manager • Direct Superior • Division Manager • General Manager 	<ul style="list-style-type: none"> • HRM Manager • Direct Superior • General Manager (depends on the position) 	<ul style="list-style-type: none"> • HRM Manager • Direct Superior • Any of the three: Finance/ Logistics, Sales Manager or Medical Director • General Manager 	<ul style="list-style-type: none"> • HRM Director • Department Manager or the Director of the Department • Management Committee Member

The use of the services of an executive search firm is also found to be a good means of hiring executives. Interviewees mention that headhunting is important especially due to the following reasons: confidentiality of account and the know-how, wide experience and network of the consultants handling the job. Executive search consultants take on assignments which they think they are capable of completing. Thus, they make sure that they take on senior jobs where there are a number of people who could do the job. Moreover, executive search consultants normally act as a buffer especially if the company is to hire an employee from its competitor. They take the blame for researching, enticing and eventually placing executives to join their clients.

Marketing and Sales positions are commonly sought for in the market. These includes positions such as Marketing Manager, Product Manager and Business Development Manager. Regulatory Affairs functions are likewise being sought, but not to a high degree. These includes positions such as Regulatory Affairs Manager, Clinical Research Managers and Medical Director (see Table 1).

Although executives in the six multinational pharmaceutical companies indicated their openness to hiring a non-Belgian executive, their preference for hiring a Belgian executive is still very apparent (see Table 1). They find it practical to hire a Belgian executive primarily because Belgians speak three

languages, that is Dutch, French and English. Nonetheless, they are also open to other nationalities as long as they speak the three said languages.

Table 1 shows also that it normally takes two to three months to fill in a vacancy at the executive level. Interviewees mention that this is primarily because they have to allot time for the new employee to resign from his or her company.

The HRM Manager, the direct Superior and the Department Manager are found to be critical interviewers in the hiring of an executive. There are, however, some multinational pharmaceutical companies where the General Manager is included in the entire interview process, even if the position is not a direct report to the General Manager (see Table 1).

Use of executive search by six multinational pharmaceutical companies

Five out of the six multinational pharmaceutical companies use the services of executive search firms (see Table 2). Aside from seeing the use of the services of executive search as a practical means of hiring an executive, they also mention that executive search is important especially if a coverage of the whole market is required. These multinational pharmaceutical companies normally have limited information of the recruitment market. Executive search firms, however, have a large network of contacts which they can rely upon in recruiting individuals from various parts of the country or the region. They are aware of the sectors of industry and functional positions in most demand, the average salary per search assignment, the experience and qualifications of candidates, competitive differentiators between firms and other countries as probable source of candidates. Moreover, these multinational pharmaceutical companies find it easier to hire from their competitors if they use the services of an executive search firm. They can easily say that it was a referral made by their executive search firm. Thus, the company personnel do not get the blame for such a recruitment.

Table 2: Use of executive search by six multinational pharmaceutical companies (Belgium)

	Company A	Company B	Company C	Company D	Company E	Company F
Use of Executive Search (for the last two years)	Yes	No	Yes	Yes	Yes	Yes
Extent to which Executive Search is Used (versus total recruitment activities)	50%	0	20%	30%	25%	33%
No. of Search Firms Used	3	Not applicable	More than 1; did not specify the number	4	2	2
Type of Executive Search Used	* International	Not applicable	Local	* International/ Local	* International/ Local	* International
Supplement Executive Search with Advertisement	No	Not applicable	Yes, it is included in the fee	No	No	No
Replace Executives if Dissatisfied	Yes	Not applicable	Yes	Yes	Yes	Yes
Guarantee Period	6 months	Not applicable	12 months	6-12 months	6-12 months	6 months
Cost of Search	20-25% of annual salary + direct expenses	Not applicable	15% of annual salary	20-30% of annual salary	18-30% of annual salary + direct expenses	30-35% of annual salary
Satisfied with the use of Executive Search	Yes	Not applicable	Yes	No	Yes	No

* International Headhunters - are headhunting firms with existing offices in various countries. They have international network. Examples of these are Russell Reynolds, Egon Zehnder, Spencer Stuart & Associates.

