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Executive Search Value Creation and Compensation Report

2027

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We are pleased to recognize Recruiterflow as the lead sponsor of the Executive Search Value Creation and Compensation Report 2027.

It is a particularly timely partnership as executive search has entered one of the more consequential periods of change the industry has seen in decades. AI is moving rapidly into the day-to-day work of search firms, productivity expectations are rising, traditional roles are beginning to change, and firms are being forced to think differently about how they grow and where their people create the greatest value.

Recruiterflow sits directly in the epicenter of that change. Built specifically for executive search, recruiting and staffing firms, Recruiterflow is widely regarded as a leading platform globally that brings innovative ATS, CRM, business development, outreach, reporting and AI together into one seamless platform. The idea behind the company was simple: Recruiters were spending too much time on administrative work and not enough time on the high value work that actually drives the business. That distinction matters enormously today across the executive search industry. A search firm ultimately sells the expertise, judgment, and relationships of its people and when search professionals can spend more with clients and candidates the stronger the economics of the firm can become.

This is also why Hunt Scanlon's relationship with Recruiterflow extends well beyond the sponsorship of this report. Recruiterflow has partnered with us on our research into AI adoption and integration across the executive search industry, giving us a close look at how firms are using AI today and, more importantly, where it is beginning to change the work. We found an industry moving quickly, but unevenly. AI has become deeply embedded in research, sourcing, candidate identification, outreach, CRM management, business development, reporting and other parts of the search process. Recruiterflow is seeing the same transition across its own client base and through AIRA, its suite of AI capabilities designed to automate and accelerate many of these activities.

The bigger question, however, is not what AI can do as much as what actually happens to a search firm when its people are empowered to do considerably more. That question goes directly to the heart of this report. If Recruiterflow's technology allows a recruiter to cover more clients, execute more searches or originate more revenue, revenue per recruiter should increase without firms having to add people at the same rate. Recruiterflow is building technology intended to make recruiting firms more productive and relevant, while allowing their people to spend more of their time on the work where human judgment, relationship building and expertise matter most.

We thank Recruiterflow for its partnership with Hunt Scanlon, for its contribution to our research into AI and executive search, and for its support as lead sponsor of the Executive Search Value Creation and Compensation Report 2027.

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Executive search goes into 2027 with harder questions than it has faced in a decade.

Few of them are about winning more mandates. Most firms are still growing. The questions firm leaders keep raising with us are about what a search firm sells, how it measures and pays its people, and what the business is worth.

Clients are pricing executives on capability, and search firms now have to price their own people the same way. Most of their comp plans were not built for that.

Those plans reward billings. But a fee today draws on researchers, data and a partner's long-held relationships. Clients pay a premium for judgment and buyers want revenue that outlasts the founder.

How a firm pays its people decides what kind of firm it becomes. The decisions made in the next twelve months will shape these firms for years.

That's why this report matters now.

Thank you to the Hunt Scanlon and HSiQ teams for making Recruiterflow part of it.

Manan Shah
Co-founder & CEO, Recruiterflow

recruiterflow





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FOREWORD

DEFINING VALUE, PAY, AND PERFORMANCE IN THE ERA OF TALENT INTELLIGENCE

Executive compensation has always tracked the market's view of value. What has changed in the past twelve months is the speed at which that view moves.

For decades, the variables were familiar: company size, industry, title, geography, financial performance. They still matter, but they are no longer sufficient. Boards and investors have grown far more reticent to pay primarily for what an executive has already done. Increasingly, they are paying for what that executive brings into a role on day one; the complexity they can absorb, the capability they carry, the value they are expected to create before their track record has a chance to catch up with them.

Leadership itself has changed shape. AI is rewriting how decisions get made and Boards operate under far greater scrutiny than ever before. Investors want execution now, not in the next fiscal year. Geopolitical uncertainty, a workforce in flux, and accelerating AI adoption have all produced a far more demanding client base than the executive search industry has ever served and left the role of the executive recruiter looking almost nothing like it did five years ago.

This report is about that shift. At Hunt Scanlon, we call it the Big Shift.

For years, compensation was set by looking backward: what comparable roles paid last year, what the market median says, where a title falls on a salary survey. That approach worked when roles themselves were stable and predictable. It works far less well now. A static benchmark can tell you what a CFO was paid last year. It cannot tell you what it is worth to hire a CFO who can navigate an AI-driven restructuring, a PE-backed turnaround, or a first-time IPO because no salary survey has a line item for that.

The Big Shift is the move away from that backward-looking lens toward a forward-looking one: pay increasingly set as a function of what a leader is capable of and the impact they are expected to have, rather than where their title sits on a historical pay scale. Talent intelligence, the real assessment of capability and fit, not résumé and precedent is becoming the mechanism that sets that price, replacing the static benchmark as the industry's primary reference point.

The findings in this report rest on more than 324 interviews with industry participants, layered against Hunt Scanlon's comprehensive proprietary survey data, HSiQ research, public 10-K filings, and additional market disclosures. Search consultant insight, corporate talent leader input, and board and investor perspective sit alongside the hard numbers and not apart from them.

Compensation is no longer just a reflection of the market. It is a strategic bet on leadership capability and that bet is only as good as the intelligence behind it.

That is why this report goes beyond pay data alone. Compensation is the most visible number in any leadership decision, but it is only one input in a much larger equation. This report also examines the retention strategies executive search firms are using to protect that bet once it is made, the learning and development investments firms are building around their employees, the gap between capability on day one and mastery over time, and the benefits and non-financial levers such as equity structures, flexibility, culture, growth trajectory that increasingly determine whether an employee stays and delivers or is recruited away before the investment pays off. Pay sets the price of leadership. Retention, development, and the full compensation package around it determine whether that price was well spent.

What follows is not simply a report on what executives are paid. It is an account of how organizations are pricing, protecting, and developing their most valuable assets from the moment of hire onward and what that fuller picture means for the search profession.

That is the fundamental basis of this report. The evidence follows.

Letter from Hunt Scanlon Leadership

Executive search occupies a privileged vantage point on every industry it touches. Every search is a set of dynamic conversations with boards, CEOs, investors, CHROs as well as candidates and over time enough of those conversations start to reveal a pattern: how organizations actually define leadership, where the talent shortages bite hardest, which capabilities command a premium, and how the bar for executives keeps rising. The Hunt Scanlon Executive Search Value Creation and Compensation Report 2027 exists to capture those patterns at scale; not from a single vantage point, but by combining more than 324 interviews with industry participants, Hunt Scanlon survey data, HSiQ research, public disclosures including 10-K filings, and broader market analysis into one coherent picture across industries, functions, and company sizes.

We did not set out just to report compensation levels. Our aim is to help clarify what is driving them. Executive pay is entering a new phase. Adaptability, transformation experience, commercial impact, digital fluency, and the ability to lead through uncertainty are being priced in often ahead of, not just alongside, tenure and traditional career progression for recruiters. That makes leadership capability one of the single most valuable assets an organization can acquire right now. We built this report to be used for benchmarking pay, training and development, informing succession planning, supporting a hiring decision, or simply understanding where the market is headed. Our thanks go to those participants, and industry leaders who gave us the time and the data to make it possible.

As the executive talent market keeps evolving, we expect the link between value creation, leadership capability, and compensation to tighten further, not loosen. We look forward to continuing the conversation.

Executive Summary

Executive compensation is being reshaped by a fundamental change in how organizations define leadership value. While title, revenue, industry, tenure still matter, they no longer tell the full story. Organizations are hiring leaders to solve harder problems now: digital transformation, AI, cybersecurity, customer experience, operational efficiency, supply chain resilience, growth under pressure. Capabilities once considered specialist niches now carry real, measurable compensation premiums.

The core finding of this report is that executive pay is becoming far more capability driven rather than purely position driven. Two companies in the same industry, at comparable scale, are paying materially different packages and the gap tracks strategic priorities, ownership structure, transformation agenda, and competitive pressure far more than it tracks the org chart.

Private equity keeps pushing its weight onto overall equity participation and performance incentives. Public companies lean harder into long-term value creation and shareholder alignment. Growth-stage companies compete on ownership upside because they must, not because it is fashionable. Executive Search itself is changing as a result in real time mirroring these changes. Firms are evaluating candidates less on résumé credentials and more on transferable capability, adaptability, and the odds of success in a specific business context. That is the shift from measuring experience to measuring impact and the same goes for the executive search industry itself; it is the thread that runs through everything else in this report.



Market Context: A Sector in Transformation

The backdrop to this year's report is an industry performing at or near record levels. Retained search fee revenue among the largest U.S. firms climbed sharply last year. The majority of firms surveyed by Hunt Scanlon in our ESR 2026 Review reported growth, and a meaningful share posted double-digit gains. By almost any measure, it was one of the strongest years the profession has seen.

However, the growth was not evenly spread. It was concentrated largely in private equity, healthcare and life sciences, financial services, and technology with AI-related hiring emerging as its own distinct, fast-growing category. The firms specializing in AI, technology, and legal talent saw the sharpest revenue gains in the industry, and that wasn't broad market lift. It was acute, specific scarcity: elite partner-level legal talent, AI-fluent product and engineering leadership, and executives who can actually convert AI investment into business results rather than slideware. This matters more than it might seem.

There is a widening gap between companies that want AI outcomes and companies structurally built to achieve them and only a small share of even early AI adopters believe they currently have the right leadership in place to scale it. The shortage is not as much about enthusiasm as it is about execution. That scarcity is already showing up as a hard premium in the market, and it reinforces this report's central finding that pay is shifting from rewarding position to rewarding capability.

The competitive structure of the search profession is shifting too, if more slowly. The largest global firms still anchor the top of the market, built on decades of scale, brand, and CEO and board relationships that do not turn over quickly. However, specialist and boutique firms are often leaner, more agile, and built around deep sector expertise; they have steadily grown their influence over the past decade and a half, pushing beyond placement into advisory, assessment, and talent intelligence work.

The consensus across the industry is that competitive positioning is shifting less because of dramatic changes in ranking and more because of how firms create value themselves. Those integrating data driven intelligence with relationship-based advisory work are positioning themselves upstream of the hiring decision, rather than simply executing a search once a role opens.

That move from transactional placement to anticipatory, intelligence-led advisory work mirrors exactly what this report tracks in compensation. Just as search firms are being asked to answer harder questions before a client can fully articulate the brief, boards and organizations are being asked to pay for leadership capability before it is proven in the role itself.

Resumes, references, and a polished track record still say something but far less today than they used to. They tell you how a leader performed under yesterday's conditions, not how they will perform inside ambiguity, rapid change, and stakeholder dynamics that do not follow a precedent. That is the gap the market is now pricing. Compensation is no longer just rewarding a record of past success but the ability to operate without a playbook. The same applies to executive search.

Nearly all firms surveyed by Hunt Scanlon in its Executive Search Review 2026 expected continued revenue growth, and M&A activity continues to keep reshaping the competitive landscape through the end of the decade. Against that backdrop, the compensation trends in this report are not a snapshot so much of a stable market. as they are a sign of how leadership value is being redefined in real time.

A Wider Lens: Compensation in Context

Compensation does not exist in isolation. Alongside the compensation data, we have built a broader benchmarking framework, one that looks at how executive search firms, large, mid-sized, and boutique, actually compare across leadership, integrity, career development, workplace culture, work-life balance, compensation, benefits, hiring practices, and diversity and inclusion. This is seen from the lens of those that either work there or used to work there.

While we do not name individual firms, we look at patterns by firm size, built from conversations with employees and former employees, to surface the themes that hold consistent: what it is actually like to work inside firms of different scale, and how that lived experience compares against the compensation picture standing alone.

Pay tells you what the market values. The wider lens tells you what it costs or what it buys to earn that pay, and how firms of different sizes actually treat the people inside them, including where that treatment diverges sharply from what the compensation numbers alone would suggest. We see this as the natural extension of the question this whole report is built around: what does a search firm actually invest in when it invests in its own talent and what does that investment look like from the inside, not just from the offer letter?

> Compensation is no longer just rewarding a record of past success but the ability to operate without a playbook.

Methodology & Data Sources

This report draws on more than 324 interviews with search consultants, corporate talent leaders, board members, investors, and executives across industries and company sizes. Those conversations are the qualitative backbone of the report; they are where the "why" behind the numbers comes from, not just the "what." That primary research sits alongside several additional sources:

- Hunt Scanlon proprietary survey data collected across the executive search profession, including firm-reported revenue, growth, and hiring trend data
- HSiQ talent intelligence research proprietary benchmarking and leadership assessment data developed through HSiQ's reports and advisory work
- Public company disclosures including 10-K filings and other SEC-reportable compensation data
- Market and industry analysis publicly available reporting on compensation trends, sector performance, and hiring activity

Where these sources overlapped, we worked to balance directly reported and publicly disclosed data against interview based and self-reported input, rather than defaulting to one over the other. Public disclosures offer precision, but limited coverage; they exist for a narrow slice of roles and organizations. Interview and survey data offer breadth and context public filings cannot reach but carry the ordinary limits of self-reported information. We treated the two as complementary, not substitutes, and flagged in context wherever a figure leans more heavily on one than the other.

This report does not identify or evaluate individual companies, candidates, or search firms by name. Every compensation figure where possible is presented in aggregate by segment, industry, or function never tied to an identifiable individual or organization. Where a data point comes from a single source or a small sample, we say so, rather than dressing it up as a market-wide trend. A note on limitations: compensation data of this kind is inherently a lagging, imperfect signal. Base salary and total cash compensation report more consistently than equity, carry, or long-term incentive structures, which vary widely by ownership type and are frequently confidential by design. Where equity or incentive data is directional rather than precise, we say so and do not imply a certainty the underlying data cannot support.

How to Read This Report

Segmentation

Compensation and market data throughout this report break out along four primary dimensions:

- Company size revenue tier: the scale of the organization the executive leads or reports into, not the executive's personal compensation history
- Industry: private equity and venture capital, healthcare and life sciences, financial services, technology, professional services, and others
- Function/ role: organized by title and scope of responsibility since comparable roles carry wildly different titles across organizations
- Ownership structure: public, private equity–backed, venture-backed, and privately held / founder-led, since ownership structure materially shapes how compensation is built, particularly around equity

Where relevant, we also draw on firm size segmentation from the broader executive search industry itself; large global firms, mid-sized firms, specialist and boutique firms since the same forces reshaping executive compensation are reshaping how search firms compete.

Benchmarks

Compensation figures are presented as ranges rather than single point averages wherever possible, because that is what actually reflects how comparable roles get paid in practice. Where a single figure is used a median, for instance we say so explicitly, along with the sample it is drawn from.

Base salary, total cash compensation (base plus annual bonus/ incentive), and total direct compensation (including equity and long-term incentives, where disclosed) are treated as distinct benchmarks throughout. They are not combined or averaged together unless explicitly noted.

Definitions

Capability-driven compensation: pay reflecting an executive's demonstrated or assessed ability to perform in a specific context, rather than pay anchored primarily to title, tenure, or company size

Total direct compensation: the sum of base salary, annual incentive/bonus, and the annualized or estimated value of long-term/equity incentives

Talent intelligence: the use of proprietary data, benchmarking, and assessment methodology distinct from resume or reference-based evaluation alone to inform hiring, succession, and compensation decisions

The Big Shift: the term used throughout this report and by Hunt Scanlon/ HSiQ more broadly for the industry's movement from transactional search execution toward earlier, more anticipatory involvement in leadership strategy and decision-making

Readers using this report for benchmarking should treat every figure as a directional reference point reflecting current market conditions, not a fixed standard and weigh company specific context (stage, ownership, industry pressure, transformation agenda) against any benchmark cited here.

What This Report Does Not Do

This is a snapshot in time, a benchmarking and market analysis report. It is not an audit, a ranking, or an evaluation of any individual organization, search firm, or executive. Specifically, this report does not:

- Identify or evaluate individual companies, candidates, or search firms by name in connection with compensation data

- Present single source or small sample data points as market-wide conclusions
- Treat directional or estimated figures particularly around equity and long-term incentives with the same precision as directly disclosed compensation data
- Offer individualized compensation advice for a specific role, candidate, or organization; figures here are reference points, not recommendations
- Substitute for company-specific context. Stage, ownership structure, transformation agenda, competitive pressure, and geography all shape what a given role should actually pay and no aggregate benchmark can account for all of that at once.

Anyone using this report to inform a specific compensation decision should treat every figure here as a starting point for judgment not a substitute for it. No action must be taken solely in reliance of it and the figures are provided on a best efforts basis.

No figure, range, or benchmark in this report should be relied upon, in whole or in part, as the sole basis for any compensation decision. This report is purely a directional reference tool, not a determination of value for any specific role, individual, or organization. Decisions regarding offers, counter offers, retention, or any related compensation action remain the responsibility of the organization making them and should never be limited to only the analysis presented here.

REPORT SCOPE

Level	Large Global Firms	Mid-Size Firms	Boutique / Specialist Firms
Entry / Research	Research Analyst, Research Associate	Research Associate, Associate	Research Associate, Talent Analyst
Junior Consultant	Associate, Senior Associate	Associate, Senior Associate	Associate Consultant, Junior Consultant
Mid-Level Consultant	Engagement Manager, Consultant	Consultant, Senior Consultant	Consultant, Search Director
Senior Consultant	Senior Consultant, Principal	Senior Consultant, Principal	Senior Consultant, Director
Partner Track	Associate Partner, Partner	Director, Partner	Director, Managing Director, Partner
Partner	Partner, Client Partner	Partner, Managing Director	Partner, Managing Partner
Senior Partner	Senior Partner, Senior Client Partner	Senior Partner, Managing Partner	Senior Partner, Founding Partner
Leadership	Vice Chairman, Regional Managing Partner	Managing Partner	Managing Partner, President, CEO/Founder

Category	Included in Scope	Mid-Size Firms
Compensation Elements	Base salary, total cash compensation, total direct compensation (including disclosed or reasonably estimable equity and long-term incentives)	Confidential mandate-level fee agreements, individual employment contracts, non-public severance or exit terms
Data Sources	324 industry interviews, Hunt Scanlon proprietary survey data, HSiQ talent intelligence research, public 10-K and SEC disclosures, publicly available market reporting	Undisclosed private company financials that cannot be triangulated across sources, confidential client mandate data
Client Segments	Public companies, private equity- and venture-backed portfolio companies, privately held/ founder-led organizations	Gig-economy platforms, transactional staffing agencies, non-executive labor placement
Industry Verticals	Private equity/venture capital, healthcare and life sciences, financial services, technology and AI, professional services, and other sectors represented in the underlying interview and survey data	Industry-wide workforce or headcount analysis unrelated to executive-level compensation
Geographic Coverage — Compensation Data	U.S. / Americas only. All compensation benchmarks, ranges, and figures in this report reflect the U.S. / Americas market exclusively	Compensation figures, ranges, or benchmarks for Europe, Asia-Pacific, Middle East & Africa, or any non-U.S./Americas market

Category	Included in Scope	Mid-Size Firms
Geographic Coverage — Trend & Market Context	Global. Commentary on leadership trends, capability premiums, the Big Shift, and industry transformation draws on market activity across North America, Europe, and Asia-Pacific	Country-level exhaustive trend analysis for every jurisdiction unless separately scoped
Firm-Size Framing	Aggregated, anonymized patterns across large, mid-sized, and boutique executive search firms (per the Wider Lens framework)	Identification, ranking, or evaluation of any individual search firm, client organization, or candidate
Talent Intelligence Layer	AI-enabled sourcing, assessment methodology, and talent intelligence tools as they relate to compensation and capability evaluation	General HR technology, ATS/HRMS platforms, and payroll systems with no direct link to executive search or compensation

A note on geographic scope: Compensation data in this report, every figure, range, and benchmark reflects the U.S market exclusively. Where the report discusses broader trends (the rise of capability-driven pay, AI-related talent scarcity, the growing influence of boutique firms, the Big Shift more generally), that commentary draws on global market activity, since those forces are not confined to any one region. Readers should not extrapolate specific U.S. compensation figures to other markets; the trend narrative is global; the numbers are not.

Executive Search Market Sizing Source Methodology

The market sizing, market structure, talent intelligence and compensation analysis contained in this report has been developed using a combination of publicly available financial information, Hunt Scanlon Media industry data, HSiQ Talent Intelligence, proprietary market research and direct interviews with executive search professionals and industry participants. The objective has been to build the analysis from identifiable industry evidence rather than relying on broader staffing and recruiting market estimates, which frequently combine retained executive search with fundamentally different recruiting businesses.

Scope of Market Size

For purposes of this study, we have defined the market around the retained executive search segment, which we believe provides the most consistent and defensible representation of the professional executive search industry. The market estimates includes retained executive search fees, engaged and hybrid search assignments, board director searches, and specialist or emerging C-suite mandates, including positions such as Chief AI Officer, Chief Information Security Officer, Chief Data Officer and Chief Sustainability Officer.

Market size has been calculated on a net fee revenue basis. Reimbursable client expenses, including candidate travel, advertising, research expenses and other pass-through costs, have been excluded wherever identifiable. The intention is to capture revenue attributable directly to the delivery of executive search services rather than the gross value of client billings. Our estimates have been constructed using a bottoms up methodology incorporating publicly reported executive search revenues from major firms, Hunt Scanlon's proprietary industry rankings and market intelligence, company disclosures, transaction information, firm-level revenue estimates and HSiQ analysis of the broader retained search universe. Where firms operate multiple businesses, we have sought to isolate executive search revenue from consulting, interim management, RPO and other adjacent services wherever reliable information allows.

Basis for Scope and Exclusions

Retained executive search represents a distinct professional services model with identifiable firms, established fee structures and, among the industry's larger participants, credible public financial disclosures. This provides a considerably stronger basis for market estimation than attempting to measure the much broader recruiting and staffing industry. Accordingly, we have intentionally excluded contingency recruitment, temporary and interim executive placement, and RPO or RPO adjacent hiring activity. These businesses operate under different engagement models, pricing structures and revenue economics and therefore have not been treated as part of the core retained executive search market.

While individual search firms may undertake assignments outside the traditional retained model, contingency recruiting is not representative of the professional methodologies applicable to retained executive search firms and is inconsistent with the standards governing AESC member firms. We have also excluded revenue generated from adjacent leadership advisory activities, including leadership consulting, executive coaching, assessment, psychometric testing, board advisory, succession planning, organizational consulting and onboarding services. These are increasingly critical and substantive businesses for many executive search firms, but including them would materially distort an estimate intended to measure core executive search fee revenue.

HSiQ Talent Intelligence and Market Analysis

The market analysis presented throughout this report extends beyond published revenue data. HSiQ Talent Intelligence has also used interviews from 324 executive search market participants to provide additional context around how the executive search market is changing, including firm growth, competitive positioning, talent movement, leadership changes, compensation, specialization, consolidation, technology adoption and emerging capability requirements. HSiQ's work draws upon Hunt Scanlon's longstanding coverage of the executive search industry, firm and leadership intelligence, proprietary market mapping, transaction and investment activity, executive movement data, industry research and direct engagement with search firm leaders, Partners, Consultants, Researchers, Associates, investors and other market participants. Importantly, HSiQ Talent Intelligence has been used not simply as another source of data, but as a means of testing and interpreting what the underlying data is telling us. Where published financial information shows what has already happened, our talent intelligence work helps provide context around why it is happening, where competitive pressure is developing, how firms are responding and where the market appears to be heading. This distinction is particularly important in an industry dominated by privately held firms where comprehensive financial disclosure remains limited.

Proprietary Industry Interviews

To supplement published information, Hunt Scanlon and HSiQ conducted proprietary interviews with 324 executive search industry participants at multiple professional levels across the U.S. market between April and August 2026. These interviews have been used throughout the report to test market assumptions, identify patterns that are not readily visible in published financial information and provide additional perspective on compensation, retention, culture, career progression, productivity, technology, AI adoption, talent movement and the changing economics of executive search. Interview findings should be interpreted as proprietary market intelligence rather than as a statistically representative census of the entire executive search industry. Where appropriate, they have been triangulated against published data and other independent market sources. This approach is particularly important because there is no single comprehensive industry-wide compensation database covering the retained executive search profession across every role, firm size and geography. Compensation structures also vary materially according to seniority, individual production, firm economics, ownership structure, geography, sector specialization and the balance between fixed and variable compensation.

The ranges presented in this report should therefore be viewed as market benchmarks and directional reference points rather than precise compensation prescriptions. They represent our best effort to establish reasonable and comparable market ranges using multiple independent data points, proprietary interviews and HSiQ Talent Intelligence. No action should be taken solely in reliance on these findings, particularly when making decisions regarding the retention, compensation, promotion or termination of individual employees. The data is intended to provide one informed market reference point, not a substitute for management judgment or a firm's own assessment of individual performance, contribution and circumstances. We expect firms to use these findings alongside other relevant information, including internal compensation data, performance history, market conditions, role requirements, individual productivity and other independent benchmarks, to develop a more complete basis for any employment or compensation decision.

Interpretation of the Data

No single data source provides a complete picture of the retained executive search industry. Public companies provide detailed financial information but represent only part of the market. Private firms account for a substantial share of industry activity but generally disclose considerably less. Compensation databases provide useful reference points but do not always distinguish retained executive search from the broader recruiting profession. For that reason, the methodology used throughout this report is deliberately triangulated.

Published financial information establishes identifiable market anchors. Hunt Scanlon industry data provides firm level and historical context. HSiQ Talent Intelligence provides market and competitive interpretation. Proprietary interviews provide direct evidence from people operating within the industry. Taken together, these sources provide what we believe to be a more realistic view of the market than any single dataset could provide on its own.

Disclaimer

While Hunt Scanlon and HSiQ make every reasonable effort to ensure that the information, estimates, benchmarks and conclusions presented in this report are accurate, current and supported by credible sources, the data should be regarded as directional and informational rather than definitive. The executive search industry remains highly fragmented, many firms are privately held, financial and compensation disclosure is limited, and reporting methodologies are not consistent across organizations or geographies. Estimates therefore necessarily involve judgment, interpretation and, in certain cases, the triangulation of multiple data sources.

Accordingly, no information, benchmark, estimate, analysis or conclusion contained in this report should be relied upon as the sole basis for any business, financial, investment, compensation, employment, hiring, retention, termination or other management decision. The report is intended to provide one informed data point among several and should be considered alongside an organization's own information, circumstances, professional judgment and, where appropriate, independent legal, financial, tax, compensation or other professional advice.

Hunt Scanlon, HSiQ and their respective affiliates make no representation or warranty, express or implied, as to the completeness or absolute accuracy of the information contained herein and accept no responsibility or liability for decisions made, actions taken, or consequences arising from reliance upon this report or any information.

SECTION 1

THE BIG SHIFT: REDEFINING VALUE IN EXECUTIVE SEARCH

For most of this industry's history, a search ended the moment a candidate accepted an offer. The fee was collected, file closed, and whatever happened next was someone else's problem to track. That calculus no longer holds.

What matters now is no longer whether a seat got filled, but whether the person in it drove revenue, held a team together, and executed the strategy the board actually needed executed. Richard Stein, CEO of HSiQ, has been direct about why the old model falls short: leadership decisions have historically leaned on guesswork, when what the moment calls for is talent intelligence that can, in his words, "take the uncertainty out of the decision-making process." Guesswork is tolerable when the stakes are small. It stops being tolerable once a single hiring decision is expected to move enterprise value. The firms performing well today are the ones that stopped treating placement as the finish line.

Compensation used to be the last thing decided in a search. The process was to find the person, check the market rate, negotiate a number, and then move on. It sat downstream of everything else that mattered. Increasingly, it has become the first decision made instead, particularly in private equity, where vesting schedules and performance triggers are engineered to make one specific executive behave one specific way on one specific timeline. Scott A. Scanlon, CEO of Hunt Scanlon and co-founder of HSiQ, has argued that traditional compensation frameworks are already straining under this pressure, as leadership roles grow more complex and the cost of a hiring mistake grows more severe. "A rushed, market-rate package accounts for neither but a carefully designed one does."

Executive Search firms have always generated more information than they used such as org charts, informal reference checks, intelligence on which executives are vulnerable to a competitor's call. Historically, most of that got discarded once the mandate closed, because no one was paying for it directly. HSiQ's position is the opposite. Christopher Hunt, CEO of Hunt Scanlon puts the advantage plainly, "In a market where everyone is competing for the same talent, foresight and accurate intelligence are what separate the winners from everyone else. That isn't a throwaway line but the thesis behind treating talent data as an asset with a shelf life well beyond any single search, rather than a byproduct discarded the moment a role is filled."

A lot of the highest value work in reality now happens before a role is even open. Pre-deal leadership due diligence is the clearest example: investors have caught on to something obvious in hindsight, that a target company's leadership bench genuinely drives what a deal is worth and how hard it will be to execute post close. Scanlon has framed the ambition behind this shift directly. The goal, as he describes it, is to improve decision quality and capital allocation, reducing uncertainty and increasing the probability of value-accretive moves[1]. Compensation intelligence is riding the same upstream current, priced and delivered before anyone has drafted a job description.

Executive search has always run on two commercial structures: retained, paid regardless of outcome, and container/contingency, paid partially or only on placement, usually with several firms racing for the same mandate. A third model is also emerging that fits neither bucket cleanly; one where a client pays for ongoing access to intelligence and benchmarking rather than for filling one specific seat. Stein describes this as "intelligence built to anticipate market movements before they show up in the financials. That's a fundamentally different product than a placement. It's visibility, sold on its own terms, ahead of need rather than in response to it."

CEO exits, last 16 months
2,000+
record for public company departures

Revenue spent on human capital
~33%
CEO exits, last 16 months

Top 50 search firm fee revenue
$6.69B
up $650M+ year over year

Search cycle, AI-enabled firms
9 weeks
down from 14 weeks, early 2026

1 https://huntscanlon.com/how-talent-diligence-is-becoming-a-priority-for-private-equity-firms/

According to McKinsey, organizations reportedly spend somewhere around one third of gross revenue on human-capital-related challenges, and attrition keeps climbing regardless[2]. That is not a rounding error but a large part of the business. Leadership value has traditionally been priced informally, on reputation, relationships, a gut sense of who is ready, and a great deal gets missed that way. A meaningful share of that spend is simply the cost of what got missed. What AI-enabled analysis actually does is surface the blind spots and biases that used to stay invisible until they became expensive. As that visibility improves, price starts following evidence instead of precedent. The shift is slower than the AI headlines suggest. However, it is already changing how boards think about what leadership is actually worth and what they are willing to pay to executive search firms.

Why Compensation Is Becoming a Strategic Lever, Not an Outcome

In 2022, Scott A. Scanlon pointed to where the real opportunity was heading for executive search firms; not more placements, but "creating retainer-based subscription products around executive compensation, and extending actionable, curated data to clients."[3] At the time it read as a forward-looking aside. Five years on, it looks closer to the industry's current business model. With over 2,000 CEO exits across U.S. companies in the past sixteen months, a record for public company departures, boards can no longer afford to wait for a vacancy before they start thinking about pay. The compensation conversation now must begin before the seat opens, not after.

Training is also the piece most would not think to connect to compensation, but Scanlon has made the link explicit, citing data showing that firms which invest in structured training see up to 47% higher profit margins and 86% greater company value; numbers he has called "indisputable." Stein's framing ties it directly to pay design: "Performance is not driven by one or the other. It is driven by both." For search firms themselves, that is not an abstraction but a direct argument for how they structure recruiter compensation. A commission plan built without a training system behind it is paying for output the firm has not actually equipped its consultants to produce, and the margin data suggests firms are leaving real money on the table by treating incentive design and skill-building as separate line items rather than one system.

AI adoption sharpens that same calculation. Hunt Scanlon's own Bullhorn GRID survey found nearly a third of search firms have adopted no AI at all, while those with AI embedded in their workflow are closing searches five-plus weeks faster; the average C-suite search fell from fourteen weeks to nine in early 2026.[4] That gap is now showing up in firm economics, not just client outcomes: faster searches change the math on retainer structures, on how many mandates a consultant can realistically carry, and on what a firm can justify charging for speed it can actually deliver. A firm still pricing itself on a nine-to-fourteen-week cycle when its AI enabled competitors are consistently landing at nine is underpricing its own consultants relative to what they are now capable of producing.

Taken together, the picture is not simply just about client-side executive pay but also a case for executive search firms to treat their own compensation architecture the same way: turnover and speed have moved faster than most firms' incentive plans have, the training-margin data makes the cost of not adapting explicit, and shrinking search cycles leave no room to sort out recruiter comp reactively, deal by deal. Scanlon's 2022 subscription model reads much less like foresight now than an early read on pressure that was already building, pressure that applies as much to how search firms pay their own people as to how they advise clients on paying theirs.

The Rise of Talent Intelligence as a Monetizable Asset

Most of what a search firm needs to build this case is already in its own files, unpriced. Richard Stein's reading of the World Economic Forum's recent future of work scenarios points to why the timing matters: talent risk does not appear suddenly, he argues, but accumulates quietly deteriorating critical skills, thin succession benches, leadership blind spots, cultural resistance, decision-making bottlenecks.[5] As a result, AI adoption is now amplifying those gaps into visible failure faster than before. A firm that has just closed a mandate has already seen most of that risk firsthand: which candidates were vulnerable to a counteroffer, which internal bench was thin, which culture flags kept surfacing on reference calls. None of it has traditionally survived past the placement. What has changed is that clients now require this kind of risk visibility on a continuous basis, and the firm already holds a lot of the raw material to provide it. However, it has simply never been sold as anything beyond a byproduct of the search itself.

There is pressure from inside the industry as well, not only from clients. Stein's comments on the recent Findem acquisition made the point directly "hiring infrastructure is moving from fragmented workflows toward outcome-driven systems", and "we see many firms adopting the language of skills, far fewer building the infrastructure to operationalize them."[6] That applies to executive search firms as much as to the corporate clients he was originally describing. A firm still selling one off placements while its own data assets sit idle between mandates is exactly the fragmented model he means. Firms building a standing intelligence layer on top of the candidate and market data they already hold are the ones positioned to compete on something other than speed to fill a seat.

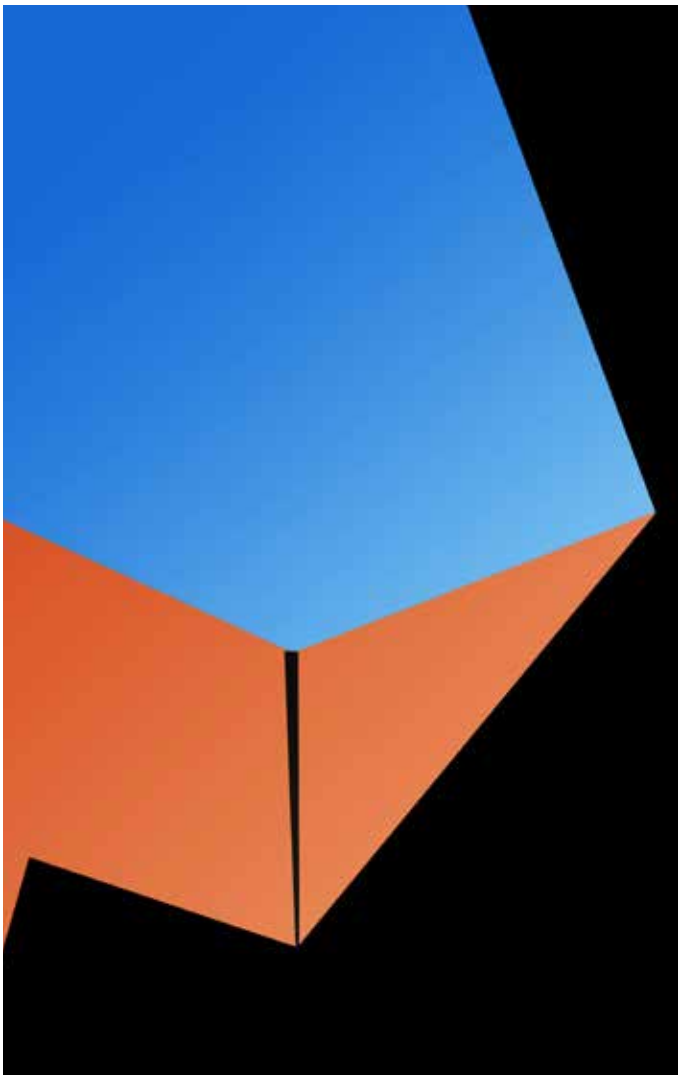
2 https://www.mckinsey.com/mgi/our-research/performance-through-people-transforming-human-capital-into-competitive-advantage
3 https://www.prnewswire.com/news-releases/executive-search-firms-shatter-growth-records-according-to-hunt-scanlon-media-301520060.html
4 https://huntscanlon.com/ai-adoption-linked-to-stronger-revenue-growth-across-executive-search-firms/
5 https://hsiqtalentintelligence.com/world-economic-forum-signals-talent-risk-as-deciding-factor-in-ai-economy/
6 https://huntscanlon.com/findem-to-acquire-glider-ai/

Scale concentration is a factor too, and it bears directly on firm strategy. McKinsey's research on where future economic value lies will be concentrated into a few capital-intensive areas where, as Stein puts it, "execution errors surface quickly and correcting them late is costly". This has an impact on specialization and pricing power. A generalist retainer spread across many sectors captures less of that concentrated value than a firm holding deep, proprietary intelligence in the few areas where getting leadership wrong is now most expensive. That argues for reallocating research investment toward fewer markets held more deeply, rather than broad coverage held thin.

