The internationalization and localization of professional services: The case of executive search firms in Australia

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# Introduction

There is now an established literature on the internationalization of global professional service firms (PSFs) (e.g. Aharoni, 1993; Boussebaa et al, 2012; Brock, 2012; Brock et al., 1999, Faulconbridge et al, 2008; Jones, 2005; Morgan and Quack, 2006; Muzio and Faulconbridge, 2013; Segal-Horn and Dean, 2011). Yet, within these literatures, there remains a knowledge deficit and evidence-based understanding of internationalization outside of North America and Europe, although there are notable exceptions within the field of economic geography (e.g. Beaverstock, 2004; Daniels, 2012; Hutton, 2004; Morshidi, 2000; O’Connor and Daniels, 2001). Few scholars of international business have focused on global PSFs (except notably, Dunning, 1993). The aim of this chapter is to advance knowledge on the internationalization of global PSFs through an analysis of the retained executive search industry Australia. We focus on retained executive search firms in Australia because the industry has been well-established since the 1970s. Although the sector is relatively invisible in certain academic disciplines, it is highly influential for assessing, placing and developing leaders in a variety of economic sectors.

The remainder of the chapter focuses on the internationalization of global retained executive search firms in Australia and primarily Sydney. The chapter is structured in four major parts. In the next part, the discussion focuses specifically on the internationalization of executive search. Second and third, drawing on our primary and secondary data analysis, we present our research findings on the internationalization and localization of the executive search industry in the Asia-Pacific and Australia, respectively. Finally, we report several contributions from our study which raises many implications for future work.

The research cited in the chapter has been sourced from four major sources. The first was data collected from two separate face-to-face interview surveys undertaken in 2009 (9 interviews) and 2013 (13 interviews – including 5 of those interviewed in 2009 and one senior member of an association representing the executive search sector) with the managing or senior partners of leading global retained firms in Sydney (see Tables 1 and 4). The second and third types of data were derived from published and un-published secondary sources on retained executive search (e.g. Baird, 1985; Byrne, 1986; Garrison-Jenn, 1993; 2005; Jones, 1989; Watson et al, 1990; and, The Executive Grapevine’s (2009; 2012 *International Directories of Executive Search Firms and Consultants*). The fourth data source was derived from the firm’s individual websites including information for the leading Australian firms, the global firms and network structures.

**Internationalization and the birth of a ‘mature market’ for executive search in the Asia-Pacific**

Since the late 1980s, there has emerged a rich body of research from across economic geography, and to a lesser extent business and management which has investigated the intrinsic knowledge-intensive characteristics, internationalization and local adaption of professional services (referred to as producer services in economic geography), and the emergence of the global PSF. Many of the key authors in these debates have already been cited in the introduction, but others include: Aharoni and Nachum (2000), Bagchi-Sen and Sen (1997), Dunning (1993), Hanlon (1999), Lowendahl (2000), Marshall et al (1988), Morris and Empson (1998) and Sassen (2013). The key organizational structures and localizing governance attributes of internationalizing PSFs in new market locations or jurisdictions have been discussed at length through firm case studies in North America and Europe, mainly through scholars in organization studies and focused on the legal profession (see, Muzio and Faulconbridge, 2013). It is not our intention to rehearse these issues again, but what is of significance in taking these agenda’s forward is to look closely at the internationalization of PSFs emerging in another mature market, Australia, which is increasingly influenced by closer ties to the Asia-Pacific.