One out of the six pharmaceutical companies sees the services of executive search firms as a good means of recruiting executives. Thus, the extent of use of executive search is 50 per cent. Except for one which does not at all use the services of executive search firms, the rest see the use of the services of executive search as a good option. Thus, the extent of use ranges from 20-35 per cent (see Table 2).

There is a tendency for the five multinational pharmaceutical companies to make use of various executive search firms due to the following reasons: (1) reasonable agreements made in terms of payment; (2) executive search firm's specialization; (3) practicality purposes.

Local executive search firms charge lower rates than international executive search firms. Thus, if the company's recruitment budget is limited and the search for the candidate is within the country, then the use of a local executive search firm is used. Moreover, executive search firms charge their multinational pharmaceutical clients depending on their existing relationship with these clients. Thus, it is possible for them to give discounts or to come up with a reasonable payment scheme most especially to their valued clients.

From an interview with the two international executive search firms, one of them was found to cater to the needs of the pharmaceutical industry. In Brussels, this executive search firm assigns a search consultant to the said industry. He assists pharmaceutical and life sciences clients in meeting the dramatic changes under way in the global healthcare industry. Another local executive search firm located in Gent was found to cater to the pharmaceutical industry. Unfortunately, we did not get the chance to interview search consultants from this executive search company. Practical reasons given by multinational pharmaceutical companies included headhunter's knowledge of the following: the average salary per search assignment, the experience and qualifications of candidates, competitive differentiators between firms and the knowledge of the best approach to be used in handling their search requirements.

Only two multinational pharmaceutical companies use the services of international search firms exclusively; one uses the services of a local executive search firm; and the other two use the services of both local and international search firms. Interviewers mention that this is a result of their specific requirements, the budget allocated for recruitment activities in their particular companies and previous recruitment experiences with the headhunting firms.

From among the five multinational pharmaceutical companies using the services of executive search firms, only one supplements search activities with an advertisement. Using the services of an executive search firm together with an advertisement is not a usual practice made by executive search firms. A distinction exists between executive search (using search to identify candidates and then making approaches to them) and executive selection (using advertising to attract candidates and then sifting the responses).

All of the five multinational pharmaceutical companies entered an agreement with their headhunters to replace executives whenever they are dissatisfied with their performance. They see this as an impor-

tant benefit which these search firms offer, most especially if the individuals they hire eventually do not fit into their organizations.

Two of the five multinational pharmaceutical companies are entitled to change their new employees within six months time from the time their employees join the company; the other two are entitled to change their new employees within a time frame of six to twelve months after the employees join the company; and one is entitled to change its new employee within a time frame of twelve months after the employee joins the company.

Cost of search is definitely quite expensive, considering that the lowest is at 15 per cent and the highest is at 35 per cent. However, based on the interview made with the various aforementioned pharmaceutical companies, these executive search firms normally charge a standard fee of 20-35 per cent of the agreed notional gross remuneration of the candidate appointed, which sometimes includes a proportion of a joining bonus.

From the information gathered (see Table 2), only three out of the six pharmaceutical companies were satisfied with the use of executive search firms. Reasons cited for such satisfaction included: knowledge of the Belgian market and good networking. Executive search firms have the necessary research skills needed to search the market. Through the help of the search firm's research department, the search consultant get information regarding (1) the average salary per assignment over the last year; (2) the personal background and work experiences of various candidates suitable for the various vacancies of their clients; (3) and the various companies from which they can tap probable candidates. This information enable the search consultant to subsequently identify a long list of candidates which is then reduced to a shortlist. This shortlist is then presented to their clients.

The other two pharmaceutical companies which were dissatisfied with the services of executive search firms mentioned that they found them expensive as compared to the work that they delivered. They preferred to hire executives on their own using advertisements. An executive from one pharmaceutical company also mentioned that he was unhappy with the quality of work made by the consultants assigned to their firm. The consultants did not deliver their work on time.

4.1.2 Philippines

Recruitment activities in six multinational pharmaceutical companies

From Table 3, it can be seen that all the six multinational pharmaceutical companies are still active in hiring executives for their various job requirements. Further interviews with various executives indicate that hiring of executives occurs mostly for replacement purposes.