The labor supply squeeze itself hits a firm's own economics directly. Stein has pointed to LinkedIn's Economic Graph data showing hiring activity still below pre-pandemic levels even as demand surges for AI-related skills, a shrinking candidate pool feeding rising client demand for precision. Future advantage will not come from doing more with less as much as seeing more of what already exists and using it far better.[7] For an executive search firm, "what already exists" is its own accumulated market map, passive candidates identified in past searches, organizational intelligence gathered along the way. Monetizing that intelligence rather than rebuilding it from scratch on every mandate is what turns a shrinking pool into an advantage over competitors starting from zero each time.

None of this works, though, if the intelligence stays welded to the search. The retained model bills for an event, a mandate opens, work happens, someone gets placed, the file closes, and everything learned along the way closes with it. It is necessary to create an external intelligence layer firms can use "to inform search strategy, not to replace judgment", a framing that only makes sense once intelligence is treated as separable from the search deliverable itself. Unbundled, the same market mapping, org chart research, and talent intelligence a firm already produces can be sold to a client with no open search at all. This is a retainer for visibility, rather than a fee tied to an outcome. Unbundling is also what turns intelligence into something closer to radar than to a one-off report. A search produces a snapshot, a slate, a hire, a moment in time the firm's attention then moves past. Hunt Scanlon's HSiQ talent intelligence unit describes its output as 'decision-ready insight' rather than a 'static deliverable'. Succession risk flags, externally benchmarked leadership readiness, if/then scenarios that update as the market moves rather than a document that is stale the week it lands is how to monetize talent intelligence.

For a client, the value there is continuity, knowing which competitors are vulnerable, which internal successors are gaining or losing ground, where compensation bands are shifting, tracked across a full year instead of reconstructed from scratch every time a board needs an answer. A one-off engagement can only tell a client what was true the day the work was done. A consistent and long-standing relationship tells them what is true now. That is also roughly where this parts ways with what a management consultancy already sells. Consultants are good at org design, at benchmarking compensation against public survey data, at modeling a target operating structure, but that work largely depends on what is already disclosed, public, or self-reported. It does not provide in real time, who inside a competitor's leadership team is unhappy, which executives are being actively courted elsewhere, or what a rival actually paid to keep someone last quarter. Consultancies model structure but do not carry a living network of relationships across a market. That is the access executive search firms actually have, and it is highly structural and not aspirational. A firm running dozens of live mandates a year is constantly inside conversations a consultancy never gets access to; reference calls that reveal who is genuinely vulnerable to a call, direct exposure to compesnation numbers candidates disclose in confidence, a working sense of bench strength built from having sourced against the same organizations over and over. None of it requires new infrastructure to generate; it already exists as a byproduct of doing the work. What has changed is the recognition that this byproduct, tracked continuously and sold on its own terms, is worth more to a client than the placement fee ever was by itself.



7 https://economicgraph.linkedin.com/research/labor-market-report-2026

Moving Upstream: Compensation in Pre-Deal, Strategy & Advisory Work

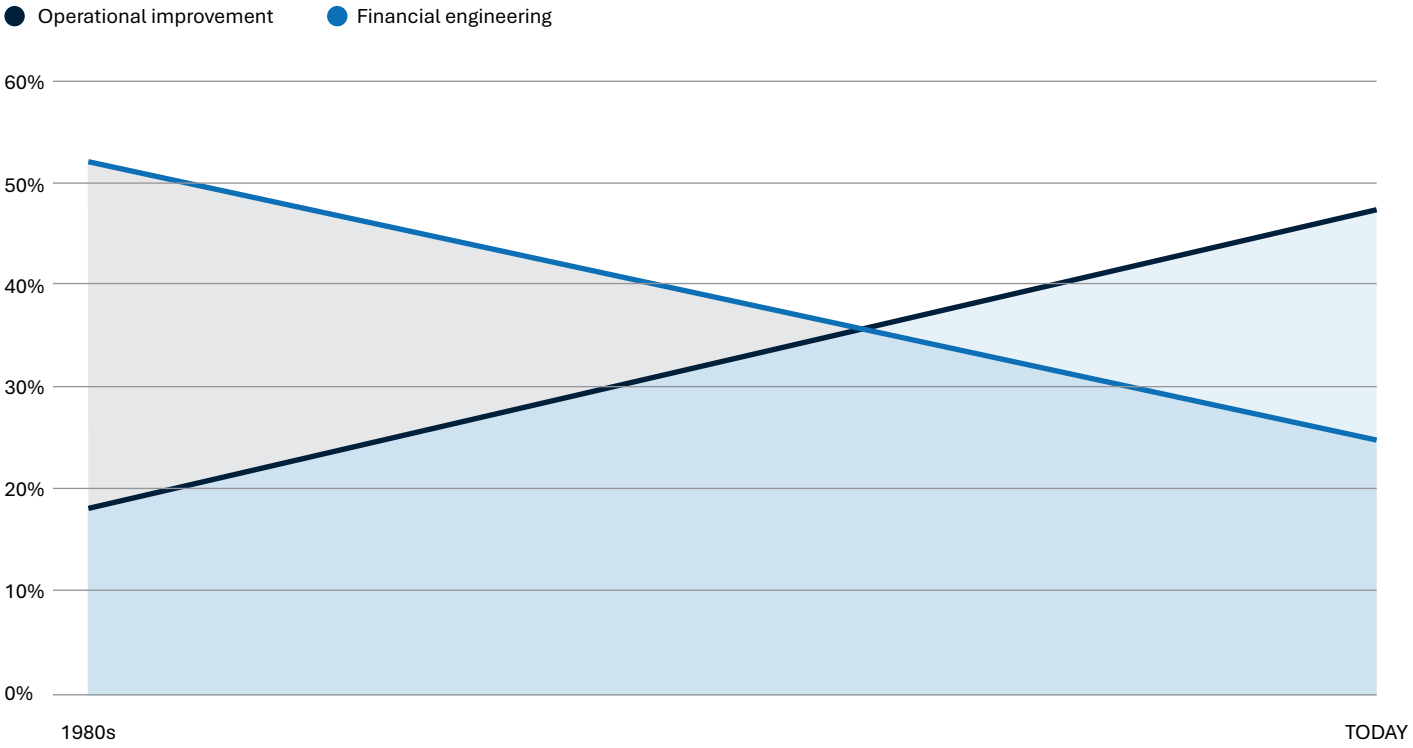
The clearest evidence that pay is following capability rather than title shows up in who gets paid before a deal even closes. A few years ago, the executive nearest a transaction was the CFO signing off on numbers in the data room. Increasingly, it is an interim CEO who was never meant to be permanent at all. ECA Partners, a private equity-focused staffing and search firm and a Hunt Scanlon Top 50 recruiter, put this plainly in a recent report[8]: some sponsors are now deploying interim CEOs during due diligence itself, using them to produce operational assessments that shape whether the deal gets done in the first place, not just how the company gets run afterward. That is a meaningful reordering. The interim executive is no longer backfilling a departure anymore but part of the diligence team, paid to render a judgment the financial model cannot produce on its own.

Operating partners are being pulled into the same moment, earlier and more directly than the traditional org chart would suggest. In conversation with Hunt Scanlon Media, Matt Shore, CEO of Steven Douglas, described operating partners getting involved in search mandates a level or two below the C-suite and increasingly driving the process of bringing in interim talent themselves not because their title changed, but because they sit closest to the investment thesis and can see where the portfolio company's real gaps are. There is a broader shift in that interim and on-demand leaders are becoming one of the more useful levers PE firms have for smoothing transitions, closing capability gaps, and pushing transformation and integration work forward without waiting for a permanent hire to clear a twelve-week search.

None of this shows up as a placement fee. It shows up as compensation architecture, and that architecture has its own quiet controversy running through it right now. Operating partners, according to recent industry compensation analysis, still earn roughly 15 to 30 percent less in total pay than deal partners of equivalent seniority, with the real gap concentrated in carried interest rather than base salary some firms discount an operating partner's carry allocation by as little as 15 to 20 percent, others by 40 to 60 percent, and a number of firms do not extend carry to operations at all. That gap is becoming harder to justify on the numbers alone: operational improvements are now estimated to drive something like 47 percent of buyout value creation, up from roughly 18 percent in the 1980s, while financial engineering's share has fallen by roughly half over the same stretch. Pay a function 20 to 30 percent below the people whose work now accounts for less than a quarter of the return and many compensation structures are still out of step with where the value is actually coming from which is exactly the mismatch this report's core thesis predicts will get corrected sooner rather than later.

THE VALUE-CREATION SHIFT: OPERATIONAL IMPROVEMENT VS. FINANCIAL ENGINEERING IN BUYOUTS

Operating partners now drive nearly half of buyout returns



Source: VCI Institute, "Private Equity's Compensation Crisis: Time to Pay for What Truly Drives Returns," Jan 2026

8 https://huntscanlon.com/hiring-interim-ceos-for-pe-portfolio-companies/

It is already showing up in how new advisory style roles get structured rather than just how existing ones get renegotiated. Fractional operating partners and executives in residence are typically paid through day rates, monthly retainers in the low five figures, or a mix of a smaller retainer plus equity and carry participation tied to a specific initiative rather than a full-time seat; a structure that runs meaningfully cheaper for the sponsor than a full-time hire, which is part of why it's become the default model for lower-middle-market funds that cannot justify a full-time operating executive on every portfolio company. It is advisory pay priced like advisory work: for judgment and availability, not just for a title.

The same logic is now reaching all the way up to the portfolio CEO seat. Recent compensation analysis of 2026 PE pay design shows boards and sponsors deliberately shifting portfolio CEO compensation away from cash and toward exit-aligned instruments — equity, profit interests, phantom equity — specifically because holding periods have stretched and limited partners want proof that returns reflect real operating improvement rather than financial engineering or market timing. Transaction bonuses, where they still exist, are increasingly tied to hitting specific return thresholds rather than simply completing a sale. That's the capability-driven thesis from the top of this report, translated into a term sheet: the executive gets paid like an investor because the sponsor is, in effect, asking them to think like one, well before the exit and often before the deal itself closes.

Emergence of the "Third Model" (Beyond Retained vs. Contingent)

For much of the past twenty years engagement models have fallen into one of two categories: retained or contingency. Under a retained arrangement, the client pays the firm on an exclusive basis to work the search regardless of outcome, in exchange for depth, confidentiality, and priority. Under a contingency arrangement, the firm is paid only upon placement, which optimizes for speed and candidate volume rather than depth of evaluation, since multiple firms are often competing to present candidates first. This division held for decades because it mapped reasonably well onto the risk profile of the hire in question. That mapping is now breaking down.

Kathleen Duffy, president and CEO of Duffy Group, has argued this year that the industry is undergoing a structural shift that neither model was built to address.[9] The shift is driven by four converging factors: the rising cost of leadership mis-selection, increasing role complexity and ambiguity, heightened governance scrutiny, and a demand for forward-looking rather than retrospective evaluation. Traditional search, in her framing, performs well at identifying candidates with strong credentials and a demonstrated track record, but was not designed to assess whether that track record will translate into a materially different operating context.

The cost data supports the premise. CEO turnover at outperforming S&P 500 companies rose from 7 percent in 2024 to 12 percent in 2025[10], and more than half of surveyed executives report they are likely to leave their current role within two years. Executive failure is typically detectable within six to twelve months of appointment, though the affected leader frequently remains in place well beyond that window, extending the associated cost. This is not a new phenomenon: back in 2009 Heidrick & Struggles' own analysis of 20,000 of its executive placements found that 40 percent of externally hired senior executives are terminated, resign, or otherwise depart within 18 months.[11]

What has changed is not the underlying failure rate so much as organizations' tolerance for treating it as an acceptable cost of doing business. A second driver, in Duffy's account, is the compression of the window in which leadership performance can be evaluated. Executives today are expected to build trust and produce results under conditions of continuous change, without the benefit of a stable operating environment in which past approaches can simply be repeated. Governance has moved in parallel: leadership appointments are increasingly treated by boards as governance decisions embedded in the broader architecture of enterprise risk, rather than as operational matters delegated downward. The response taking shape across parts of the industry has been termed "informed search," and the term is doing more specific work than it may first appear. Rather than beginning with a shortlist of familiar candidates, an informed search process begins with a comprehensive mapping of the relevant talent market, identifying where comparable leadership is succeeding under similar conditions before any individual candidate is evaluated

Many consider this to be a research-first discipline intended to reduce reliance on instinct and narrow the evaluation to a targeted pool rather than a broad one. The role of artificial intelligence within this shift is narrower than is often assumed. Duffy characterizes it as accelerating a transition from a search model, in which value derives from access and speed to a system model, in which value derives from the ongoing quality of market mapping and the compounding insight a firm accumulates over time. This is presented not as a replacement for retained or contingency search, but as a layer operating above both, an argument that the firms integrating this capability will remain positioned where leadership decisions are actually being made, while those that do not will continue to fill roles competently but from a position of diminishing strategic relevance.

9 https://huntscanlon.com/the-structural-shift-in-executive-search-why-a-third-model-is-emerging/
10 https://www.conference-board.org/press/ceo-succession-2025
11 https://www.execspringboard.com/taking-the-risk-out-of-new-executive-hires/

AI, Data, and the Repricing of Human Capital

Artificial intelligence is altering executive compensation in two distinct ways, and the two are frequently conflated. The first is straightforward: organizations are paying more for a narrow category of AI-native leadership. The second is less visible but more consequential: the data infrastructure now used to evaluate and price all executive talent, not just AI specialists, is itself changing what "market rate" means. On the first point, the evidence is direct. Riviera Partners' 2025 Executive Compensation Report found that AI leadership roles — chief AI officer, head of AI product — are commanding premium compensation packages relative to comparable engineering executives.[12] The premium is not attached to technical fluency alone. Recruiters describe the qualifying bar as executives who can connect technical capability to commercial outcomes: operating across product, finance, and operations, communicating credibly with boards and investors, and setting investment priorities rather than simply executing a technical roadmap. Riviera Partners has noted that the supply of candidates meeting that combined bar remains limited, which is why searches for these roles routinely extend beyond typical timelines. Compensation structures reflect the same scarcity: in venture-backed companies, Riviera Partners found equity-heavy packages persisting through seed and Series A rounds, with the market shifting overall toward blended cash-and-equity structures tied to measurable outcomes such as AI-driven innovation and platform modernization, rather than fixed cash alone.

The second effect is structural rather than individual, and it is where Hunt Scanlon's own data becomes relevant. Fee revenue at the fifty largest U.S. search firms reached $6.69 billion last year, an increase of more than $650 million over the prior year, with three-quarters of firms reporting positive growth. Scott A. Scanlon, Hunt Scanlon's CEO, has attributed this less to volume than to a shift he terms the Big Shift:[13] firms moving upstream by using data-driven insight, enabled by AI, to shape leadership strategy rather than simply execute a given mandate. Richard Stein, CEO and co-founder of HSiQ, has framed the same shift in terms of timing rather than technology describing firms that now compete by getting in front of demand earlier, using talent intelligence to define the brief before a client has fully articulated it. That distinction matters for compensation specifically, because a brief defined by data before it is defined by the client changes who counts as the right candidate, and therefore what the role is priced against, before a search has formally begun.

The infrastructure behind this shift has itself attracted capital, which is a reasonable proxy for how seriously the market is taking it. HelloSky, an AI-driven talent intelligence platform built specifically for high-stakes executive search, closed a $5.5 million oversubscribed seed round with participation from Hunt Scanlon Ventures and other notable search industry investors.[14] The platform's stated approach; training its models continuously on behavioral signals, search-query patterns, and actual placement outcomes drawn from several hundred executive search users illustrates the underlying premise that the value being priced is increasingly the data and judgment layered on top of a candidate profile, not the profile itself. Scanlon has argued that firms without access to this kind of precision platform will be competing on cycle time and mandate volume against firms competing on evidentiary confidence, which is a different contest entirely, and one that shows up in fees charged as much as in pay negotiated for the executives being placed.

The executive search industry's traditional advantage such as proprietary networks and manual market research is being radically reshaped by this new generation of AI-enabled talent intelligence platforms that can map leadership markets, career trajectories, and candidate pools at a scale and speed manual research never could. Recent deals illustrate the trend: SAP's acquisition of SmartRecruiters, iCIMS' acquisition of Apli, and Datasite's acquisition of Grata all points to recruiting and corporate intelligence platforms converging, while executive focused tools like HelloSky, Eightfold AI, SeekOut, and BoardEx are becoming standard infrastructure for candidate mapping. This does not eliminate the search firm's role; technology can surface candidates, but not judge leadership fit or cultural alignment but it is standardizing the research layer that used to be a proprietary edge, and it is likely to accelerate consolidation among firms with the scale to invest in this infrastructure versus those that cannot.

Taken together, this is the same capability driven thesis running through this report, applied to its most literal case: the market is not simply paying more for people who know AI. It is beginning to price all senior leadership against a data-informed standard that did not exist as an operational capability five years ago, and executive search firms that have not built or bought their way into that standard are, by their own industry's account, no longer setting the price but resigned to accept it.

This does not eliminate the search firm's role; technology can surface candidates, but not judge leadership fit or cultural alignment

12 https://www.rivierapartners.com/insights/2025-executive-compensation-report-reveals-key-trends-in-tech-leadership-pay/
13 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage/
14 https://huntscanlon.com/hellosky-announces-5-5-million-oversubscribed-seed-round-crosses-1-million-arr-and-expands-executive-team/

SECTION 2

GLOBAL EXECUTIVE SEARCH MARKET OVERVIEW

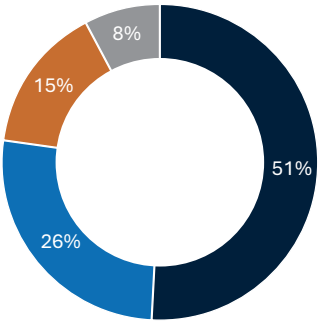
We have sought to size the global executive search market and its potential growth not only as a prediction of precisely where the industry will land, but as an important backdrop against which to consider how the search industry is positioned for the years ahead.

Client Segment Market Sizing and Executive Search Market Potential

We have sought to size the global executive search market and its potential growth not only as a prediction of precisely where the industry will land, but as an important backdrop against which to consider how the search industry is positioned for the years ahead. Despite headwinds and the advent of technology to disintermediate the profession, our market estimates point to an industry with meaningful scale and, more importantly, considerable room for further growth, supported by increasing leadership complexity, continued demand for senior executive talent, the emergence of new C-suite and specialist roles, and expanding demand across international markets. The purpose of this analysis is less about attaching certainty to any single market number and much more about establishing the direction and magnitude of the opportunity. If the market develops broadly along these lines, executive search firms will be operating within a significantly larger addressable market by the end of the decade. The more important question is which firms will be best positioned to capture that growth. Scale alone will not determine the winners. Firms that combine deep sector expertise, strong client relationships, differentiated talent intelligence, technology and AI capabilities, access to emerging leadership pools, and the ability to operate effectively across markets should be in a stronger position to take share. Viewed in that context, the market sizing provides a useful backdrop for the broader findings of this report. The opportunity for executive search remains substantial, but how that opportunity is captured and which firms are equipped to capture it is likely to change considerably over the next five years.

BY FUNCTIONAL LEVEL

Executive Search Market, Revenue Share (%), By Functional Level, Global, 2025



Executive Search Market, Revenue in USD Billion, By Functional Level, Global, 2024-2031

By Functional Level	2024	2025	2026	2027	2028	2029	2030	2031	CAGR (%) (2026-2031)
C-Suite (CEO, CFO, etc.)	12.08	12.97	14.00	15.21	16.63	18.31	20.33	22.76	10.21%
EVP /SVP /VP	6.24	6.69	7.20	7.81	8.52	9.36	10.36	11.58	9.96%
Director Level and Above	3.50	3.81	4.17	4.59	5.08	5.67	6.38	7.23	11.65%
Niche / Emerging (Chief AI, CISO, etc.)	1.71	1.95	2.22	2.54	2.92	3.37	3.92	4.58	15.57%
Total	25.53	25.41	27.59	30.14	33.14	36.71	40.98	46.15	10.84%

C-Suite (CEO, CFO, etc.) EVP / SVP / VP Director Level and Above Niche / Emerging Roles (Chief AI, CISO, etc.)

Source: Mordor Intelligence

How the Market Has Changed in the Last Decade

Ten years ago, executive search ran almost entirely on proprietary relationships and manual research; a firm's edge was its internal database, its network, and the years its consultants had spent building trust with boards and candidates. That model has been drastically reshaped from multiple directions over the past decade. The revenue mix itself has shifted. The overall search market has significantly grown but the composition of that growth tells the real story.[15]

Organizations have become far more cost-conscious, transferred a greater proportion of search risk to providers through hybrid and contingent fee structures, and increasingly preferred ongoing, subscription-style talent advisory relationships over one-off individual placement assignments.

Executive search firms have also diversified beyond search itself where the largest players stopped competing purely on placement fees and built out recurring revenue lines such as recruitment process outsourcing, interim and on-demand talent, leadership assessment, and broader organizational consulting business lines.

This has turned single transaction relationships into multi-year advisory contracts. That shift did not happen suddenly by accident but because pure retained search fees were compressing under the pressure of contingent competition. As a result, firms needed a far more robust and dependable growth engine that did not depend solely on winning individual mandates.

During this time, research was transformed into a highly industrialized function, supported by dedicated research teams, standardized methodologies, and increasingly sophisticated databases. LinkedIn, BoardEx, and similar professional network platforms became standard infrastructure over the decade, turning what used to take a research team weeks of cold outreach and cultivation into a searchable database. More recently, AI-driven talent intelligence platforms have gone further mapping entire leadership markets, tracking career trajectories, and surfacing passive candidates in real time.

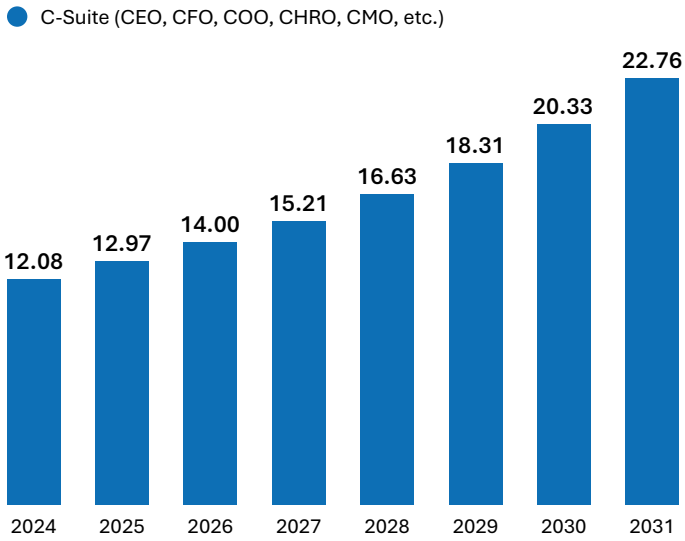
What used to be the proprietary research advantage of the best firms is now increasingly available as shared infrastructure, and the premium once attached to that research has eroded. Consolidation exponentially accelerated and the economics of pure search itself compressed, scale became more valuable, and the largest firms began acquiring workforce-solutions and recruiting-technology capabilities rather than building them from scratch extending their footprint from "find the candidate" to owning the full talent lifecycle.

However, what has not changed is the thing technology still cannot replace: judgment.[16] Algorithms can surface candidates faster than any human team, but they cannot judge cultural fit, read a board's real intent, or manage the trust and confidentiality a genuine C-suite search requires. The firms that have thrived over the past ten years are not the ones that resisted this shift or the ones that let technology replace their consultants but rather the ones that used the new infrastructure to free up consultant time for exactly that judgment, rather than for research that machines now do faster.

BY FUNCTIONAL LEVEL

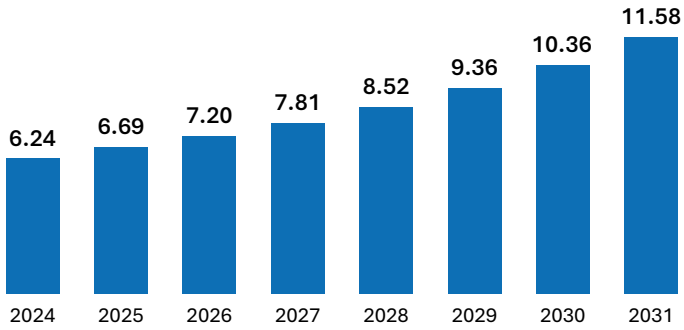
Executive Search Market, Revenue in USD Billion, By Functional Level, C-Suite, Global, 2024-2031

CAGR (2026-2031): 10.21%



Executive Search Market, Revenue in USD Billion, By Functional Level, EVP/SVP/VP, Global, 2024-2031

CAGR (2026-2031): 9.96%



Source: Mordor Intelligence

15 https://biohire.org/an-evolution-of-executive-search-navigating-a-changing-landscape/
16 https://www.nationalsearchgroup.com/future-of-executive-search-ai-human-expertise/

THE MARKET IN 2026 AND BEYOND

Top 50 Americas firms	Big Five combined fees	US market size, 2026	Firms expecting more growth
$6.69B	$7.43B	$10.2B	94%
Fee revenue	Strongest year on record	-2% to -3% CAGR since 2021	Of firms surveyed

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

The executive search industry enters 2027 from a position of strength, having recovered extremely well from the 2022–2024 hiring slowdown into what today is a broader based period of growth concentrated at the top of the market.

Over the past twelve months fee revenue among the 50 largest search firms in the Americas rose 11% last year to $6.69 billion, with three-quarters of ranked firms posting growth and nearly half expanding by double digits (3) The five largest global firms Korn Ferry, Spencer Stuart, Heidrick & Struggles, Russell Reynolds Associates, and Egon Zehnder posted a combined $7.43 billion in fees, their strongest year on record. Ninety-four percent of firms surveyed by Hunt Scanlon expect this growth to continue.

The global executive search profession continues to be a highly fragmented, relationship driven industry anchored by a small number of dominant global firms operating alongside thousands of smaller and boutique practices. The Association of Executive Search and Leadership Consultants (AESC), the profession's global trade body, which counts more than 16,000 professionals across 1,200+ offices in 70+ countries among its member firms collectively place over 100,000 executives annually into board and C-suite roles alone.

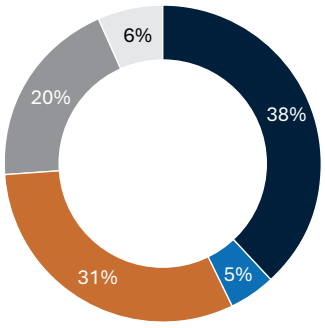
Across the US, it is estimated that over 5,000 search firms operate in the space, with no single firm holding more than 5% market share underscoring how fragmented the industry remains even in its largest national market. Despite that fragmentation, performance across the industry is currently bifurcated: the U.S. market as a whole, sized at $10.2 billion in 2026, contracted at a 2–3% CAGR from 2021 to 2026 as elevated interest rates and softer senior-level hiring weighed on smaller and mid-market firms, while the largest global players grew through the same conditions.

Recruiterflow also points to a profitability squeeze beneath the top line. Across the firms it works with, revenue is largely holding while net income declines, as softer demand meets high delivery costs. The pressure point is profit conversion, not demand, which reframes the compensation question. Firms are paying out of a shrinking profit pool, not a shrinking revenue pool.

The divergence is visible directly in the largest firm results where Korn Ferry posted fiscal 2026 fee revenue of $2.9 billion and its fifth consecutive quarter of top line growth[17], while Heidrick & Struggles reported 16% revenue growth in its most recent quarter.[18] The industry also continues its accelerating consolidation, exemplified by Korn Ferry's June 2026 agreement to acquire UK-based workforce solutions provider AMS for $1.1 billion, extending its reach beyond core search into RPO and contingent workforce services. The larger firms are increasingly separating from the broader, more fragmented market.

REGIONAL TRENDS

Executive Search Market, Revenue Share (%), By Geography, Global, 2025



Executive Search Market, Revenue in USD Billion, By Geography, Global, 2024-2031

By Functional Level	2024	2025	2026	2027	2028	2029	2030	2031	CAGR (%) (2026-2031)
North America	9.05	9.71	10.49	11.39	12.44	13.69	15.18	16.98	10.12%
South America	1.11	1.20	1.31	1.43	1.58	1.76	1.97	2.22	11.20%
Europe	7.32	7.87	8.50	9.23	10.10	11.13	12.36	13.85	10.26%
Asia Pacific	4.55	5.00	5.51	6.12	6.84	7.70	8.74	10.00	12.66%
Middle East & Africa	1.50	1.63	1.79	1.96	2.17	2.43	2.73	3.09	11.61%
Total	23.53	25.41	27.59	30.14	33.14	36.71	40.98	46.15	10.84%

Source: Mordor Intelligence

17 https://www.kornferry.com/about-us/press/korn-ferry-announces-fourth-quarter-and-full-year-fy26-results-of-operations
18 https://heidrick.mediaroom.com/2025-11-03-Heidrick-Struggles-Delivers-16-Revenue-Growth-in-Q3,-Driving-Strong-Profitability

Europe remains the second-largest executive search market globally after North America, anchored by the UK, Germany, and France, with significant activity also concentrated in Switzerland and the Nordics given the density of multinational headquarters and financial institutions there. Demand has been driven heavily by cross-border leadership searches from multinationals that increasingly want executives with experience operating across several European markets along with a strong pull toward governance, ESG, and sustainability-linked leadership roles. EU regulatory requirements around reporting and disclosure have continued to expand during this time. Digital transformation and AI governance mandates are also considerable growth areas for search firms operating in the region.

Asia Pacific remains generally buoyant even though growth across the region can be uneven year to year. China, India, and Southeast Asia continue to be the main human capital growth engines as companies have continued to institutionalize beyond purely founder-led leadership structures. Multinational firms have also expanded into the region, creating demand for both local and expatriate executive talent. Growth in APAC is also tied closely to technology and manufacturing leadership hiring, though the region is more exposed than others to swings in geopolitical tension which can slow new-business activity in any given year despite an overall positive multi-year trend.

Latin America is still the smallest of the major regions by market size but is a structurally strong and growing market, driven by private equity-backed companies and family-owned enterprises bringing in outside executives to manage succession, professionalize operations, and support cross-border expansion. Brazil and Mexico tend to anchor regional activity, with demand concentrated in financial services, industrials, and consumer sectors.

Revenue Mix Trends: Search vs. Advisory vs. Talent Intelligence

Executive search remains the anchor revenue line for the industry, but the mix is shifting steadily toward broader advisory and data/technology-driven offerings. Firms have responded by leaning into niche advisory services to stabilize income and have diversified across the sector. At the same time, the top of the market is expanding again: fee revenue at the 50 largest U.S./Americas search firms rose 11% in the most recent year to $6.69 billion, with 94% of firms surveyed expecting further revenue growth in 2026.[19]

For many organizations, talent intelligence has been treated as a luxury rather than a necessity. Large enterprises have invested in dedicated analytics teams both onshore and offshore, while smaller firms have relied on ad hoc approaches rather than systematic market intelligence. That is becoming harder to sustain.

Deloitte's 2025 research on talent acquisition technology[20] found that talent intelligence platforms are enabling TA functions to better forecast hiring needs, predict requirements, and see competitors' hiring strategies. Understanding talent pools and availability is now happening in real time replacing the guesswork that periodic research used to paper over. LinkedIn's own research on AI-assisted recruiting found that recruiters using AI-assisted messaging were 9% more likely to make a quality hire than those who did not. This was an early signal that the tools built on top of real-time talent data are already showing measurable outcome differences and not just efficiency gains.

The mechanism behind that gap is straightforward. Talent markets move continuously. A compensation band that was competitive six months ago may not be today. A skill set that was abundant in the candidate market last quarter may be tightening because three of the main competitors launched hiring surges in the same function simultaneously. A sourcing channel that consistently produced strong candidates may have shifted as candidate behavior on that platform changed.

Ad hoc research generally captures a snapshot of a market that has already moved. Real-time talent intelligence captures the market more forensically. Tas hiring decisions are actually being made. This in turn gives recruiters the ability to advise hiring managers on what it will realistically take to close a candidate today, not what it took six months ago. The most agile executive search firms today do not only consume intelligence but translate it into real-time hiring manager conversations that reset expectations before the process starts reducing the offer surprises, extended timelines, and declined candidates that result when compensation and market assumptions do not match current reality. As a result, talent intelligence is no longer a reporting tool but has become a critical decision support tool.

Growth of Non-Placement Revenue Streams

Retained search placement fees remain the largest single line on most executive search firms' P&Ls, but they are no longer the fastest growing one. Four adjacent revenue streams including recruitment process outsourcing (RPO), interim/fractional leadership, advisory and coaching, and subscription based talent intelligence are expanding at rates that outpace core placement, and firms of every size are restructuring around that fact rather than treating it as a side hustle.

RPO: the largest and most consistently forecast growth line

There continues to be a lack of consensus on the RPO market size, ranging from roughly $8 billion to $18 billion but many believe it will deliver double-digit compound annual growth through the early 2030s, with estimates clustering between 12% and 20% CAGR. The spread in sizing reflects inconsistent industry methodologies, but the growth signs are nevertheless consistent across all of them.

19 https://www.prnewswire.com/news-releases/hunt-scanlon-reports-executive-recruiting-sector-grew-11-302722624.html
20 https://www.deloitte.com/us/en/services/consulting/blogs/human-capital/ai-in-talent-acquisition.html

Interim and fractional leadership: the fastest-reacting revenue line

Interim leadership has moved from a stopgap service to a distinct product line in its own right with its own economics. CEO turnover reached record levels in 2025, with more than 1,200 departures recorded in the first half of the year alone, a 20% increase over the previous record set in 2023. That churn has pushed interim leadership from stopgap to strategy: one-third of new CEOs appointed in 2025 started on an interim basis, and 18% were designated as professional placeholders, more than double the prior year's rate. The shift reflects thin succession benches, particularly at small and mid-market companies that lack the depth to redeploy senior talent internally, combined with burnout from sustained economic volatility and AI-driven disruption. However, boards are no longer using interims purely to hold the seat; the most effective ones are assessing team dynamics, closing capability gaps, and coaching the executives around them, often positioning a direct report as the natural successor by the time the interim's mandate ends.[21]

As a result, executive search firms have responded by building dedicated interim and fractional practices rather than staffing these assignments as overflow work from permanent search teams. The economics are structurally different from retained search: engagement fees per assignment are lower, but higher transaction volume and shorter cycle times offset the dilution, and firms increasingly describe interim assignments as "annuity-like" when they roll into permanent placements.