Executive search firms are elite labor market intermediaries, ‘agents’, in a three-pronged firm-client-candidate relationship, employed by ‘clients’ (who wish to seek elite labor) to search the labor market for suitable ‘candidates’ (Finlay and Coverdill, 2002; Garrison-Jenn, 1993; 2005; Gurney, 2000). Executive search firms are knowledge intensive, professional services who rely on the deep bespoke knowledge, experience and intelligence of their managing partners and search consultants, to manage the relationships between client and candidate, and ultimately fill the post (Byrne, 1986; Jones, 1989). Much of the published work on the executive search industry has emanated from an Anglo-American perspective, absorbed with: first, the rise and internationalization of the ‘headhunting business’ from the USA in the 1940s to its rollout and indigenous growth throughout Europe; second, the ‘Europeanization’ of executive search and the localization strategies of firms through the region’s world cities; third, the ‘art’ of executive search and selection, and the tripartite ‘agent’ relationship between firm, client and candidate; and fourth, how to use them in the market, for both clients and candidates (Boyle et al, 1996; Britton et al, 1997; Byrne, 1986; Jones, 1989; Finlay and Coverdill, 2002; Garrison-Jenn, 1993; 2005; Gurney, 2000; Watson et al, 1990). From the late 2000s, Beaverstock et al. (2015) have provided fresh understandings of the globalization of leading retained global firms in a context of rapidly changing information technology and management systems, and the ‘openness’ of China and India.

Faulconbridge et al (2008) identified four major factors which prompted the internationalization of the global retained executive search industry across specific ‘Western’ or advanced capitalist regional markets from the 1960s, including the Asia-Pacific. First, client-led internationalization. The rapid internationalization of primary, manufacturing and service transnational firms, particularly in banking, financial and business services, created unprecedented demand for the retained firms search and selection services in new foreign markets. Clients expected their executive search firms to supply bespoke services in situ directly in the market, particularly in the key world and capital cities of the Asia-Pacific. Like most other PSFs who deliver knowledge-intensive services, executive search firms had to be physically located in the market through an office or subsidiary structure. Second, executive search firms sought new international office locations to be in proximity to pools of highly-skilled labor, across the spectrum of levels of seniority, occupations and industrial sectors. ‘Old-boy networks’ could no longer be trusted as an efficient mechanism to recruit the ideal candidate, particularly outside of North American, Europe, and particularly the United Kingdom. Third, the retained firms internationalized their office networks to new foreign markets to overcome the so-called, ‘off-limits’ problem (Boyle et al, 1996; Watson et al, 1990). Thus, internationalization reduced ‘blockages’ in particular labor markets as a firm’s recent past client can be the source of a potential candidate for another client if the search is orchestrated from a different jurisdiction (i.e. another international office). Fourth, executive search firms need to be physically located in the market place for both clients and candidates to undertake their function of a labor market intermediary.

Moreover, drawing on Dunning’s (1993) Ownership-Location-Internalization (OLI) paradigm, Faulconbridge et al. (2008) provided the first significant theoretical analysis of the internationalization of the executive search industry (also see Dunning and Norman, 1987). This resource-based view of the internationalization of retained executive search is shown in Table 2, where each of the three major competitive advantages for internationalization (the OLI) are benchmarked with the major organizational forms of the internationalization taken by the firms, through: wholly-owned offices; membership of networks of independent firms who retain their own local identity; or membership structures of independent firms who take the global ‘brand’ in the local market, the so-called ‘hybrid’ approach (Garrison-Jenn, 2005; Watson et al., 1990). Localization is a key competitive advantage for executive search because it provides bespoke personalization for clients through relationship building without losing the benefits of global reach and expertise.

