

## How to hire the ‘right’ **Executive Compensation** professional – North America

The Executive Compensation sector faces a severe talent shortage due to surging demand driven by recent IPOs, mergers, and acquisitions and drawing on our expertise in strategic appointments, we've created this guide to streamline your hiring process.

Most organizations seek an Executive Compensation professional experienced in **cyclical challenges** (such as authoring the CD&A, filing the proxy, 10k's, 8k's) who can **dual an operational and strategic style**, engaging Executive stakeholders. This role is an important partner to the Head of Total Rewards. At the same time, they're expected to be able to work highly independently.

The **challenges** with hiring such a professional:

**Limited Field:** A recent survey by a leading management consulting firm showed that only 1 in 8 Compensation professionals in the US choose to specialize in Executive Compensation.

**Experience Gaps:** Many Compensation professionals move into Executive Compensation early on as Analysts and then progress out to Broad-Based Compensation or specialize later in their careers as VP/Head of Executive Compensation. The structure of an Executive Compensation team in a small-medium sized organization is often a Lead with Analysts/Admin support roles, meaning an experience gap in the medium experience level.

**Career Opportunity:** Executive compensation hires are often approached as a shopping list of requirements rather than a career opportunity that offers genuine advancement.

**Role Responsibilities:** Equity Compensation is an administrative burden on an Executive Compensation Leader. A lack of suitable resources in this area could be unattractive to external talent.

**Compensation:** Demand has increased, and fewer people stay in this niche discipline for their careers. Naturally, this means average pay increases, and we've noticed hiring organizations' budgets are often at least 25% below market rate.

**Market Availability:** As we've mentioned, the field is limited, and Executive Compensation professionals are approached in high numbers daily about new opportunities. Many capitalized on the buoyant 'post-covid' recruitment market in the last two years and moved with large pay increases, so availability and appetite to move are low.

### Solutions to Consider

- **Requirements:** Broaden your perspective. Seek potential over direct experience, thus expanding your candidate pool and making the role a genuine career step. Enrich the position with opportunities for growth - could a new hire participate in the Compensation Committee or oversee Global Mobility?
- **Expectations:** Expect a six-month hiring timeline with a potentially small interview shortlist. Consider remote work to broaden your reach.
- **Think Outside the Box:** Look beyond like-for-like hires. Consider Consultants open to an in-house shift, Equity Compensation professionals eager to diversify their skills, or Broad-Based Compensation professionals from small public companies lacking a dedicated Executive Compensation function.
- **Process:** To outpace the competition, aim for a swift hiring process, ideally under two weeks once you find a fitting candidate.
- **Hiring Approach:** Executive Compensation is a niche, requiring a proactive recruitment strategy. While advertising might help, direct headhunting or specialized external headhunters offer the most effective approach, especially in busy markets like NYC.

We welcome the opportunity to discuss this with you! Please reach out.