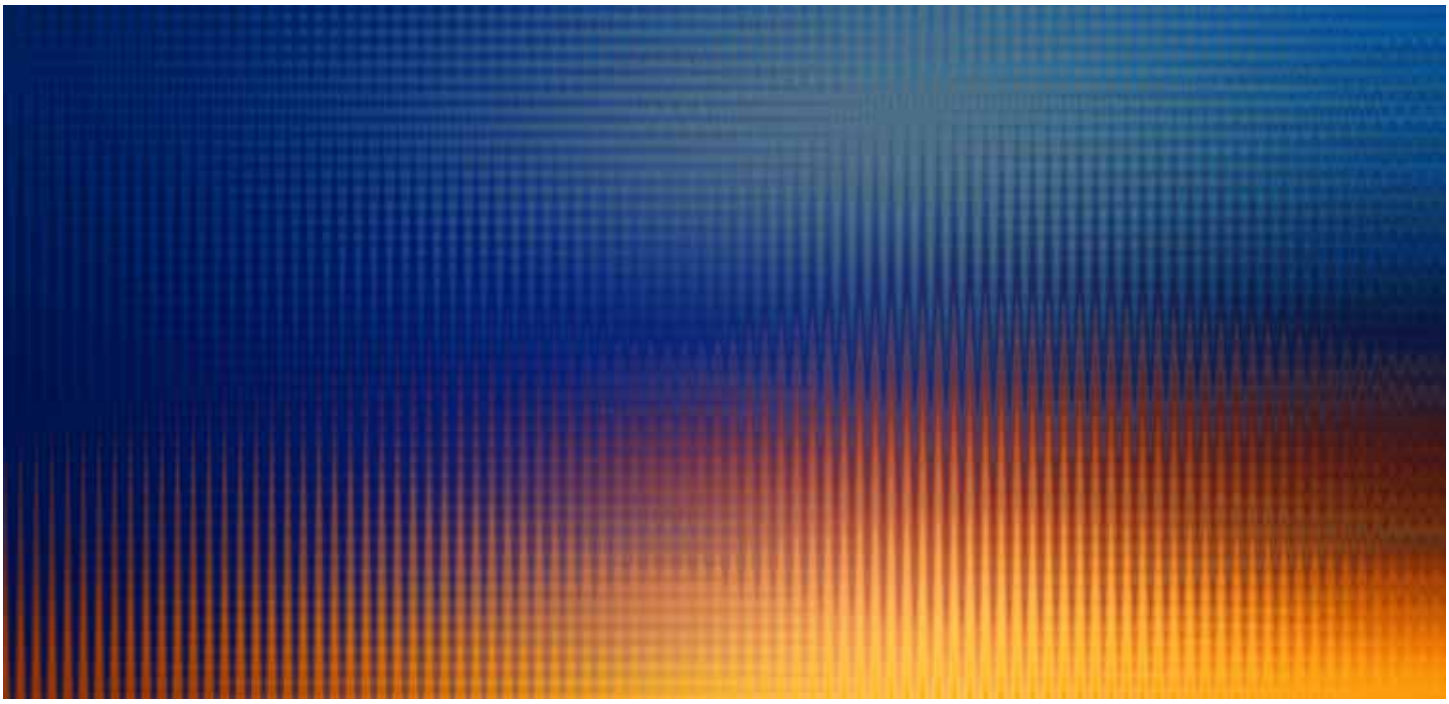
Multiple boutique and mid-market firms now market interim/fractional practices as a standalone service line rather than an extension of search, citing post-acquisition integration, restructuring, and bridge-leadership scenarios as the primary demand drivers.

Advisory, consulting, and coaching: the highest-margin diversification path

Bullhorn's 2025 GRID Industry Trends Survey found that among firms that grew revenue in the previous year executive coaching (35%) and consulting (30%) topped the list of new service lines added and those firms were five times more likely to be adding coaching and three times more likely to be adding consulting than firms that lost more than 10% in revenue. That gap is the clearest available evidence that advisory diversification is not a discretionary strategy pursued only by firms with spare capacity; it correlates directly with which firms are winning and which are losing share.[22]

Talent intelligence and data subscriptions: the smallest line, but the only one earning recurring-revenue economics

Subscription and license revenue is the one non placement stream behaving like a software business rather than a services business. RPO, interim, and advisory is still fundamentally a services business. Revenue is billed against a mandate, a placement, or a project; it starts and stops with client need. Subscription-based talent intelligence is the exception, and it is worth highlighting the economics which are categorically different and not just incrementally better. In a services business, revenue moves with headcount, hours, and hiring volume when the underlying segment is flat, everything inside it is usually flat too.



21 https://www.challengergray.com/blog/challenger-ceo-turnover-report-ceo-exits-surge-70-in-april-2025-women-ceo-rate-falls/
22 https://www.bullhorn.com/uk/grid/2025-industry-trends-report/

A recurring subscription based offering inside a flat segment means clients are renewing and expanding their data access independent of whether they are actively running searches that year. That is the defining trait of software economics: revenue that persists through the client's hiring cycle rather than tracking it.

The asset underneath that subscription revenue is what makes it defensible. It is not a product that a competitor can replicate quickly as it is built from years of accumulated assessment data, compensation benchmarks, and placement outcomes across tens of millions of individuals and tens of thousands of companies. That kind of data moat is precisely what allows a subscription product to command renewal pricing power the way enterprise software does, rather than being re-negotiated project by project the way search and consulting fees are.

The scale difference matters too. In absolute dollars, this is the smallest of the four non-placement streams yet it is the only one that public-market analysts and PE-backed acquirers are willing to value at a software-like multiple rather than a services multiple, because recurring, high-margin, renewal-driven revenue is inherently worth more per dollar than fee revenue that has to be re-won every engagement. For a firm building out this capability, even a modest subscription revenue booking can be worth more to enterprise value than a much larger placement book which is exactly why every major player in this space is now racing to convert proprietary data into a standalone product rather than treating it as a research tool that supports search.

Subscription, Retainer, and Recurring Revenue Models

The retainer has been the industry's core pricing mechanism for decades, but it is no longer the only mechanism generating predictable revenue. A distinct recurring revenue layer is that covering subscription-based data and intelligence products. Over the past several years it has been developing alongside it, but the two operate on fundamentally different economic logic. The retainer model remains dominant and structurally unchanged.

Retained search remains priced on a percentage of the placed executive's first-year total compensation, typically 25% to 35%, with 30–33% being the most frequent benchmark at the senior end of the market. The fee is paid in three equal installments regardless of size or geography: roughly one-third at engagement, one-third at a defined milestone such as shortlist delivery, and the final third at offer acceptance or placement. Some firms use calendar-based tranches instead such as signing, 30 days, and 60 days but the three-payment level structure is adopted by the majority of large global firms, mid-size firms, and boutiques alike.

Minimum fee floors of $100,000–$150,000 are common at the top of the market regardless of the percentage applied. This structure exists because the bulk of a search firm's work such as market mapping, research, outreach design, stakeholder calibration happens before a candidate is ever placed. The retainer covers costs and compensates for the search itself, not only the hiring outcome, and it is what allows a firm to commit senior capacity and decline other mandates in the same function.

Contingency and hybrid models: the flexible middle

Contingency search charges nothing upfront and pays only on placement, typically 15–25% (10) of first-year base salary rather than total compensation, a lower rate reflecting the firm's risk, since multiple firms may work the same role simultaneously with no guarantee of payment. Hybrid or "engaged" models sit between the two: a partial upfront commitment, commonly 10–25% or one-third to one-half of the projected fee, followed by a success payment on placement. This structure has grown the fastest among mid-market and PE-backed clients who want exclusivity and firm commitment without the full retained cash outlay upfront.

None of these three structures, retained, contingency, or hybrid produce revenue that persists independent of an active search. Each one starts and stops with a specific mandate.

Subscription and data-license revenue: the one true recurring stream

Talent intelligence products[23] such as compensation benchmarking, market-mapping, competitor hiring tracking, and human capital due diligence are increasingly sold on subscription or license terms rather than billed per engagement. This is the one revenue line in executive search that behaves like enterprise software rather than a service: clients pay for ongoing access rather than a specific deliverable, and the fee renews independent of whether the client is actively running a search that year. Talent intelligence platforms price on enterprise-software terms, not search terms. Some run on a subscription/ARR model with two layers, a seat-based access to the platform itself, and a separate Data API/enterprise-integration tier for firms that want to embed its people, company, and investor data directly into their own CRM or TRM. Others operate by charging a custom, negotiated per-seat pricing per user per year, with typical enterprise deployments running $25,000–$100,000+ annually and annual contracts are usually required. These platforms are built for mid-to-large enterprise budgets rather than boutique economics, which is exactly why the pricing stays opaque and negotiated rather than settling into a standard rate the way retained search fees have.

At one large executive search and consulting firm, subscription and license revenue within its data and technology segment grew nearly 8% year-over-year even while that segment's total fee revenue was roughly flat. This is evidence that clients were renewing and expanding data access at a pace disconnected from actual hiring volume. That is the defining trait separating subscription revenue from every fee model above it: retainers, contingency fees, and hybrid arrangements are all repriced and rebid on every new mandate, while a data subscription renews on its own schedule.

23 https://www.pin.com/blog/talent-intelligence-software/

The retainer will remain the dominant revenue line for any firm doing serious senior level, C-suite and board-level work as the fee reflects real, front-loaded labor that a subscription product cannot replace. However, a firm's exposure to cyclical hiring slowdowns is a direct function of how much of its revenue sits in retainer, contingency, and hybrid fees versus how much sits in recurring subscription or license revenue. A firm with zero subscription revenue has no cushion when search volume contracts. A firm that has converted even a modest share of its proprietary research and benchmarking data into a standalone subscription product has a revenue line that does not immediately disappear when mandates slow down. That is the strategic case for building a data or intelligence product on top of an existing research function, rather than treating that research purely as internal overhead supporting search engagements.

Pricing Power & Margin Trends Across Firm Types

Fee percentage alone understates the margin gap between firm types.[24] Large global firms such as the "big five" of Korn Ferry, Heidrick & Struggles, Russell Reynolds, Spencer Stuart and Egon Zehnder typically charge on the higher end of the range, with retainers commonly running $80,000 to $250,000+ per engagement and standard fees at 33% of first-year compensation, but their margin advantage does not come primarily from the percentage they charge. It comes from leverage.[25] The firms operating at a 5:1 associate-to-partner ratio generate materially higher gross margins than boutiques running closer to 2:1, because partner time which is the highest-cost input in this business gets spread across more billable engagements per partner. Executive search as a category also carries structurally higher gross margins than adjacent staffing lines, with published benchmarks putting search in the 50–70% range against 20–30% for general staffing and contingency placement, precisely because search work has none of the direct labor costs that come with employing and deploying temporary workers.

Big Five	Boutique
5:1	**2:1**
associates per partner	associates per partner

Source: Hunt Scanlon Media / HSiQ Talent Intelligence. See Methodology in the Foreword for scope, sources, assumptions and limitations

Boutiques compete on a different axis.[26] Fee percentages at boutique and specialist firms typically but not always run lower than at large platforms roughly 20-25% of first-year compensation versus 30–33% at the big five. Some attribute this as a discount that reflects lower overhead rather than lower value, and one that boutiques use deliberately to win price sensitive mandates and build long-term client relationships.

What boutiques give up in per-engagement margin, they often recover through faster turnaround (mid-market PE-focused specialists frequently close searches in 1–3 months against 3–6 months for large-platform searches) and through deeper practice level specialization that reduces research costs per search. The tradeoff is real: without global reach or brand-driven pricing power, a boutique's margin is far more sensitive to market dynamics especially if partner hours sit idle between mandates, fixed costs erode margin quickly, since consultant compensation is typically the dominant cost line in this business regardless of firm size.

The net effect is that firm size buys pricing power on the fee percentage, but margin durability depends more on leverage ratio and utilization than on the sticker price of the retainer. That is part of why the shift toward hybrid pricing and non-placement revenue matters more for boutiques than for the big five: a boutique that also layers subscription or advisory revenue onto its existing client relationships is diversifying away from a margin structure that's inherently more fragile than a large platform's, while a large firm doing the same is optimizing a margin structure that is already comparatively stable.

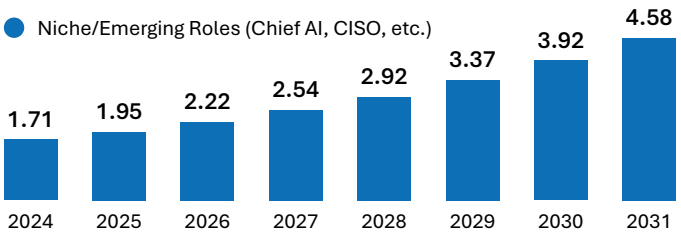
Impact of Digital Platforms & AI on Executive Search Revenue Models

AI's clearest effect on this industry so far is not on actual placement volume but rather on which parts of the search process still command a fee at all. Name generation, the oldest and lowest tier of executive search research, has been substantially disrupted by AI sourcing platforms that now generate candidate names at effectively zero marginal cost. What used to be priced per name and billed as part of the research phase of a retained search, is being commoditized out from under firms that built their fee structure around it. This is producing a genuine unbundling of the search process. AI sourcing tools namely the platforms scanning aggregated databases of 800 million to over a billion profiles now handle keyword and attribute based candidate list generation as a self-serve product, separate from the judgment-driven work of qualification, cultural assessment, and most importantly, close.

EXECUTIVE SEARCH MARKET

Revenue in USD Billion, By Functional Level, Niche/Emerging Roles (Chief AI, CISO, ETC.), Global, 2024-2031

CAGR (2026-2031): 15.57%



Source: Mordor Intelligence

24 https://www.eaglerockcfo.com/blog/profitability-guide/gross-margin-benchmarks
25 https://ctacquisitions.com/best-executive-search-firms-for-pe-portfolio-companies/
26 https://huntscanlon.com/boutique-executive-search-firms-the-smart-alternative/

A number of research only firms has emerged specifically to sell the unbundled middle layer.[27] AI-assisted talent mapping, organizational intelligence, and candidate development sold directly to internal recruiting teams, rather than folded into a full retained mandate. That is a new revenue category that did not exist as a standalone business line five years ago and it exists mainly because AI made name generation cheap enough that clients started asking why they were paying full retained rates for work a database could now do.

The speed effect is measurable, and it has reshaped fee economics indirectly. Firms using AI-assisted sourcing are reporting C-suite searches closing roughly five weeks faster than firms without it, with typical timelines compressing from about 14 weeks to 9 weeks in some tracking. Firms deploying AI-assisted sourcing are also reportedly 3.5–4.5 times more likely to grow revenue than firms that have not yet adopted.

While faster cycle times do not reduce the percentage of compensation fee on any single search, they do change in part the volume math: a firm that closes searches in 9 weeks instead of 14 can run meaningfully more mandates per consultant per year at the same fee structure, which is a margin lever distinct from anything in the retainer/contingency/hybrid framework itself.

This is counterbalanced by growing pressure from candidates. Generative AI is undermining the reliability of standard hiring practices as polished resumes and coached interview performance are easier to manufacture which is now pushing search firms toward a heavier investment in structured assessment, reference verification, and cultural-fit evaluation precisely because the sourcing layer alone is no longer trustworthy on its own. That is the part of the value chain AI has not yet compressed, and it is where firms are increasingly anchoring the case for their fee: not on finding names, but on validating them.[28]

There is also a broader pattern here which is visible in adjacent consulting style industries facing the same shift: AI erodes effort-based and headcount-based pricing wherever it appears, and buyers who keep paying by the hour or by the name let the provider capture 100% of the AI productivity gain instead of sharing it.

Executive search has not yet fully confronted this yet in its own fee structure as the retainer's percentage of compensation logic does not actually reference labor hours directly, so it has more built-in resistance to this pressure than an hourly-billed consulting engagement would. However, the unbundling of executive search research trend is the leading edge of the same dynamic reaching this industry: as AI keeps compressing the cost of the parts of search that used to justify a chunk of the retainer, clients increasingly know it, and firms that cannot articulate what part of their fee is still buying irreplaceable judgment are the ones most exposed.

These developments suggest that AI is not eliminating executive search but significantly redefining where value is created. The economics of the industry are shifting away from information access toward much more interpretation, assessment, and judgment. The firms most likely to thrive will not be those with access to the largest databases or the fastest sourcing tools, but those that can consistently distinguish signal from noise, assess leadership capability in increasingly complex environments, and reduce the risk of costly hiring mistakes. (18) As routine elements of the search process become automated and commoditized, the enduring value of executive search lies less in finding executives and more in helping organizations make better leadership decisions. In that sense, AI is not replacing the executive search profession but it is rapidly accelerating its evolution from a sourcing business into a talent intelligence and decision advisory business.

Case Study: Riviera Partners – Platform Investment as a Diversification Strategy

Riviera Partners offers a different model of diversification in executive search: expanding a specialist business through proprietary technology, deeper market coverage, and selective acquisitions. Its strategy has kept technology talent front and center while also significantly broadening the client base, industries, and geographies it serves. Founded 25 years ago in Silicon Valley, Riviera initially concentrated on engineering leadership for venture backed companies, securing early and highly visible CTO assignments for hugely successful enterprises like Uber, Snowflake and Twitter. Today, its ambition is to become the best in class and default technology talent partner for companies from seed stage to the Fortune 10. Its private equity practice, established approximately four years ago, is now its largest segment and hugely successful. Outside capital helped support that expansion. In June 2019, Riviera secured a $25 million minority investment led by Kayne Anderson Capital Advisors and ROCA Partners, supporting geographic growth, acquisitions, and development of its proprietary platform called Sutro. The acquisition of New York based Bamboo Talent extended its East Coast presence. A second minority investment, from Insight Partners in December 2022, supported further technology development and international expansion as part of its core growth strategy.

27 https://intellerati.com/resources/
28 https://hbr.org/2026/06/ai-has-broken-hiring-heres-how-to-fix-it

The platform as a source of productivity

For CEO Michael Newcomer, Riviera's advantage combines functional specialization with years of systematically collected market intelligence. He has described Riviera as a vibrant business conducting approximately 2,000 new technology market conversations each week, with knowledge spanning more than three million technology executives. That is a huge differentiator. AI makes that accumulated intelligence much more useful, helping consultants identify relevant candidates and concentrate on relationships, assessment, and client advice. Sutro, the firm's operating system, is an incredibly valuable internal asset. The firm's commercial value comes through streamlined search delivery as well as superior client outcomes. Clients, according to Newcomer want to buy specialist expertise and results and technology supports that proposition by helping Riviera reach suitable candidates much faster. According to Newcomer, the firm identified the eventual finalist an average of 21 days after a search began in 2025; average search completion took slightly under 90 days. Identifying someone quickly still leaves the work of building mutual confidence and securing agreement on a consequential leadership appointment and this is where Riviera excels. Newcomer estimates that annual searches completed per consultant have increased approximately 40% over recent years and he is well on his way to a target over the next few years of $1 million in revenue per employee across the firm, supported by technology in both search delivery and administration. Investments are also being made in business development, marketing, performance support, communications coaching, and consultant training. The aim is to increase completed assignments through greater efficiency and shorter cycle times while preserving the depth of each consultant's involvement. Newcomer sees limits, however, to how many searches a successful recruiter can manage simultaneously while also knowing the candidates and client ecosystem equally well. Productivity depends on improving delivery throughout the process, with consultants remaining closely involved in each assignment and that has given Riveria an edge in the sector.

Acquisition extends the AI talent offering

In June 2026, Riviera acquired Lateral Labs, a specialist recruiting firm serving leading AI startups. The acquisition adds even more access and bench strength to the AI and machine learning segment and extends Riviera's ability to support executive and technical hiring from seed stage through IPO. The strategic fit is clear: as clients build AI capabilities, Riviera can address more of their technology hiring needs while retaining its specialist focus. Lateral Labs adds depth within that market and relationships with companies whose leadership requirements can grow alongside them. Geographic expansion follows a similarly selective approach. Beyond North America and Europe, Riviera now has a presence in India and Dubai. Further expansion depends on finding leaders who understand local markets and can adapt the firm's approach to how clients actually buy search. Newcomer credits Europe's development to the highly talented existing leadership that understood Riviera's culture and could establish its relevance locally. However, that experience also shapes his caution about entering additional markets before the right people and conditions are in place. Newcomer reports approximately 60% compound annual growth over the past three years, describing that growth as organic largely from small acquisitions and tuck-in's. With Insight Partner's backing, the priority continues to be profitable market share growth, supported by disciplined hiring and investment. He emphasizes that profitability provides discipline in decisions about recruitment and expansion, while the investor relationship allows continued investment in growth. Riviera's own experience and results broaden the meaning of diversification. A search firm can build a much larger business by applying deep functional expertise across more markets, strengthening delivery through proprietary intelligence, and acquiring complementary capabilities. For firms deciding where to invest limited capital, Riviera illustrates how well sustained investment in the core search offering can itself create room to grow. The resulting advantage belongs to the firm and its consultants alike.

RIVIERA PARTNERS

Platform investment strategy

- **2019:** $25M raise, Kayne Anderson / ROCA
- **2022:** 2nd raise, Insight Partners SutroX
- **2024:** EMEA, PE, financial services practices
- **2026:** Acquires Lateral Labs, AI and Machine Learning **Search**

$31M → $135M
revenue, 2019 to 2026

ZRG PARTNERS

Programmatic M&A strategy

- Search → interim, consulting, RPO added
- 13 → 22 offices under Northcreek Mezzanine
- 38%+ CAGR over 4-year period

$230M
worldwide revenue, current

Source: Hunt Scanlon Media / HSiQ Talent Intelligence. See Methodology in the Foreword for scope, sources, assumptions and limitations

Case Study: ZRG Partners Programmatic M&A as a Diversification Engine

Where Riviera diversified by building technology internally, ZRG Partners has diversified by acquisition, repeatedly, deliberately, and with an explicit strategy of converting a single line retained search firm into a four-line talent platform which has achieved remarkable success.

ZRG began as a single line, retained executive search firm. CEO Larry Hartmann has been direct about what has changed and why: "We now have four business lines (search, interim, consulting, RPO) handling talent needs for our clients across the world. We've diversified our offerings because we want to say yes to more clients when they have a need." That is a materially different rationale than most diversification narratives in this space, which tend to frame advisory or subscription expansion as a margin play. Hartmann frames it as a client-retention strategy first and the firm did not want to lose a client relationship just because that client's immediate need fell outside pure retained search. Hartmann's own term for the mechanism is "programmatic M&A" not opportunistic, one-off acquisitions, but a repeatable acquisition process built into the firm's growth model. Hunt Scanlon named ZRG the fastest-growing firm in its Top 20 rankings on the strength of that approach.

ZRG's growth was PE-backed. During a prior four-year period under capital partner Northcreek Mezzanine, the firm posted a compound annual growth rate exceeding 38% and nearly doubled its office footprint, from 13 to 22 locations globally, before Northcreek eventually exited the investment. ZRG has continued expanding since and the firm today operates as a PE-backed global talent advisory platform employing hundreds of people, with $230 million in worldwide revenue.

The distinguishing detail in ZRG's case is not that it acquired other firms because plenty of executive search platforms do. Instead, it was how the acquisitions were organized around a deliberate service line architecture from the start: search, interim, consulting, and RPO, each acquired or built to serve a specific type of client need rather than bolted on opportunistically. That is a significant structural difference from a firm that adds an advisory practice reactively when a client asks for one. ZRG built toward "four business lines" as a stated target, and its M&A activity has served that target rather than simply adding scale for its own sake.

ZRG is the clearest documented example in the current dataset of a firm treating revenue line diversification as core strategy rather than opportunistic addition.[29] It sits at the opposite end of the diversification spectrum from Riviera: Riviera diversified by deepening one product (search) with proprietary technology and adjacent sector expansion; ZRG diversified by deliberately acquiring capability across four distinct revenue models under one roof. Both produced outsized growth relative to the industry average which suggests the diversification thesis itself, not the specific mechanism, is what correlates with outperformance. A firm does not have to choose between the Riviera playbook or the ZRG playbook; the two are evidence that multiple paths to the same underlying strategy for building revenue resilience outside pure placement fees can work.



29 https://huntscanlon.com/zrg-partners-swift-and-strategic-road-to-expansion/

SECTION 3

COMPENSATION BENCHMARKING

Compensation in executive search varies enormously, even among people with the same title. A Partner at one firm may earn several times what a Partner earns somewhere else. The same is true for Consultants, Principals and Managing Directors.

Global Compensation Overview by Firm Size*

That is why titles alone are a poor way to compare compensation across the executive search industry. What matters more is the type of firm, the individual's ability to generate revenue, the sector they work in and the way the firm rewards its people.

Firm size matters as larger firms generally tend to offer higher base salaries, more predictable compensation and, at senior levels, access to profit sharing or long-term incentives. Smaller firms may offer lower fixed compensation but can also provide much greater upside through commissions, revenue sharing, equity and in some cases greater autonomy.

The biggest difference is therefore not always how much people earn but how they earn it.

Large global firms can support higher fixed salaries because they typically have larger clients, higher average search fees and more predictable revenue. They also charge a fixed administrative fee for every search. Boutiques and specialist firms often operate differently and offer lower bases but allow successful consultants to keep a much larger share of what they produce.

That creates a wide range of outcomes, particularly at senior levels.

TYPICAL TOTAL CASH COMPENSATION BY FIRM TYPE[30]

Firm Type	Research	Consultant	Principal	Partner
Large global firms	$70k–$100k	$250k–$500k	$500k–$800k	$1M–$5M+
Mid-size retained firms	$60k–$90k	$180k–$350k	$350k–$600k	$700k–$2M
Boutique / specialist firms	$55k–$85k	$150k–$300k	$300k–$500k	$500k-$1.5M+

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

These ranges need to be treated as a directional guideline rather than hard and fast rules. Compensation structures differ significantly between firms. The more important point is that the compensation range gets wider as people become more senior. At junior levels, salaries tend to sit within relatively narrow bands. At Partner level, compensation can range from several hundred thousand dollars to several million.

The reason is simple: the further someone progresses in executive search, the more their compensation becomes tied to the business they generate.

*Compensation Data Disclaimer
The compensation data presented in this report represents Hunt Scanlon/HSiQ's best efforts to provide a realistic view of compensation across the retained executive search industry. There is currently no comprehensive industry wide compensation report for the retained search profession against which these findings can be independently benchmarked. Our data is therefore based primarily on proprietary research conducted over a five-month period, including interviews with 324 executive search professionals and market participants. The figures and ranges presented should be viewed as directional benchmarks and individual data points rather than definitive market standards. Compensation can vary significantly based on firm size, ownership structure, geography, sector, individual production, revenue attribution, commission structure, equity participation and other factors. Accordingly, no compensation, employment, investment or other business decision should be made solely in reliance on the information contained in this report. The data should be considered alongside other relevant information, individual circumstances and appropriate professional advice where necessary.

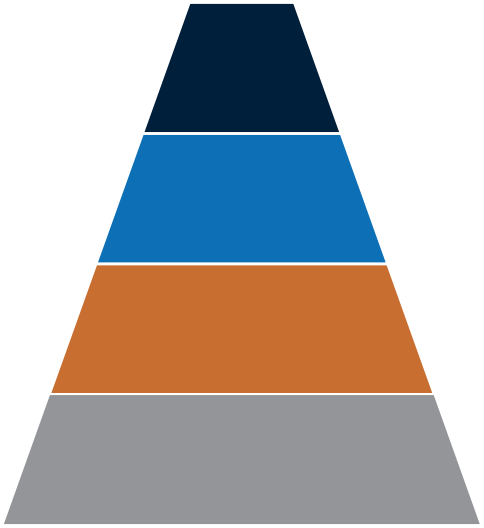
30 Hunt Scanlon/HSiQ Executive Search Compensation Study, 2026. Proprietary interview research conducted with 324 executive search professionals across all firms.

Compensation by Role

The same pattern can be seen across the career ladder.

Researchers and Associates are primarily paid for execution. As people move into Consultant and Principal roles, business development and client management become more important. At Partner level, the ability to originate and grow revenue becomes one of the biggest drivers of compensation.

EXECUTIVE SEARCH COMPENSATION PYRAMID



	Median Base	Median Total Cash
PARTNERS / MANAGING DIRECTORS	$500k	$1.2M+
PRINCIPALS / CLIENT PARTNERS	$250k	$500k - $750k
CONSULTANTS	$120k	$200k - $300k
RESEARCHERS / ASSOCIATES	$60k	$90k - $130k

Note: Global median ranges - All figures in USD

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

TYPICAL U.S. COMPENSATION BY CAREER LEVEL

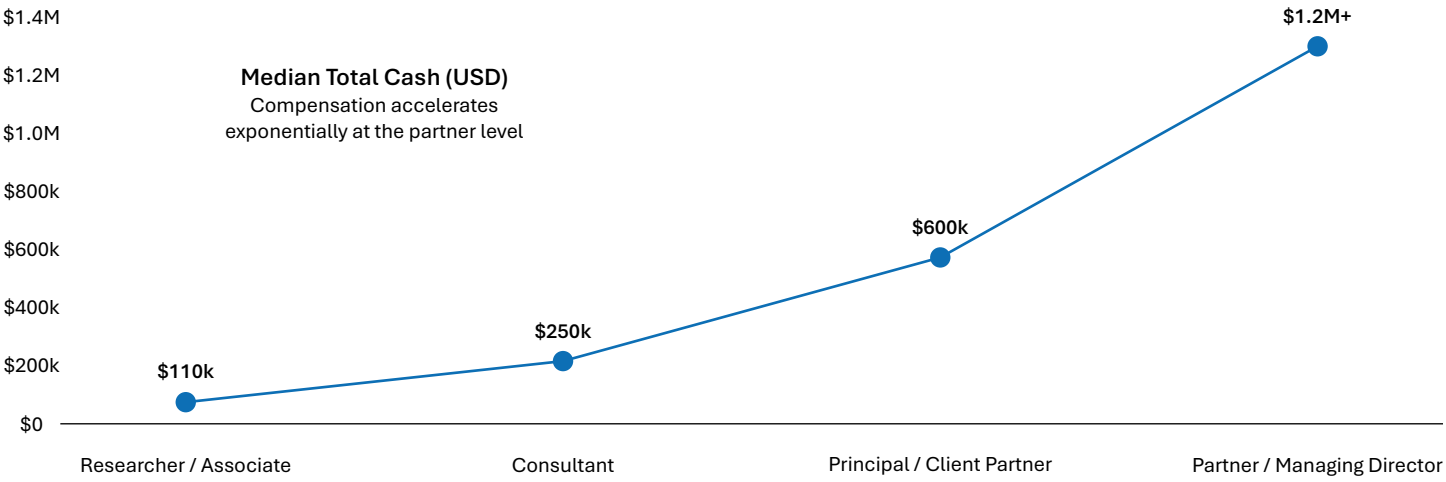
Career Level	Typical Base / Draw	Typical Total Cash
Research Analyst / Associate	$60k–$85k	$65k–$100k
Experienced Research Associate	$80k–$110k	$95k–$135k
Associate / Associate Consultant	$90k–$140k	$110k–$180k
Senior Associate	$120k–$170k	$150k–$240k
Consultant / Engagement Manager	$150k–$220k	$220k–$350k
Senior Consultant	$200k–$300k	$300k–$500k
Principal	$250k–$400k	$400k–$700k
Director / Search Director	$300k–$450k	$500k–$900k
Associate Partner	$350k–$500k	$700k–$1.2M
Partner / Client Partner	$450k–$700k	$1M–$2.5M+
Senior Partner	$600k–$900k	$1.5M–$4M+
Managing Partner	$2M-$5M+	$2M–$6M+
Global Leadership	$3M-$7M+	$3M–$10M+

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

The numbers become less predictable toward the top because senior compensation is increasingly tied to production, profit sharing and, in some cases, equity.

This is one of the most important characteristics of compensation in executive search: experience may get someone to the senior levels, but production determines where they sit within the range.

THE COMPENSATION CURVE



Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

The data we collected from our interviews makes this particularly clear.

For professionals with more than eleven years of experience, median base compensation is approximately $150,000, while median total compensation reaches $435,000. At the 75th percentile, total compensation reaches approximately $1.1 million.

After a certain point, base salary becomes a relatively small part of the compensation equation. This has been a remarkably consistent feature of executive search compensation since the 1990s: as producers become more senior and commercially successful, the economics increasingly shift away from fixed salary and toward variable compensation tied to individual production, team performance, and the revenue they generate for the firm. At the highest levels, what matters most is not salary but the size, structure and payout mechanics of the incentive plan and, increasingly, participation in the broader economics of the firm.

BASE SALARY / DRAW BY EXPERIENCE

Experience	25th Percentile	Median	75th Percentile
1 year	$65k	$85k	$105k
2–5 years	$70k	$110k	$174k
6–10 years	$100k	$145k	$230k
11+ years	$110k	$150k	$270k

TOTAL COMPENSATION BY EXPERIENCE

Experience	25th Percentile	Median	75th Percentile
1 year	$85k	$120k	$150k
2–5 years	$100k	$140k	$260k
6–10 years	$155k	$270k	$605k
11+ years	$220k	$435k	$1.1M

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

Median base salary falls slightly between professionals with 6–10 years of experience and those with more than 11 years, from $154,000 to $150,000.

Total compensation moves in exactly the opposite direction. Median total compensation rises from $270,000 to $435,000, while the 75th percentile increases from $605,000 to $1.1 million. At senior levels, base salary becomes less important, and production becomes much more important.

The fixed salary provides a floor. The real economic opportunity comes from what someone produces and how the firm rewards that production.

COMPENSATION BREAKDOWN BY ROLE

The same shift toward variable compensation can be seen when we look at the major roles individually.

COMPENSATION BREAKDOWN BY ROLE

Role	Base Salary	Total Compensation	Base Growth vs. 2024	Total Comp Growth vs. 2024
Associate / Senior Associate	$95k	$120k	+12%	0%
Full Desk Consultant	$138k	$260k	+20%	+4%
Principal	$142k	$250k	+20%	+25%
Partner	$215k	$685k	-2%	+1%

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

Partners / Managing Directors

At Partner level, median base salary declined 2% while total compensation increased slightly to $685,000. The fixed component is becoming less important while variable compensation continues to drive the economics of most search firms.

At the median, a Partner earning a $215,000 base and $685,000 in total compensation is receiving almost 70% of their compensation outside of base salary. For the highest producers, that percentage can be even greater. This is not new. Executive search has operated this way for decades but what has changed is the range of compensation available to the best producers and the increasing variety of ways firms are structuring that compensation.

Principals / Client Partners

Principals experienced some of the strongest compensation growth in the market. This is the hottest part of the market. Median base compensation increased 20%, while total compensation increased 25%.

They were also the only major group from our interviews that also became more likely to consider changing firms. Approximately 76% of Principals we interviewed said they had considered a move during the previous twelve months even though they remained at their current firm. This makes the Principal level particularly important for firms. These professionals are often reaching the point where they can manage searches independently, develop clients and begin generating meaningful revenue. They are valuable to competitors precisely because they have moved beyond pure execution but may not yet have the economics, status or client ownership of a Partner.

The compensation data we collected suggests firms increasingly understand that.

Consultants / Full Desk

Full Desk Search Consultants saw median base salaries increase 20% to $138,000, while total compensation increased only 4% to $260,000. That is a very different pattern from what we see at Partner level. Here, firms appear to be putting more money into guaranteed compensation rather than relying as heavily on potential commission upside.

There is a practical reason for this. Experienced Search Consultants have become more sophisticated about evaluating compensation plans. A large theoretical payout percentage means relatively little if the individual does not believe the platform, client base or opportunity flow will allow them to achieve it. Increasingly, candidates are looking at what they are actually likely to earn rather than what a compensation plan says they could earn.