Turning specifically to executive firm market entry, the cities of Hong Kong, Singapore, Sydney, Melbourne and Tokyo became the new international battle ground for the retained industry from the 1960s. The US firm Boyden International opened the first office in Tokyo in 1962, followed by Sydney and Melbourne in 1966/67[[1]](#footnote-1). Both Spencer Stuart and Korn Ferry opened in Sydney, Tokyo, Singapore and Hong Kong in the 1970s.[[2]](#footnote-2) By 1985, the top fifteen global leading executive search firms had between them 39 offices in the region (15% of the world total), and almost three-quarters of those offices (29 offices) were concentrated in Sydney (8 firm offices), and Singapore, Hong Kong and Tokyo (each with 7 firm offices) (Baird, 2005). Between 1985 and 2012, there was an absolute growth of more than +138 offices (+358%) in the region, which placed the Asia-Pacific almost on a par with North America in terms of share of the total number of offices worldwide (at 21% or 177 offices) (Baird, 2005, Executive Grapevine, 2012). Through the 1990s and early 2000s, firm entry into the region was not only by the establishment of new wholly-owned offices. Many of the leading global firms acquired local independent retained firms, who had primarily formed after partners had ‘split’ from the US and European early entrants. For example, Heidrick & Struggles entered markets in Seoul, Taipei, Singapore and Shanghai after the merger with the TAO Group in 2000 (Heidrick & Struggles, 2000). Also, those firms in global partnership arrangements entered the region through network relationships with well-established local independent firms (again, mainly those who had been established by partners who had ‘split’ from the leading US and European firms). For example, the IIC Partners Executive Search Worldwide Group grew its presence in the region by adding these local independents to its network: De Jager & Associates (1991 in Sydney and Melbourne); PCI Executive Search (1991 in Beijing, Shanghai and Taipei); Stones International (Hong Kong); KTA Associates (1995 in Mumbai); GKR Daulet-Singh (1995 in New Delhi); You & Partners Inc (2003 in Seoul); Porath Executive Search (1997 in Auckland); Executive Talent (Singapore); and, RGC Executive (1987 in Bangkok)[[3]](#footnote-3).

## Internationalization and Australia’s retained executive search industry

The history of the Australian, and specifically Sydney and Melbourne’s, global retained executive search industry can be traced back to the establishment of the US-owned Boyden International office in Sydney in 1966, followed by Spencer Stuart & Associates (1970) and Korn Ferry International (1979). The first European firm, Egon Zehnder, entered Australia in 1973 and the first U.K. owned firm, Odgers Berndtson, arrived in 1976. The two other U.S.-owned global leading firms established offices in 1984 (Russell Reynolds) and 1989 (Heidrick & Struggles) (see Table 3). In almost all cases, these leading global retained executive search firms entered Australia through the establishment of new wholly-owned offices, which paralleled the temporal and organizational mode of similar early office growth in Hong Kong, Singapore and Tokyo (Beaverstock et al., 2015; Faulconbridge et al., 2008; Garrison-Jenn, 1993; 2005). A notable exception was Korn Ferry International which entered Australia after acquiring a local firm, Guy Pease, in 1979 (and later Amrop in 2000) (Garrison-Jenn, 2005). By 1984/5, the Australian retained executive search industry was dominated by the operations of the global US and European owned firms.

During the period of internationalization of the leading global firms into Australia in the 1970s and 1980s, the country’s own indigenous retained executive search industry was developing in Melbourne and Sydney. There is a dearth of available firm data on the profiles of these small and medium sized enterprises (SMEs), but an examination of the *Executive Grapevine* for selected years indicated the growth of trailblazing ‘local’ firms like Cordiner King (established 1985), De Jager & Associates (1990), Douglas Walker (1980), Geddes Parker & Partners (1989) and Strategic Executive Search (1986) (table 3). It is highly debateable as to which were the first SMEs to offer retained executive search in Australia as organizations like Brauer Gault, DPSC International, Graham Smith Partners and J.E.G.Raggatt & Associates were established pre-1985. By the late 2000s, there were several well established independent retained executive search firms in Australia and many had offices in Sydney and Melbourne (e.g. EMA Partners/Slade, established 1988; Cornerstone Sydney, established c. 1989; Crown & Marks, Reddin Partners and Fish & Nankivell, all established in 2001) (see Table 3).

