

trends Recruiting US Leadership: Implications for Swedish Multinationals

a cook associates report

As technological, economic and cultural advances transform our world into an even smaller geography, multinational companies are competing like never before to attract the talent they need at the local country level. Globalization has played a major part in the talent landscape with reports estimating that multinationals' will absorb nearly two billion workers to address emerging markets alone.

Competition for senior leadership is very strong according to Cook Associates, Inc., a leading executive search and M&A advisory services firm, which has identified two key trends that have emerged in recent months:

The first is an increased demand by foreign-based global companies to hire American functional leaders, primarily with positions in US and Americas finance, sales, and operations management.

The second trend involves US and foreign companies owned by private equity firms who aggressively, and programmatically, court management talent. In turn, this has meant that the ability of public multinational companies to retain and attract the brightest talent requires a knowledge and appreciation for the appeal of private equity to senior executives.

In recruiting American nationals to their U.S. operations, Swedish organizations have an advantage to leverage. Swedish executives typically have deep global operating experience, including the comfort-level and success to manage their U.S. subsidiaries. Known for rigor, detail, and apolitical, transparent internal communications, Swedish companies can attract high caliber American executives possessing similar characteristics.

Stable, committed senior management teams afford Swedish companies significant advantages in attracting talent; they can do much in communicating these attractors, and assessing against them for cultural fit. The ability to do this, by both the senior management team and the retained search consultant, is fundamental to the recruitment of senior executives.

Challenges in recruiting American executives are not Swedish-specific, but instead involve the general complexities that come from working for a European company while based in its U.S. operations.

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In these circumstances, American executives report both to a U.S. superior and also into the foreign-parent headquarters. Accordingly, the most successful recruits into Swedish or similar companies often are those Americans who have worked internationally or those who have previously worked for European companies in the U.S.

Compensation levels and policy differences can eliminate American executives with expectations of higher incentive compensation and options plans. Successful executives must deliver interpersonal confidence, functional or technical competence, and the ability to assess the underlying culture of the business outside the United States. This allows the American executive to interpret strategy objectives on a global basis in order to duplicate or modify execution of that strategy in their local region. Depending upon the company, this could require their adaptation to supply chain circumstances which impact the carrying out of their U.S. mission.

As noted earlier, it is important to consider that while SACC member companies are among the world's leading organizations, they will increasingly face competition for executive talent from private companies. There has been exponential growth of privately held firms – whether high-growth portfolio companies or previously public companies taken private – each with substantial capital available for growth. These scenarios have proven appealing to executives whether it be presented as an opportunity to generate personal wealth or to lead the business or their specific function with greater autonomy.

As in every recruiting scenario, the successful search project will hinge on the credibility and the ability of the company and its search partner to navigate these waters.

About Cook Associates, Inc.

Cook Associates, Inc. is a retained executive search and M&A advisory services firm creating value at the intersection where talent and opportunity connect. Bridging an understanding of client business strategy with desired management competencies, the firm's consultants have successfully recruited for corporations including Ericsson, Munters, Esselte, American Express, Apple, The Blackstone Group, Canon, Dover Corporation, GTCR, Heinz, Johnson & Johnson, Juniper Networks, Levi Strauss & Co., and Pitney Bowes. www.cookassociates.com

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