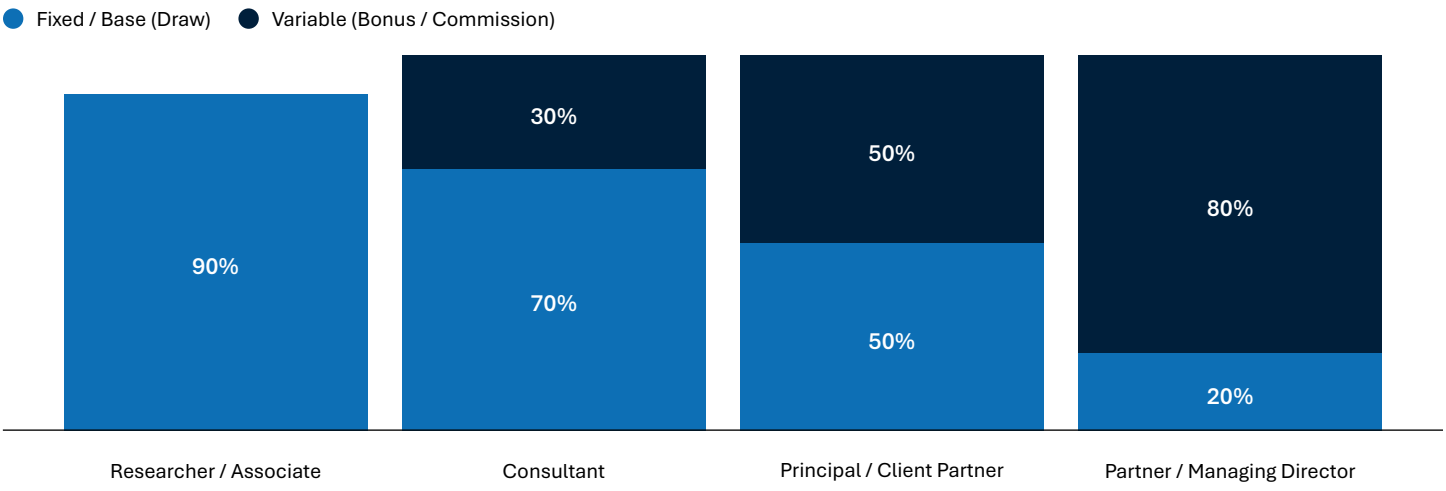
Researchers / Associates

The same pattern can be seen at the junior end of the market.

Median base salaries for Associates and Senior Associates increased 12% to $95,000, while total compensation remained flat at approximately $120,000. Again, firms are putting more money into fixed compensation. At this level, however, compensation is only one part of the overall retention equation.

Professionals who we canvassed in their first year rated the importance of learning and development at 9.0 out of 10, while rating the programs provided by their firms at only 6.0. Junior professionals told us that development is extremely important to them, yet many do not believe they are receiving enough of it. Firms that combine competitive compensation with strong training, mentorship and a visible career path therefore have an opportunity to differentiate themselves without simply paying more. Please refer to the Learning and Development sections of this report for more information regarding this.

FIXED VS. VARIABLE PAY



Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

One of the clearest trends in the market is greater emphasis on base salary, particularly just below Partner level.

Firms are increasingly recognizing that high theoretical earning potential is not always enough to attract experienced search professionals. This is especially true when candidates evaluate commission structures.

The average highest payout percentage in our data is generally45%. There are still a few outliers who pay up to 60% but these firms pay very small draws as a result, and they all have serious retention issues as this kind of payout is not always attractive if there is not enough business to generate meaningful billings.

A lower payout on a strong platform with established clients, higher search fees, better research support and consistent opportunity flow ultimately produce substantially greater compensation based on those we interviewed.

Candidates therefore increasingly look beyond just a headline percentage.

They want to understand the economics behind it. How much does the average consultant bill? What is the average fee? How is revenue attributed? Are there thresholds before commission begins? Is business shared across teams? What happens when several Partners contribute to the same client? How much support does the firm provide?

These questions determine what the compensation plan is actually worth. The broader result is that the compensation market is developing in two directions at the same time. The floor is rising, particularly for Researchers, Associates, Consultants and Principals, as firms compete for experienced talent with stronger guaranteed compensation. At the same time, the ceiling continues to rise for the industry's strongest producers. That combination creates a wider compensation range rather than a narrower one.

Equity

Equity remains relatively uncommon in executive search except at Partner level. Only approximately 9% of the professionals we interviewed reported holding equity in their firms.

Where equity does exist, however, its value does in fact appear to be increasing. Equity ranked as a potentially important factor search professionals have considered when evaluating a new career opportunity, ahead of factors including platform and healthcare benefits. That makes equity an interesting retention tool, but it is still nevertheless relatively scarce. This is particularly relevant for private equity-backed firms, growing boutiques and firms attempting to build a more institutional ownership model.

Bonus Structures & Commission Models

It is interesting that for a professional services industry there is no single compensation model across executive search, but most firms do use variations of a relatively small number of structures.

Solo or Full Desk Consultants who originate and execute their own searches may receive a direct percentage of the fees they generate, typically up to 30-50% of origination. Where origination and execution are shared, the economics are often divided between the person who brings in the assignment and the people responsible for executing it. Up to 50% goes to research or execution, although structures vary considerably by firm. We interviewed search professionals who said the ranges their received were between 30% and 60% for firms who value execution more than origination.

Payment timing also varies. Retained firms frequently pay incentives yearly, every six months or quarterly and against billing milestones, reflecting the longer cycle of retained assignments. Contingency or Container firms pay more frequently because placements and collections tend to occur faster.

PAYOUT

Attributed Billings	Average % Payout
$0–$250,000	25%
$250,000–$500,000	30%
$500,001–$750,000	35%
$750,001–$1M	37%
$1M–$1.5M	41%
$1.5M+	50%

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

Historically, executive search compensation has been built around identifying the individual responsible for generating revenue and paying that person accordingly.

However, searches are increasingly delivered through teams and while a consultant may own the client relationship, researchers, associates, sector experts, data platforms, market intelligence, technology and other Partners may all contribute to winning or executing the assignment. The payout percentage itself is always easy to calculate but the harder question is who should actually receive credit for the revenue? That issue becomes increasingly important as firms move toward more collaborative and technology-enabled delivery models and is addressed further in Section IV.

Regional Variation Within the U.S. Market

Geography still influences compensation, but much less than it once did. Across all levels, U.S. executive recruiters we spoke to show base salaries ranging from approximately $49,000 at the 10th percentile to $89,000 at the median and $150,000 at the 90th percentile.

New York City Consultants average approximately $125,000 in base compensation, with a range of roughly $96,000 to $160,000.[31]

The West Coast technology market commands an even greater premium with packages reaching approximately $225,000. However, the more important change is that geography itself is becoming less important.

Only 25% of search professionals we spoke to report working within a fixed hybrid model. Approximately 35% say they have complete freedom over where they work and another 17% are fully remote. That means more than half of the profession is no longer tied to a traditional office location. Working hours also appear broadly similar across the different models, averaging approximately 45 hours per week.

As executive search becomes more geographically flexible, compensation is increasingly determined by the market someone serves rather than simply where their office is located. A Financial Services Partner serving major New York clients may still command a premium because proximity and relationships matter and the same is also true for a Technology Partner operating in Silicon Valley. Yet increasingly, firms are paying for market access, expertise and production rather than ZIP code.

Sector-Based Variations

We found that the sector a search professional works in can have a major impact on compensation which appears to follow the economics of the underlying market.

Where leadership talent is hard to find, client demand is strong and search fees are high so successful search professionals can potentially generate more revenue. That ultimately flows through to compensation.

AVERAGE EARNINGS BY SECTOR PRACTICE

Sector Practice	Median Base / Draw	Average Take-Home Pay
Financial Services	$150k	$433k
Life Sciences	$215k	$370k
Healthcare	$172k	$310k
Technology	$150k	$265k
Energy & Engineering	$140k	$245k
Professional Services	$132k	$171k

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

The differences across sectors are quite significant given that the role is generally the same. Financial Services produces the highest average take-home pay at $433,000, despite a median base of only $150,000, reflecting a market where compensation is heavily tied to production. At the other end of the range, Professional Services averages $171,000 in take-home pay. The broader point to make here is that two search professionals at the same level can earn very different amounts depending on the sector they cover, the fees that sector supports and the value the market places on their particular expertise.

31 https://www.salary.com/research/salary/hiring/executive-search-consultant-salary/new-york-ny?utm

SECTION 4

COMPENSATION MODEL EVOLUTION — WHERE THE INDUSTRY IS HEADING

Executive search has always been a performance driven business. For decades, the basic compensation model was relatively straightforward: win the search, execute the assignment, collect the fee and share a portion of that revenue with the people responsible for producing it. That model is not disappearing but it is changing and evolving.

The way search firms create value has changed. Searches are now more team-based while technology and AI are playing a larger role in execution. Clients are buying more assessment, advisory and talent intelligence alongside traditional search. Relationships increasingly span multiple practices and services. And firms themselves are investing more heavily in data, technology, training and centralized infrastructure.

Compensation is reflecting those changes. This is particularly important because people costs represent by far the largest expense for most executive search firms. Changes to compensation are therefore not simply HR decisions but directly impact margins, retention, recruiting, collaboration and ultimately the value of the firm.

The next generation of compensation models is likely to preserve the industry's strong connection between performance and pay, while broadening the definition of what performance actually means.

LARGE GLOBAL FIRMS

Greatest ability to support the hybrid model

- Substantial base salaries
- Annual bonuses
- Profit participation (senior)
- Long-term incentives (senior)

MID-SIZED FIRMS

Blended, increasingly team-aware

- Base salary
- Individual production incentives
- Team bonuses

BOUTIQUES

Still the most commission-rich

- Commission-rich structures
- Draw against commission
- ...now competing with strong base + incentive participation

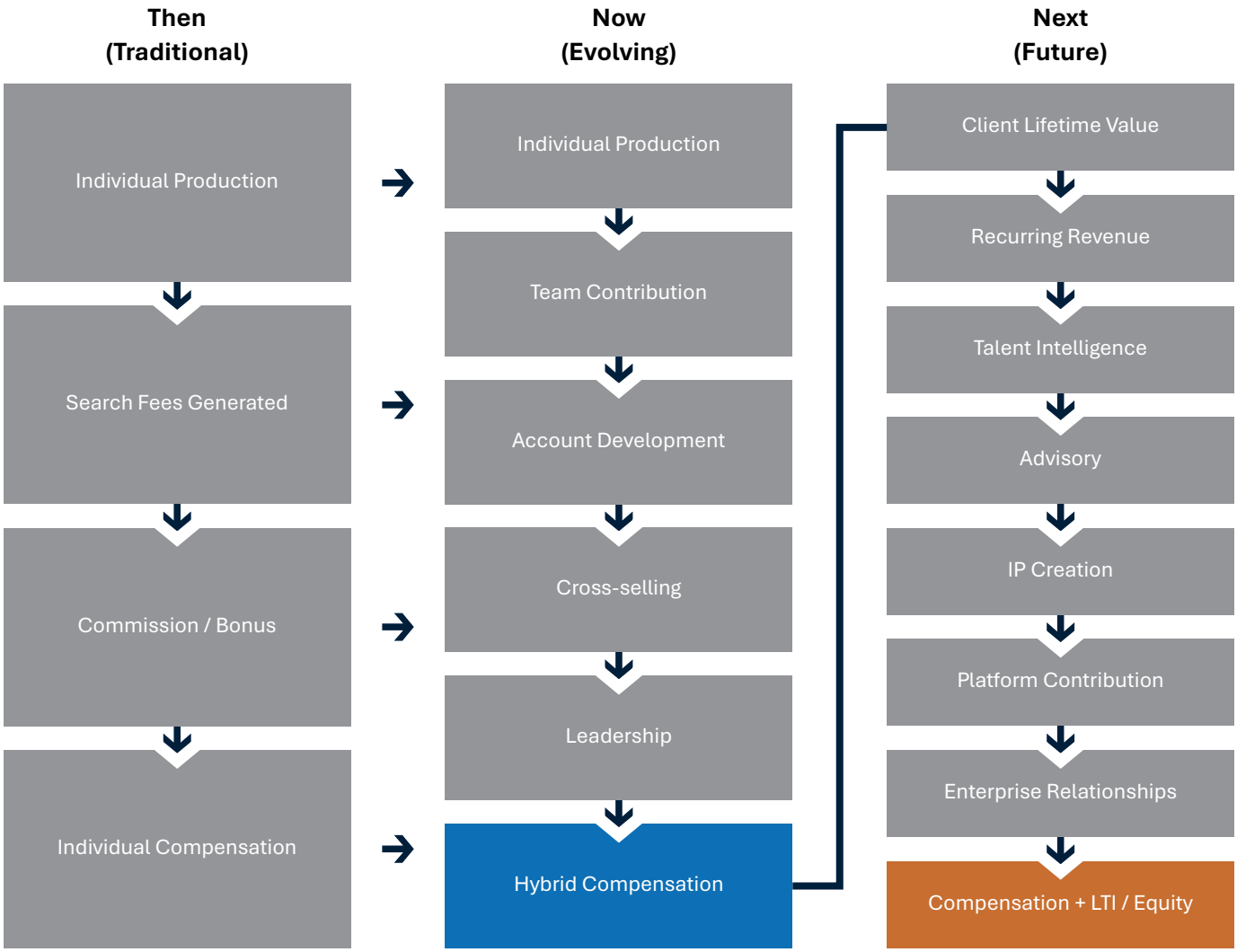
The Shift from Individual Production to Team Economics

Executive search has traditionally celebrated the individual producer. That made sense when a successful consultant could originate a search, manage the client, identify candidates and close the assignment with very limited institutional support. That is increasingly not how the business works any longer.

A major retained search today may involve a consultant, associate, researcher, assessment professionals, sector specialists and colleagues in other offices or practices. Behind them may sit centralized research, proprietary databases, market intelligence, AI tools, compensation data and a firm's broader client relationships.

The consultant remains critical but is increasingly operating on top of a much larger platform. The industry has recognized this for years through origination and execution splits. What is changing is the number of people and the amount of institutional capability that may contribute to producing the revenue.

THE COMPENSATION MODEL – THEN, NOW & NEXT



Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

That is why more firms are likely to introduce some combination of individual, team and firm performance into compensation. Individual production will remain important because executive search still depends heavily on people who can develop relationships and win work. However, search firms also need to acknowledge and reward collaboration rather than create situations where consultants are financially better off protecting clients, candidates and information from their colleagues. The strongest compensation systems based on our interviews and sector knowledge continue to reward rainmakers while also recognizing the people and platform that helped them deliver results.

The Rise of Hybrid Compensation Models

One of the clearest changes in the market is the movement toward hybrid compensation. Historically, many search firms have kept fixed compensation relatively low and allowed successful producers to earn substantially more through commissions, bonuses and production-based payouts. That remains common today, particularly among boutiques and highly entrepreneurial firms but guaranteed compensation has become increasingly important when recruiting experienced search professionals to switch firms. Base salaries have risen across many levels, while firms are combining those higher bases with lower commission percentages, bonuses, team incentives and other forms of variable compensation. The trade-off is straightforward: a higher floor in exchange for a somewhat lower ceiling.

Large global firms generally have the greatest ability to support this model and their consultants can receive substantial salaries, annual bonuses and, at more senior levels, enjoy profit participation or long-term incentives. Mid-sized firms are increasingly using combinations of base salary, individual production incentives and team bonuses. Boutiques on the other hand are still more likely to use commission rich structures. Even here the traditional draw against commission

model is increasingly having to compete with strong base salaries plus incentive compensation.

Importantly, this does not necessarily mean firms are simply paying more. In many cases they are changing how compensation is divided between guaranteed and variable pay. After a certain point, base salary becomes a relatively small part of the story and this has been a remarkably consistent feature of executive search compensation since the 1990s: as producers become more senior and commercially successful, the economics increasingly shift away from fixed salary and toward variable compensation tied to the revenue they generate.

The percentages and structures may change, but that basic principle remains deeply embedded in executive search.

Paying for the Client Relationship, Not Just the Search

Another important change is the growing value of the client relationship itself. The traditional executive search compensation model pays extremely well for winning a mandate. However, it does not always pay equally well for everything that happens before and after it.

Yet repeat business is one of the most important economic drivers in executive search and drives behavior. At the largest firms, a significant number of assignments come from clients the firm has covered previously. That changes how firms should think about production.

Consider a consultant who wins one $300,000 assignment from a new client and another who develops a relationship that produces $2 million of search, assessment and advisory revenue over five years. A compensation system focused almost entirely on individual search fees may not adequately distinguish between the two.

The industry is therefore likely to put greater weight on client lifetime value and share of wallet over time. That could include repeat assignments, client retention, cross-practice referrals, expansion into new services and the overall revenue generated from a relationship.

This also encourages the behavior firms to increasingly say they require. Consultants have a reason to introduce colleagues rather than protect accounts as well as to remain involved throughout the search life cycle with clients They now have a reason to think about the entire relationship rather than simply the next mandate as the objective is not to eliminate individual ownership but to reward people for building clients that become valuable to the firm, and not simply searches that become valuable to the individual.

Subscription and Recurring Revenue Will Require Different Incentives

Talent intelligence introduces another challenge.

A traditional search fee has a clear beginning and end. A mandate is won, the search is completed and the fee is collected. The commission is relatively easy to calculate.

Subscription revenue does not work that way.

A client may purchase an ongoing talent intelligence service, market-mapping capability, compensation product or leadership advisory relationship that continues for several years. The economic value comes not only from winning the business but from retaining and expanding it. Traditional placement commission was never designed for that.

As recurring revenue becomes a larger part of the business, compensation will need to reward primarily three things: origination, retention and expansion.

The consultant who introduces the relationship should participate economically. So should the professionals responsible for delivering the service and keeping the client. Additional incentives can then reward renewals and expansion.

WHY CLIENT LIFETIME VALUE CHANGES THE MATH



THE ONE-OFF WIN

Consultant A

$300k

One assignment from a new client



THE RELATIONSHIP

Consultant B

$2M

Search + assessment + advisory, over five years

A compensation system built on individual search fees may not distinguish between the two.

The shift: reward client lifetime value & share of wallet

Repeat assignments	Client retention	Cross-practice referrals	Service expansion

This matters because recurring revenue can be particularly valuable to a search firm as it reduces dependence on individual placement events, and creates greater visibility into future revenue which can deepen the relationship with the client between searches. Firms cannot expect consultants to build recurring revenue businesses if their compensation plans only reward placements.

Paying for Value Beyond the Placement

The same issue extends beyond subscriptions.

Search firms increasingly create value through assessment, succession work, compensation intelligence, market mapping, proprietary research, thought leadership, data and intellectual property. However, not all of that work produces an immediate fee, but it may indeed produce the next fee. Examples of this can be found when a consultant develops an important piece of market intelligence and as a result may help win several assignments. A researcher who builds a proprietary talent map may in turn create an asset that can be used repeatedly and a senior professional who introduces another practice into a client may eventually generate substantial revenue without personally executing the assignment themselves.

Traditional production systems do not always capture those contributions particularly well. That is why some search firms are likely to move toward a far broader performance scorecard. While billings will remain central, firms will have more flexibility to recognize client development, referrals, collaboration, intellectual property, talent intelligence and other activities that create measurable value.

There is a practical reason for doing this: people tend to spend their time on what they are paid to do. If compensation rewards only individual billings, firms should not be surprised when people focus overwhelmingly on individual billings. This has been a long-standing challenge for the industry.

Equity and Long-Term Incentives

The largest gap in executive search compensation is long-term ownership.

The executives that search firms recruit are frequently compensated through a combination of salary, annual incentives and substantial long-term equity. Search professionals, by contrast, still receive most of their compensation in annual cash. We found that only 9% of search professionals reported holding equity in their firms. That is likely to change, particularly as private equity becomes more active in the sector and firms become larger institutional platforms. Public search firms already use restricted stock, performance shares and other long-term incentives and privately held firms have leveraged additional options including phantom equity, profit interests and other structures that can give senior professionals participation in the long-term value of the business without necessarily granting traditional ownership.

Annual cash rewards this year's performance but equity rewards people for helping build something that becomes more valuable over time. It can also become an important retention tool. A large bonus may make someone happy in February, but it does not necessarily prevent a competitor from recruiting that person in September. Long-term incentives that vest over several years create therefore a different economic decision.

For founders and existing partners, of course, there is a trade-off. Broader ownership means sharing economics that were previously concentrated among fewer people.

That is why the issue is ultimately not whether equity can work. It is how much ownership existing shareholders are willing to share in order to attract and retain the next generation of leaders.

Pay Dispersion Will Continue to Widen

One consequence of these changes is likely to be greater separation between the industry's highest earners and everyone else. Executive search has never been an evenly paid profession. Two people with the same title can earn dramatically different amounts depending on their sector, client base, production and firm.

Our data reinforces that point; among the most experienced professionals, compensation ranges are extremely wide, with top performers earning multiples of professionals at the same nominal level. That gap is unlikely to disappear. The professionals who will command the greatest premiums are those who combine several capabilities: deep sector knowledge, strong client relationships, the ability to originate work, sophisticated assessment and advisory skills, and the ability to use data, technology and AI to operate more effectively.

The pressure moving forward will be greatest on professionals whose value is concentrated primarily in execution. Research and execution remain essential to the search process but technology has mad parts of that work faster and easier. As that happens, compensation premiums will continue to move toward the capabilities that remain hardest to replicate such as relationships, judgment, sector expertise, assessment and the ability to turn information into advice.

That does not mean the middle of the profession will disappear into oblivion. However, it does mean that search firms will need to provide far clearer career paths for people to move from execution roles into higher-value advisory and commercial roles.

The Future of Commission

Commission is not going away any time soon. It is the underpinning of the industry. Executive search will remain a revenue-producing business, and professionals who originate substantial revenue will continue to expect substantial participation in the economics they create.

What is changing is the amount of business that can be captured by a single commission percentage. Pure commission will remain particularly effective in transactional environments, contingency search, smaller boutiques and full-desk models where one professional genuinely controls most of the process.

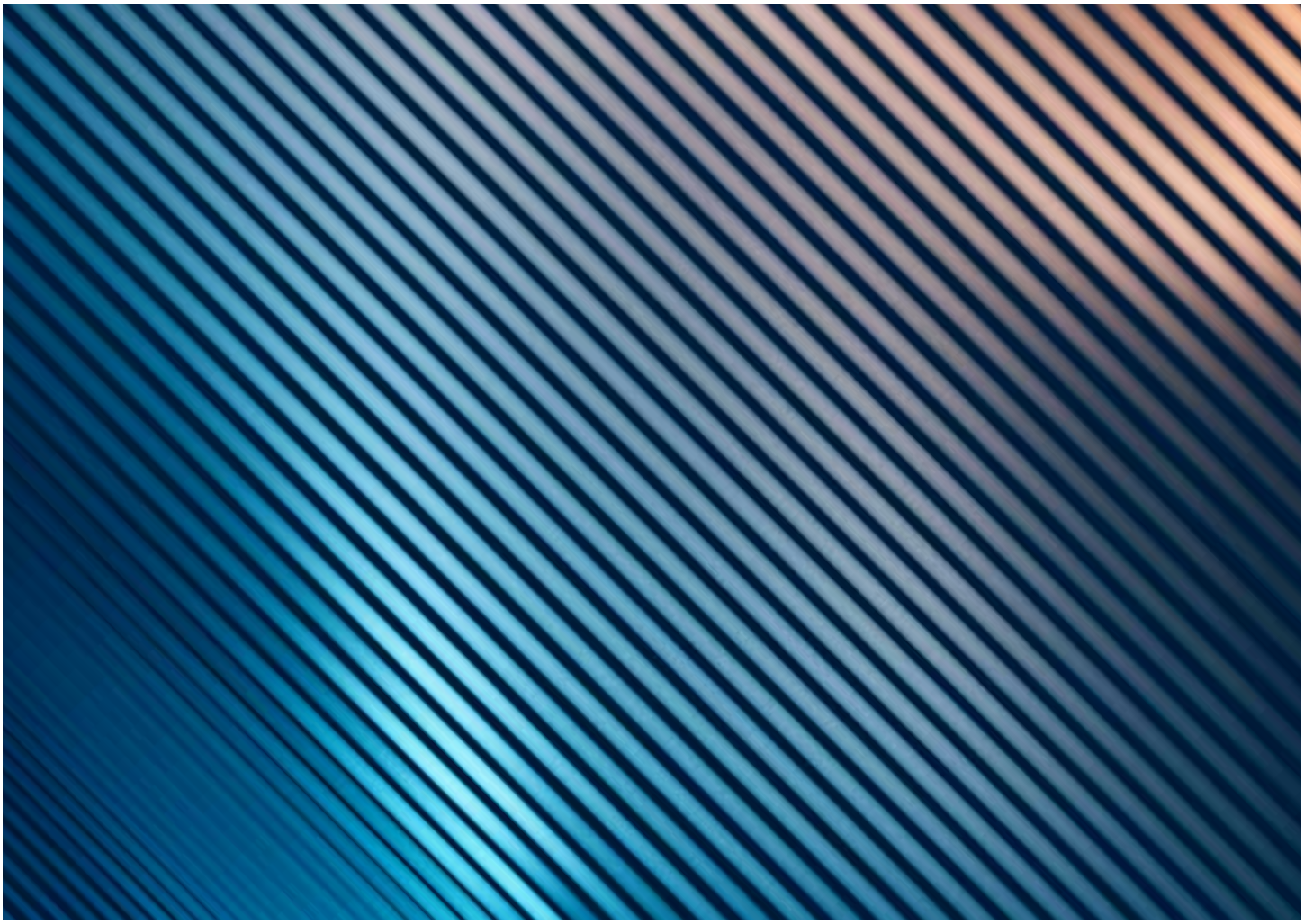
It becomes harder to apply when revenue is generated by teams, subscriptions, advisory work, cross-practice relationships and institutional platforms. AI has added another complex and complicated dimension. If technology allows a consultant to complete more searches in the same amount of time, productivity naturally rises but search firms as a result will then have to decide how those economics are in turn shared.

Some of the gain will flow back to consultants through higher production. Some may be retained by search firms through revised payout percentages or thresholds, and some may be redirected into higher bases, technology, training and long-term incentives.

That tension is not new. Executive search has been adjusting the balance between salary, commission and firm economics since the 1990s. Every generation believes the compensation model is about to be reinvented. In practice, it tends to evolve rather than disappear. That is likely to happen again.

The future model will still reward people who win searches and generate revenue. However, it will increasingly reward something larger as well: the ability to build clients, create intellectual capital, collaborate across the firm, generate recurring revenue and contribute to the long-term value of the enterprise. The question for search firms moving forward is therefore becoming less about what percentage of a search fee should we pay but more about what do we actually want our people to create and does our compensation system pay them to create it?

THE TRADITIONAL MODEL		THE NEXT-GENERATION MODEL
Reward the individual producer	→	Individual + team + firm economics
Low base, high commission	→	Hybrid pay: a higher floor, a lower ceiling
Pay for winning the search	→	Pay for the client relationship & lifetime value
One-time placement fees	→	Recurring revenue: originate · retain · expand
Reward billings alone	→	A broader scorecard: IP, referrals & intelligence
Almost all annual cash	→	Long-term equity & ownership



SECTION 5

NON-PLACEMENT VALUE & NEW COMPENSATION DRIVERS

Executive search firms have always created considerably more value than the placement itself. Every assignment generates a wealth of information about organizational structures, leadership teams, compensation, succession, candidate mobility and the relative strength of talent across a market.

Consultants accumulate further knowledge through references, assessments and repeated exposure to the same companies and executives over many years. Historically, much of that information was used to complete an individual search and then remained inside the firm's database or, just as often, inside the heads of the people who conducted the work.

What is changing rapidly is the ability of firms to now comprehensively capture, organize and monetize that knowledge. Clients increasingly want context and insight before a search ever begins and increasingly more often after it ends.[32] Boards want to understand whether internal successors are competitive with the external market. CEOs and CHROs require visibility into leadership moves, competitor organizations and emerging talent and investors insist on fully understanding management risk before committing capital. Compensation committees need forensic and timely market intelligence rather than sporadic or anecdotal information that may already be dated by the time a search has even started. Search firms already encounter much of this information through their everyday work but the opportunity now is to turn what was historically a byproduct of search into something that has lasting and meaningful value on its own.

That has enormous implications for compensation. The traditional search compensation model works particularly well when value can be attached to a clear event: a consultant wins a mandate, a search is completed, a fee is collected and the people responsible receive some portion of the economics. It becomes far less straightforward when value is created continuously through the lens of market intelligence, assessment, advisory work, proprietary data, technology, research and long-term client relationships. As search firms generate more revenue from those activities, they will need to determine how the people creating that value participate in it. In many cases their profiles are very different from eth average recruiter.



32 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage/

THE NON-PLACEMENT VALUE TAXONOMY

Value Category	What It Is	How It Is Produced Today	Monetization Path
Market intelligence	Live maps of leadership markets with who sits where, who is movable, what competitors are building	Byproduct of sourcing and market mapping on every mandate	Standing intelligence retainers; subscription products
Succession & bench visibility	Continuous read on internal successor strength and leadership risk inside client and target organizations	Reference calls, assessment work, repeated exposure to the same organizations	Succession advisory; pre-deal leadership due diligence
Compensation benchmarking	Real-time pay intelligence from figures candidates disclose in confidence, ahead of survey publication	Every negotiation on every mandate	Compensation advisory; benchmarking subscriptions
Assessment IP	Proprietary methodology for evaluating capability and fit, refined across thousands of placements	Developed centrally; sharpened by placement outcomes	Licensed assessment; embedded advisory premium
Advisory judgment	The consultant's accumulated read on markets, boards, and leaders, sold as counsel rather than execution	Inseparable from senior consultants; historically given away	Advisory retainers; board and investor engagements
Brand & thought leadership	Research, content, and market presence that originate demand before any outreach occurs	Publications, conferences, proprietary research programs	Inbound mandate origination; platform pricing power

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

What Counts as Value Beyond Placements

The most obvious example is market intelligence. Every retained search requires a firm to understand the relevant market; who sits where, which organizations have the strongest leadership, how teams are structured, which executives may be movable and where talent is emerging. One assignment produces a useful market map but hundreds of assignments conducted over several years can produce a much deeper understanding of an entire sector. When that information is maintained rather than recreated for every new search, it becomes an institutional asset rather than simply part of the execution process.[33]

The same is true of succession and leadership bench intelligence. Search firms repeatedly assess executives inside the same industries and organizations, conduct references across common networks and observe executives as their careers develop. Over time, that creates incredible and timely perspectives on leadership strength and succession that can be difficult for a client to develop on their own. Compensation intelligence develops in much the same way as search professionals are constantly discussing compensation with candidates and clients and can therefore see changes in salary, bonus, equity and other incentives as they are happening real time in the market.

Assessment methodology, advisory judgment and thought leadership create important and accretive forms of value to search firms as firms that have assessed thousands of executives can develop their own proprietary methodologies and pattern recognition that extend beyond an individual search.

Senior search consultants accumulate judgment about executives, boards and markets that clients may value independently of any placement. Research, conferences and market publications can also create credibility and originate client demand before a consultant ever makes a traditional business development call. These activities have existed in executive search for many years but what is different is the increasing ability to monetize them separately from the search fee and unbundle a whole host of new revenue streams.

Monetizing Talent Intelligence

Talent intelligence is perhaps the clearest example of this transition. Traditional executive search is episodic. A client identifies a leadership need, retains a firm, evaluates candidates and makes a hire. The relationship may be extremely valuable, but the formal engagement is generally tied to a specific event. However, talent intelligence extends that relationship by providing clients with ongoing visibility into the external leadership market, internal succession, competitor activity, compensation and other talent risks.[34]

The opportunity for search firms is significant because much of the underlying information already comes naturally from the work they perform as every search adds candidate conversations, compensation information, references, assessments and observations about organizations and leadership teams. Historically, that knowledge was dispersed in a very inefficient way across consultants, searches and databases. Better

33 https://ir.kornferry.com/sec-filings/all-sec-filings/content/0000056679-26-000021/0000056679-26-000021.pdf
34 https://huntscanlon.com/domain-specific-ai-transforming-executive-search/?utm

technology and AI has revolutionized how firms to connect those individual pieces of information and make them useful across multiple assignments and client relationships.

This allows firms to move from providing a snapshot of the market when a search begins to providing ongoing intelligence throughout the year. The client is no longer paying only to identify candidates for an open position but is willing to pay to better understand where leadership risk is developing, how competitors are building their teams, whether internal successors remain competitive and how the market for particular capabilities is changing.[35]

The compensation implications follow directly. When talent intelligence becomes a revenue line, the people responsible for creating and maintaining it are no longer simply supporting a biller but contributing to a product or client relationship that generates recurring revenue. Compensation systems built entirely around individual placement fees have difficulty recognizing those contributions and present a clear and present challenge.

Compensation for Advisory and Insight Generation

The expansion of advisory work also creates a similar challenge. Search firms are increasingly providing assessment, succession, coaching, leadership advisory and related services that do not necessarily always result in a placement. Among firms that grew revenue last year, coaching and consulting were among the service lines being added, reinforcing the broader movement toward revenue beyond traditional search.

There is not yet a standard compensation model for this work, and structures differ significantly by firm. A consultant who originates and manages a substantial advisory relationship may receive a share of the revenue generated from that account. Professionals whose primary responsibility is delivering assessments or advisory work are often compensated through a combination of salary and bonus tied to utilization, client outcomes and business performance. Senior advisors who work across a client's needs throughout the year demand a more salary-weighted structure because their contribution is continuous rather than tied to any individual transaction or placement fee. As the revenue mix expands across the search industry, the compensation mix will also need to expand with it. This is one reason hybrid compensation models are likely to become increasingly important across the industry.

Paying for IP, Data and Platform Development

Some of the most important new sources of value inside executive search firms are created and developed by professionals who never personally generate a search fee. Firms are investing in proprietary data, AI, assessment methodology, technology platforms and products designed to turn accumulated search knowledge into institutional capability. These investments often invariably improve search execution, increase consultant productivity and create entirely new revenue streams.[36]

The people required to build those capabilities come from a different labor market than traditional executive search. Data scientists, AI engineers, product leaders and technology professionals are generally not compensated according to individual billings. Their market is more accustomed to competitive fixed compensation, performance incentives and, particularly at senior levels, equity or other long-term participation.

Search firms therefore face an important compensation challenge as they build these capabilities internally. Attempting to fit technology and product professionals into a traditional search commission structure is unlikely to work. At the same time, creating a completely separate compensation philosophy can produce tension inside organizations that have historically measured value primarily through individual revenue production. Product, data and technology professionals are measured more against product development, adoption, recurring revenue, productivity improvements and the longer-term value of the platform. Equity and phantom equity moving forward may become particularly relevant for these professionals because their contribution is often reflected in the enterprise value of the firm rather than in an individual client billing.

Thought Leadership as a Revenue and Compensation Driver

Thought leadership is another area where the connection between contribution and compensation is becoming more complicated. Proprietary research, market reports, conferences and sustained visibility within an industry can create demand long before a client decides to launch a search. A firm that is consistently seen as knowledgeable about a particular sector or leadership issue may receive opportunities that would otherwise have required significant traditional business development.

This creates a difficult attribution question under conventional compensation models. When a client approaches a firm because of research it has published or a conference it has attended, the opportunity may ultimately be converted by an individual consultant, but the firm's intellectual property and market presence helped create the opportunity. Giving all of the origination credit to the individual who receives the call may therefore understate the contribution of the platform that generated the demand.

There is no consistent industry model for solving this, and the evidence remains at best directional. Some search firms are beginning to incorporate research, publications and market visibility into broader consultant scorecards. Others share origination credit where an opportunity can clearly be connected to institutional marketing or thought leadership. Dedicated research and content professionals are also more likely to be compensated through salary and performance measures connected to audience, engagement and pipeline creation rather than individual search revenue.

35 https://huntscanlon.com/hunt-scanlon-launches-hsiq-talent-intelligence-advisory-unit/?utm_source
36 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage/?utm

The underlying principle is not particularly complicated. If research and market visibility consistently contribute to winning business, they have economic value. Over time, compensation systems are likely to become better at recognizing that contribution.

Internal Value Creation

Not all search related activity is directly visible to clients. Firms also create value internally through training, methodology, data, succession development, collaboration and the transfer of institutional knowledge. These activities can materially improve productivity and firm performance, but they are often poorly recognized by compensation systems built primarily around individual billings.

Training illustrates the problem particularly well. A senior consultant who spends significant time developing younger professionals may be helping the firm create stronger future producers, improve execution and retain talent. Yet every hour spent coaching another consultant is also an hour that could have been used to pursue personal revenue. A compensation model that recognizes only individual production can therefore unintentionally discourage exactly the behavior the firm needs to become stronger.