Another internationalization process in which Australia’s sector has become transnational has been through the membership of local SMEs in worldwide networks and/or strategic alliances of independent firms, often referred to as networks or hybrids (Garrison-Jenn, 2005). During 1984/5, the three largest worldwide network groups of retained executive search firms, Amrop International, Christopher Tilly & Associates (with Ward Howell International) and Transearch International had a direct presence in Australia through the membership of local, independent firms, respectively: Brauer Gault & Co; Graham Smith Partners; and J.E.G. Raggett & Associates. By 2009, almost all the leading global network and hybrid groups – Amrop Hever, Signium International, IIC Group, World search group, INAC Worldwide for example – had a direct presence in Australia, with independent and hybrid Sydney, Melbourne and Perth SMEs included in their Asia-Pacific geographical regions (table 3).

From the late 2000s and up to 2013, paralleling the two periods of the interview based surveys (see Table 4), five distinctive features characterized the industry’s structure in Australia. First, all the leading global wholly-owned firms continue to have offices in Australia and they are U.S. or European owned. Second, Australian SMEs enhance their international presence by seeking membership of worldwide networks and alliances of independent member firms under the umbrella of U.S. and European organizations like Amrop, Signium International and the I.I.C. Partners. Third, although the retained sector market (for both candidates and clients) is dominated by the wholly-owned global firms and leading Australian members of worldwide networks, our findings suggest that there is a competitive retained ‘boutique’ SME sector which is highly specialized in either practice specific industries (e.g. financial services, energy, not-for-profit) or function of search (e.g. CEO, general management to mid-tier levels). Fourth, the retained industry is clustered in Sydney and Melbourne, but given the energy and resources ‘boom’ in Western Australia, firms have increasingly explored the viability of establishing offices in Perth, like Crown & Marks. Fifth, as the executive search industry across Australia is unregulated and, therefore, barriers to entry are low, there is a constellation of SMEs (including sole proprietors) whose existence in the market is somewhat precarious and ephemeral according to the performance of the general business cycle, which is particularly evident in the ‘contingency’ sector of the market (where SMEs continually pitch for searches and present short-listed candidates, without the guarantee of being appointed to conduct the actual search).

**Internationalization, localization and coordinating across borders**

An important issue for PSFs is identifying whether clients value having local access to firms, clients and suppliers, particularly in an era of mass online business communication. Interviewees were divided in whether geographic proximity to clients was important. One managing partner, for instance, said that because executive search involves low volume, it is important to build strong relationships through face-to-face interaction:

“We’ve always tended to be in the low-volume end of the market and it is those client relationships that get the repeat business and the referrals. Being close to clients is important, but understanding the client culture and getting the chemistry right with the individual in the client culture is really important” (Interviewee #1, Partner of Boutique Firm, 2009).

Another managing director said that clients valued having executive search companies nearby and being located at the ‘right end of town’:

“Clients and candidates can come down here and nobody has to go very far. If you're dealing with the top end that’s what they want to do. We’re in the right end of town … We meet and interview shortlisted candidates here. We go to see clients.” (Interviewee #3, Partner of international network firm, 2009).

Many interviewees hinted at the importance of the transfer of trusted information through informal face-to-face conversations, which is what clients ‘want to do’. This raises the importance for firms to provide a local and tailored service to clients and candidates. In sum, many interviewees in 2009 and 2013 recognized the value of localization where, “… face-to-face contact is vital in senior tier work” (Interviewee #22, Director of global firm, 2013). But, some interviewees suggested in 2009 that it can be an advantage in certain contexts of not being local, “… in reality, it isn’t critical to be located close to the client. [We] benefit from being outside of Canberra for government work as the government like to do business with a Sydney based firm” (Interviewee #2, partner of international network firm, 2009). Indeed, it was felt that using a local executive search firm in some smaller cities may be perceived as only recruiting local talent, as one managing partner noted, “… a number of our Brisbane clients come to us because they don’t want a firm in Brisbane, simply recycling Brisbane talent (Interviewee #19, Managing Partner of international network firm, 2013).” Another managing partner argued that the location of an office depended on the sector, “… in banking and financial services a lot of work can be done over coffee and face-to-face contact is important to sustain the relationships. For candidates, it is important to have an office in the CBD, for accessibility and building relationships” (Interviewee #6, Managing Partner of Boutique Firm, 2009).