The services of executive search firms is the most frequently used practice for the six pharmaceutical companies. Other sources used are referrals, networking, advertisement in the newspapers, use of international contacts, expatriation and promotion from within.

In the Philippines, the six pharmaceutical companies see the use of the services of an executive search firm as a very practical way of looking for the right executives. Like in Belgium, most interviewees find it useful to use executive search in cases where a coverage of the whole market is required. One interviewee says that the use of the services of an executive search is also necessary in instances when the position being filled is sensitive, confidential and important to the organization.

Table 3: Recruitment activities in six multinational pharmaceutical companies (Philippines)

	Company A	Company B	Company C	Company D	Company E	Company F
Position of Respondent	HRM Manager	General Manager	HRM Manager	HRM Manager	HRM Manager	HRM Director
No. of Executives Hired Per Year (for the last two years)	1	2	2	5	3	7
Means of Recruitment	<ul style="list-style-type: none"> Executive Search Expatriation 	<ul style="list-style-type: none"> Advertisement Expatriation Executive Search Promotion from Within 	<ul style="list-style-type: none"> Use of International Contacts Executive Search Networking/Referral Basis 	<ul style="list-style-type: none"> Promotion from Within Executive Search 	<ul style="list-style-type: none"> Referral Basis Advertisement Executive Search 	<ul style="list-style-type: none"> Promotion from Within Referral Basis Executive Search
Functions Normally Filled In	<ul style="list-style-type: none"> Sales & Marketing 	<ul style="list-style-type: none"> Sales and Marketing 	<ul style="list-style-type: none"> Sales and Marketing Finance HRM/Administration/ MIS 	<ul style="list-style-type: none"> Sales and Marketing 	<ul style="list-style-type: none"> Sales and Marketing Information Technology 	<ul style="list-style-type: none"> Sales and Marketing Finance Human Resource
Nationality of Executives Being Hired	<ul style="list-style-type: none"> Filipino or French (those expatriated) 	<ul style="list-style-type: none"> Filipino or any Nationality (for expatriated positions) 	<ul style="list-style-type: none"> Filipino 	<ul style="list-style-type: none"> Filipino 	<ul style="list-style-type: none"> Filipino 	<ul style="list-style-type: none"> Filipino or any Nationality (for expatriated positions)
Period Required to Fill In Vacancy	<ul style="list-style-type: none"> 3 months 	<ul style="list-style-type: none"> 4 -6 months 	<ul style="list-style-type: none"> 2-3 months 	<ul style="list-style-type: none"> 3-4 months 	<ul style="list-style-type: none"> 2-3 months 	<ul style="list-style-type: none"> depends on the position
Individuals Taking Charge of Interviewing Candidates	<ul style="list-style-type: none"> Relevant Department Head HRM Manager Regional Boss (Functional) General Manager 	<ul style="list-style-type: none"> HRM Manager Direct Superior General Manager (depends on the position) 	<ul style="list-style-type: none"> Business Group Head HRM Manager President 	<ul style="list-style-type: none"> HRM Manager Direct Superior Division Head of HRM Division Head of the Department General Manager 	<ul style="list-style-type: none"> HRM Manager Department Head if Marketing position, the Medical Director is included General Manager 	<ul style="list-style-type: none"> HRM Director Direct Superior Department Manager

Like in Belgium, Marketing and Sales positions are commonly sought for in the market. These includes positions such as Marketing Director and Product Manager. The Finance function is next in line, followed by the Human Resources Management post, then by Information Technology position (see Table 3).

In the Philippines, there is still a preference for hiring Filipino executives although there is an openness being shown in hiring expatriates, most especially if there are no Filipino qualified executives (within the organization or outside the organization) who can occupy the position. They find it practical to hire a Filipino executive primarily because these executives are very familiar with the local language, the environment and the Filipino culture.

Table 3 shows that it normally takes three to four months to fill in a vacancy at the executive level. Interviewees mention that this is due to the difficulty encountered by most executive search firms to come up with a good shortlist of candidates. For instance, due to the scarcity of good and qualified

Product Managers in the Philippine market, search consultants in the executive search firms find it difficult to look for the right person for the job. Once they find these Product Managers, the search consultants discover that they are normally happy with their jobs. Thus, it takes a lot of convincing on the part of the search consultants to entice these Product Managers to explore their client's vacant position. Another factor mentioned is the usual 30 day notice required by the former company of the person finally chosen for the job.