The same issue applies to client referrals, candidate sharing, contribution to proprietary databases and the development of new methodologies. Firms increasingly want consultants to collaborate across practices and geographies, but collaboration becomes harder when the compensation system makes protecting individual economics ultimately the more rational choice.

INTERNAL VS EXTERNAL VALUE CREATION MATRIX

Internal (Value to the Firm)	External (Value to the Client)
Revenue Generated	Quality of Hire
Gross Margin	Leadership Impact
Utilization	Speed to Hire
Team Contribution	Diversity Outcomes
IP / Knowledge Created	Retention / Tenure
Process Improvement	Succession Strength
Platform Adoption	Business Impact

Future compensation models will balance both.

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

This does not require replacing production measures with complicated qualitative scorecards. Billings should remain central in a performance-driven industry. But firms can begin to recognize whether senior professionals develop people, expand institutional client relationships, introduce colleagues into accounts, contribute valuable intelligence and help build capabilities that can be used by others. The objective is not to pay people for being good corporate citizens. It is to recognize activities that have demonstrable economic value to the firm.

Redefining Productivity in Executive Search

These changes ultimately raise a larger question about how executive search firms define productivity. Revenue per consultant has historically been one of the search industry's most useful measures of success because the business has always been relatively straightforward.

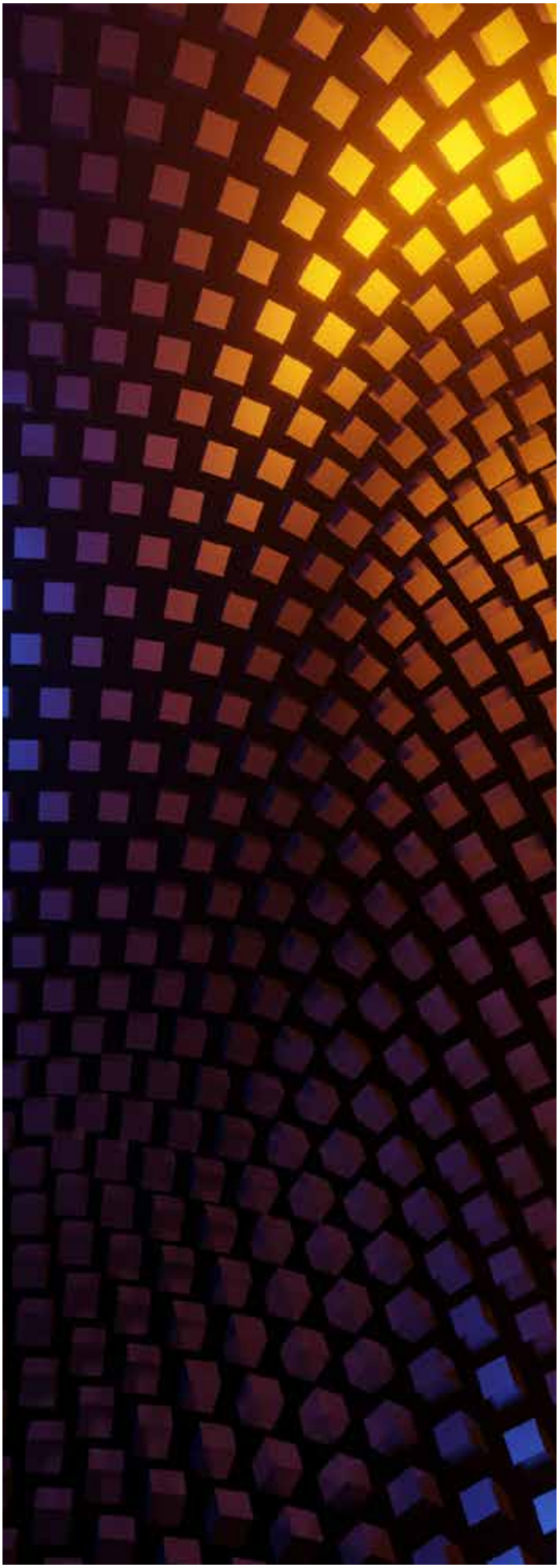
That measure remains important, but it becomes far less complete as search firms employ larger numbers of researchers, analysts, assessment professionals, data scientists and product specialists who contribute directly to revenue and productivity without personally billing clients. A talent intelligence subscription, for example, may be originated by a consultant but delivered by researchers and analysts using a technology platform built by a separate product team. Assigning all of that revenue to one producer can obscure how the economics are actually being created.

Client economics need to be considered also more broadly. A consultant who completes a large number of individual assignments may appear highly productive under a traditional billing measure while another may complete fewer new searches but at the same time builds deep institutional relationships that generate search, assessment, advisory and intelligence revenue across multiple practices for many years. The second relationship may ultimately be substantially more valuable to the firm in the long run.

Productivity measures are therefore likely to broaden much more than disappear. Revenue per consultant and individual billings will remain important, but firms will increasingly look at revenue per client, repeat business, recurring revenue, cross-practice penetration, client retention, placement durability and contribution to the firm's broader intellectual and commercial platform.

This does not represent a move away from performance-based compensation. Executive search will remain a highly entrepreneurial industry in which people who generate substantial revenue expect to participate substantially in the economics they create. The change is in how firms define that contribution and the most valuable search professionals moving forward are more likely to combine individual production with the ability to build enduring client relationships, create market intelligence, collaborate across practices, develop other professionals and use the firm's broader platform to create revenue beyond an individual placement.

The challenge for compensation models will be to recognize those broader sources of value without weakening individual accountability and entrepreneurial spirit that have always been central to the fundamental economics of executive search.



SECTION 6

TALENT, ROLES & SKILL PREMIUMS

What is happening in the client market should also be happening inside search firms themselves. Boards and management teams are increasingly paying executives not simply for what they have done in the past, but for the capabilities they bring to the organization and the value they can create going forward. Search firms should apply the same logic to their own people.

If AI fluency, data, talent intelligence, sector expertise, assessment capability and the ability to build broader client relationships are all becoming more valuable to clients, those same capabilities should carry a premium inside the firms advising them. If the market is repricing talent based on capability, there is no reason executive search should be exempt from that repricing. Search firms increasingly need professionals who can build talent intelligence, work with data and AI, develop new products, understand increasingly complex sectors and turn client relationships into broader institutional accounts.

THE MOST VALUABLE ROLES OF THE FUTURE *

Ranked by expected value according to our interviews with 324 search professionals. to executive search firms over the next 5 years.

1	Talent Intelligence Director	High
2	Data & Analytics Lead	High
3	Client Partner / Enterprise Account Leader	High
4	AI & Automation Specialist	High
5	Sector Practice Leader	Medium
6	Research Technology Lead	Medium
7	People & Culture / Talent Leader	Medium
8	Traditional Rainmaker (Individual)	Medium

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

This is partly being driven by changes in the assignments clients are actually giving search firms. Traditional CEO, CFO and other senior executive searches remain at the center of the industry, but newer roles in AI, cybersecurity, data and digital transformation are becoming increasingly important.[37]

The most critical roles inside client organizations are also likely to look very different over the next decade. Many of the key roles companies will depend on most across AI, data, cybersecurity, digital transformation and other emerging areas either barely existed a few years ago or carried far less strategic importance than they will moving forward. Many do not yet still exist. At the same time, traditional leadership roles are being redefined as technology and AI change how companies operate. Search firms are therefore being asked to find and assess a new generation of leaders with very different capabilities. It follows that the capabilities required inside search firms must change as well.

The rise of the Chief AI Officer is a good example. The role has expanded rapidly as companies look for executives who can combine technical understanding with business judgment, governance and organizational change.

The implication for search firms is straightforward. As the leadership roles clients are hiring become more specialized, the people advising those clients need deeper expertise themselves. A consultant does not need to be a technologist to recruit a Chief AI Officer or CISO, but they do need enough understanding of the market to know what great looks like, challenge the client when necessary and credibly assess candidates. That is increasing the value of specialization inside search firms and is a big differentiator.

37 https://huntscanlon.com/hunt-scanlon-reports-executive-recruiting-sector-grew-11-percent/

The Rise of Talent Intelligence

Research has always been fundamental to executive search. What is changing is the value firms can create from it. Historically, research was largely organized around an individual assignment: map the market, identify candidates, complete the search and move to the next mandate. The intelligence created during that process was valuable, but much of it remained tied to the individual search or the professionals who worked on it.

Technology is allowing firms to use that information much more broadly. Search history, candidate data, compensation information, company intelligence and external market data can increasingly be connected and used to answer questions well before a search begins. Instead of simply identifying candidates for an open role, firms can now help clients understand where leadership talent sits, which competitors are building stronger teams, where succession gaps may exist and which executives should be known before a vacancy occurs.

That changes the value of the research and intelligence function. If the output can be used across multiple searches, deepen client relationships or be sold independently, it is no longer simply a support or back-office function. It becomes part of the firm's product. HSiQ represents one example of this direction, with talent intelligence developed around benchmarking, leadership assessment and decision-ready insight rather than solely around an individual search mandate.

This will inevitably have an impact on compensation. The professionals capable of building impactful talent intelligence products are competing in a wider labor market that includes consulting firms, technology companies, talent platforms and corporate people-analytics functions. Search firms that continue to treat these roles purely as research support may find it increasingly difficult to attract and retain the strongest people.[38]

Data, AI and Technology Talent

The same issue applies to data, AI and technology talent. Search firms are investing more heavily than ever before in technology because clients expect better information and consultants need tools that allow them to work faster and more effectively. Korn Ferry, for example, describes a business model spanning Executive Search, Consulting, Digital, Professional Search & Interim and RPO, supported by proprietary data, technology and analytics. Its 2025 annual report also describes AI-driven tools being used to improve scale, efficiency and quality within its RPO platform.[39]

However, the compensation challenge is that technology professionals do not fit neatly into traditional search firm economics. A Partner can point to the revenue they originate whereas a strong data scientist, product leader or platform engineer may generate no direct billings at all, yet their work may improve the productivity of hundreds of consultants, strengthen the client proposition or create an entirely new source of revenue.

Search firms therefore need to distinguish between revenue production and value creation. Both matter, but they are not always the same thing. A compensation model designed entirely around individual billings will struggle to reward people whose contribution is building the infrastructure that makes those billings possible.

This does not mean technology professionals should simply be paid more. It means they need to be measured differently. Salary, bonuses and long-term incentives can be tied to product adoption, productivity improvements, new revenue, client retention and other measurable outcomes. Equity can also become important where an individual is helping create an asset whose value will develop over several years.

EXPANDING SCOPE. INCREASING VALUE.

Traditional Search Focus		Talent Intelligence Focus
Find Candidates	→	Market Mapping & Insights
Assess Candidates		Talent Risk & Succession Intelligence
Present Candidates		Leadership Benchmarks
Close Placement		Competitor & Talent Flow Analysis
		Strategic Advisory & Decision Support
		Ongoing Intelligence & Monitoring

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

38 https://huntscanlon.com/hunt-scanlon-launches-hsiq-talent-intelligence-advisory-unit
39 https://ir.kornferry.com/news-events/press-releases/detail/712/korn-ferry-launches-talent-suite-embedding-people-science-into-every-talent-decision

The Evolution of the Rainmaker

The rainmaker remains one of the most valuable people in executive search. Relationships still matter enormously, particularly at the CEO and board level, and the ability to originate business will continue to command significant compensation. What is changing however is what sits behind that relationship.

Historically, the successful Partner often carried much of the firm's value personally: client relationships, candidate relationships, sector knowledge and reputation. Increasingly, the strongest Partners have a much larger platform behind them, including proprietary research, talent intelligence, assessment capabilities, technology, content and a broader institutional brand. Korn Ferry's own operating model illustrates the case well. More than 75% of its fiscal 2025 fee revenue came from clients using multiple solutions, while more than 83% of assignments came from clients the firm had served during the previous three fiscal years.[40]

That matters because it changes the source of origination. A Partner may still own the relationship, but the firm's brand, data, content and other services increasingly help create and deepen that relationship. The best rainmakers are therefore becoming less like standalone producers and more like leaders of institutional client relationships.

Specialization and Platform Capability

Sector specialization remains another important source of compensation premium. The data in this report shows substantial differences in earnings between practices. Financial services professionals reported average take-home compensation of approximately $433,000, compared with $370,000 in life sciences, $310,000 in healthcare, $265,000 in technology and $170,000 in professional services.

The reason is not simply that one sector is more profitable than another. In markets such as financial services, life sciences and healthcare, credibility is built over years. Clients expect consultants to understand the organizations, competitors, talent pools, compensation structures and technical requirements of the sector. That knowledge is difficult to replace and therefore has meaningful economic value.

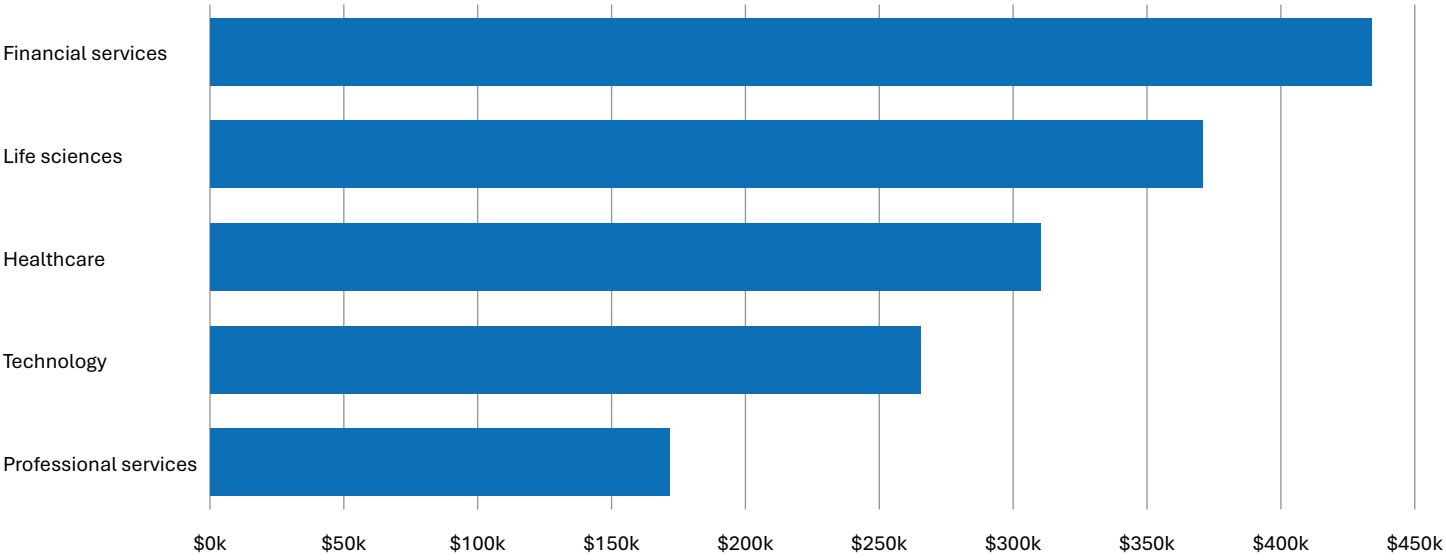
The alternative route is platform capability. Large firms can provide consultants with global client relationships, research teams, proprietary data, assessment tools, technology and adjacent consulting services. Korn Ferry's fiscal 2025 structure shows the scale of that infrastructure particularly clearly: 560 Executive Search consultants were supported by 1,136 research, associate, administrative and other support staff.[41]

Both models can be successful. A specialist firm can create value through exceptional depth in a narrow market, while a larger firm can create value through the breadth and power of its platform. The more difficult position is the generalist firm or consultant with neither. As basic candidate identification becomes easier, it becomes increasingly difficult to command premium fees without either deep expertise or a differentiated platform.

New Leadership Profiles Entering the Industry

The changing economics of the business are also changing who search firms need in their leadership ranks. As firms expand beyond traditional search into consulting, digital

AVERAGE TAKE-HOME COMPENSATION



Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

40 https://ir.kornferry.com/sec-filings/all-sec-filings/content/0001628280-25-033260/kfy-20250430.htm
41 https://ir.kornferry.com/sec-filings/all-sec-filings/content/0001628280-25-033260/kfy-20250430.htm

products, interim services, RPO, assessment and talent intelligence, they increasingly require executives with experience building and managing those businesses.

Korn Ferry provides a clear example. Its disclosed executive leadership includes dedicated chief executives for Consulting, Professional Search & Interim and RPO alongside the firm's broader corporate leadership. Its operating model now spans five major solution areas: Consulting, Digital, Executive Search, Professional Search & Interim and RPO.[42]

This represents a meaningful change from the traditional model in which the natural route to leadership was almost exclusively through becoming a successful search partner. That route will still remain important, but search firms will increasingly recruit technology leaders, product executives, data specialists, operators and consulting executives from outside the profession where those capabilities do not exist as strong internally.

That also creates an additional compensation issue. These executives arrive with expectations shaped by other industries, including higher fixed compensation, equity and longer-term incentives. Search firms will therefore increasingly find themselves benchmarking some of their most important hires not against other search firms, but against technology companies, consultancies and other professional services businesses.

Lateral Hiring

Lateral hiring has historically focused heavily on senior producers and the revenue they could bring with them. A Partner's historical billings, client relationships and expected portability were used to determine guarantees and other elements of the package. That approach still matters, but firms are becoming more careful about assuming that past production will automatically transfer to a new platform. Client relationships are increasingly institutional. Teams, brand, data, off-limits restrictions and broader firm capabilities all influence how much revenue actually moves with an individual. A Partner who generated $2 million at one firm cannot automatically be assumed to generate $2 million at another.

The better question is therefore not simply what did this person bill but much more what can this person build here right now? Historical production remains important, but firms also need to assess the depth of client relationships, sector expertise, business-development capability, leadership skills and the individual's ability to use the new firm's platform.

Our data also points to greater movement being one level below Partner, as the percentage of principals considering a move has substantially increased. This is an important development because principals and emerging partners can offer firms a different proposition such as proven execution capability, developing client relationships and potentially many more years of future production.

Retaining Top Performers

Retention needs to be viewed in the same economic terms as recruitment. Replacing a successful producer can require a substantial guarantee, sign-on compensation and a lengthy ramp period, with no certainty that all of the individual's previous business will transfer. There is also the risk that the hire simply does not work.

Keeping a strong performer is often considerably less expensive. The challenge is that retention is no longer only about compensation. Search professionals increasingly look at the complete proposition: earnings potential, equity, career progression, flexibility, leadership, development and the quality of the platform around them.

Professionals who were in their first five years of career trajectory also told us that learning and development was the most important focus of their career while they generally gave their own firms rating a poor rating in that area. This represents a clear retention opportunity, particularly for firms trying to develop the next generation of consultants and partners.

Revenue production remains central to the economics of the industry, but firms are increasingly dependent on people who create value in other ways: through intelligence, technology, specialization, product development and stronger institutional client relationships.

The firms that get this right will not stop rewarding rainmakers but become much better at recognizing and rewarding all of the capabilities that help create the rain.



42 https://www.kornferry.com/about-us

SECTION 7

PERFORMANCE, PRODUCTIVITY & PAY

Executive search has always been a performance business. At the senior end of the profession, the formula for compensation has always been straightforward: generate more revenue and earn more money.

Revenue per recruiter, individual billings and annual production have become the criteria around which many firms hire, promote and compensate their people. Revenue is easy to measure and ultimately every search firm has to make money. However, the way revenue is being created today has been changing for some time. A successful search today may involve a Partner, consultants, researchers, talent intelligence, proprietary data, technology, content and assessment capabilities. Some of those contributions are captured and allocated to individual billings but many are not. That creates an increasingly important question for the industry: are search firms measuring everything that actually drives performance?

Revenue per Recruiter

Revenue per recruiter remains one of the most useful measures of productivity in executive search today. It tells a firm whether its consultants are producing enough revenue to support compensation, infrastructure and profit, and it provides a relatively straightforward way to compare productivity over time.

The largest public firms provide a useful benchmark. Korn Ferry reported $846.2 million of Executive Search fee revenue in fiscal 2025 and an average of 551 consultants, equivalent to approximately $1.54 million of revenue per consultant. The business opened more than 6,300 new engagements and generated a 24.4% adjusted EBITDA margin.[43]

However, the same numbers also show why revenue per consultant should be treated carefully. Korn Ferry reported 560 Executive Search consultants at fiscal year-end alongside 1,136 associates, researchers, administrative and other support staff. In other words, there were roughly two support and research professionals for every consultant. That does not make revenue per consultant a bad way to measure but highlights that the consultant did not produce that revenue alone.

This distinction will become ever more increasingly important as firms invest in AI, data and technology. Hunt Scanlon's reporting on Bullhorn's 2026 research found that firms using AI somewhere in the recruitment process were 3.5 to 4.5 times more likely to have grown revenue as well.[44] If technology and infrastructure are indeed helping consultants produce more, then search firms need to understand both individual production as well as the platform helping create it. Revenue per recruiter should remain a core measure but many today believe it should not be the only one.

Productivity Is Becoming a Firm Issue, Not Just an Individual One

Historically, differences in productivity were often explained by differences between individual producers. Some Partners are simply better at winning business, managing clients and completing assignments than others. While that remains true, the productivity of the firm around them is equally much more important.

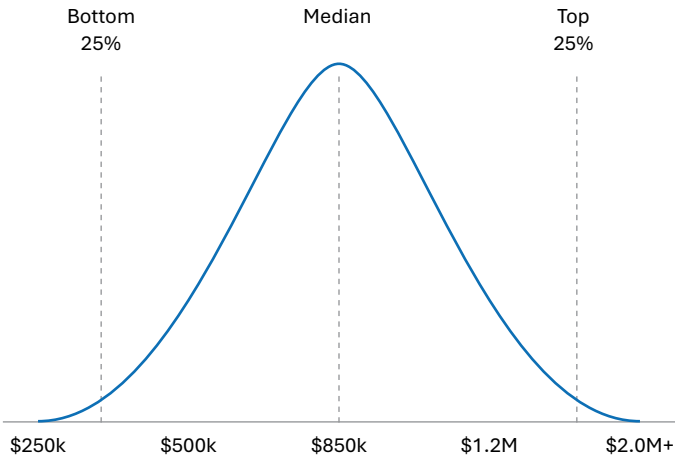
The quality of research, technology, data, brand, training, market intelligence and support available to a consultant can materially affect how much that consultant is able to produce. A strong producer on a weak platform may eventually reach a ceiling but that same person on a better platform could make the economics can look very different.

AI has inevitably and irreversibly begun to make that difference visible. Hunt Scanlon reported that firms using AI at any stage of recruitment were substantially more likely to have grown revenue, while firms suffering the largest revenue declines were more likely not to be using AI.

43 https://ir.kornferry.com/sec-filings/all-sec-filings/content
44 https://huntscanlon.com/ai-adoption-linked-to-stronger-revenue-growth-across-executive-search-firms

PRODUCTIVITY DISPERSION ACROSS FIRMS

Revenue per recruiter dispersion (illustrative)



Large dispersion exists. Talent, tools, clients and management drive the gap.

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

That is important because productivity can no longer be viewed entirely as a personal attribute. The individual still matters enormously, but so does the system around the individual.

For compensation committees, that raises a difficult but necessary question. If a Partner's production increases because better research, intelligence, technology and brand are generating opportunities and making execution more efficient, how much of that value belongs to the individual and how much belongs to the platform? There is no simple answer based on our reporting and interviews, but firms are increasingly understanding the need to understand the difference.

Paying for Output and Paying for Outcomes

Executive search has traditionally paid people for output and that model has worked for decades because it is simple and self-funding. Compensation is paid when revenue is produced. The client, however, ultimately cares about something different.

The client does not simply want a completed search. The client wants the right executive. The client does not simply want a completed search as much as the right executive. They want someone who can perform in the role, lead the organization, deliver against the strategy and create value over time. Filling the position is only the immediate output of a search; the real outcome is what happens after the executive arrives. A search completed in eight weeks is not a success if the executive is gone eighteen months later. That distinction matters. The industry has traditionally been very good at measuring whether a search was completed, but far less consistent at measuring whether the person it placed ultimately succeeded.

CLIENT IMPACT VIEWED THROUGH COMPENSATION METRICS

What clients value – and What should be rewarded

Impact Weight (Incentives)	
Leadership Impact	20%
Business Results	25%
Retention of Placement	20%
Stronger Leadership Team	15%
Strategic Advisory Value	20%

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

That means the real value of an assignment does not become clear until well after the search firm has been paid. Did the executive perform? Did they remain with the organization? Did they deliver what the board hired them to do? Would the client hire the same person again?

This creates a natural tension between the way the search firm gets paid and the value the client ultimately receives. Search firms should not and will not abandon production-based compensation, but there remains a strong argument for introducing more measures of what happens after the placement and how to measure long term success.

The industry's existing replacement guarantee is already a basic version of this idea. If a placement fails within a defined period, the firm must redo the work without receiving another full fee or in some cases any further fee at all.

Quality of Hire Matters More as Speed Becomes Easier

Technology is making many parts of executive search faster since market mapping, candidate identification, research and initial outreach can all be done so much more efficiently than they could several years ago. That is good for the client and good for the search firm.

However, it also means that speed alone becomes less valuable as a differentiator when everyone gets faster. The more technology improves the mechanics of every search, the more value moves toward the areas that remain difficult such as judgment, assessment, persuasion, client advice and ultimately the quality of the person hired.

The broader recruiting market is already moving in this direction. LinkedIn's Future of Recruiting 2025 found that 89% of talent professionals believe measuring quality of hire will become increasingly important. Yet only 25% said

they were highly confident in their organization's ability to measure it effectively. Sixty-one percent believe AI can help improve that measurement.[45]

Executive search should be particularly well positioned to lead from here. Search firms already spend considerable time assessing candidates, conducting references and advising clients on leadership decisions. What many firms do less consistently is measure what happened after the executive arrived and this is a huge opportunity for the market in general.

Search Firms will increasingly track whether placements remain after 12, 18 and 24 months, whether clients are satisfied with their performance and whether the executive delivered against the original brief. None of these measures by themselves is perfect, but together they provide a much better picture of quality than simply recording that the search was completed.

If executive search increasingly focuses on selling judgment rather than access, firms should become better at measuring the quality of that judgment.

Client Impact

There is another outcome that is much easier to measure: does the client return and award more mandates? Repeat business has always mattered in executive search, but it should play an even larger role in how firms think about individual performance.

A consultant who completes ten assignments for ten clients and never works with them again may generate exactly the same current year revenue as a consultant whose ten assignments lead to repeat searches, introductions into other parts of the organization and broader advisory relationships. The billings may initially look identical but the economic value to the firm is not.

This is particularly important as larger firms try to build institutional relationships rather than collections of individual mandates. Korn Ferry's strategy explicitly emphasizes deeper client relationships and integrated solutions across the organization. Its fiscal 2025 annual report describes its Marquee and Diamond Account programs[46] as long term strategic partnerships designed to deliver solutions across the enterprise.

Search firms therefore have an opportunity to measure client value more broadly. Repeat assignments, client retention, cross-practice introductions, expansion into new geographies and the development of advisory or recurring revenue can all be measured.

Performance Management Needs to Catch Up

Most search firms already have the information needed to build a better performance system. They know billings, fees, search completion rates and client activity. Increasingly, they also have information on search duration, candidate pipelines, repeat business, cross-practice activity and other measures. However, the opportunity to bring those measures together is critical.

Billings should remain at the center because the business has to produce revenues on a consistent basis. However, they can also sit alongside a small number of other factors that show how that revenue was created and whether it is likely to continue.

A PRACTICAL SCORECARD COULD INCLUDE

Performance Measure	What It Tells the Firm
Revenue / Billings	How much business the individual produced
Quality of Hire	Whether placements endure and perform
Client Retention	Whether clients return
Client Expansion	Whether relationships grow beyond individual mandates
Platform Contribution	Whether the individual contributes knowledge, intelligence and opportunities to the wider firm
Team Development	Whether the individual develops stronger people and future producers

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

The weighting will differ by role based on our interviews.[47] While a senior partner should still carry a substantial revenue expectation, a talent intelligence leader should not. A principal moving toward partner may reasonably be measured on both execution and business development, while a managing partner should ideally be measured on the performance of their people and business they lead. That is the important change. Not everybody creates value in the same way, so not everybody should be measured in exactly the same way.

> If executive search increasingly focuses on selling judgment rather than access, firms should become better at measuring the quality of that judgment.

45 https://business.linkedin.com/hire/resources/future-of-recruiting?veh=hiring-gen-z
46 https://ir.kornferry.com/sec-filings/all-sec-filings/content
47 HSiQ proprietary research; interviews with 324 executive search industry participants conducted between April and August 2026.

Connecting Performance and Pay

Measurement matters because people respond to what firms most reward.

If compensation is based entirely on individual billings, people will naturally focus on individual billings. If firms want collaboration, client expansion, knowledge sharing, better assessment, talent development and greater use of the platform, those things need to matter in performance reviews and ultimately in compensation. That does not require executive search firms to abandon the economics that made the industry successful. Production should continue to matter enormously, particularly for senior client-facing professionals.

The opportunity exists today to make the definition of production broader. A Partner who originates $2 million of business has clearly created significant value. However, so too has the Partner who turns a $500,000 client into a $3 million institutional relationship. Moreover, the consultant whose placements consistently succeed has also material and significant impact as does the leader who develops three future Partners. Those contributions have always existed. The difference now is that firms increasingly have the data to measure them.

The next step is to begin paying attention to them and, where appropriate, paying for them.



SECTION 8

MARKET STRUCTURE, COMPETITION & ECONOMIC PRESSURE

The executive search industry is entering a new phase of growth and structural change in which several forces are converging simultaneously.

Clients today possess more information and have developed increasingly sophisticated internal recruiting capabilities on their own. Artificial intelligence has also reduced the cost of research, market mapping, and candidate identification. [48]

Talent-intelligence platforms are democratizing access to information that was once difficult and expensive to obtain. AI is fundamentally reshaping the market. The last decade was defined by point solutions, tools that solved narrow parts of the workflow but did not change outcomes. The next decade will be defined by intelligent systems that understand context, generate insights, and guide decisions.[49]

Economic volatility continues to influence search volumes, while compensation remains one of the industry's most significant costs. At the same time, clients increasingly expect executive search firms to provide measurable strategic value well beyond the delivery of a candidate slate.

None of these platforms independently threaten the existence of executive search. Together, however, they are changing where value resides within the search process and, consequently, where economic returns are likely to accrue. For much of industry's history, scarcity often supported the economics of retained search. Information about senior executives was difficult to obtain, organizational structures were opaque, compensation data was fragmented, and sophisticated market mapping required substantial research resources. Access to highly sought-after executives was frequently dependent upon long-standing personal relationships. Knowing the market better than the client was therefore an important part of what the client was paying for.

That advantage has fast eroded. LinkedIn, corporate databases, generative AI, compensation information, and increasingly sophisticated talent intelligence platforms can now perform portions of the work that previously required time extensive and manual research. Hunt Scanlon's 2026 reporting on HelloSky, for example, describes AI being introduced directly into market mapping, candidate discovery, and search strategy from the very start. Findem similarly positions its executive search platform around market maps, verified career histories, relationship intelligence, and integrated research and reporting.[50]

The result is not simply technological disruption. It is an economic disaggregation of executive search. Importantly, this shift is moving beyond broad promises about the potential of AI and into the real time mechanics of accelerating execution and identifying workflows where AI can materially augment the work of consultants and researchers. These include building comprehensive market maps across companies by sector, scale, stage, and asset class including historical as well as current organizational context and then mapping relevant executives against those markets with greater data freshness and point-in-time accuracy. AI can also enable firms to create reusable search strategy templates, identify executives who may have little or no presence on LinkedIn, and surface relationship pathways that allow consultants to pursue warm introductions rather than defaulting to cold outreach.

Taken together, these capabilities reach directly into activities that have historically consumed significant researcher and consultant time as well as cost. The implication is not that technology eliminates the role of the executive search professional, but that it changes where that professional creates the most value. As market mapping, identification, and relationship discovery become faster and more systematic, the consultant's advantage increasingly shifts toward judgment: defining the right market, interpreting what the data means, assessing leadership quality, understanding organizational context, influencing clients, and converting information into better leadership decisions.

Candidate identification has become largely automate but Judgment, access, context, assessment, and trusted advice remain considerably harder to replicate. The central issue for the industry moving forward is therefore no longer whether technology changes executive search but which elements of executive search will continue to remain valuable as information itself becomes increasingly commoditized.

48 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage/
49 https://huntscanlon.com/domain-specific-ai-transforming-executive-search/
50 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms/

Pricing Pressure & Margin Compression

Pricing pressure in executive search is often described as though the industry were experiencing a straightforward decline in fees. The evidence suggests a considerably more nuanced development. Pricing power appears to be increasingly segmented according to the strategic importance, complexity, and seniority of the assignment. Recruiterflow observes a similar nuance at the profitability level: revenue among the firms it works with is largely holding even as net income declines. The pressure, in other words, is increasingly on profit conversion rather than demand alone.

At the upper end of the market, where boards and management teams are making consequential CEO, board, succession, transformation, and other mission critical leadership decisions, the value proposition remains more defensible and differentiated.

Korn Ferry's recent results provide useful evidence of this distinction. In fiscal 2026, its North American Executive Search business generated $583.4 million of fee revenue, an increase of 9 percent. Importantly, that increase was driven by a 6 percent rise in the weighted-average fee billed per engagement and only a 3 percent increase in the number of engagements. In EMEA, Executive Search revenue increased 11 percent, supported by a 5 percent increase in weighted-average fees and a 6 percent increase in engagements. These results do not support the proposition that premium executive-search pricing is collapsing. Instead, they suggest that clients remain willing to pay for high-level, consequential work where the perceived value of the adviser remains strong.[51]

The more important source of economic pressure may therefore be fee realization rather than the headline fee formula. The economics of a retained search are determined not simply by the stated professional fee, but by the broader commercial terms negotiated around the engagement including payment schedules, deliverables, guarantees, off-limits provisions, conflicts, data requirements, and other assignment-specific terms. As clients negotiate more value into the scope of an engagement, firms can experience economic pressure even where the headline pricing methodology itself remains unchanged.[52]

In these circumstances, the percentage fee may appear unchanged while the amount of work required to earn that fee has increased. That distinction becomes increasingly important as clients demand deeper market information, greater process transparency, more sophisticated assessment, and more frequent reporting.

Procurement and vendor-management structures have reinforced these pressures. While CEOs, boards, investors, and CHROs continue to place significant weight on trust, credibility, confidentiality, and adviser quality when selecting executive-search partners, procurement functions increasingly participate in the evaluation and negotiation process. The AESC itself recognizes procurement as a participant in executive-search firm selection and emphasizes the importance of evaluating providers across factors extending well beyond price, including consultant expertise, conflicts and off-limits restrictions, methodology, data practices, and the quality of the advisory relationship.

The commercial implication is significant; as candidate identification becomes increasingly accessible through technology and data, search firms whose value proposition remains concentrated primarily on access to candidates will find it increasingly difficult to defend premium economics.

Technology further changes the margin equation because it reduces the labor intensity of traditional search execution. Company research, target-company identification, market mapping, candidate biographies, organizational analysis, interview transcription, initial comparisons, and reporting can increasingly be accelerated by AI. Hunt Scanlon's reporting on HelloSky describes precisely this movement toward embedding AI into the core workflows of executive search.[53]

The implications for profitability depend on how firms deploy these capabilities. Using AI merely to reduce researcher or associate costs can create efficiency but using it to increase the number, sophistication, and value of assignments that a senior consultant can manage has the potential to create considerably greater economic leverage. The distinction is fundamental: cost reduction protects margin, while increased revenue capacity per consultant can expand it.