With respect to internationalization, many interviewees recognized that they needed to increase their business engagements internationally. In the words of one managing partner in 2009, “… tapping Australian talent pools offshore is very important for seeking candidates for Australian placements or other international financial centres” (Interviewee #6, Managing Partner of Boutique Firm, 2009). This is particularly the case because of the opportunity of online recruitment websites such as LinkedIn to source clients and candidates across international borders. This indicates the significance of being both globally connected to build business in new markets as well as locally rooted to maintain existing client and candidate relationships. Another managing partner also commented on how his firm had joined a global network of executive search firms with a view to garnering more business from the Asia-Pacific, but this has not proved particularly successful:

“The attraction of […network partnership] is its affiliation to other independent members … It’s a loose affiliation. We have a close relationship with […network partnership] … it’s resulted in some referrals, but it hasn’t resulted in a lot of work in terms of cross-border assignments. There are other members in the Asia-Pacific region, but not Australia” (Interviewee #1, Partner of Boutique Firm, 2009).

Interviewees in 2009 emphasized that there was cooperation between partners in other geographic regions, particularly within the Asia-Pacific, for work rather than coordination:

“It is cooperation in most part. Each office in the Asia-Pacific will team up on global assignments if clients want an Asian wide search, but it is very independent most often with our internal relationships rather than being corporate” (Interviewee #1, Partner of Boutique Firm, 2009).

The partner quoted above stresses that the level of cooperation between partners will depend upon the demands of the client, but in most cases the partnership is usually based on particular individuals working together rather than a strategic coordinated search operating at an organizational level.

“We certainly don’t compete. We cooperate and work with them and we do refer clients to each other. It’s very much a cooperative relationship and from an external client’s perspective our objective is to look the same as the major integrated firms” (Interviewee #4, Managing Partner of an international network firm, 2009).

The above managing partner stresses that he is not in competition, but in partnership with other organizations within the global network membership with the goal of referring more work to one another and as an external signalling device to potential clients that they have the capacity, status and reputation to conduct high-level global searches. But, in one instance, a managing partner said that he had decided to cease his firm’s membership of a global network of executive search firms because, “…they wanted to put a lot of pins on maps and they weren’t very involved in what we were doing” (Interviewee #3, Partner of international network firm, 2009).

A major shift in 2013, driven by the financial crisis, was the greater emphasis on the needs of the client. Whereas in 2009, executive search firms had greater autonomy in how they conducted searches, by 2013 there was greater input from clients in terms of their expectations. As one senior associate shows:

“I think that … the clients always want the best candidate… So, I think, from our perspective, it’s always good that we have lots of experience of bringing people across geographies. In terms of the functional expertise, it depends what the local market actually has in terms of, you know, what the role requires. It depends I guess, in terms of the client’s business, in terms of what they’re trying to achieve with this appointment” (Interviewee #14, Managing Partner of Boutique Firm, 2013).

Another trend that was identified in 2013 was a greater blurring of the global and the local in internationalization processes. One partner emphasized how geography was becoming less important as executive search firms organized themselves less by geography and more by industry expertise:

“The way it works is, if there’s a need for a CEO of a specific industry, a client could be in Melbourne, but the capability on the search side may be in Sydney. It doesn’t matter where you are anymore, physically, to do executive search. So, we’re organized by practices – Energy, Industrial, Metals and Mining, Financial Services, Consumer, the whole gamut, and we’re also organized by functional background – board of directors, chairmen, CEOs, CFOs, CMOs, CTOs, CHROs” (Interviewee #15, Partner of global firm, 2013).