The HRM Director/Manager, the direct Superior and the Department Manager/Head or Business Group Head are likewise found to be critical interviewers in the hiring of an executive. In the five pharmaceutical companies, either the President or the General Manager is involved in the entire interview process.

Use of executive search by six multinational pharmaceutical companies

All of the six multinational pharmaceutical companies are users of executive search (see Table 4). Although this may not be their first option, they nonetheless, use this as their second option, most especially if they are not able to find qualified candidates from their own network of contacts.

Table 4: Use of executive search by six multinational pharmaceutical companies (Philippines)

	Company A	Company B	Company C	Company D	Company E	Company F
Use of Executive Search	Yes	Yes	Yes	Yes	Yes	Yes
Extent by which Executive Search is Used (versus total recruitment activities)	75%	60%	85%	60%	50%	95%
No. of Search Firms Used	1	3	2	3	2	3
Type of Executive Search Used	Local	Local	Local	Local	Local	Local
Supplement Executive Search with Advertisement	Yes, if necessary	Yes	Yes, depends of the position	No	No	No
Replace Executives if Dissatisfied	Yes	Yes	Yes	Yes	Yes	Yes
Guarantee Period	6 months	6 months	3 months	12 months	6 months	3-6 months
Cost of Search	15% of annual salary	15-20% of annual salary	18-21% of annual salary	17-18% of annual salary	18-22% of annual salary	21% of annual salary
Satisfied with the use of Executive Search	Yes	Yes	Yes	Yes	No	Yes

In the Philippines, the six pharmaceutical companies see the use of the services of executive search firms as a good means of recruiting executives, thus the extent that executive search is used is not lower than 50 per cent (ranges from a 50 - 95 per cent).

Similar to the case in Belgium, there is a tendency for the six multinational pharmaceutical companies to make use of various executive search firms due to the following reasons: (1) agreements made in terms of payment; (2) executive search firm's specialization; (3) practicality purposes.

In the Philippines, the six multinational pharmaceutical companies use the services of local search firms. Interviewers mention that this is primarily due to the fact that local executive search firms in the Philippines has a network of contacts of Filipino managers versus that of international executive search firms. There are also very limited international executive search firms to choose from in the country today.

From among the six multinational pharmaceutical companies using the services of executive search firms, two companies supplement search activities with an advertisement. Often a search consultant advises his or her client to advertise if in his or her judgement it is the most appropriate way of identifying and recruiting suitable people. This search consultant often thinks that the release of an advertisement would enable him or her to identify interested candidates for the job, aside from those that he or she has already headhunted .

All of the six multinational pharmaceutical companies see to it that their headhunters replace executives whenever they are dissatisfied with their performance. Although these pharmaceutical companies have an option to replace, they have indicated that they seldom do this. They are normally happy with the kind of executive they eventually hire.

The usual guarantee period is six months although there are some executive search firms which give a twelve month guarantee specially if they think that their client is a valuable one.

Since the six multinational pharmaceutical companies are using the services of local executive search firms, the standard fee charged is not too expensive. This ranges from 15 per cent to 21 per cent of the agreed notional gross remuneration of the candidate appointed, which sometimes includes a proportion of a joining bonus.

Only one out of the six pharmaceutical companies is dissatisfied with the use of the services of executive search firms. The reason for such dissatisfaction is due to the expense it normally entails. The rest which are very much satisfied with the services of the executive search firms cite the following as their reasons: good network of candidates, highly specialized in the functions that they handle and professionalism in the way their requirements are being handled.

4.2 Views from senior management of executive search firms in Belgium and the Philippines

4.2.1 Belgium

Executive search activities in relation to the requirements of multinational pharmaceutical companies

Only one out of the two executive search firms divulged the number of executives (i.e. 4 executives per annum) hired through it by pharmaceutical companies. The other executive search firm mentioned that there are a number of pharmaceutical companies that would normally use its services. However, it did not divulge the exact number of users.