This is especially important because compensation remains central to the industry's economics. Korn Ferry reported firmwide compensation and benefits expense of $1.867 billion in fiscal 2026, an increase of $109 million from the prior year. Performance related bonus expense increased by $33.6 million as fee revenue rose, while salaries, deferred compensation, and severance expenses also increased. Within North American Executive Search specifically, compensation and benefits expense increased 11 percent to $402 million, compared with a 9 percent increase in fee revenue.[54]

Heidrick & Struggles provides another useful illustration. In 2024, Executive Search net revenue increased 4.9 percent to $818.4 million. Average revenue per search increased from approximately $140,000 to $146,000, while consultant productivity increased from approximately $1.9 million to $2.0 million per consultant. The number of confirmations, however, was essentially flat. The growth was therefore being generated primarily through higher economics and improved productivity rather than significantly greater search volume.[55]

These economics have direct implications for compensation. Historically, firms have concentrated heavily on an individual's gross production. Increasingly, the more meaningful measure is the amount of profitable production generated after

51 https://www.sec.gov/Archives/edgar/data/56679/000005667926000021/kfy
52 www.aesc.org/wp-content/uploads/2025/10/AESC_Global_Guide_to_Choosing_an_Executive_Search_Firm.pdf?utm_source=chatgpt.com
53 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms
54 https://ir.kornferry.com/sec-filings/all-sec-filings/content/0000056679-26-000021/kfy-20260430.htm
55 https://www.sec.gov/Archives/edgar/data/1066605/000106660525000017/hsii-20241231.htm

considering the research resources, execution support, guarantees, technology, business-development investment, and infrastructure required to sustain it. A $3 million producer supported by a disproportionately expensive delivery structure may create less enterprise value than a $2.5 million producer who operates with greater leverage, protects fee levels, expands institutional relationships, and deploys technology effectively.

The definition of a top producer continues to evolve. Revenue generation will remain fundamental, and the consultants who consistently originate significant search work will continue to command premium compensation. However, search firms will look beyond individual production to the broader economic value a consultant creates. That includes protecting fee levels, building institutional rather than purely personal client relationships, bringing colleagues and adjacent services into accounts, developing intellectual property and market insight that can be leveraged across the firm, and using technology and teams in ways that improve overall productivity. The measure of a top producer will therefore become broader than simply "How much revenue did this individual generate?" The more important question will increasingly be: "How much durable enterprise value did this individual create for the firm?"

Client In House Sourcing Trends

One of the most important structural pressures facing executive search comes not from another search firm but from the client itself. Large corporations have invested heavily in internal talent acquisition, executive recruiting, sourcing, succession planning, people analytics, and talent intelligence. Many now employ former executive-search consultants who understand the methodologies, technologies, candidate markets, and economics of the industry. Activities that were once almost automatically outsourced to retained search firms can therefore increasingly be performed within the enterprise.[56]

Technology is accelerating this shift by giving internal talent teams access to capabilities that were once concentrated exclusively within executive search firms. Findem is one such example.[57] Its platform extends across external hiring, executive search, internal mobility, learning and development, and workforce planning, allowing organizations to connect external talent-market intelligence with information about their existing workforce.

Within executive search specifically, the Findem platform brings together market mapping, verified career histories, leadership trajectories, relationship intelligence, and candidate research in a single workflow. Importantly, these capabilities are designed not only for executive search firms but also for in-house executive recruiting teams. The implication is significant: technology is steadily reducing the informational and research advantage that external search firms historically possessed, enabling sophisticated corporate talent functions to perform a larger portion of the traditional search process themselves.

The implications for executive search are significant because this development challenges one of the industry's historical sources of value: superior access to information. A sophisticated internal executive recruiting function can increasingly combine proprietary succession and employee data, compensation intelligence, alumni and relationship networks, LinkedIn and other external databases, generative AI, and talent-intelligence platforms to conduct a credible first-stage assessment of an executive market without immediately retaining an external search firm.

Hunt Scanlon's own investment in and reporting on HelloSky illustrates how quickly this capability is developing: AI-enabled platforms can now perform market mapping, candidate discovery, slate building, relationship intelligence, and elements of search-strategy execution that historically required significant researcher time and proprietary search-firm infrastructure.[58]

The strategic consequence is more important than the technology itself. HSiQ's analysis suggests that sophisticated clients will increasingly be capable of identifying much of the obvious candidate population themselves. The question for the search firm therefore becomes considerably more demanding: if the client can identify many of the same executives, what is it actually paying the external adviser to provide? Increasingly, the answer must lie beyond identification, in judgment, assessment, privileged access, interpretation, persuasion, leadership intelligence, and the ability to advise CEOs and boards on decisions where the candidate list is only the beginning. This conclusion is consistent with Hunt Scanlon's broader "Big Shift" thesis, which describes competitive advantage moving away from transactional search execution and toward talent intelligence, sector expertise, AI-enabled insight, and earlier influence over clients' leadership decisions.[59]

The assignments most susceptible to insourcing are those where the candidate universe is relatively transparent, the company already has a strong executive-recruiting function, confidentiality is limited, and the primary requirement is market identification and process execution. As technology reduces the cost of candidate discovery, these assignments become increasingly difficult to differentiate solely through research capability.

The situation is very different where independence, judgment, access, discretion, and persuasion determine the outcome. A board replacing a sitting CEO cannot necessarily manage the process in the same way as an ordinary internal requisition. A CHRO evaluating competing internal CEO successors may need an independent external benchmark. A private equity sponsor acquiring a company may require an objective assessment of whether the management team can execute the investment thesis. A company entering an unfamiliar sector may require detailed intelligence about leadership markets before the organization has even determined precisely what role it needs to recruit.

56 https://buffkinbaker.com/blog/talent-acquisition-from-an-in-house-perspective/
57 https://huntscanlon.com/domain-specific-ai-transforming-executive-search/
58 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms/
59 https://huntscanlon.com/inside-the-recruiter-performance-training-program/

The same is true of access. Information about a sitting CEO may be increasingly visible, but information does not automatically create a trusted conversation. Senior executives considering major career decisions may engage differently with a search adviser with whom they have built a relationship over many years than with an unfamiliar corporate recruiter. The value therefore migrates from simple knowledge of who the executive is toward understanding whether the executive is relevant, recruitable, credible, culturally appropriate, and capable of succeeding in the client's specific circumstances.

Insourcing also creates a more sophisticated buyer. Internal executive-recruiting leaders understand how market mapping is conducted, which candidates are obvious, which technologies are available, and which aspects of a search genuinely require differentiated expertise. Many have themselves worked in retained search. The result is a client that is more capable of distinguishing substantive insight from research packaged as insight.[60]

The strategic response should not be for search firms to compete directly with clients for activities those clients can already perform effectively. The opportunity is to supply various kinds of talent intelligence and judgment that are more difficult for internal organizations to create independently: external succession benchmarking, confidential references, compensation intelligence, competitive leadership mapping, objective assessment, cross-industry pattern recognition, difficult candidate access, board advisory, and interpretation of broader talent movements.

This is where the HSiQ thesis becomes especially relevant.[61] Talent intelligence should not begin when a requisition opens. It should begin when management teams and boards are asking larger questions: which competitors have stronger leadership benches, where succession vulnerabilities exist, which companies are producing future CEOs or CFOs, how an internal successor compares with the external market, or what leadership capabilities will be required if the business doubles in size. These are not conventional recruiting questions; they are strategic business questions expressed through people.

In House Executive Recruiting does not necessarily reduce the opportunity for sophisticated external advisers but it does change where that opportunity lies. As clients become increasingly capable of managing candidate identification and recruiting execution internally, the value of the search firm must move upstream. The strongest firms will become involved before a search is launched, helping clients understand leadership markets, benchmark internal talent, assess succession risk, identify emerging capabilities, and anticipate future leadership needs and remain engaged after an appointment is made. In this model, the relationship is no longer defined primarily by the outsourcing of individual searches. It becomes an ongoing advisory relationship built around external leadership intelligence, judgment, and insight that the client cannot easily replicate internally.

AI-Driven Disintermediation Risks

Artificial intelligence represents one of the most visible disintermediation risks facing executive search today because it has automated or materially accelerated many of the activities that historically required a core search team to oversee. Market mapping, company research, candidate identification, career history analysis, organizational mapping, preliminary candidate comparison, interview transcription, research synthesis and reporting have all become AI enabled.[62]

Hunt Scanlon's 2026 in association with its partnership with HelloSky describes AI moving briskly into these core executive search workflows, particularly candidate discovery, market mapping and search-strategy execution. The significance is not that technology suddenly replaces the executive recruiter, but that it reduces the amount of time human effort is now required to produce many of the informational outputs that once underpinned the traditional retained search process.[63]

The economic implications are substantial. For decades, part of the value proposition of retained executive search rested on the search firm's ability to mobilize experienced researchers, reconstruct markets, identify hard to find executives, build organizational maps and develop informed candidate universes that clients could not readily create themselves. As AI continues to make those activities faster, cheaper and more accessible, the economic value attached simply to producing information has inevitably come under pressure.

However, there remains an important distinction between information, intelligence and judgment. AI can identify hundreds of executives who appear to meet stated criteria. It can reconstruct career paths, compare professional histories, identify shared networks and establish that an executive was present at a company during a period of exceptional growth or transformation.[64]

HelloSky's point-in-time approach is illustrative because it attempts to connect executives with the specific moments in which growth, scale and value creation occurred rather than relying solely on current titles or static résumés. That is a meaningful advance in talent intelligence. What technology still cannot reliably determine on its own is whether the executive actually caused the outcome or merely participated in it, or even possesses the leadership characteristics necessary to reproduce that success in a substantially different strategic, cultural or ownership context.

That distinction sits at the center of the HSiQ thesis;[65] AI increases the availability of information to tell a client who has held a particular role, which executives worked together, who scaled a business and who possesses certain career characteristics. However, the real and intrinsic value of the search consultant lies in determining which of those facts actually matter, how they should be interpreted and what they imply for the specific leadership decision in front of the client.

60 https://intellerati.com/best-of-blog/in-house-executive-search-ai/
61 https://huntscanlon.com/hunt-scanlon-launches-hsiq-talent-intelligence-advisory-unit/
62 https://huntscanlon.com/how-leading-search-firms-are-turning-ai-into-competitive-advantage/
63 https://huntscanlon.com/domain-specific-ai-transforming-executive-search/
64 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms
65 https://huntscanlon.com/hunt-scanlon-launches-hsiq-talent-intelligence-advisory-unit

The same principle applies to relationships. Technology can map connection paths, identify shared employers, surface likely relationships and suggest who may have influence with a particular executive. It cannot automatically recreate the trust built through years of confidential interaction between an adviser and a CEO, board member or candidate. Nor can it fully navigate the political sensitivities surrounding CEO succession, interpret an ambiguous reference, persuade a reluctant executive to reconsider a career decision, manage a complex family or relocation issue or tell a board that its favored internal candidate is not competitive with the external market. These remain intensely human moments in which experience, credibility and judgment continue to carry disproportionate value.

AI therefore has created a paradox for executive search. It places the greatest pressure on firms whose economics remain heavily dependent on finding, organizing and processing information, while potentially strengthening firms whose value proposition rests on judgment, interpretation, access and strategic advice.[66] As candidate discovery and research become more efficient, the value of simply knowing who is in the market substantially declines. The premium increasingly shifts toward understanding why a particular individual matters, whether that individual can succeed in a different context, and what the client should do with that knowledge.

There is also an important institutional consequence. Historically, much of the executive-search industry's intellectual property lived inside the heads, relationships, notes and personal histories of individual consultants. Search firms accumulated extraordinary amounts of information through candidate conversations, previous assignments, client interviews, references, compensation negotiations and placement outcomes, yet much of that knowledge remained fragmented and difficult to reuse. Today, AI has materially expanded what is possible by allowing proprietary search history, client knowledge, candidate data, and external market intelligence to be connected, analyzed, and queried at a scale and speed that were previously impractical.[67]

This has in turn created the potential for executive search firms to move from episodic knowledge to cumulative intelligence. Every candidate conversation can now add another signal about motivation, market reputation or push and pull factors. Every compensation discussion can now also add another market observation, and every reference can add context about leadership effectiveness. The search firm and client relationship changes into a strategic discussion less dependent on a static database and more on a system through which knowledge is captured, connected, interpreted and reused.

This is one of the reasons AI-driven disintermediation is unlikely to affect every firm equally. The greatest pressure will fall on organizations whose primary differentiation remains candidate identification, research execution and process management because those are precisely the areas where technology is advancing most rapidly. Firms capable of using the same technology to deepen market intelligence, institutionalize proprietary knowledge and improve the quality of their advice may experience the opposite effect. For them, AI can reduce the cost of producing information while increasing the amount of insight that surrounds the client relationship.[68]

The ultimate risk which is an existential one is not that AI eliminates retained executive search but that it commoditizes the portions of executive search that were never truly differentiated in the first place. What will remain unique is the ability of search firms to determine which information matters, understand its context, apply judgment and persuade CEOs, boards and investors to act on it.

Viewed through the HSiQ lens, this is also the strategic opportunity. The future competitive advantage of an executive search firm will not come from simply possessing more names than its competitors. It will come from combining proprietary knowledge, external data, technology and experienced human judgment to understand leadership markets more deeply than clients can understand them independently.[69] In that environment, the strongest firms will use AI not simply to defend the traditional search model, but to move beyond it, from producing candidate information to providing leadership intelligence capable of shaping decisions before, during and after an individual search mandate.[70]

Hunt Scanlon's broader 2026 research in partnership with Recruiterflow on AI adoption supports the direction of this argument, particularly its finding that firms are beginning to use AI to expand research capacity, accelerate timelines and produce richer market intelligence with the same or leaner teams. The detailed question of why some firms are converting those capabilities into institutional advantage while others remain at the level of experimentation belongs in the next section on the Integration Gap.

As candidate discovery and research become more efficient, the value of simply knowing who is in the market substantially declines.

66 https://www.spencerstuart.com/research-and-insight/why-ai-wont-kill-professional-services-it-will-fracture-them
67 https://recruiterflow.com/blog/ai-native-ats-and-crm/
68 https://tgsus.com/best-of-blog/strategic-limits-ai-executive-search/
69 https://kitalent.com/applied-research/what-ai-can-and-cannot-do-in-executive-search
70 https://www.businessinsider.com/ai-speeding-up-some-parts-executive-hiring-2026-8

AI Adoption and the Executive Search Firm Integration Gap

Artificial intelligence is no longer a peripheral technology issue for executive search. It is becoming a structural issue that will both impact and influence firm economics, operating models, competitive positioning, consultant productivity, compensation, and ultimately enterprise value. Nearly every meaningful executive search firm is now experimenting with AI in some form, but experimentation should not be confused with transformation. The more consequential divide is emerging between firms using AI primarily to make individual consultants more productive and those embedding it across their organizations to create institutional capability.

Hunt Scanlon and HSiQ's 2026 research[71] describes this widening divide as the "Integration Gap." Based on a dedicated survey of 97 executive search firm leaders, supplemented by Hunt Scanlon's Annual Executive Search Rankings Survey of 140 firms, the research suggests that the industry has moved well beyond debating whether AI belongs in executive search. The competitive question is now how deeply it becomes integrated into the search business.

The adoption data demonstrates how early this transformation remains. Only 20 percent of surveyed firms have achieved broad AI adoption across multiple workflows, while 58 percent are moderate adopters, 20 percent remain in early experimentation and approximately 3 percent report essentially no adoption. This means that almost everyone has started, but 78 percent of the industry remains somewhere between experimentation and comprehensive integration. Importantly, access to AI itself is no longer differentiating: 91 percent of respondents already use general-purpose AI assistants such as ChatGPT or Claude.

The emerging competitive advantage instead comes from connecting AI with proprietary data, CRM and ATS infrastructure, research platforms, standardized workflows and eventually custom agents and multi-agent systems. As our AI report concludes, the Integration Gap is therefore not fundamentally a technology gap; it is a systems, data and leadership gap.

This distinction has significant implications for the economics of executive search. For early and moderate adopters, AI is principally making existing work faster. Consultants are using it to summarize interviews, draft candidate profiles, develop market maps, prepare client presentations, conduct research and reduce administrative work. These are meaningful productivity gains, but they largely accrue to the individual consultant. Broad adopters are beginning to operate differently. They are standardizing how information is captured, integrating AI into CRM and ATS platforms, connecting research and market-intelligence tools to internal systems and deploying shared applications across the organization. The result is that information generated during one search can increasingly become institutional knowledge available to other consultants, practices and future assignments rather than remaining trapped inside individual notebooks, inboxes and memories.

The difference is already visible in the data. Among broad adopters, 95 percent use AI-enabled notetaking or transcription, 74 percent have AI embedded within their ATS or CRM, 68 percent use AI research or market-intelligence tools and 68 percent have shared custom GPTs. Among early-stage firms, the comparable figures are 58 percent, 21 percent, 26 percent and zero. At the more advanced end of adoption, 58 percent of broad adopters report using multi-agent workflows and 42 percent have developed custom internal tools; neither capability appears among the early-stage firms surveyed. These differences suggest that the next phase of AI adoption will be less about which individual applications a firm adopts and more about whether those applications are connected sufficiently to create a coherent operating system for the organization itself.

The economic opportunity is potentially substantial because executive search has traditionally been difficult to scale without adding headcount. Revenue growth in the past has generally required additional researchers, associates, project managers and consultants, and as a result compensation expenses rose alongside fee revenue. AI has brought about the potential to alter that relationship.

Hunt Scanlon and HSiQ's research, in conjunction with Recruiterflow found that firms crossing the Integration Gap are increasingly able to perform more work with the same headcount or in some cases less people. If researchers can support more assignments, consultants can manage larger portfolios and administrative requirements can be reduced without sacrificing quality, firms can begin to increase revenue without proportionately increasing headcount. That creates the potential for greater operating leverage and, over time, improved margins. For many firms this is a game changer,

The current evidence should not, however, be interpreted as proving that AI automatically creates revenue growth by itself. Hunt Scanlon and HSiQ matched 47 firms across its AI adoption and revenue datasets and found that 62 percent of broad adopters were growing at or above the industry average compared with 48 percent of moderate adopters. Broad adopters were also considerably larger on average, which makes comparable percentage growth more difficult. Our report appropriately describes the relationship as directional rather than causal but the more important conclusion is that firms pursuing systematic AI integration appear to be building greater capacity to scale efficiently, and those infrastructure advantages have the potential to compound as the technology becomes more capable.

AI adoption will also reshape organizational structures within executive search firms. Much of the traditional search pyramid has been designed around activities that historically required substantial manual effort: candidate identification, market mapping, database maintenance, interview summaries, research preparation, scheduling, candidate reporting and business-development research. Increasing portions of this work can now be automated or materially accelerated.

Recruiterflow provides one great example of this emerging model. The platform combines ATS, CRM and outreach

71 https://hsiqtalentintelligence.com/report-integration-gap-ai-reshaping-executive-search/

capabilities while its AI agents can update candidate profiles, summarize interview notes, identify contact information and flag executive job changes. The significance is not simply that fewer people may eventually be required to perform certain tasks but that executive search teams can be redirected toward the activities where human judgment creates substantially greater value: winning assignments, assessing executives, managing clients, developing relationships and interpreting markets.

This is particularly relevant to senior consultant economics. The strongest executive search professionals are highly compensated because of their relationships, judgment, credibility, market knowledge and ability to generate revenue. Every hour those individuals spend updating databases, searching for contact information, formatting reports or completing repetitive administrative work represents an inefficient use of expensive human capital.

Hunt Scanlon and HSiQ's found as part of the AI study that 61 percent of recruiters report burnout and that 45 percent attribute it directly to repetitive administrative work. AI therefore has the potential not simply to reduce costs but to increase the productive capacity of a firm's most valuable people by returning more of their time to clients, candidates and business development.

These changes will inevitably have an effect on compensation and lateral hiring. As AI reduces the scarcity value of candidate identification, manual market mapping and other execution -oriented skills, economic value is likely to migrate toward capabilities that remain difficult to automate: origination, judgment, assessment, persuasion, sector expertise, client trust and the ability to convert information into strategic advice. The highest-value consultants of the future may therefore be those who combine traditional relationship skills with data fluency and the ability to use technology to extend their reach.

Hunt Scanlon and HSiQ found that leading firms are increasingly arriving at client discussions with real time compensation benchmarks, competitor talent maps and candidate recommendations supported by analytical scoring rather than relying exclusively on intuition and as a result data fluency increasingly complements network depth.

For lateral hiring, this introduces an additional dimension to the evaluation of senior partners. Historical production and portable client relationships will remain critical, but firms will increasingly need to consider whether a prospective partner can operate successfully within an institutional, technology-enabled model. A highly productive rainmaker who refuses to share client information, capture market intelligence systematically, collaborate through common platforms or adopt firm-wide technology may generate considerable personal revenue while contributing relatively little to institutional intellectual capital.

By contrast, a partner who originates substantial revenue while also creating reusable intelligence, developing colleagues and expanding institutional accounts can create value that extends well beyond individual production. AI therefore reinforces the industry's broader movement away from purely individual economics toward measures of enterprise contribution.

Leadership appears to be one of the strongest determinants of whether firms make this transition successfully. Across the Hunt Scanlon/HSiQ survey, 66 percent of respondents identified firm leadership as the principal driver of AI adoption; among broad adopters that figure increased to 84 percent. Only 18 percent identified individual recruiters as the primary driver, and those firms were concentrated overwhelmingly within the moderate and early-stage categories. The implication is that meaningful AI integration cannot simply be delegated to technology teams, researchers or enthusiastic junior consultants. It requires CEOs and managing partners to determine how information will be captured, which workflows will become standardized, where AI will be embedded and what behaviors will be expected across the firm.

This presents a particular challenge for the executive search industry because many firms have historically operated as collections of highly autonomous producers. Individual partners often control their client relationships, research practices, information and methods of executing assignments. That entrepreneurial independence can be commercially powerful, but it can also inhibit institutional AI adoption. Bottom-up experimentation may make individual consultants more productive without creating a more capable firm.

As the Hunt Scanlon/HSiQ AI report argues, training creates users, while redesign creates advantage. The competitive opportunity therefore lies not in distributing AI licenses throughout an organization but in redesigning the underlying workflows through which searches are won, executed and converted into institutional knowledge.

Perhaps surprisingly, the principal obstacle is not actually cost. The two most frequently cited barriers are data quality and accuracy at 23 percent and integration with existing systems at 22 percent. Cultural resistance accounts for 16 percent, privacy and compliance 15 percent, unclear use cases or ROI 14 percent, while cost and resource constraints rank last at only 8 percent. Data quality and integration therefore account for 45 percent of the barriers identified by respondents. This finding is particularly important for executive search because the industry possesses extraordinary quantities of valuable information but has historically struggled to capture and organize it consistently.

That challenge connects directly with the broader HSiQ talent-intelligence thesis. Executive search firms conduct thousands of highly valuable conversations every year. They learn why CEOs leave, which executives will relocate, what candidates think of particular companies, which boards are dissatisfied, how compensation is changing, which organizations possess strong succession benches and where emerging executives are gaining strategically important experience. Historically, much of this information remained with the consultant who heard it. AI creates the possibility of transforming those individual observations into cumulative institutional intelligence. Standardized notetaking and transcription are therefore much more strategically important than they initially appear. 95 per cent of broad adopters use these capabilities compared with 58 percent of early-stage firms because structured conversation data becomes the foundation on which CRM

integration, research automation, market intelligence and eventually proprietary agents can be built.

This represents a profound shift in the potential intellectual property of an executive search firm. Historically, a firm's competitive advantage resided disproportionately in the heads and relationships of its consultants. The emerging opportunity is to retain those human advantages while institutionalizing the knowledge they generate. Every candidate interview can create another data point. Every compensation discussion can strengthen market benchmarks. Every completed search can improve understanding of executive trajectories and outcomes. Every client conversation can add context to the firm's understanding of an organization. Instead of intelligence disappearing when an assignment closes—or when a consultant leaves—the organization can begin to develop a proprietary knowledge base that becomes more valuable with every search it completes.

Client expectations will accelerate this transition. Private equity, financial services, technology, healthcare and industrial companies are themselves adopting AI rapidly, and sophisticated clients increasingly expect their external advisers to demonstrate comparable analytical rigor.

The Hunt Scanlon/HSiQ AI report argues that a private equity firm deploying AI across portfolio operations is unlikely to be impressed by a search partner manually constructing long-list spreadsheets, while technology and financial-services clients increasingly expect greater sophistication in candidate intelligence, market mapping and assessment. AI capability therefore becomes not merely an internal productivity issue but a client-facing credibility issue. Firms capable of demonstrating systematic, integrated AI capability enter pitches with a stronger proposition around speed, analytical depth, consistency and market intelligence than competitors still dependent principally upon individual effort.

The most important distinction may ultimately be how firms define the objective of AI adoption. Early and moderate adopters tend to describe AI in terms of efficiency: reducing administration, saving time and completing existing work faster. Broad adopters increasingly describe it in terms of scale, growth, differentiation and competitive positioning. The first group is attempting to perform the traditional executive search model more efficiently. The second is beginning to reconsider what an executive search firm can become when human judgment, proprietary information and artificial intelligence are combined systematically.

That second model has much greater strategic significance. AI can allow specialist boutiques to operate with analytical capabilities once available only to much larger organizations. It can allow global firms to institutionalize knowledge that historically resided across thousands of individual consultants. It can support proprietary talent-intelligence products, recurring advisory relationships, competitive leadership mapping, succession benchmarking and continuously updated client intelligence. Rather than simply reducing the cost of delivering search, AI therefore creates the possibility of expanding the addressable value surrounding the client relationship.

The competitive advantage is also likely to compound. Hunt Scanlon and HSiQ identify a progression from foundation to integration, intelligence and ultimately orchestration. Firms first standardize the capture of conversation data, then connect that information to CRM and ATS infrastructure, layer market-intelligence capabilities onto the resulting data and eventually deploy shared GPTs, proprietary agents and multi-agent workflows. Each stage strengthens the next. Better data enables better AI; better AI generates better intelligence; better intelligence improves searches and client advice; and those engagements create additional proprietary data. Over time, this can create an institutional intelligence flywheel that becomes increasingly difficult for slower competitors to replicate.

For the economics of executive search, the implications are considerable. AI has the potential to improve margins by allowing revenue to grow without proportionate increases in delivery headcount. It can increase the productive capacity of top consultants, alter traditional research leverage ratios and shift compensation toward those who originate relationships, exercise judgment and create reusable intellectual capital. It can strengthen retention by giving leading producers better tools with which to expand their practices and can improve pricing power where technology is used to create differentiated intelligence rather than simply cheaper sourcing. It may also influence M&A valuations as proprietary data, integrated workflows, recurring intelligence products and scalable technology infrastructure become increasingly important components of enterprise value.

The greatest competitive risk may therefore not be that AI replaces executive search. It is that AI creates two different executive search industries. One will use technology principally to conduct traditional searches faster and at lower cost. The other will combine technology, proprietary data and human judgment to move further upstream into succession, assessment, competitive intelligence, organizational capability and broader leadership advice. Firms caught between those models without the efficiency of an AI-enabled delivery platform or the differentiation of a genuine leadership-intelligence business may face the greatest pressure on fees, margins and talent.

This is ultimately where the Integration Gap intersects with the Hunt Scanlon/ HSiQ thesis. The strategic opportunity is not to use AI simply to produce the same candidate list faster. It is to transform decades of fragmented executive-search knowledge into institutional intelligence and combine that proprietary knowledge with external market data to help clients answer larger questions about leadership, succession, compensation, competitive talent movements and organizational capability. The firms that accomplish that will increasingly resemble leadership-intelligence businesses that also execute executive search, rather than traditional executive search firms that happen to use AI.

The distinction is important because it changes the source of competitive advantage. Candidate identification will become easier. Information will become more abundant. Research will become faster. What will remain scarce is the ability to interpret that information, apply experienced judgment and translate it into decisions that CEOs, boards and investors are

prepared to act upon. The firms that successfully combine those human capabilities with proprietary data and integrated AI infrastructure will not simply become more efficient search firms. As the Hunt Scanlon/HSiQ AI report concludes, they will increasingly be running a fundamentally different business from the firms that waited.

Platform Competitors & Digital Marketplaces

The competitive perimeter of executive search now extends far beyond traditional retained-search firms. Talent-intelligence platforms, professional networks, AI sourcing systems, interim executive businesses, fractional leadership providers, and digital marketplaces increasingly compete for portions of a value chain that historically sat within a single search engagement.[72] The common characteristic connecting these models is that technology is lowering the cost and friction associated with locating, understanding, and accessing executive talent.

HelloSky and Findem are particularly significant because both seek to move beyond static résumé search. Hunt Scanlon describes HelloSky's point-in-time leadership graph as connecting executives to specific periods of growth, transformation, value creation, and organizational scale. Rather than simply identifying where an executive works today, the system attempts to place that executive's experience into the historical context in which it was accumulated.[73]

The distinction is strategically important. Knowing that someone currently runs a $5 billion company tells the client something. Knowing that the individual joined when the business was substantially smaller, participated in scaling it, completed acquisitions, built a leadership team, and expanded profitability can tell the client considerably more. The existing HSiQ work identifies this as a movement from static candidate records toward point-in-time intelligence, where the relevant question becomes not merely who has a particular title, but who has actually lived through the circumstances the client is about to confront.

Findem is pursuing a related proposition. Its executive-search platform combines research, discovery, reporting, verified career history, market mapping, leadership trajectory, and relationships. Findem explicitly argues that conventional databases rely too heavily on static profiles, while richer contextual data can reveal how leaders have moved, developed, and influenced organizations over time.[74]

These capabilities have a dual competitive effect. They can put sophisticated research directly into the hands of corporate recruiting teams, increasing the insourcing threat. But they can also dramatically improve the capabilities of executive-search firms that adopt them. Technology platforms should therefore not automatically be viewed as substitutes for search firms. In many cases, they represent the infrastructure through which search firms themselves can create a new form of advantage.



72 https://www.thetimes.com/business/companies-markets/article/interim-management-job-transformational-r2h3f9bfd
73 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms/
74 https://www.findem.ai/platform/executive-search

Digital talent marketplaces introduce a different challenge because they attack the assumption that every leadership problem necessarily requires a permanent executive placement. Clients can increasingly access interim executives, fractional leaders, independent consultants, operating advisers, and transformation specialists for defined periods. A company may need an interim CFO through a transaction rather than a permanent CFO immediately. A private equity sponsor may need an experienced CHRO through integration. A founder may require a seasoned commercial leader several days per week before the business is ready for a permanent executive.

The traditional search firms themselves increasingly recognize this change. Heidrick & Struggles generated $168.3 million from On-Demand Talent in 2024, an increase of 10.4 percent, while Heidrick Consulting generated $111.9 million, an increase of 18.6 percent. Executive Search remained the largest business at $818.4 million, but the broader revenue mix illustrates an important strategic direction: the firm is positioning itself to participate in leadership needs that extend beyond permanent retained search.[75]

Technology also democratizes scale. Historically, global firms enjoyed major structural advantages because they could fund extensive research organizations, large databases, proprietary technology, and global infrastructure. AI and cloud-based platforms reduce some of those barriers. A specialist boutique can increasingly access sophisticated market-mapping, CRM, research, and talent-intelligence capability without developing the entire infrastructure internally.

This development potentially strengthens the competitive position of specialist firms. Deep sector expertise, partner-level service, lower overhead, entrepreneurial compensation, and strong relationships can now be combined with technology that narrows the historical infrastructure gap between boutiques and global firms. The result is an important new equation for the industry: technology can democratize scale while specialization preserves differentiation.[76]

The deeper competitive opportunity comes from combining external platforms with proprietary institutional knowledge. Every completed executive search generates information on executives who were considered but not placed, companies that were mapped, compensation structures, references, succession candidates, organizational weaknesses, candidate motivations, and outcomes. Historically, much of that intelligence was fragmented across CRM systems, spreadsheets, consultant notes, and memory.

Today, technology provides executive search firms with unprecedented opportunities to capture, connect, analyze, and reuse that accumulated knowledge.[77] Bullhorn's observation that a strong CRM "builds institutional knowledge that makes your firm more valuable over time" is particularly relevant because it recognizes that the value of search data should accumulate rather than reset with each completed assignment. The HSiQ Talent Intelligence proposition takes that principle further: those accumulated observations should become part of a continuously evolving, real-time institutional intelligence capability that compounds in value with every search.

Platforms therefore represent both threat and leverage. They weaken firms whose competitive advantage depends upon information scarcity but they can significantly strengthen firms capable of combining technology with proprietary knowledge, trusted relationships, and experienced human judgment.[78] The strategic distinction today is not whether a search firm has AI anymore but whether AI is enabling the firm to change what it sells and how it delivers it.

Economic Cycles & Compensation Sensitivity

Executive search has always been sensitive to economic confidence because demand is closely connected to investment, transactions, corporate growth, transformation, and organizational change. When boards and management teams are confident, companies create new roles, replace underperforming leaders, pursue acquisitions, enter new markets, and invest in transformational talent. When uncertainty increases, discretionary searches are delayed, hiring committees become more cautious, and companies frequently retain existing leadership longer.

The industry's cost structure amplifies this cyclicality. Senior consultants are highly mobile, and successful producers can command significant economics during strong markets. Firms competing for established rainmakers may often offer sweeteners in a number of forms such as guarantees, signing payments, deferred compensation, multi-year arrangements, team investment, equity participation, or unusually attractive production percentages. These commitments may be entirely rational when search demand and producer revenues remain high, but they can become expensive fixed obligations when the market slows, as it does on a cyclical basis.

The dynamics are visible in publicly available company data. Korn Ferry's fiscal 2026 Executive Search results showed strong recovery, but higher revenue also drove higher compensation costs. Across the company, compensation and benefits expense increased 6 percent to $1.867 billion. Within North American Executive Search, compensation expense increased 11 percent to $402 million, including $24.3 million of additional performance-related bonus expense attributable to higher fee revenue and $13.9 million of additional deferred compensation expense.[79]

This is also currently happening across many large firms and creates what might be described as a compensation ratchet. In stronger markets, rising production increases performance related compensation and can add to deferred awards and other personnel commitments. When the cycle turns, however, search revenue can respond relatively quickly to declining activity while portions of the cost base including salaries, deferred compensation, long term awards, and the

75 https://www.sec.gov/Archives/edgar/data/1066605/000106660525000017/hsii-20241231.htm
76 https://www.spencerstuart.com/research-and-insight/why-ai-wont-kill-professional-services-it-will-fracture-them
77 https://www.bullhorn.com/executive-search/
78 https://jp-cornerstone.com/2026/07/13/ai-in-executive-search
79 https://www.sec.gov/Archives/edgar/data/56679/000005667926000021/kfy-20260430.htm

infrastructure supporting senior producers may adjust more slowly. This reflects a long standing reality of executive search: it is often a feast or famine business, where revenues can rise rapidly in strong markets while the compensation structures and cost base built during those periods can prove far more difficult to adjust when demand turns.

Private capital can add another dimension to this compensation equation because it can change not only how a search firm is financed, but also how it competes for and retains its highest-producing consultants. Heidrick & Struggles provides a particularly important example. Its 2025 take private transaction with an investor consortium led by Advent International and Corvex Private Equity valued the company at approximately $1.3 billion and, more significantly for the compensation discussion, contemplated substantially greater equity participation for current and future partners and leaders. The significance is that private ownership can expand the economic proposition beyond annual production and cash compensation, giving senior consultants the opportunity to participate directly in the longer-term enterprise value they help create.[80]

Regulatory & Compliance Impacts on Pay

Executive compensation is becoming more transparent and more closely connected to governance and regulatory requirements. For executive search firms, the implications extend well beyond understanding what a candidate currently earns. Search consultants increasingly need to understand how senior executive compensation is structured, disclosed, earned, deferred, forfeited and, in some circumstances, recovered.

In the United States, the SEC's pay versus performance rules requires covered registrants to disclose the relationship between executive compensation actually paid and company financial performance. Required measures include the registrant's total shareholder return, peer group total shareholder return for companies other than smaller reporting companies, net income and, for companies other than smaller reporting companies, a company selected financial measure representing what the registrant considers its most important financial measure for linking executive compensation actually paid to company performance.[81]

Executive compensation is also subject to stronger recovery requirements. SEC Rule 10D-1 requires national securities exchanges to maintain listing standards requiring listed issuers to adopt and enforce policies for recovering erroneously awarded incentive-based compensation when specified accounting restatements occur. The recovery requirement generally extends to incentive-based compensation received during the three completed fiscal years immediately preceding the date on which the issuer is required to prepare the accounting restatement.[82]

For executive search, these developments increase the importance of understanding the structure rather than simply the headline value of compensation. Senior-level recruiting discussions can involve base salary, annual incentives, long-term equity, performance awards, vesting schedules, deferred compensation, change-of-control provisions, clawbacks and the value of unvested awards that may be forfeited when an executive changes employers. The more complex the package, the more important it becomes for the search adviser to distinguish between reported compensation, realized compensation, compensation at risk and the economic value required to induce an executive to move.