In another context, global executive firms may seek the support of a partner firm in Australia to help with a local search, as one managing partner explains:

“The reality is that most of the work that one does tends to be local, so the relationships with our other offices tend to be around the relationships with the client, rather than in the actual execution of an individual search. So, an office in the U.S. has, for example, recently referred two assignments to us, where they have a client headquartered in the U.S., has a need to find a country manager and a senior finance person here in Australia for their business here in Australia. So, you know, they refer it to us, they help manage that relationship in the U.S., in the head office, but the execution happens here. So, we go out and look in the local market for people who can fill those particular roles. And that can happen the other way around as well” (Interviewee #13, Managing Partner of international network firm, 2013).

The above quotation highlights the importance of coupling localization for managing client relationships with internationalization for operationalizing the search. Another internationalization trend between 2009 and 2013 has been the erosion of the importance of sourcing talent from the Asia-Pacific region and an increasing emphasis on a truly global search, as one managing partner highlights:

“It’s global, it’s not even A-Pac, and again it depends on the sector. You know, working with financial services organizations, yes, they’ll want to look at A-Pac, but they’ll want to look in Europe and the UK and the US and Canada … they’ll want to look globally for senior roles, and so it’s more what does the global talent pool look like rather than what does the A-Pac talent pool look like” (Interviewee #12, Managing Partner of global firm, 2013).

The implication then is not only are searches going beyond the Asia-Pacific, but that major Australian cities are no longer considered as the hubs for business as other major Asian cities have grown. This is also shown through a growing demand for board members of Australian companies being sourced from outside of Australia, as one managing partner describes:

“The one thing we’re seeing a lot more of is Australian-listed entities putting international board directors onto their boards, and that’s not always A-Pac, but it’s a fair amount, so Chinese-based directors onto listed boards here, Hong Kong-based, Singapore-based, but then also … US-based … European-based, depending on the business strategy of the entity” (Interviewee #12, Managing Partner of global firm, 2013).

Again, this new trend shows a blending of the local and the global with clients seeking searches from outside of the local region and Australia and beyond the Asia-Pacific region. From an economic geography perspective, internationalization processes are not only collapsing space-time dimensions between firms, clients and candidates, but are also reaffirming the notion that organizations compete in a truly global labour market for scarce resources.

# Concluding comments

In this chapter, we have undertaken the first systematic analysis of the internationalization of retained executive search in Australia. We have started to fill the dearth of knowledge on the internationalization of global PSFs outside of the North American-European research fields. We have drawn on the literatures that cross business and management as well as economic geography, to discuss the internationalization and localization of global PSFs in Sydney. Empirically, we have charted the internationalization of the large US and European global retained firms into Australia and the wider Asian-Pacific. Increasingly, this region of the globe, including China, will become a significant market for such PSFs, geographically fixed to the region’s world cities. The internationalization of these firms into Australia mimic Faulconbridge et al.’s (2008) findings and benchmark neatly Dunning’s (1993) ILO framework pertaining to the globalization of business services.

We also found that executive search firms were divided on the value of being networked with other offices as part of an international partnership. Many partners whose organizations were part of an international network of executive search firms were at best ambivalent and at worst highly sceptical about the benefits. This is a surprising finding given the strong emphasis of being embedded within a global network in this sector (as corroborated by Garrison-Jenn, 2005). In terms of localization and internationalization, we found that it was not an either/or but a coupling of localization for managing client relationships with internationalization for operationalizing the search.

Although the term Asia-Pacific was a well-recognized term within executive search, partners almost exclusively remarked that there was little if any value with focusing on this region alone. Typically, if their business with clients or candidates went outside of Australia then partners argued that it was just as likely if not more likely to extend to Europe and North America as it was to the Asia-Pacific. Finally, it is the contribution of economic geographers who have championed research on the globalization of profession services outside Europe and North America. This is not a surprise given that research in this field in business and management is more prevalent in organization studies (e.g. Morgan and Boussebaa, 2015) rather than international business. We think that now is timely for the international business community to more actively engage with knowledge-intensive and professional service firms such as executive search in their empirical research.