The same executive search firm which shared the above mentioned information disclosed that versus total no. of recruitment assignments per annum, 4.5 per cent came from the pharmaceutical sector. Although quite small in number, it nonetheless indicated the interest in the use of executive search by pharmaceutical companies. The other company did not divulge information regarding this particular item.

Table 5: Executive Search Activities in Relation to the Requirements of Multinational Pharmaceutical Companies (Belgium)

	Executive Search Firm A	Executive Search Firm B
No. of Executives Filled in (per annum)	4	No information given
% of Use by the Pharmaceutical Sector Versus Total Number of Jobs (per annum)	4.5	No information given
Functions Normally Required by Pharmaceutical Companies	<ul style="list-style-type: none"> • Research • Logistics • Operations (Chemical) 	<ul style="list-style-type: none"> • President of Divisions • General Management • Sales Management • Research and Development • Regulatory Affairs
Sources of Talents	Search	Search

From the information shared by the executives from the two executive search firms, the Research and Development function is usually sought for in the market. The other functions required by pharmaceutical companies include the President, General Management, Sales Management, Regulatory Affairs, Logistics and Operations.

From an article shared by executive one of the two executive search firms interviewed, the functional assignments they have been handling for the global health industry from 1994 to 1996 included the following: CEO/COO/GM (25%), Board Director (9%), Sales & Marketing (21%), Finance/Corporate Development (14%), R&D/Clinical (13%), Manufacturing/Regulatory/Quality (7%), Others (11%).

Results from the interview with these two executive search firms showed some differences particularly in functions being sought for by multinational pharmaceutical companies. It should be noted that most of the above mentioned multinational pharmaceutical companies do not use the services of these two international executive search firms. Only one pharmaceutical company uses the services of one of the two international executive search firms.

These two executive search firms always source talents for their clients by using research to identify candidates and then making approaches to them. According to them, this is the only means they use in sourcing candidates for the various recruitment assignments of their clients.

Executive search practices

From the interview with executives from the two executive search firms, only one disclosed information on its fees. As seen from Table 6, a monthly retainer fee is quoted, plus the anticipated level of variable expenses, payable over an agreed period of time. The professional fee is based on the complexity of work, its geographic scope, the level of responsibility, and the time the assignment is expected to take.

The product features of executive search firm A are as follows: (1) it is one firm worldwide which means that it offers professional services of consistent quality worldwide, thereby pooling its skills and resources for the clients' benefit; (2) it has a leadership position; (3) it projects a quality image; (4) all consultants have high educational background, significant prior professional experience and are tasked to handle all contacts with candidates; (5) the coverage of assignments handled are complete

and homogenous meaning that a critical mass of well qualified candidates is identified by multi-office searches; (6) it handles post assignment follow up with clients. The product features of executive search firm B are as follows: (1) has 29 wholly owned offices around the world; (2) conducts assignment in more than 200 countries; (3) has more than 35 practice areas of industry, functional and geographic specialization; (4) clients served are of varying sizes, growth phases and business types; (5) has more than 200 recruiting associates and more than 70 research professionals.

Table 6: Executive search practices (Belgium)

	Executive Search Firm A	Executive Search Firm B
Fee	A monthly retainer fee + anticipated level of variable expenses, payable over an agreed period of time.	No information given
Product Features	<ul style="list-style-type: none"> • Highly skilled staff • Leadership position • Complete/homogenous coverage • Quality image projected • Post assignment follow up with clients • One firm worldwide 	<ul style="list-style-type: none"> • 29 wholly owned offices around the world • Conduct assignment in more than 200 countries • More than 35 practice areas of industry, functional and geographic specialization • Clients served are of varying sizes, growth phases and business types • More than 200 recruiting associates and more than 70 research professionals
Benefits Obtained by Clients	<ul style="list-style-type: none"> • Same quality standards in each office • Partnership with client • Professional handling of clients • Work until the problem is solved • Client problems handled by full team • Long term relationship with clients • Ambassador of client 	<ul style="list-style-type: none"> • Offers to client total objectivity, sound judgment and a balanced perspective as well as foresight, creativity and strategic thinking • Able to help clients take a long-term view as well as fulfill immediate needs • Specializing in industries and individual niche markets within those industries allows them to get results quickly and effectively for their clients • Helps client address diversity issue as well as to identify other challenges in the future
Guarantee Period Arrangements	1 year	No information given