Pay transparency is adding another dimension. The European Union's Pay Transparency Directive requires job applicants to receive information about the initial pay or pay range for a position in a manner that permits an informed and transparent negotiation, such as through the vacancy notice or before the interview. Employers are also prohibited from asking applicants about their current or previous pay history. EU Member States were required to transpose the Directive into national law by June 7, 2026.[83] In June 2026, the European Commission reiterated these requirements as the new framework began taking effect across the EU.

For executive search, the strategic implication extends beyond compliance. Compensation advice has historically benefited from market convention and information accumulated through repeated candidate and client conversations. As compensation information becomes more transparent, simply knowing what an executive earns becomes less differentiated. The greater advisory value lies in interpreting what comparable leadership capability commands in the external market, what economics may be required to induce a particular executive to move, what value may need to be replaced or forfeited, and how the resulting package fits within the client's governance, internal-equity and regulatory constraints.

Executive mobility presents a related compliance challenge. The Federal Trade Commission's nationwide Noncompete Rule is currently not in effect and is not enforceable. A federal district court prevented enforcement of the rule in August 2024. The FTC subsequently took steps in September 2025 to dismiss its appeals and accede to the vacatur of the rule.[84] The failure of the federal rule to take effect does not, however, remove restrictive covenants from executive recruiting. The enforceability and scope of noncompetition and other post-employment restrictions continue to depend on applicable law and the specific contractual circumstances surrounding an executive.

For executive search firms, these issues matter substantively because they can directly affect whether an executive can move, when that move can occur, and what it may cost to complete it. Restrictive covenants, notice periods, forfeited equity, deferred compensation and other contractual obligations can all influence the timing and economics of a hire.

80 https://www.sec.gov/Archives/edgar/data/1066605/000119312525231098/d73423dex991.htm
81 https://www.sec.gov/resources-small-businesses/small-business-compliance-guides/pay-versus-performance
82 https://www.sec.gov/resources-small-businesses/small-business-compliance-guides/listing-standards-recovery-erroneously-awarded-compensation
83 https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1730387320620&uri=CELEX:32023L0970&utm
84 https://www.ftc.gov/legal-library/browse/rules/noncompete-rule?trk=public_post_comment-text&utm

This in turn reinforces a broader theme running throughout this report: as information becomes more accessible, the value of the search consultant increasingly lies in interpretation and advice. Compensation is no exception. Knowing what an executive earns is no longer enough. The greater value lies in understanding what the market will pay, what a candidate must leave behind, what may be required to secure the move, and how the package fits within the client's broader compensation and governance framework. The role increasingly shifts from compensation intermediary to compensation expert.

Competitive Intelligence: Who Is Winning & Why?

The changing economics of executive search do not point to one universally superior business model. However, what has emerged over the past eighteen months is that the market is at an inflexion point.

Hunt Scanlon's 2026 Americas rankings demonstrate both the continuing scale of the traditional global leaders and the emergence of substantial challengers. Korn Ferry ranked first in the Americas at approximately $1.645 billion of revenue, followed by Spencer Stuart at $790.1 million, Heidrick & Struggles at $769.9 million, Russell Reynolds Associates at $701.1 million and Egon Zehnder at $350 million. True ranked sixth at $333.1 million and ZRG seventh at $219 million. Particularly notable were growth rates of 17.8 percent for Spencer Stuart, 12.8 percent for Heidrick and 17.2 percent for True.[85]

Globally, Hunt Scanlon's 2026 Big Five ranking shows the continuing scale of the industry's largest platforms: Korn Ferry at approximately $2.86 billion, Heidrick & Struggles at $1.25 billion, Spencer Stuart at $1.18 billion, Russell Reynolds Associates at $1.17 billion and Egon Zehnder at $966 million. All five recorded year-over-year growth.[86]

Behind those numbers, however, increasingly different competitive models are emerging.

Korn Ferry represents the industry's most developed scale and diversification model, with Executive Search operating alongside consulting, digital, professional search and interim, and recruitment process outsourcing. The strategic advantage is not diversification for its own sake, but the opportunity to build client relationships that extend across multiple leadership and organizational needs.

Heidrick & Struggles represents a related model built around premium executive search combined with adjacent leadership solutions. Its 2024 revenue mix included $818.4 million from Executive Search and $168.3 million from On-Demand Talent, alongside $111.9 million from Heidrick Consulting. Its subsequent private transaction reinforces the strategic importance being placed on a broader leadership platform rather than executive search alone.

Spencer Stuart and Russell Reynolds demonstrate another source of advantage: relationship capital and leadership advice at the highest levels of the market. As candidate information becomes easier to obtain, the most consequential CEO, board and succession decisions remain difficult to commoditize because the client is purchasing judgment, discretion, credibility and trusted counsel as much as candidate access.

Egon Zehnder illustrates the power of institutional partnership, where long-duration client relationships and the strength of the firm can matter more than the economics of an individual rainmaker. That model becomes particularly relevant as the industry confronts one of its enduring vulnerabilities: the portability of relationships and revenue concentrated around individual producers. Historically, executive search has been an industry that recruits heavily from within its own ranks, with firms routinely hiring successful consultants from competitors. Egon Zehnder has been a notable exception, relying predominantly on developing consultants internally rather than lateral hiring. As a result, the movement of a successful producer can mean far more than the loss of an individual; it can put client relationships, teams, intellectual capital and future revenue at risk of moving with them.

True Search represents a different archetype: a technology- and data-oriented growth platform. Hunt Scanlon ranked the firm sixth in the Americas in 2026 at $333.1 million in revenue, following 17.2 percent growth.[87] Its rise demonstrates how quickly a newer generation of search firms can build meaningful scale outside the industry's traditional global leaders.

ZRG provides another model, combining private capital, acquisitions and a broadening talent-solutions platform. Its $120 million financing from Main Street Capital and affiliates was explicitly intended to support acquisitions and the hiring of senior talent, with the firm identifying Executive Search, Interim, RPO and Consulting as areas for continued expansion.[88] The significance is that capital can accelerate the development of capabilities that historically might have taken decades to build organically.

Specialist boutiques remain equally important. Technology is reducing some of the infrastructure advantages that have historically been enjoyed by larger firms.

Talent intelligence platforms add another competitive layer. By accelerating research, candidate identification and market mapping, they can substitute for portions of the traditional search process while simultaneously giving executive-search firms more powerful infrastructure through which to execute them. Technology therefore operates on both sides of the competitive equation: it can disintermediate parts of search while also making the firms that adopt it more capable and productive.[89]

In House Client recruiting completes the overall picture. Accordingly, executive search firms are therefore no longer competing anymore only with other executive search

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86 https://huntscanlon.com/the-big-5/?utm_source
87 https://trueplatform.com/news/true-achieves-highest-growth-rate-among-top-10-executive-search-firms/
88 https://www.zrgpartners.com/press-releases/zrg-secures-120-million-in-debt-financing-from-main-street-capital?utm
89 https://www.loxo.co/solutions/executive-search

firms. They face fierce competition on a daily basis from global advisory platforms, specialist boutiques, PE-backed consolidators, talent-intelligence providers, interim and fractional solutions and, increasingly, the client's own ability to perform portions of the work internally.

Across these different models, there have emerged four notable sources of competitive strength. Relationship capital provides trusted access to CEOs, boards, investors and executives. Intellectual capital provides sector expertise, pattern recognition and judgment. Data capital provides proprietary knowledge of candidates, companies, compensation, movements and outcomes. Technology capital allows that information to be connected, interpreted and deployed at scale.

The HSiQ framework adds a fifth dimension to those that may prove particularly important: institutional capital; the ability to ensure that what one search consultant learns ultimately becomes part of what the entire firm knows and does not move when the individual leaves for a better offer.

That distinction matters directly to the issue of compensation. A firm that rewards almost exclusively individual production risks creating a collection of successful individual businesses operating under a common brand. It may generate substantial revenue, but it can also discourage collaboration, knowledge sharing, talent development, institutional account ownership and investment in intellectual property that belongs to the firm rather than the individual.

The definition of the most valuable rainmaker is therefore beginning to change. Exceptional producers will still need to originate substantial revenue and maintain trusted client relationships; those capabilities remain fundamental. However, the consultants creating the greatest long term enterprise value will increasingly be those who also protect fee integrity, deepen institutional accounts, introduce colleagues, develop younger consultants, contribute proprietary intelligence, use technology to increase productivity and convert personal relationships into durable relationships with the firm.

This leaves the greatest pressure on firms caught in an increasingly uncomfortable middle: too expensive to compete primarily on efficiency, insufficiently specialized to dominate in a niche, insufficiently differentiated to command premium advisory economics, overly dependent on individual rainmakers and laggards in the AI race behind both larger institutions and newer challengers.

The strategic destination for the strongest firms is therefore not simply better or faster executive search. It is a different value position with the client in ever changing market dynamics.

This is where the pressures examined throughout this chapter converge. Pricing pressure is greatest where the offering is least differentiated. Client insourcing reduces the value of activities clients can perform themselves. AI reduces the scarcity value of research and identification. Technology platforms create both substitutes and powerful new infrastructure. Economic cycles expose compensation structures that cannot adjust with revenue. Regulation increases the complexity surrounding executive pay and mobility. And competition increasingly rewards firms capable of combining trusted human judgment with data, technology, relationships and institutional knowledge.

None of these points to the decline of executive search. However, it does point to increasing pressure on undifferentiated executive search.

The strongest firms by 2030 will not win simply because of size but because they know more about the leadership market than their clients can reasonably know independently and because they can turn that very knowledge into better decisions before, during and after a search.

For the purposes of this Compensation Report, that leads to one final and important conclusion: compensation architecture must follow where client value is ultimately moving. If the future value of the firm increasingly comes from institutional relationships, intellectual capital, proprietary intelligence, collaboration, technology enabled productivity and trusted advice, compensation systems cannot continue to reward individual production as though it were the only measure that matters.

The firms that are creating the greatest enterprise value are those that align what their consultants are paid to do with what their clients increasingly value them for. Compensation, in other words, is no longer simply the price of talent. It is one of the most powerful tools a search firm has to determine what kind of firm it actually becomes.



SECTION 9

TRAINING, CAPABILITY BUILDING & PERFORMANCE ACCELERATION

Executive search has historically been largely apprenticeship-driven profession. Unlike consulting, accounting, investment banking and other professional services industries that built relatively formal development architectures around their people, executive search has often relied on a much more informal structure.

For many years juniors were placed alongside experienced consultants, given exposure to enough searches, client meetings, and candidate conversations to develop capability through observation, repetition and experience.

The apprenticeship model has produced many exceptional search professionals. At its best, a young consultant could learn directly from a highly accomplished partner, absorbing not only the mechanics of search but the judgment, instincts, standards and relationship skills that distinguished outstanding practitioners. In many firms, this has become an important part of the culture and an effective mechanism for transmitting institutional knowledge across generations.

However, the apprenticeship model has inherent weaknesses. The quality of the development experience depends heavily on the quality of the professionals providing it. The result is substantial variability, not simply between firms, but within each firm.

That variability can manifest itself across virtually every part of the search process: how consultants develop business, qualify opportunities, construct search strategies, map markets, engage candidates, conduct interviews, assess leadership, manage clients, communicate progress, use data, negotiate compensation, close candidates and expand relationships. In an industry whose economics ultimately depends on the productivity and judgment of individual professionals, inconsistency in capability inevitably becomes inconsistency in performance.

Historically, firms could sustain some of that variability because the economics of the industry were relatively largely forgiving. Access to candidates and proprietary networks created meaningful barriers to entry while research was labor-intensive and information was difficult to assemble. Clients in turn depended heavily on search firms to identify executives beyond the span of their immediate reach.

That environment is changing.[90] Clients now have greater access to information and have developed substantially more sophisticated internal recruiting and talent organizations. Digital platforms have also made executive profiles and career histories much more visible. Artificial intelligence can accelerate research, market mapping, company analysis, candidate identification and information synthesis.

Talent-intelligence platforms can provide organizations with insights that previously required significant manual research. Activities that once differentiated a search firm simply because they were difficult and time consuming to perform are becoming faster, cheaper and more widely accessible. The implication is not that executive search becomes less valuable but the basis on which that value is created is moving.

Knowing who exists is increasingly different from knowing who matters. Producing a list of executives is different from determining which executives are genuinely capable of solving a client's problem. Accessing information is different from interpreting it. Identifying candidates is different from assessing whether they possess the leadership capability, motivation, cultural adaptability and personal circumstances required to succeed. Yet completing an assignment is far different from becoming a trusted adviser whom the client calls before the next leadership problem has even been fully defined.

As the underlying value proposition evolves from candidate identification toward much more judgment, intelligence, assessment and advice, the capabilities required of search professionals are evolving with it.

This raises the importance of training well beyond traditional onboarding. Capability development can no longer be viewed simply as teaching researchers how to source candidates or teaching new consultants the firm's methodology. Search firms must now systematically build the capabilities that determine best in class commercial and execution performance.

90 https://huntscanlon.com/hunt-scanlon-and-hsiq-launch-recruiter-performance-training-program

Can consultants originate work rather than simply execute it? Can they convert an introductory conversation into a retained assignment? Can they articulate value strongly enough to defend the firm's fee? Can they diagnose the client's actual leadership problem rather than simply accept a job specification? Can they build a market map that reflects where relevant talent is likely to emerge rather than merely where competitors sit today? Can they engage executives who are not actively looking? Can they distinguish impressive candidates from genuinely appropriate ones? Can they use evidence rather than intuition alone in assessment? Can they manage difficult clients, recalibrate a search when necessary and preserve confidence when a process becomes complicated? Can they use AI and data to increase their productivity without outsourcing judgment to technology? And can they convert the successful completion of one assignment into a broader, longer-term client relationship?

They are the operating capabilities through which the economics of an executive search firm are produced.

Training therefore deserves to be considered not simply as a line-item expense but as part of a firm's operating model and performance infrastructure. Properly designed capability building can materially influence how effectively consultants originate assignments, convert opportunities, protect fees, execute searches, assess candidates, manage clients, use technology, expand accounts and retain relationships. Those activities ultimately determine revenue per consultant, assignment profitability, client retention, repeat business and the scalability of the enterprise.

There is also an important institutional dimension. A search firm that relies predominantly on apprenticeship training effectively allows critical intellectual property to reside in the heads and habits of individual partners. A firm that codifies what its best professionals do differently begins to convert that individual expertise into organizational capability. The objective should not be to eliminate the craft of executive search or impose rigid scripts on experienced advisers. It should be to identify the repeatable disciplines that underpin exceptional performance and ensure that excellence is not dependent entirely on whom an individual happens to work for.

That distinction becomes increasingly important as firms grow. A boutique of ten consultants can rely heavily on proximity, observation and informal knowledge transfer. A firm operating across multiple practices, offices and geographies cannot assume that the same standards, commercial disciplines and methods will naturally propagate throughout the organization. As scale increases, informal apprenticeship becomes progressively less reliable as the primary mechanism for capability development.

The strategic challenge, therefore, is to preserve what was powerful about the apprenticeship model; the judgment, mentorship, pattern recognition and practical wisdom acquired from experienced practitioners while surrounding it with a more systematic architecture for development. The strongest model is unlikely to be purely apprenticeship or institutionalized training, but a program reinforced by institutionalized training, where experiential learning remains central. This is turn is ideally supported by common methodologies, coaching, practice, feedback, measurement and continuous development practices.

This has direct implications for competitive advantage. Technology will increasingly be available to every search firm. Candidate databases can be purchased. AI capabilities will diffuse rapidly. Research tools will become progressively more powerful. What will remain considerably harder to replicate is an organization capable of consistently turning those tools, information and relationships into superior professional judgment and commercial outcomes.

That makes capability building more than a talent management initiative. It becomes a mechanism for reducing performance variability, accelerating time to productivity, transferring the practices of top performers across the organization and institutionalizing capabilities that might otherwise remain concentrated among a relatively small number of senior producers.

For executive search firms, the question today is shifting from "How do we train our people?" to a much more consequential one, "What capabilities drive superior economic performance in our firm, and how deliberate are we building them across the organization?"

The Hunt Scanlon/HSiQ Executive Search Recruiter Training Program

The Hunt Scanlon/HSiQ Executive Search Recruiter Training Program is a comprehensive professional-development platform designed specifically for executive search professionals. Its purpose is not simply to teach the mechanics of conducting a search, but to improve the capabilities that ultimately determine performance in executive search: winning work, converting opportunities, executing assignments effectively, assessing leadership talent, managing clients, protecting fee integrity, using market intelligence, leveraging technology, and building durable client relationships.

The program is built around a simple premise: executive search can no longer rely exclusively on apprenticeship and experience as its primary mechanisms for developing talent. While learning alongside experienced consultants remains enormously valuable, the profession has become more complex. Clients are more sophisticated, internal recruiting teams are stronger, information is more accessible, and AI is rapidly changing research and execution. Search professionals therefore need a more structured capability-development model that combines the judgment historically learned through experience with repeatable frameworks, tools, methodologies, and contemporary market intelligence.

HSiQ approaches training as performance enablement rather than traditional training. The objective is not participation or completion; it is measurable improvement in how search professionals perform. The curriculum connects learning directly to the economics of the business, including business-development effectiveness, conversion rates, search quality,

cycle time, candidate engagement, client retention, repeat business, fee integrity, and ultimately revenue productivity.

What the Program Contains

The curriculum follows the complete commercial and execution lifecycle of executive search. Participants progress from developing business and winning assignments through search execution, candidate assessment, client management, compensation negotiations, technology adoption, and ultimately building a differentiated position within their market.

The program includes:

- **Winning New Search Work:** Developing a disciplined approach to business development, identifying opportunities, creating relevant reasons to engage clients, using insight to initiate conversations, and building a sustainable pipeline of prospective assignments.
- **The Foundations of Retained Search:** Understanding client psychology, structuring compelling retained-search pitches, handling objections, communicating value, protecting fees, and converting conversations into mandates.
- **Running a High-Quality Search Process:** Designing and executing searches with greater discipline, establishing search strategy, managing milestones and stakeholders, maintaining momentum, communicating effectively, and delivering a consistently high-quality client experience.
- **Finding and Engaging the Right Candidates:** Moving beyond basic sourcing toward strategic market mapping, defining the relevant talent universe, identifying non-obvious candidates, developing effective outreach, increasing candidate engagement, and building and managing high-quality pipelines.
- **Assessing Candidates with Confidence:** Establishing what should actually be assessed, developing structured evaluation frameworks, distinguishing experience from capability, identifying strengths, gaps and risks, conducting deeper assessment, and translating that judgment into credible client recommendations and high-quality shortlists.
- **Managing Clients Day-to-Day:** Maintaining control of the search process, setting expectations, navigating difficult conversations, managing changing requirements, communicating market realities, building trust, and converting successful assignments into long-term client relationships and repeat business.
- **Using Market Insight to Win Work:** Developing the ability to turn market knowledge into commercial advantage. Participants learn how to generate, interpret and communicate leadership and talent intelligence that creates better client conversations and positions the search professional as an informed advisor rather than simply a provider of candidates.
- **Understanding Compensation and Offers:** Building fluency around executive compensation, understanding candidate motivations and decision-making, structuring and positioning offers, managing expectations, navigating counteroffers and negotiations, and increasing the probability of successful acceptance and closing.
- **Using Tools, Data and AI the Right Way:** Understanding where technology can improve executive search and where human judgment remains essential. The program examines how data, AI and contemporary search tools can strengthen research, market mapping, productivity, decision-making, client intelligence and workflow without allowing technology to substitute for judgment, relationships or advisory capability.
- **Building Focus in Your Market:** Helping search professionals develop deeper specialization, stronger market knowledge and clearer positioning. Participants learn how sustained focus can compound relationships, information, reputation and insight over time, creating greater differentiation and long-term franchise value.

How the Program Is Delivered

Each module combines instruction with practical application. Rather than teaching executive search as a collection of abstract concepts, the program uses frameworks, real-world search situations, exercises, discussion, examples and practical tools that participants can immediately apply to live assignments and client development.

Importantly, the curriculum is designed around the interconnected nature of executive search. Business development cannot be separated from execution because exceptional execution creates repeat business. Candidate assessment cannot be separated from client management because the quality of a shortlist depends on understanding what the client truly needs. Market intelligence cannot be separated from business development because insight increasingly provides the reason for a client to engage. Technology cannot be considered independently because its value depends on how effectively it strengthens each of these activities.

The result is a full-lifecycle executive search capability system rather than a collection of standalone training courses.

The Intended Outcome

The ultimate objective of the HSiQ program is to reduce the variability that has historically characterized apprenticeship-driven development in executive search. It creates a common foundation of methodologies, language, expectations and performance disciplines while still allowing individual consultants to develop their own style and judgment.

For individual professionals, the goal is accelerated development: becoming more commercially effective, more disciplined in execution, more sophisticated in assessment, more credible with clients and more productive over time.

For search firms, the opportunity is broader. A structured development architecture can help create more consistent client experiences, shorten the time required for professionals to become productive, improve conversion and execution, strengthen collaboration, institutionalize best practices, accelerate adoption of technology and market intelligence, and reduce dependence on individual rainmakers or informal knowledge transfer.

At its core, the Hunt Scanlon/HSiQ Executive Search Recruiter Training Program is designed around the changing definition of excellence in executive search. Finding candidates remains essential, but it is no longer sufficient. The search professional of the future must be able to originate opportunities, interpret markets, exercise judgment, advise clients, engage exceptional talent, use technology intelligently and build relationships that extend far beyond an individual assignment.

The program is designed to systematically build those capabilities.

THE TEN-MODULE PROGRAM

1 Winning New Search Work
Disciplined business development, insight-led outreach & a sustainable pipeline.

2 The Foundations of Retained Search
Client psychology, compelling pitches, handling objections & protecting fees.

3 Running a High-Quality Search Process
Search strategy, milestones, stakeholders, momentum & client experience.

4 Finding & Engaging Candidates
Strategic market mapping, non-obvious talent, outreach & managed pipelines.

5 Assessing Candidates with Confidence
Structured evaluation, capability over experience & credible shortlists.

6 Managing Clients Day-to-Day
Expectations, difficult conversations, trust & repeat business.

7 Using Market Insight to Win Work
Turning leadership & talent intelligence into commercial advantage.

8 Understanding Compensation & Offers
Comp fluency, structuring offers, cou8nteroffers & closing acceptance.

9 Using Tools, Data & AI the Right Way
Where technology strengthens search — and where judgment stays essential.

10 Building Focus in Your Market
Deeper specialization, clearer positioning & compounding franchise value.

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.



The Shift from Apprenticeship to Institutionalized Training

There is no universally prescribed route to becoming a successful executive search consultant, and many of the industry's most highly sought after capabilities such as judgment, credibility, influence, assessment and client counsel are impossible to acquire from a manual or classroom alone. They have traditionally been learned by working alongside experienced search practitioners and rainmakers. The value in observing how a senior consultant frames a mandate, handles a skeptical CEO, calibrates a candidate, interprets a reference, manages a difficult client conversation or converts an initial relationship into a retained assignment will always be crucial.

This is supported by Hunt Scanlon's 2026 own examination of training in executive search. For much of the industry's history, the model nevertheless worked remarkably well. Executive search is inherently experiential and no training program on its own can fully simulate telling a board that its favored candidate is not competitive with the external market, persuading a highly successful executive to consider a career move they had never contemplated, interpreting what is not being said during a confidential reference, or managing a CEO whose expectations of the available talent market are unrealistic. Judgment develops only through repetition, pattern recognition and exposure to difficult situations. The problem with training is not that the apprenticeship model failed as much as its inability to scale consistently.

The result for the search industry is a persistent challenge; there is far too much performance variability between practices, offices, teams and individual consultants operating beneath the same brand. Hunt Scanlon and HSiQ have framed this inconsistency as more than a professional development issue, arguing that in a market characterized by greater demands for speed, precision, technology adoption and commercial performance, variability in recruiter performance can become a constraint on growth. (2)[91]

Historically, that variability was easier to accommodate because executive search itself was highly individualistic. Successful partners developed their own methodologies, relationships and ways of working. Firms benefited from the economics generated by exceptional rainmakers without necessarily codifying how those individuals produced their results. Consequently, a meaningful portion of a search firm's intellectual capital could often reside not in documented methodology but in the accumulated experience, judgment and relationships of individual practitioners. Those assets walk out the door every day and as a result the challenge becomes more far problematic as firms grow.

Firms then confront a fundamental scaling question: how do they convert what their best people know and do into revenue potential that a much larger proportion of the organization can itself repeatedly execute? This is the underlying rationale for the movement toward institutionalized training.

Institutionalization does not mean attempting to replace experience with coursework or turning executive search into a scripted process. The profession remains too contextual, judgment intensive and relationship driven. Rather, it means identifying those components of high performance that can be codified and developing more deliberate mechanisms for transferring them throughout the organization.

That includes how consultants qualify opportunities, prepare for pitches, establish search strategy, map markets, identify and engage candidates, conduct assessments, manage clients, communicate market intelligence, negotiate compensation and offers, use technology and AI, and develop relationships beyond an individual assignment. It also encompasses the less visible disciplines separating consistently productive consultants from inconsistent ones: preparation, follow-through, pipeline management, commercial focus, knowledge sharing and accountability.

In effect, the objective is to turn individual best practice into institutional capability. Evidence of this professionalization is becoming increasingly visible within executive search. The Association of Executive Search and Leadership Consultants has built a formal learning architecture specifically around the profession. Its Certificate in Executive Research covers executive identification and engagement, market intelligence and search strategy, and AESC reports that more than 500 professionals have earned the credential, with 150-plus companies using its learning and development programs.[92]

Large executive search firms provide further evidence of this movement. Heidrick & Struggles, for example, describes an internal learning infrastructure that includes enterprise-wide development, the Heidrick Business Academy and a comprehensive business-development curriculum incorporating executive presence and communication training. Importantly, the firm states that this business-development training is specifically provided to high-potential individuals within its Executive Search and consulting practices.[93]

The scale of that investment is notable. Heidrick reports approximately 10,500 hours of live facilitated training annually, supplemented by approximately 5,000 completed self-paced courses. It also reports that 75 percent of its partners began their careers at the firm as associates or engagement managers, illustrating the potential importance of internal development to the firm's senior talent pipeline.[94] Its executive-search career architecture itself demonstrates how capability can be progressively developed. Analysts begin with industry research and candidate mapping. Associates become involved in search strategy, client intake meetings and candidate engagement. Senior associates take on greater responsibility for client contact and candidate interviewing and Engagement managers oversee searches, conduct assessments and begin developing the business-development capabilities required to advance toward principal and partner.[95]

91 https://huntscanlon.com/inside-the-recruiter-performance-training-program/
92 https://www.linkedin.com/posts/aesc_ai-adoption-does-not-have-to-begin-with-a-activity-7482792277577314305-
93 https://www.heidrick.com/en/careers/our-learning-development-offerings
94 https://www.heidrick.com/en/careers
95 https://www.heidrick.com/en/careers/choose-your-path/careers-in-search

What is notable about this structure is the progressive career path; the pathway recognizes that becoming a successful executive search consultant ultimately requires an accumulation of very different skills over time, from research and execution to assessment, client management, leadership and ultimately business development.

These developments point toward an important distinction. Institutionalized training is not replacing apprenticeship but rather making apprenticeship all the more deliberate and far less dependent upon chance.

Live searches, difficult clients, failed pitches, challenging candidates and complex references will remain essential material for classrooms. What is rapidly changing though is the actual infrastructure underpinning those experiences. Mentorship can always be reinforced by methodologies while observation can be accompanied by explicit instruction. While individual experiences can be shared, structured coaching helps improve specific capability gaps. In addition, technology can provide greater visibility into these gaps and search professionals can be developed more fully against clearer expectations of what excellence actually looks like at different stages of their careers.

This becomes particularly important as the executive-search value proposition itself evolves. Leading firms are increasingly describing executive search in far broader terms than simply finding qualified executives. Heidrick, for example, positions retained search around understanding organizational context, assessing technical capability, leadership potential and cultural fit, while combining relationship-driven expertise with data-driven methodologies and assessment.[96]

Training as a Driver of Revenue & Compensation Outcomes

Training across the executive search industry has historically been viewed primarily as a development activity: a mechanism for improving individual capability over time. That definition is increasingly too narrow and many search firms are viewing it as a key strategic driver of revenue potential. In a professional services business in which the primary assets are people, relationships and judgment, training can have a much more direct economic impact. Properly designed, it becomes a mechanism for improving productivity, increasing revenue per professional and, ultimately, supporting stronger compensation outcomes.

The economics are relatively straightforward. Executive search revenue is generated when consultants create and deepen client relationships, identify opportunities, convert those opportunities into retained assignments, execute searches successfully and translate individual mandates into repeat and expanded work. Each stage is influenced by skills that can be developed systematically rather than left entirely to experience.

Capability → Behavior → Performance → Revenue → Compensation

Relatively modest improvements at individual points in the search lifecycle can compound economically. A consultant who becomes better at qualifying opportunities spends less time pursuing assignments that are unlikely to close. Stronger discovery and advisory skills can improve the conversion of client conversations into mandates. Better pitching and objection handling can protect retained fees and improve close rates. More disciplined search strategy and market mapping can shorten execution cycles, while stronger assessment can improve shortlist quality and reduce the risk of restarting a search. Better client management can prevent assignments from being stalled, and stronger account management skills can turn a successful search into a broader, longer-term relationship.

Training therefore has the potential to affect not simply how well consultants perform their jobs, but how economically productive those consultants become. In a business where a relatively small number of high-performing producers can account for a disproportionate share of firm revenue, narrowing the performance gap between average and exceptional consultants can have significant implications for the economics of the entire organization.

This is the premise behind the Hunt Scanlon/ HSiQ Recruiter Performance Training Program launched in 2026.[97] The program is not conventional professional development plan but has been structured as an improvement performance system intended to strengthen recruiter productivity, commercial effectiveness and revenue generation. Its specific objectives include increasing search win rates, conversion and revenue per recruiter; accelerating execution timelines; improving delivery outcomes; deepening client relationships; and establishing repeatable systems for sustained productivity and growth.

The distinction is important. The program is built around the full economic lifecycle of executive search rather than isolated technical skills. Its curriculum spans business development, client advisory, candidate assessment, market intelligence, execution and the use of data, tools and AI. Hunt Scanlon describes the model as being anchored around three disciplines: execution rigor, client development and conversion discipline, in effect connecting how effectively work is originated, won and delivered.

HSiQ's accompanying analysis makes the intended commercial outcomes even more explicit. It identifies the expected progression as more qualified client meetings, higher conversion from meetings to mandates, stronger close rates on retained work, faster execution timelines and, ultimately, higher revenue per recruiter. The larger objective is consistency and moving firms away from dependence on occasional individual rainmakers toward a more predictable and scalable performance model.

That connection has important implications for compensation strategy. Search firms have traditionally relied heavily on financial incentives to stimulate performance and retain successful producers. But compensation can reward performance; it cannot by itself create the capabilities required to produce it. Hunt Scanlon and HSiQ therefore argue that training and compensation should be viewed as complementary components of the same performance architecture. As

96 https://www.heidrick.com/en/services/executive-search
97 https://huntscanlon.com/hunt-scanlon-launches-training-program-for-executive-recruiters/?utm

Christopher Hunt observed in announcing the program, "incentives without capability only amplify inconsistency."

The strategic implication is broader than the performance of any individual consultants. If structured training raises conversion rates, improves fee integrity, shortens execution cycles, increases repeat business and raises revenue per recruiter, the benefits can flow through the firm's economic model: greater consultant productivity supports higher revenue without equivalent increases in headcount; higher productivity can support stronger margins; and stronger economics create greater capacity to reward, retain and attract high-performing talent.

Training, viewed through this lens, is no longer simply an employee development expense. It becomes an investment in the productive capacity of the firm. The relevant question for search firm leaders therefore shifts from How much are we spending on training? to What measurable improvement in consultant productivity, revenue generation and economic performance are we receiving from it?

Capability Stacks of Top Performers

One of the shortcomings of traditional executive-search development is the tendency to treat individual competencies separately. Researchers learn sourcing while associates learn execution, consultants learn client management and partners learn business development. The highest performing search professionals rarely operate in such finite silos.

Increasingly, the successful executive search consultant requires an integrated capability stack spanning commercial development, advisory judgment, execution and technology.

Hunt Scanlon/HSiQ argues that performance is no longer defined by isolated skills but by an integrated system of capabilities. Its ten module framework spans originating business, pitching and closing retained work, running high quality searches, candidate identification and engagement, assessment, client management, market intelligence, compensation and offers, technology/data/AI, and practice development.

The capability stack can therefore be understood across several connected dimensions:

- **Origination and commercial capability:** market positioning, relationship development, opportunity creation, qualification, pitching, pricing, negotiation and closing.
- **Client advisory capability:** discovery, stakeholder management, challenging assumptions, defining mandates, interpreting market conditions and influencing decisions.
- **Search execution:** search strategy, market mapping, research depth, candidate identification, engagement, process management and communication.
- **Assessment and judgment:** evaluating track record, leadership capability, context, motivation, cultural fit, references and risk rather than merely matching biographies against specifications.
- **Talent intelligence:** converting accumulated market knowledge into competitive mapping, succession intelligence, compensation insight and leadership-market interpretation.
- **Technology and AI fluency:** using tools to increase research speed, synthesis and productivity while preserving confidentiality, judgment and human accountability.
- **Practice building:** developing specialization, intellectual capital, market visibility, repeatable client relationships and broader institutional accounts.

This helps explain why experience alone is becoming a less reliable proxy for future performance. A consultant can have 20 years in executive search yet remain comparatively weak in AI adoption, systematic account development, talent intelligence or data-driven market analysis. Conversely, a younger professional with strong commercial judgment, technological fluency and structured development may progress more rapidly than historical career models would suggest.

This represents a broader change in what it means to be a complete executive search professional. The future rainmaker is unlikely to be defined by origination alone. The premium will increasingly accrue to consultants who can combine access, commercial instinct, execution discipline, market intelligence, assessment judgment and technology into one advisory proposition.

Reducing Variability Across Teams

Perhaps the strongest economic argument for institutionalized training is not that it makes the best consultants better but that it can potentially narrow the enormous performance gap between the best, the middle and the weakest performers.

Executive search firms frequently contain extraordinary individual producers but the biggest challenge is converting individual excellence into wider and consistent institutional performance.

An apprenticeship model tends to reproduce variability because methodologies differ by partner. One consultant may conduct exceptional intake meetings while another treats them largely as information-gathering exercises. One may systematically map a market before approaching candidates while another begins with familiar names. Others may communicate with clients weekly and use those conversations to recalibrate strategy while others may communicate only when candidates are available Over time, these small differences compound into significant differences in win rates, execution speed, completion rates, client satisfaction and revenue.

Hunt Scanlon's 2026 Recruiter Training Program describes structured training as a mechanism for creating a common language and operating system across teams and argues that a codified performance model can be deployed across offices, practices and geographies. That does not mean forcing every partner to sell or conduct searches identically. Executive search remains relationship driven, and personal style is part of what makes individual consultants effective. Institutionalization should standardize the minimum quality of the process, not eliminate individuality.

For a global, multi office executive search firm, that distinction is even more critical. A client buying the firm's brand should not experience radically different standards depending upon which partner, practice or geography happens to conduct the assignment. The objective therefore is not uniformity of personality but in the consistency of excellence.

This has additional implications for collaboration. When teams share common definitions of what constitutes a qualified opportunity, a complete market map, a credible shortlist, an effective client update or a properly developed candidate, work can transfer more easily between individuals and offices. Institutional knowledge becomes more portable, and the firm becomes less dependent upon idiosyncratic methods held by individual rainmakers.

