

**“Don’t Waste Money on Headhunters”**

**Presentation to  
EBC  
HR committee**

**Allan Walker  
Eban Japan Limited  
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**Eban ([www.eban.com](http://www.eban.com))**

Retained search headhunting firm, established in Hong Kong 1995 then London (1997), Tokyo (1999) and New York (2003). Focus on senior roles in financial markets. Awarded the title “most admired” headhunters in Japan 2001, 2003 & 2004 ([www.Asiamoney.com](http://www.Asiamoney.com)).

**Presentation Overview**

- Recruitment
- Induction
- Retention
- Cutting
- More on Recruitment / Methods
- Japan
- Recommendations



## 1 Recruitment - Plan

- Why hire? Whom to hire?
- How to choose?
- Who decides? - who pays?
- PR / brand
- How to recruit?

## 2 Induction

- Preparation
- Desk & phone & business cards
- Support staff
- Press release
- Feeling welcome / binding in
- Training
- Follow-up

## 3 Retention

Better (& cheaper) to keep someone you need than hire someone new:

- opportunity cost / downtime during gap
- extra pressure on remaining staff
- may need to pay a premium
- 25-35% of annual salary in “replacement fees”

Keep “finger on pulse” and respond as needed

## 4 Cutting

- Ask your lawyer first
- Keep detailed written records
- Labour union issues
- Public relations



## 5. More on Recruitment...

### a) Why hire? Whom to hire?

Generally companies only hire if there is a problem to be solved.

What problem(s) need(s) solving?

What sort of person brings a solution?

Define the above and the picture of the “ideal” person becomes clearer.

=>Then write it down – the “spec”.

### b) How to choose?

Break the job and candidate spec into component parts

Map candidates against that

Score them

Offer the job or adjust the spec (the dream candidate may not be available)

Recruitment:

### c) Who decides? -who pays?

As interviewers

DO include:

- Immediate boss
- Other senior stakeholders
- Relevant peers

DON'T include;

- Subordinate staff

**In all this process respect and maintain confidentiality**

### d) PR / brand

- (If possible) spend money on your brand and name recognition BEFORE spending it on recruitment.
- Company's name / “image” can affect both quality and quantity of candidates
- Home country brand does NOT necessarily carry weight in Japan



e) How to recruit?

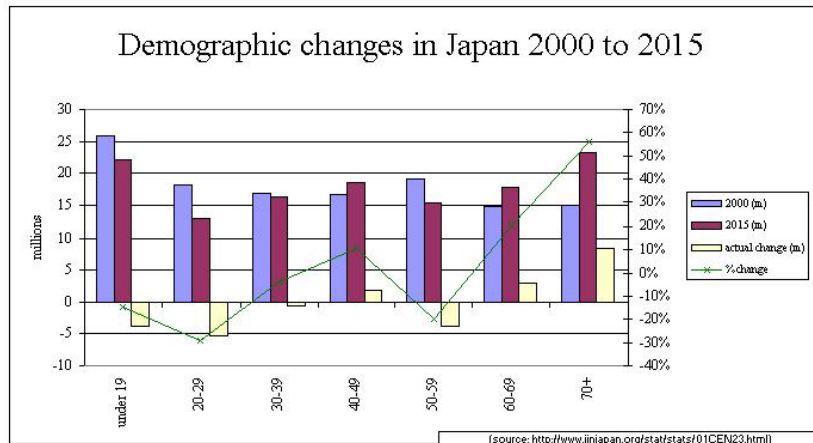
	<b>PROs</b>	<b>CONs</b>
<b>Internal transfer</b>	<ul style="list-style-type: none"> <li>• Known quantity</li> <li>• Corporate knowledge &amp; contacts</li> <li>• Career development</li> <li>• No recruitment cost</li> </ul>	<ul style="list-style-type: none"> <li>• May not be a local expert (international transfer)</li> <li>• May be loss to previous department / function (“domino effect”)</li> <li>• If unsuccessful, may be lost to the company</li> <li>• Retraining cost for new environment</li> </ul>
<b>Employee referral</b>	<ul style="list-style-type: none"> <li>• Quite well-known quantity / “pre-vetted”</li> <li>• Ready-made supporter / sponsor</li> <li>• Very little recruitment cost (“bounty” scheme)</li> </ul>	<ul style="list-style-type: none"> <li>• Risks cronyism</li> <li>• Narrow field</li> </ul>
<b>Advertisement / job board</b>	<ul style="list-style-type: none"> <li>• Casts the net wider</li> <li>• Attracts mobile labour</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to job-seekers</li> <li>• Can be a limited audience</li> <li>• Higher recruitment costs (newspaper ad space and/or agent’s fees)</li> <li>• Administrative burden on HR department (can outsource!)</li> </ul>
<b>Agent – “Contingency” style</b>	<ul style="list-style-type: none"> <li>• Casts the net wider</li> <li>• Attracts mobile labour</li> <li>• Fee only payable on success</li> </ul>	<ul style="list-style-type: none"> <li>• Often limited to job-seekers</li> <li>• Potential conflict of interest (same candidate put up to more than one firm)</li> </ul>
<b>Agent – “Retained Search” style</b>	<ul style="list-style-type: none"> <li>• Casts the net wider</li> <li>• Identifies candidates even if they are not looking to move</li> <li>• More ambassadorial / “serious” image</li> <li>• PR function</li> </ul>	<ul style="list-style-type: none"> <li>• Higher recruitment costs</li> <li>• Exclusivity (nb: double-edged sword)</li> </ul>