Benefits offered to clients by executive search firm A are as follows: (1) maintains consistent quality standard in each of their offices; (2) has good partnership with its clients; (3) handles recruitment assignments and clients in a professional manner; (4) client problems are handled by a full team; (5) maintains long term relationship with client; (6) acts as ambassador of clients; (6) sees to it that recruitment assignment handled are completed at all times. The benefits offered by executive search firm B are as follows: (1) offers to client total objectivity, sound judgment and a balanced perspective as well as foresight, creativity and strategic thinking; (2) able to help clients take a long-term view as well as fulfill immediate needs; (3) specializes in industries and individual niche markets within those industries, thereby allowing them to get quick and effective results for their clients; (4) helps clients address diversity issue as well as identify other challenges in the future.

Only Executive Search Firm A mentioned that it normally replaces a placement who left the company or was asked to leave by their client. However, this should fall only within a one year period from the date of hiring.

4.2.2 Philippines

Executive search activities in relation to the requirements of multinational pharmaceutical companies

Both executive search firms divulged the number of executives they have placed. The representative from executive search firm A mentioned that it normally handles 12 recruitment assignments for pharmaceutical companies per year. The representative from executive search firm B said that it normally handles 24 recruitment assignments for pharmaceutical companies on a yearly basis. Executive search firm B is definitely very active in the pharmaceutical industry.

The representative from the executive search firm A mentioned that versus total number of recruitment assignments handled per annum, 7 per cent came from the pharmaceutical sector. The representative from executive search firm B indicated that versus total number of jobs handled per annum, 15 per cent came from the pharmaceutical sector. This is definitely bigger than the first, considering that the latter search firm had been involved in handling a number of jobs in the pharmaceutical sector. Data gathered still indicated the frequent use of the services of executive search firms in the pharmaceutical sector.

Table 7: Executive search activities in relation to the requirements of multinational pharmaceutical companies (Philippines)

	Executive Search Firm A	Executive Search Firm B
No. of Executives Filled in (per annum)	12	24
% Versus Total Number of Jobs (per annum)	7	15
Kinds of Position Required by Pharmaceutical Companies	<ul style="list-style-type: none"> • Sales & Marketing • Regulatory Affairs 	<ul style="list-style-type: none"> • General Management • Sales & Marketing • Finance • Human Resources Management • Operations • MIS
Sources of Talents	<ul style="list-style-type: none"> • search • talent bank • advertising 	<ul style="list-style-type: none"> • search • talent bank

From the information shared by the executives from the two executive search firms, the Sales and Marketing function is usually sought for in the market. The other functions required by pharmaceutical companies include General Management, Regulatory Affairs, Finance, Human Resources Management, Management Information System and Operations.

Both executive search firms make use of search and their talent banks in sourcing candidates. However, one executive search firm also make use of advertising in sourcing its candidate.

Executive search practices

As seen from Table 8, both executive search firms normally charge a percentage of the Commencing Annual Gross Income of the chosen candidate. Executive search firm A charges 18 per cent while executive search firm B charges 21 per cent for local search and 30 per cent for international search. The fee structure for executive search firm A is as follows: 30 per cent of 18 per cent is downpayment billing which the client pays upon signing of the contract; the next 30 per cent is partial billing which the client pays upon submission of shortlist of candidates; and the last 40 per cent is successful

placement billing which the client pays upon hiring of the most suitable candidate from the shortlist given. The fee structure for executive search firm B is as follows: for local search, 21 per cent is equally divided into three parts where the first part refers to the downpayment billing; the second part refers to the partial billing; and the last part refers to the successful placement billing; for international search, 30 per cent is equally divided also into three parts where the first part refers to the downpayment billing; the second part refers to the partial billing; and the last part refers to the successful placement billing.