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**Table 1: Leading retained executive search firms in Australia, 2009-2013**

**Firm Opened Network World Australian**

**offices offices consultants assignments/year**

**2009 2013 2009 2013 2009 2013**

Asia Pacific Management 1990 Taplow Group 49 N.A. North Balwyn 3 N.A. 36\* N.A.

Alexander Hughes N.A. Alexander Hughes N.A. 37 Sydney N.A. 1 N.A. 12\*

Boyden International 1966 Integrated 63 64 Sydney 6 3 30 30

Melbourne

Cordiner King1 1985 Amrop Hever 60 85 Sydney 7 5 84\* 60\*

Melbourne

Cornerstone Sydney 19892 Cornerstone Int. 87 87 Chatsworth 1 1 12\* 12\*

Crown & Marks 2001 Signium International 40 41 Sydney 7 5 84\* 60\*

Melbourne

Perth

De Jager & Ass 1990 IIC Group 60 N.A. Sydney 5 N.A. 45 N.A.

Melbourne

Douglas Walker International 1980 World Search Group 31 N.A. Melbourne 2 N.A. 12 N.A.

Egon Zehnder Int. PTY LTD 1973 Integrated 62 64 Sydney 10 10 120\* 120\*

Melbourne

Perth

EMA Partners Australia/Slade 1988 EMA Partners Int. 50 N.A. Melbourne 21 N.A. 108 N.A.

Sydney

Geddes Parker & Partners 1989 IESF 14 N.A, Sydney 6 N.A. 36\* N.A.

Harvey Nash N.A. Integrated N.A. 40 Sydney N.A. 3 N.A. 36\*

Heidrick & Struggles 1989 Integrated 63 56 Sydney 22 15 264\* 180\*

Melbourne

Horton International 1992 Horton International 40 38 Melbourne 2 8 24\* 96\*

Jo Fisher N.A. IMD International N.A. 25 Melbourne N.A. 9 N.A. 108\*

Sydney

Korn/Ferry 1979 Integrated 73 64 Sydney 13 N.A. 156\* N.A.

Melbourne

Mode HR PTY LTD 2005 INAC Worldwide 48 N.A. Sydney 1 N.A. 12\* N.A.

Odgers Berndtson 1976 Integrated 57 42 Sydney 7 7 84\* 84\*

Canberra

Russell Reynolds 1984 Integrated 37 40 Sydney 9 5 54\* 60\*

Melbourne

Search International N.A. IESF Group N.A. N.A. Sydney N.A. N.A. N.A. N.A.

Spencer Stuart 1970 Integrated 50 29 Melbourne 7 5 84\* 60\*

Sydney

Stanton Chase 1986 Stanton Chase 68 70 Sydney 5 5 60\* 60\*

Strategic Executive Search 1986 Alexander Hughes 8 N.A. Sydney 1 N.A. 12\* N.A.

Walford Partnership 19932 World Search Group 31 N.A. Sydney 3 N.A. 32 N.A.

Watermark Search N.A. Transearch 55 N.A. Sydney 1 N.A. 12\* N.A.

Notes:

1. Included in the 2013 survey, renamed as Amrop Cordiner King (Amrop Group)
2. Approximate date of establishment

N.A. Information not available

\*Estimated at 12 searches/year/consultant (after, Garrison Jenn, 2005)

Sources: Firm www sites; The Executive Grapevine, (2009, 2012)

