

You are a recruiter for an executive recruitment firm which has recently been retained by one of the largest corporations in the United States to find appropriate candidates for the position of President of the corporation. If the corporation hires one of the candidates you find then your firm will receive one third of the President's cash compensation --salary and bonus, an amount in excess of \$750,000. Several weeks into the recruitment process it becomes clear to you that the company has gone about the search in a severely flawed way, making it highly unlikely that it will find the kind of candidates it needs. The Board of Directors, in your judgment, has allowed the CEO to control the search. It is clear to you that he wants someone who will be deferential towards him, which, in your judgment, will make it extremely difficult to attract the most highly qualified candidates. You discuss the issue with your superior. She says that given the intensely competitive environment for executive search firms, it would seriously disadvantage your firm to offend the Board of Directors of one of America's largest corporations. She reminds you that the Board of Directors is responsible for hiring the President of the Corporation. A recruitment firm, she says, bears no legal liability if a candidate it presents to a company is hired and proves unsuccessful in his position.

What should you do in this situation, and why?

MODERATOR'S ANSWER: Search firms exist to provide a specific service --assisting organizations to select candidates for open positions who will contribute significantly to organizational success. If a client company has structured its search for a President and CEO in such a way that, no matter what a search firm does, the outcome will be unsuccessful, then in that circumstance the search firm cannot provide its service, and should make this clear to the client. Furthermore, if the client does not then significantly address the flaws in its search process then the search firm should withdraw. The fact that the Board of Directors of a corporation bears the legal responsibility for an unsuccessful search does not make it all right for a search firm simply to go through the motions in order to collect a fee, under circumstances where it knows that it cannot assist the corporation in finding a successful candidate. Finally, the intensely competitive environment in which executive search firms operate at this time is neither a justification nor an excuse for such behavior.

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