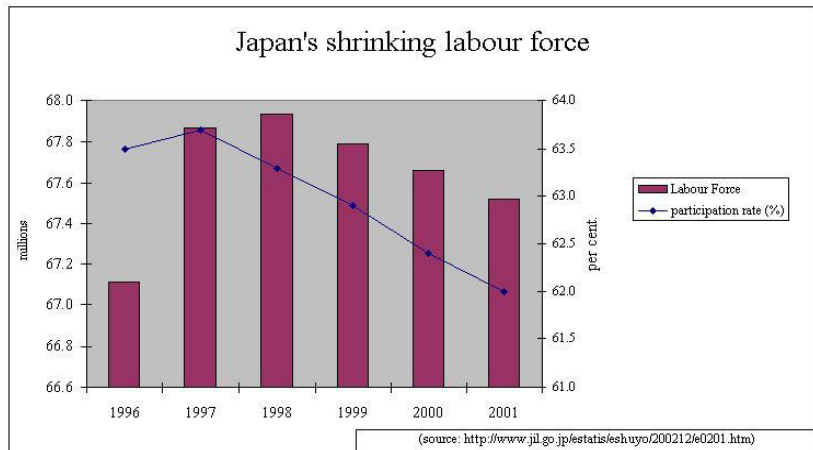
**6 Japan**

- Japan – it really is a special case
- Psychological game: the company as family
- Implications when changing company:
  - Loss / change in social support structure
  - Fear of “rejection by new host”
  - “What will my parents-in-law think?”
- Unemployment rate falling
- Employment composition changing:
  - e.g. Demographics / “Freeters”
  - Foreign firms rebuilding in Japan
  - Pre-1997 and post 1997 : key watershed
  - English fluency as a filter and a mask

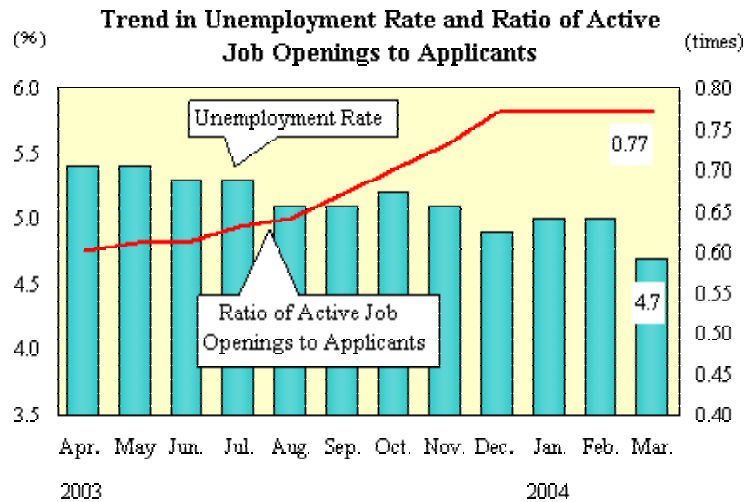
**Japan: greying face**



**Japan: shrinking labour force**



## Japan: hiring rebounding



### Finally: Make sure hires start!

- "Champion" to drive process and act as a point person is a MUST
- 3 keys:

### Momentum:

- Cascade – meetings / calls from senior staff
- On call 24/7 – weekends are good to talk
- Explain HR and comp practice early
- Ensure written and verbal offer match
- Identify and resolve last minute issues

### Resignation Process:

- Understand reporting line and relationships
- Explain possible "defence" scenarios
- Ensure they give you their word
- Go through any counter offers

### Before they start:

- Start paperwork, visas etc.
- Print – and send – business cards
- Know where the candidate is:
- have contact details
- talk weekly until they start.

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EBC HR Committee Meeting  
26<sup>th</sup> May, 2004

### Eban Japan Limited

210 Toranomom Garden, 3-10-4 Toranomom, Minato-ku, Tokyo 105-0001 Japan  
Tel: (81-3) 3434 4770 Fax (81-3) 3434 4771 www.eban.com