**Table 2: The OLI paradigm applied to the internationalization of retained global executive search firms.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ownership (competitive advantages)** | **Location (configuration advantages)** | **Internalization (coordinating advantages)** | **Organizational form** |
| (O1) Access to transnational clients;  (O2) Reputation;  (O3)Headhunting practices that can be reproduced and promoted overseas to create new market demand. | (L1) Access to existing overseas markets;  (L2) Face-to-face contact with local representatives of existing transnational clients;  (L3) Adaptation to local labour laws;  (L4) The ability to market and promote services to new clients and develop demand in the marketplace;  (L5) Reduction in ‘off-limits blockages’ by creating ‘Chinese’ walls between spatially separated offices. | (I1) Protection of client-databases from outsiders eyes;  (I2) Quality control easily maintained;  (I3) The ability to develop globally uniform standards and systems, ultimately brining economies of scale through integration. | (F1) Wholly-owned transnational when advantages O3, L4 and L5 can be gained from opening overseas offices;  (F2) Network transnational when O3, L4 and L5 advantages are unlikely to be gained immediately;  (F3) Hybrid when O3, L4 and L5 advantages exist but with some locally contingent influences. |

Source: Faulconbridge et al (2008), adapted from Dunning (1993)

**Table 3: World leading retained executive search firms in Australia, 1984/5**

**Firm (established) Head Established in Structure Member World Australian Asia-Pacific**

**Office Australia Firm Offices Offices Offices**

Amrop International (1977) Brussels N.A. Network Brauer Gault & Co 201 Melbourne Singapore2

Sydney

Boyden International (1946) New York 1966 Owned - 34 Melbourne Bangkok

Sydney Hong Kong

Singapore

Taipei

Tokyo

Christopher Tilly & Ass.3 (1971) London N.A. Network Graham Smith Partners 164 Melbourne None

Sydney

DPSC International (1969) London N.A. Hybrid DPSC International 75 Sydney None

Egon Zehnder International (1964) Zurich 19736 Owned 21 Melbourne Singapore

Sydney Tokyo

Korn/Ferry International (1967) Los Angeles 1979 Owned - 34 Melbourne Hong Kong

Sydney Kuala Lumpur

Singapore

Tokyo

Odgers and Company Ltd (1970) London 1976 Owned - 9 Sydney None

Russell Reynolds Associates (1969) New York 1984 Owned - 17 Sydney Hong Kong

Singapore

Spencer Stuart & Associates (1956) Chicago 1970 Owned - 28 Melbourne Hong Kong

Sydney Singapore

Transearch International (1981) Paris N.A. Network J.E.G. Raggatt & Ass. 137 Adelaide Tokyo8

Hong Kong9

Singapore10

Note:

1. Number of member firm offices of Amrop International.
2. Tan Soo Jin Consultants Pte Limited, Singapore.
3. Christopher Tilly & Associates is associated with Ward Howell International.
4. Number of member firm offices of Christopher Tilly & Associates.
5. Member firm offices of DPSC International
6. Personal communication with CEO of the Sydney office.
7. Number of member firm offices of Transearch International.
8. The Cambridge Corporation.
9. SGV Bryne & Co.
10. SGV Goh Tan (Pte) Limited.

Source: Baird (1985)

**Table 4: List of interviewees**

**2009:**

1. Partner, boutique firm
2. Partner, international network firm
3. Partner, international network firm
4. Managing Partner, international network firm
5. Managing Partner, international network firm
6. Managing Partner, boutique firm
7. Partner, boutique firm
8. Partner, boutique firm
9. Director, global firm

**2013:**

1. Senior Manager, association of executive search firms
2. Partner, international network firm
3. Managing Partner, global firm
4. Managing Partner, international network firm
5. Managing Partner, boutique firm
6. Partner, global firm
7. Managing Partners, boutique firm
8. Managing Partner, boutique firm
9. Managing Partner, international network firm
10. Managing Partner, international network firm
11. Managing Partner, boutique firm
12. Managing Partner, boutique Firm
13. Director, global firm

1. <http://www.boyden.com/offices__associates/>, accessed 12.10.12 [↑](#footnote-ref-1)
2. <http://www.kornferryasia.com/about_history.asp>, accessed 10.12.12; <http://www.spencerstuart.com/about/history/>, accessed 12.10.12 [↑](#footnote-ref-2)
3. The Executive Grapevine (2012) and <http://iicpartners.com/global-offices/>, accessed 27.11.2012. [↑](#footnote-ref-3)