The product features of executive search firm A are as follows: (1) has a reputation for excellence and professionalism; (2) it is the country's pioneering firm in executive selection; (3) has competent and experienced consultants; (4) uses consultative approach in dealing with clients; (5) sees to it that assignments handled are kept confidential. The product features of executive search firm B are as follows: (1) consultants handling the accounts have had a number of years of experience in the recruitment business; (2) sees to it that their approach to clients are highly consultative in nature; (3) makes sure that information on clients are kept in full confidence; (4) comes up with quality search; (5) is involved in international search assignments, considering that it is a member of an association of affiliated firms.

Table 8: Executive Search Practices (Philippines)

	Executive Search Firm A	Executive Search Firm B
Fee	18 % of Commencing Annual Gross Income of Chosen Candidate	21% of Commencing Annual Gross Income of Chosen Candidate (for local search) 30% of Commencing Annual Gross Income of Chosen Candidate (for international search)
Product features	Reputation for excellence and professionalism Country's pioneering firm in executive selection Competent and experienced consultants Consultative approach Confidentiality of assignments handled Jobs are handled on as functional basis	Competent and experienced consultants Consultative approach Confidentiality of assignments handled Member of an association of affiliated firms Quality search assignments
Benefits obtained by Clients	Long-term relationship with client Gives consultative advise to clients	Long-term relationship with client Gives consultative advise to clients
Guarantee period arrangements	6 months	6 months

Benefits offered to clients by executive search firm A and B are almost the same. They are as follows: (1) sees to it that a long-term relationship is maintained at all times via the continuous follow up on clients after the completion of a job assignment; (2) renders consultative advise beyond the realm of executive selection into other concerns like executive compensation, career management and organizational development.

Both executive search firms mentioned that it is within their usual procedure to replace a placement who left the company or was asked to leave by their client. However, this should fall only within the period of six months from the date of hiring.

5. Conclusion and recommendations

The readings and the interview made on the use of executive search both in Belgium and the Philippines enables the following findings:

1. Executive search is widely used both in Belgium and the Philippines. In Belgium, it began sometime in the 1960s. In the Philippines, it started sometime in the 1970s. As compared to Belgium where a number of international search firms like Egon Zehnder, Russell Reynolds Associates exist, in the Philippines most executive search firms are local with international affiliates. Boyden is the only international executive search firm which operates in the Philippines from its base in Hong Kong.

At this particular point, it is apparent that there is frequent use of the services of executive search firms in the Philippines than in Belgium. This is due to the following reasons: (a) there are more recruitment activities happening in the Philippines than in Belgium. Executives in the multinational pharmaceutical companies are being tapped by companies in other industries to join them. This then creates a vacancy in most multinational pharmaceutical companies; (2) fees charged by the local executive search firms in the Philippines are not as exorbitant as those in Belgium. Thus, the use of executive search is still affordable to most of these multinational pharmaceutical companies.

2. As compared to the other means of recruiting executives, the use of executive search is normally limited to large (multinational or local) companies belonging to the pharmaceutical, telecommunications, banking, consumer products sectors. These firms are able to afford the exorbitant fees of executive search firms which range from 15 to 35 per cent of agreed notional gross remuneration of the candidate appointed.

Other means of recruitment used by pharmaceutical companies include: advertisement in local dailies, magazines, use of networking/ referral basis, promotion from within and expatriation.

3. The use of executive search is seen by some pharmaceutical companies as an effective way of hiring executives due to the following reasons: (a) confidentiality of account; (b) know-how, wide experience and network of search consultants; (c) an executive search firm acts as buffer in situations where these pharmaceutical companies decide to hire from its competitors. The executive search firm normally takes on the blame for placing executives to join their clients.

However, some pharmaceutical companies find the use of executive search ineffective due to the following reasons: (a) exorbitant fees of executive search firms which they think is not commensurate to the work done by the search consultant; (b) dissatisfied experience with the services of executive search firms which is based on their past experiences.

It can then be concluded tentatively that the use of executive search is found to be a good recruitment tool used by some multinational pharmaceutical companies both in Belgium and the Philippines. It is definitely a significant part of their recruitment practices. As compared to Belgium, executive search is frequently used in the Philippines due to the rise in recruitment activities in the country and lower fees charged by local executive search firms. At this point, the multinational pharmaceutical companies in the Philippines still seem to find the services of these local executive search firms as dependable and reliable. This may, however, change depending on their future requirements and with the entry of international executive search firms in the future.

The following recommendations for future research can be made:

1. An in-depth study regarding the executive recruitment practices of pharmaceutical companies both in Belgium and the Philippines should be made. The purpose of the study is to come up with a conclusion on the most effective way to recruit executives in the pharmaceutical sector in both countries.
2. A study should be made comparing international and local executive search firms in Belgium and the Philippines. Information to be included are as follows: size of operations, current practices of the executive search firms, qualifications of existing consultants in the organization, kinds of clients handled, kinds of positions handled and major competitors. The purpose of the study is to know the major differences between local and international executive search firms both in Belgium and the Philippines.
3. From the interviews with the representatives of the executive search firms both in Belgium and the Philippines, we learned that the consumer products sector is very active in using the services of headhunters. Thus, a study focusing on the extent and effectiveness of the use of executive search particularly in the consumer products sector would definitely be an interesting study to pursue.

APPENDIX 1:

GUIDE QUESTIONS (Pharmaceutical Companies)

RUCA-Ateneo Exchange Program

Recruitment practices

Frequency of Top/Senior Management Recruit:

- in your estimate, how many executive positions do you normally fill in per year?

Kinds of Positions Recruited For:

- What kind of executive positions do you normally fill in?
- Are there functions which you need to fill up often? What are these functions?

Kinds of Individuals Hired:

- Is there always a preference for a local (Belgian) to occupy executive positions?
- Are you also open to other nationalities? Pls. specify.
- Do you recruit expatriates assigned in other subsidiaries? Branches? Headquarters? How often do you make this kind of recruitment?

How Recruit Executives:

- How do you fill in the vacant executive positions?
- What sources do you use
- How many month after are you able to hire an executive for a vacant positions?
- Do you use contingency recruiters (recruiters paid only if someone is hired) or retainer (recruiters who are paid a fixed-fee retainer merely to apply their time and attempt to fill an opening)?
- Who would be involved in interviewing candidates?

Use of Executive Search Firms:

- Which executive search firms do you normally use here? Why do you use them?
- Do you prefer to maintain only one executive search firm or not? Why?
- Who are the individuals involved in interviewing shortlist of candidates submitted by the search firm?
- Do you think the use of executive search is worth your money? Why?
- Whenever dissatisfied with the successful placements of the executive search firms, do they replace them? How long does a replacement take?

Basic Agreements with Executive Search Firms:

- What would be the salary ranges of the executives that you normally hire?
- Do you supplement headhunting with advertisement?
- Who pays for the advertisement?
- How much does this cost you?
- What is their guarantee period like?
- How much does it cost you to use the services of an executive search firm?
- What other costs do you incur when you use the services of an executive search firm?

GUIDE QUESTIONS (Executive Search Firms)**RUCA-Ateneo Exchange Program**

Executive search practices

Frequency of Top/Senior Management Recruit:

- In your estimate, how many executive positions do you fill in for pharmaceutical companies annually?
- What is the percentage of this versus total number of jobs handled per annum?

Kinds of Positions Recruited For:

- What kind of executive positions do you normally fill in for these pharmaceutical companies?
- Which among the positions mentioned are frequently vacated?

Source of Talents:

- Is there an ethical problem that you encounter when you tap executives coming from the same industry?
- What other industries do you look at?
- Do you encourage these pharmaceutical companies to use advertisement?
- Do you think advertising is a good way to get people for a particular position? Why?
- Do you have an existing talent bank?
- What is the size of your talent bank?
- How do you continuously update your talent bank?
- Do you think you have enough talents in your bank'?
- To what extent do you really use headhunting?
- What is the percentage of those successfully placed individuals are sourced from the advertisement? Talent? Bank? Headhunting?

Basic Agreements with Executive search Firms:

- How does your fee structure look like?
- Do you follow any global rates?
- What are the features of your products?
- What benefits would your clients get if they use your services?
- Do you give guarantees? What is your normal arrangement?
- How many of the jobs you placed in these pharmaceutical firms would go back to you for replacements (per annum)?
- What would be the reasons for these replacements?

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