Continuous Learning vs. One-Time Onboarding

Another important evolution in executive-search training is the shift from training as an onboarding event to learning as a continuous operating discipline.

Historically, much of the industry's formal development was concentrated at the beginning of a professional's career or during the first few weeks after joining a new firm. Researchers learned sourcing techniques, databases and market mapping while associates developed candidate-engagement and search execution skills. New consultants learned client management and business development as seen through the cultural lens of the company and as professionals became more senior, however, structured development often diminished; experience itself became the curriculum.

That model was more sustainable when the fundamentals of executive search changed relatively slowly. It is considerably less viable today and very much under threat.

The environment in which search professionals operate is rapidly evolving on multiple fronts simultaneously. Artificial intelligence has irreversibly changed research and new technologies are fast altering how markets and candidates can be mapped; clients have access to significantly more information and increasingly sophisticated internal talent teams; assessment expectations continue to rise; and search firms are expanding beyond traditional placement into leadership advisory, succession, assessment and talent intelligence. The capabilities that created a successful consultant ten years ago are no longer sufficient to create one ten years from now.

Expertise remains valuable, but some of the methods through which that expertise is applied can become obsolete remarkably quickly. This is particularly apparent with AI. A consultant trained on AI tools and workflows 18 months ago may already be operating from an outdated playbook as models, platforms and use cases continue to evolve. The same principle increasingly applies to data, assessment methodologies, client-development techniques and talent intelligence tools.

The AESC's evolving learning infrastructure illustrates the industry's response. Its Learning & Development Hub combines on-demand education with live programming and continuously updated resources rather than treating professional development as a single certification event. Its AI education is similarly designed specifically around executive-search workflows, helping professionals apply emerging technology while preserving the confidentiality, judgment, consistency and quality expected in retained search.[98]

That distinction matters as the objective of continuous learning is not simply to keep professionals familiar with new technology but to ensure that the firm's collective capability evolves at approximately the same speed as its market.

Heidrick & Struggles provides an example of this progression. The firm describes continuous learning as part of its professional culture, while its executive-search career architecture progressively expands responsibility from research and market mapping into candidate assessment, client interaction, project leadership and ultimately business development and broader client advisory. The underlying principle is important because development should not stop just because responsibility increases.[99]

This represents a fundamental change in how search firms should think about learning. A partner does not need the same training as an associate, but seniority does not eliminate development needs. In many respects, it increases their economic significance. Improving the sourcing productivity of a junior researcher can make searches more efficient and improving account management, pricing or advisory capability of a senior partner can create millions of dollars of revenue.

The most effective learning architecture is therefore not a single onboarding program followed by occasional training. It is a career-long capability system, with development matched to the responsibilities, commercial influence and changing needs of professionals at each stage of their careers.

For executive-search firms, continuous learning is increasingly less about remediation and more about preventing institutional capability from falling behind the market. In an industry being reshaped by AI, data, changing client expectations and the expansion of search into broader leadership advisory, the search firms that create the best learning cultures and that learn fastest may ultimately be better positioned to adapt fastest.

ROI of Structured Training Programs

Measuring the return on training in executive search requires moving beyond obvious traditional learning metrics such as attendance, course completion and participant satisfaction. Those measures may indicate engagement with a program, but they say very little about whether the investment changed the economics of the business.

The more important question is whether training changes behavior, performance and ultimately commercial outcomes.

98 https://www.aesc.org/learning-development/aesc-learning-development-hub/?utm
99 https://www.heidrick.com/en/careers/our-learning-development-offerings?utm

For an executive search firm, those outcomes are unusually measurable because they sit directly inside the revenue model. Relevant indicators can include client meetings generated, meeting to pitch conversion, pitch-to-mandate conversion, average fee, fee realization, search completion rates, execution time, revenue per consultant, repeat assignments, cross-practice penetration and client retention.

A business-development program should ultimately be judged not by how many consultants completed it but by whether participants generate more qualified client conversations and convert a greater proportion of those conversations into retained assignments. Training in search execution should be evaluated against measures such as cycle time, completion rates and consultant capacity. Client-management development should ultimately influence repeat assignments, account expansion and retention.

This is the philosophy behind the Hunt Scanlon/HSiQ approach to recruiter development. Rather than positioning training primarily as an employee development benefit, the program is designed around the activities that determine recruiter productivity: originating opportunities, converting mandates, protecting fees, executing searches effectively, strengthening client relationships and expanding accounts.

The potential economics can become meaningful surprisingly quickly. Consider a search firm with 25 client facing consultants. If structured capability development contributed to each consultant winning just one additional retained assignment per year, at an average fee of $100,000, the resulting incremental gross revenue would be:

25 consultants × 1 additional assignment × $100,000 = $2.5 million

This is an illustrative scenario rather than an industry benchmark, but it should not also be interpreted as evidence that training alone produces that result. Its significance is that it demonstrates the operating leverage inherent in professional-services businesses. Training does not need to turn every consultant into a rainmaker to generate an attractive return. Relatively small improvements in conversion, pricing or productivity, multiplied across a sufficiently large consultant population, can create substantial economic value.

The same principle applies beyond business development. If stronger project management reduces average search duration, consultants may be able to execute greater assignment volume without equivalent increases in headcount. If stronger client management increases repeat business, the firm becomes less dependent on continuously replacing completed assignments with entirely new relationships. If better assessment contributes to stronger placement outcomes, replacement-search exposure and the associated reputational and economic costs can potentially decline.

Training ROI should therefore be viewed across several dimensions rather than through a single revenue measure:

Commercial productivity: Are consultants originating and converting more business?

Pricing quality: Are they protecting fees and reducing unnecessary discounting?

Execution productivity: Are searches being completed more efficiently and consistently?

Client economics: Are relationships generating greater repeat and cross-practice revenue?

Talent productivity: Is revenue per consultant increasing?

Organizational leverage: Can the firm grow revenue faster than the underlying growth in professional headcount?

The relevant denominator is consequently not simply the cost of delivering a training program. The more useful question is the incremental economic contribution generated relative to the cost of building the capability that produced it.

This is particularly important when training and compensation are considered together. If improved capability leads to higher production, compensation systems determine how those economics are shared between the individual and the firm. Properly aligned, the two systems can become mutually beneficial. Better-trained consultants have the potential to produce more. Higher production can increase compensation. Competitive compensation can improve retention. Greater retention preserves client relationships, intellectual capital and institutional knowledge that would otherwise leave with departing producers.



Case Studies: Institutionalizing Capability Development

Publicly available evidence across the Hunt Scanlon ecosystem that directly connects individual executive search firms' training programs with subsequent revenue growth remains limited. Search firms disclose considerably more about their development philosophies and career architectures than they do about consultant level productivity, conversion rates or training ROI. That limitation is important. Revenue growth at a search firm can reflect numerous factors including market conditions, acquisitions, lateral hiring, sector exposure, pricing and leadership changes—and it would be inappropriate to attribute growth to training without evidence establishing that relationship.

What the available evidence does demonstrate, however, is a broader structural shift that leading organizations are increasingly attempting to institutionalize capabilities that were historically developed primarily through apprenticeship.

Three different approaches illustrate that evolution.

Heidrick & Struggles: Building Capability Across Career Stages

Heidrick & Struggles provides an example of development being embedded within the operating model of a large global search and leadership-advisory organization.

The firm's learning and development architecture includes the Heidrick Business Academy, designed to strengthen business acumen among high-performing employees, as well as business-development programs incorporating areas such as executive presence and communication. Development offerings extend across career stages rather than being concentrated solely on new employees.[100]

Its executive-search career architecture reinforces the same principle. Early career professionals develop research, market-mapping and candidate-identification capabilities. As they progress, responsibilities expand into candidate assessment, client interaction, project management and eventually business development and broader advisory work.

The significance is not simply that Heidrick provides training. It is the progressive construction of professional capability alongside increasing commercial responsibility.

This addresses one of the fundamental weaknesses of the traditional apprenticeship model. A researcher does not automatically become an effective client adviser because sufficient time has passed, nor does a strong search executor automatically become capable of originating business. Each transition requires a different combination of skills, judgment and experience.

The Heidrick model illustrates an important principle for the broader industry: development should not diminish as seniority increases but become equally important.

AESC: Creating Professional Infrastructure Across the Industry

The Association of Executive Search and Leadership Consultants (AESC) represents a different approach: providing development infrastructure across the profession rather than within a single firm.[101] Its learning portfolio encompasses executive research, client advisory, business development, artificial intelligence and other professional capabilities through certifications, workshops and continuing learning resources.

Its Certificate in Executive Research is particularly relevant because research has historically been one of the areas most dependent on apprenticeship and firm specific practices. AESC reports that more than 500 professionals from more than 150 companies have participated in the certificate program.

That reach has implications beyond professional education. Historically, sophisticated training infrastructure represented a competitive advantage disproportionately available to the largest executive-search organizations. Global firms could build internal academies, standardized methodologies, proprietary assessment frameworks and structured career-development programs that smaller competitors could rarely justify economically

Industry wide learning infrastructure begins to reduce that structural disadvantage. Boutiques and mid-sized firms can increasingly access specialized executive-search development without having to recreate an internal corporate university.

External training platforms can now contribute to the professionalization of the industry while simultaneously democratizing access to capabilities once associated primarily with scale.

100 https://www.heidrick.com/en/careers/our-learning-development-offerings?utm
101 https://www.aesc.org/learning-development/?utm_source

Hunt Scanlon/HSiQ: Training as Performance Enablement

The Hunt Scanlon/HSiQ Recruiter Performance Training Program represents a third model: training designed explicitly as a performance-enablement system rather than primarily as a learning curriculum.[102]

The distinction is important. The program attempts to codify the capabilities required across the retained search lifecycle from winning work and converting opportunities through market mapping, candidate engagement, assessment, client management, compensation and offers, market intelligence, and the effective use of technology and AI.

Rather than concentrating development exclusively at the beginning of a search professional's career, the model is intended to address different capability gaps at different levels of seniority. A researcher may need to become better at constructing and interpreting a market. An associate may need stronger candidate-engagement and assessment capabilities. An experienced consultant may need to improve opportunity qualification, pitching, fee discipline or account development.

The common denominator is measurable performance. This creates an important distinction between training as an event and training as an operating system. An event transfers information but a performance system attempts to change repeatable behavior and then measures whether those behavioral changes affect business outcomes.

There is also relevant historical experience underlying the methodology. The architect of the training program previously developed a training and performance system within an executive search organization that expanded from approximately $25 million to more than $100 million in revenue in seven years while adding only marginal headcount.

That experience should be interpreted carefully. It does not establish that training caused the revenue growth; numerous strategic, market and organizational factors inevitably contribute to expansion of that magnitude. What it does illustrate is the potential relationship between capability development, productivity and operating leverage when training is embedded within a broader commercial system. That distinction ultimately captures the strongest economic case for structured training.

A course does not create revenue. People create revenue.

The purpose of a sophisticated training architecture is to increase the proportion of people within the organization who can originate, convert, execute and expand business consistently and to reduce the degree to which those capabilities remain concentrated in a relatively small number of exceptional individuals.

For executive search firms, that may be the most important ROI of all. The objective is not only to create better trained recruiters but to build a more productive, scalable and institutionally capable firm.



102 https://huntscanlon.com/hunt-scanlon-launches-training-program-for-executive-recruiters/?utm_source

Case Study: Scaling Through Training

Options Group provides one of the more interesting examples of what can happen when training becomes part of the operating model rather than simply an HR initiative.[103]

Over a six-year period, the firm increased revenues approximately sevenfold. There were obviously many factors behind that growth, including favorable markets, geographic expansion, hiring, sector development and the continued expansion of the firm's client franchise. But an important part of the infrastructure supporting that growth was OG University, which was created to develop people systematically rather than relying almost entirely on the traditional apprenticeship model that had characterized much of executive search.

What made the approach particularly interesting was that it began before people even joined the firm full-time. Every summer, approximately 25 interns globally were put through a structured rotation across different parts of the business. They were not simply brought in to provide additional research capacity for a few months. The internship became part of the firm's talent pipeline and the firm was able to identify promising people early on, expose them to different teams, teach them how the business worked and begin developing them before they had even graduated. The learning was deliberately practical.

Interns were taught how the financial markets worked, how investment banks, hedge funds, asset managers and other financial institutions were structured, what the major functions within those organizations actually did and how different roles fitted together. They learned the terminology of the markets and the businesses their future clients operated in. That industry knowledge was essential as it is very difficult to gain credibility otherwise.

They also learned the fundamentals of executive search: how to map a market, identify companies and talent pools, conduct research, build an organizational chart, understand reporting relationships and develop a target list. They quickly were made to understand that identifying a name was only just the beginning and had to quickly ascertain why someone might be relevant, where that individual sat within any given organization and how their background compared with others in the market.

Just as importantly, they were taught how to communicate. That included how to approach candidates, conduct an initial conversation, ask better questions, listen, take useful notes, write a candidate summary and communicate information clearly to more senior members of the search team. As they developed, the training moved increasingly toward judgment: understanding the difference between somebody who looked right on paper and somebody who might actually be right for the client.

There was also an important commercial component. Young recruiters began to understand how a search firm makes money, how client relationships are developed, how mandates are won, how fees work and why execution quality ultimately determines whether a client comes back. They could begin to see the entire economic chain rather than viewing their individual assignment as an isolated research task.

Many of those interns were subsequently hired by Options Group when they finished university. That created something relatively unusual in executive search: a genuine build rather than buy talent model.

Instead of depending entirely on hiring experienced recruiters from competitors which can be both costly and time-intensive, Options Group was developing its own cadre of professionals from the beginning of their careers who would quickly learn the firm's culture, standards, clients and approach to search before becoming full-time employees. By the time they joined permanently, they already understood the organization and had relationships across the firm.

Importantly, the development did not stop when they were hired. Once individuals were placed into their respective practices, continuous learning became part of their development. The curriculum became progressively more sophisticated as their responsibilities increased. Junior employees continued developing their research, market mapping and candidate identification skills. As they progressed, greater emphasis was placed on candidate assessment, interviewing, managing a search process, communicating with clients, understanding compensation, negotiating offers and managing difficult situations during an assignment.

The next stage was commercial development.

Team members were taught how to develop expertise in a market, build a personal network, identify potential clients, originate conversations, pitch for work, negotiate fees, manage senior client relationships and turn successful execution into repeat business. In other words, the development model followed the economics of an executive search career: from learning how to find information, to exercising judgment, to managing relationships and ultimately to generating revenue.

That progression is particularly important as the skills required of a successful researcher are not the same as those required of a successful consultant, and the skills required of a consultant are not necessarily the same as those required to become a major revenue producer or practice leader. Training therefore had to change as the individual changed.

The results can also be seen in what happened to many of those people afterwards. A significant number of the individuals who entered the firm through those early internship and graduate programs have since been promoted multiple times, moving into increasingly senior positions within the organization.

That is important because the real test of a training program

103 https://www.optionsgroup.com/what-we-do/strategic-consulting/professional-development/

is not how many people attend it but what actually happens to them afterwards. Do they become productive faster? Do they stay? Do they take on more responsibility? Do they develop into future leaders and revenue producers? And, ultimately, can the organization continue to grow without constantly having to go outside the firm to find the next generation of talent?

The significance of OG University was therefore not simply that Options Group had a training program but that training became part of how the firm attempted to scale as well as its DNA.

The knowledge, practices and behaviors that had historically sat with individual senior recruiters could be transferred more consistently across a growing organization. New hires could be developed faster, existing employees could continue to improve, and the firm could establish a more common approach to how people operated across teams and geographies.

That matters enormously in a people business. Revenue growth requires much more than simply adding recruiters. Those recruiters have to become productive. They have to learn how to execute searches, assess and engage candidates, manage clients, understand markets and eventually originate revenue themselves. Every year that development can be accelerated has economic value to the firm.

Options Group's experience also illustrates why training and growth should not be considered separately. A sevenfold increase in revenue over six years requires an organization to develop capability at roughly the same pace that it adds scale. Without that, growth can quickly expose weaknesses in quality, management, culture and execution.

When a firm brings in approximately 25 interns every summer, develops them, hires the strongest graduates and then continues investing in them after they join, it creates something much more valuable than a training program. It creates a repeatable talent engine. Each year's class feeds the next level of the organization while more experienced employees move upward. Over several years, that begins to compound.

The broader lesson for executive search firms is important. Training is not simply about making individuals better at their jobs. Done properly, it can become part of the infrastructure of the business: a way to recruit talent earlier, accelerate productivity, strengthen retention, create future leaders and build institutional capability.



SECTION 10

FROM COMPENSATION TO TOTAL VALUE PROPOSITION

Compensation matters enormously in executive search. The industry is highly commercial, performance driven and populated by professionals who daily understand exactly what their production and value is worth.

A significant compensation gap will always create vulnerability and retention challenges but it is only one part of the value proposition equation.

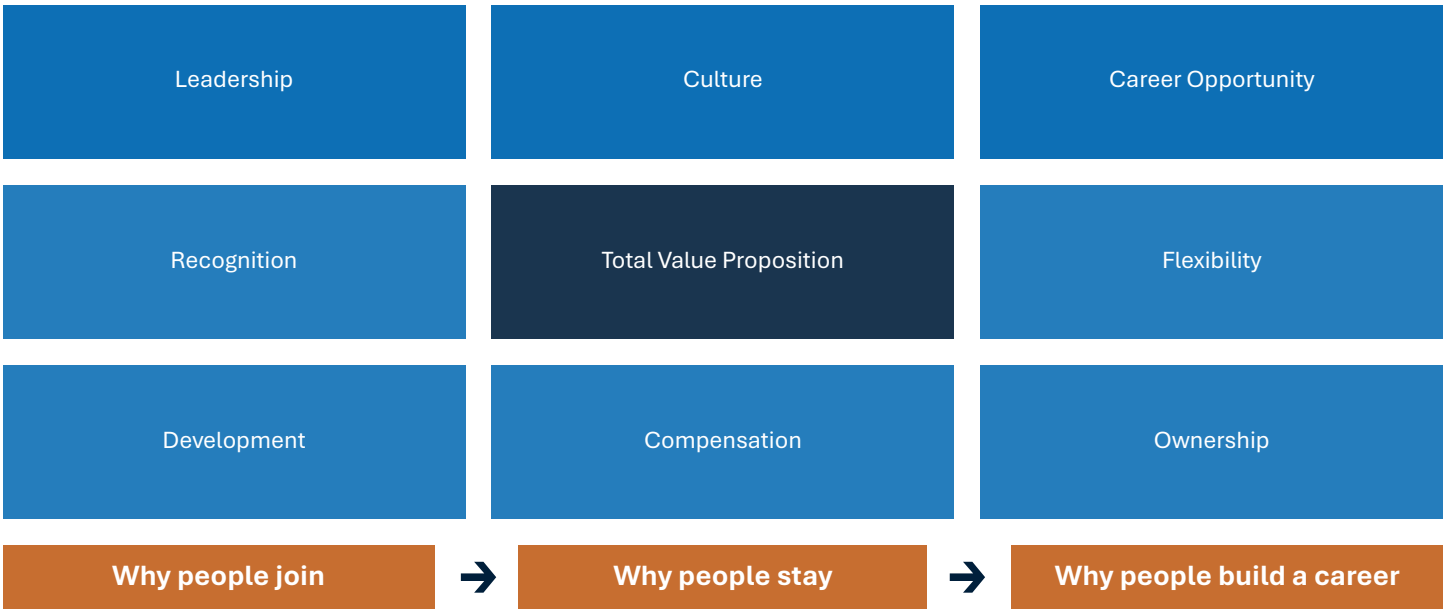
As pay becomes even more transparent and employees have far greater visibility into what competitors are offering, search firms cannot assume that paying at or above market will be enough to retain their strongest people. The more transparent compensation becomes, the easier it is for an individual to compare firms and that makes everything surrounding compensation even more important: leadership, culture, career opportunity, flexibility, recognition, development, ownership and whether someone believes they can build a meaningful long-term career at the firm.

This is particularly important in executive search because the people firms most want to retain are also the people competitors most want to hire. Successful consultants bring relationships, revenue, sector knowledge and reputation. Strong researchers and associates carry enormous institutional knowledge and execution capability. Losing either can have consequences well beyond the cost of replacing an employee.

The conversation therefore needs to move from compensation to total value proposition: the complete economic, professional and personal reason someone chooses to join a firm, remain there and build a career.

THE TOTAL VALUE PROPOSITION

A Window into complete economic, professional and personal reason someone joins a firm, stays and builds a career.



Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

Retention as a Strategic Lever in a Transparent, Competitive Market

Retention should not be viewed simply as an HR metric. In executive search, it is also much more of an economic issue. When a successful consultant leaves, the firm does not simply lose an employee but also the revenue, client relationships, candidate relationships, market knowledge and potentially other members of the team associated with that employee. The cost can be considerably greater when a senior producer joins a competitor and begins pursuing many of the same clients.

Non-compete contractual language is designed to address this risk, but in practice it is often an imperfect form of protection. Enforcement can be difficult, expensive and time-consuming, particularly as courts and regulators have become more skeptical of broad restrictions on an individual's ability to work. Even where a firm has strong contractual language, pursuing enforcement can mean significant legal costs, management distraction and uncertainty around the ultimate outcome. As a result, a non-compete may provide some protection, but it should not be viewed as a substitute for understanding the real portability of a Partner's client relationships and revenue before making a significant lateral hire.

The market is also becoming far more transparent. Compensation information travels quickly between competitors, candidates speak openly about packages and pay transparency regulation is expanding globally. Mercer found that 77% of organizations globally are developing or have developed a pay transparency strategy, while 63% recognize pay transparency as an expectation of candidates and 58% as an expectation of existing employees.[104] Employees who believe they are paid fairly are also significantly more committed to their organizations.

For executive search firms, the implication is straightforward. It is becoming increasingly difficult to retain people simply because they do not know what they could earn elsewhere. Firms have to give their best people compelling reasons to stay. This is reinforced by our Hunt Scanlon/HSiQ interview findings found within this report, which shows that non-compete restrictions can also weigh heavily on employees, limiting career mobility, creating uncertainty about future opportunities and, in some cases, making people more reluctant to move even when a compelling opportunity exists.

Those reasons start with competitive compensation, but they do not end there. Hunt Scanlon's 2026 coverage of employee loyalty makes the same point. Our review of research from The Bridger Group concluded that retention cannot be reduced to compensation or management alone. Leadership, compensation, workplace culture, career opportunity and broader organizational factors interact in determining whether someone stays or leaves.[105]

For search firms, retention therefore needs to be managed with the same discipline as recruitment. Firms should know who their critical people are, where retention risk exists, what competitors are likely to offer them and what would make their own proposition difficult to replicate.

Culture, Belonging & Leadership as Drivers of Engagement and Differentiation

Culture can sometimes sound abstract until a firm begins losing good people because of it and a downturn in revenues. In executive search, culture is particularly important because firms are relatively small, people work closely together and economics can create tension between individual and institutional interests. How revenue is shared, how credit is allocated, whether colleagues collaborate across practices, how junior people are treated and whether leadership is trusted all become part of the employee experience.

Executive Search Firm Employee Findings[106]

Methodology

Culture in executive search is not intangible. It is reflected in how people are led, rewarded and promoted, how decisions are made, whether leadership is trusted and whether employees can see a future for themselves at the firm.

That makes culture an increasingly important part of the employee value proposition. Historically, a strong brand, prestigious clients and the opportunity to build a book of business were more than enough to attract talented search professionals. Today, there are more choices and we have far greater visibility into what competing firms pay and what it is actually like to work there. Executive Search professionals are looking beyond the name above the door to leadership, compensation, career opportunity, flexibility and the overall employee experience to guide their decision making.

This matters because the principal assets of an executive search firm are its people. When a strong Partner, Consultant, Associate or Researcher leaves, the firm can lose far more than an employee. It can lose client relationships, revenue, market knowledge, execution capability and intellectual capital. Culture, therefore, is not simply a people issue; it has a direct impact on the economics and long-term value of the firm.

As part of our broader research into the executive search industry, we conducted interviews with more than 325 search professionals across firms of different sizes, ownership structures, sectors and geographies across the US. Participants represented all levels of the profession, from Researchers and Associates through Consultants, Principals, Partners and Managing Directors, as well as senior leaders and professionals working in corporate and support functions.

These were not simply compensation interviews. We wanted to understand what it is actually like to work inside today's executive search firms, what people value, what causes frustration, why people stay and, increasingly, what makes them consider leaving.

104 https://www.mercer.com/en-ch/insights/total-rewards/pay-equity-and-transparency/global-pay-transparency-report
105 https://huntscanlon.com/rethinking-the-factors-behind-employee-loyalty-and-retention/
106 Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

As part of those conversations, we asked a consistent series of questions designed to probe the major components of the employee experience and culture. These covered:

- **Trust:** whether employees have confidence in the firm and the people leading it, believe decisions are made fairly and consistently, and see a clear connection between what the firm says and how it behaves.
- **Leadership:** how employees assess senior leadership, including how visible and accessible leaders are, how well they communicate and whether they provide a clear and credible direction for the firm.
- **Respect:** whether employees believe they are treated fairly, different perspectives are valued, opportunities are open to everyone and the firm creates an environment in which people are treated with dignity.
- **Belonging:** whether people feel valued, respected and part of the firm; whether they feel comfortable contributing their views; and whether they believe they can build a successful career while being themselves.
- **Growth:** the quality of the day-to-day employee experience, including teamwork, communication, relationships among colleagues and whether employees would recommend the firm as a place to build a career.
- **Flexibility:** whether the demands of the job are reasonable, how employees view flexibility and hybrid working, and whether they have sufficient latitude to balance work with responsibilities outside the firm.
- **Recognition:** whether employees believe they are paid fairly and competitively, that performance is appropriately rewarded and that exceptional contribution is recognized.
- **Support:** whether employees value the benefits and support offered by the firm and believe the overall package compares favorably with what they could receive elsewhere.
- **Hiring:** confidence in the firm's ability to attract strong people, the quality of new hires and whether hiring decisions strengthen the organization and its culture.

We then looked at these responses by firm revenue, grouping organizations into five broad categories: **$0–20 million**, **$21–50 million**, **$51–100 million**, **$101–300 million** and **$300 million+**.

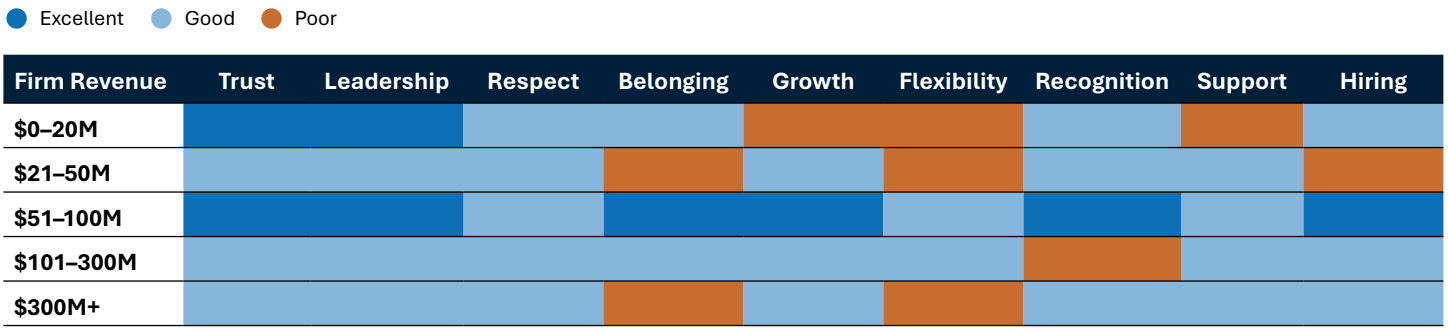
The objective was not to create a league table of individual firms, nor should the findings be interpreted as suggesting that every firm within a particular revenue category provides the same employee experience. There are exceptional firms and struggling firms at every level of the industry.

Instead, we were looking for patterns. Does the employee experience change as firms become larger? Does greater scale lead to better compensation and benefits? At what point does organizational complexity begin to affect leadership visibility and decision-making? Are smaller firms able to compensate for having fewer resources by offering greater autonomy and access to leadership? And, most importantly, where does the strongest overall employee value proposition appear to exist today? By combining these questions with the broader discussions conducted throughout our interviews, we were able to look beyond compensation alone and examine the wider set of factors that increasingly determine where executive search professionals choose to work, why they remain with a firm and what ultimately causes them to leave.

Culture therefore has an economic value.

It influences who joins, who stays, who performs, who collaborates and ultimately how successfully a firm grows. In a business where retaining a small number of high performing professionals can have a significant impact on revenue and profitability.

WHAT SEARCH FIRM PROFESSIONALS THINK OF THEIR FIRMS ACROSS VARIOUS ASPECTS OF CULTURE.



Firm Revenue	Employee Proposition	Principal Strength	Principal Trade-Off
$0–20M	Entrepreneurial	Access & autonomy	Infrastructure
$21–50M	Leadership dependent	Opportunity	Inconsistency
$51–100M	SWEET SPOT	Scale + access	Growing complexity
$101–300M	Institutionalizing	Resources	Rising expectations
$300M+	Global platform	Brand & infrastructure	Complexity & distance

Source: Hunt Scanlon / HSiQ proprietary research, based on interviews with 324 market participants across all levels of the U.S. executive search industry, conducted from April through August 2026.

Culture and Employee Value Proposition by Firm Size

Our interviews show that firm size does make a difference to the employee experience; larger firms have more resources, stronger infrastructure and broader benefits, but scale also brings complexity. Smaller firms can offer greater access, autonomy and entrepreneurial opportunity, but often with less structure and consistency. The strongest results in our benchmark interviews came from firms in the $51–100 million revenue range. They appear, at least today, to have found the best balance between the two.

$300 Million+: Scale, Brand and Complexity

The industry's largest firms have obvious advantages; they offer powerful brands, major global clients, international networks, sophisticated technology and research platforms, formal development programs and generally broader benefits. They can also provide career opportunities and mobility that smaller firms simply cannot match. For many professionals, particularly at the beginning of their careers, this remains a very attractive proposition. However, our interviews also showed that a strong platform does not automatically produce a strong employee experience.

Scale brings complexity and there are more management layers, decisions can take longer and compensation structures can also become harder to navigate. Policies designed for large global organizations can also reduce local flexibility and most importantly, leadership can seem further removed from the individual employee and their concerns. We repeatedly heard an interesting distinction; people could be proud to work for a well-known firm and speak very positively about its reputation in the market, while being considerably less positive about their own experience inside it.

The client sees the global brand but the employee experiences the firm through leadership, colleagues, compensation, career opportunity and the way decisions are made. Many told us that a great brand attracted them in the first instance but in the end was not able to retain them.

$101–300 Million: The Challenges of Becoming Institutional

The $101–300 million firms are at an interesting point in their development as many have moved beyond the entrepreneurial partnership model and have become institutional businesses in their own right. They are expanding geographically, adding practices, acquiring businesses, investing in technology and building professional management teams. However, with that growth comes more structure and rules around compensation, performance management, hiring and career development. Our interviews suggest that many firms in this category have made real progress, particularly around workplace culture, leadership and organizational integrity. Compensation, however, appeared more frequently as a source of dissatisfaction. Part of the explanation may simply be that expectations change as firms grow. Someone joining a $30 million boutique may accept that the firm cannot provide the same benefits, technology or career infrastructure as a global organization. At $100 million, the comparison changes and employees increasingly benchmark their experience against much larger competitors. They expect the employee proposition to keep pace with the growth of the business and that means competitive compensation, better benefits, stronger technology, professional leadership and clearer career paths; once a firm starts competing institutionally for clients, it also has to compete institutionally for its people.

$51–100 Million: The Sweet Spot

The $51–100 million group produced the strongest and most consistent employee feedback in our interviews. There is a relatively simple explanation for this; these firms appear to combine many of the benefits of scale with many of the advantages of a smaller partnership.

They are large enough to invest properly in technology, research, training, benefits and career development and they can compete for significant clients and assignments and provide employees with a serious platform on which to build their careers.

However, they are often still small enough for people to know who is running the business. and this matters. Employees can have direct access to senior leadership, decisions can be made faster and there is transparency about where the firm is going and how they fit into it.

There is also often more room for individual ambition. A successful professional may be able to build a new practice, enter a new market, assume leadership responsibility or help shape the future direction of the firm. For experienced search professionals, this can be a particularly attractive proposition because they have access to all the resources and opportunity of a much bigger firm without all of the layers and challenges that a much larger organization brings.

Our findings suggest that this balance is currently difficult to beat.

$21–50 Million: Leadership Matters More

The $21–50 million segment showed some of the greatest variation in our benchmark interviews. Two firms with $30 million in revenue can provide completely different employee experiences. One may be a highly profitable specialist with excellent leadership, strong compensation and a clear market position while the other could be growing quickly while still building its management structure, compensation model and career paths. At this size, leadership has an enormous influence on culture. A relatively small group of people can determine how employees are paid, promoted, developed and treated. When the leadership is good, the experience can be exceptional, but when it is not, there are fewer layers within the organization to compensate for it and to hide. Career development also varies considerably. Some firms give Researchers, Associates and Consultants early client exposure, meaningful responsibility and a clear path forward while others remain heavily partner-centric, with much less clarity around progression. The best firms in this category can be outstanding places to work but in the end the difference is that the experience can be far less consistent across this group as a whole.

$0–20 Million: Entrepreneurship Versus Infrastructure

The smallest firms offer perhaps the widest range of experiences. A successful boutique can be an extremely attractive place to build a career and employees have the opportunity to work directly with founders and senior partners, gain client exposure earlier, understand the economics of the business and have much greater freedom to shape their roles. For entrepreneurial search people, that can be difficult for a large firm to replicate. The trade-off however is structure. Smaller firms generally have fewer resources for formal training, technology, benefits and management infrastructure. Career paths can be less defined and promotion criteria more informal. Compensation can be exceptional in a successful boutique, but it can also be more variable and depend on too many invariables. Much also depends on the founders and their leadership style. Some small firms have built exceptional cultures and very loyal teams while others remain dependent on one or two individuals and have yet to create an employee proposition that exists independently of them. For people considering these firms, the question is therefore often less about size and more about the quality of the leadership and the business they are joining.

What Changes as Firms Grow

One of the clearest lessons from the research is that the employee proposition needs to evolve as the search firm itself changes. What works at $20 million will not necessarily work at $100 million, and what works at $100 million may not work at $300 million.

As firms grow, expectations rise and compensation has to remain competitive. Career paths need to become clearer while leadership has to become more professional without becoming distant and hands off. Processes will in turn need to become far more consistent without creating unnecessary bureaucracy. This is where growing firms can get into difficulty as our interviews highlighted. Revenue, headcount and geographic reach can grow much faster than culture and management capability and so the challenge is not simply to become bigger but to keep the things that made the firm successful in the first place while building the infrastructure required for the next stage of growth.

Culture Is Now Part of the Competition for Talent

The broader findings from our benchmark interviews highlight that executive search firms are competing on two fronts: both for clients and for their own talent. The two are directly connected. The best people bring client relationships, market knowledge, judgment and revenue as they build teams, develop younger professionals and create intellectual capital that can take years to replace. That is why culture has a real economic value. Compensation is clearly part of it but paying at the top of the market will not solve for poor leadership, limited career opportunity or a workplace that people no longer want to be part of. Equally, a strong culture cannot compensate indefinitely for uncompetitive pay. The firms that appear to be doing this best are bringing the two together: competitive compensation, strong leadership, integrity, career opportunity, flexibility, good benefits and an environment where people believe they can succeed.

The Name Above the Door Is No Longer Enough

For many years, the executive search career proposition was relatively straightforward: join a prestigious firm, learn from successful partners, work with important clients, build a book of business and progress. Brand still matters today but the name above the door is no longer enough.

Search professionals have more choice than ever before as well as far more information. They know what competitors pay and they see where successful partners are moving. They know which firms are growing, which are investing and which appear to have a revolving door.

A $75 million firm therefore does not necessarily have to outspend a $500 million competitor to attract an outstanding Partner, Consultant or Associate but it has to offer a better overall reason to join and, just as importantly, a reason to stay.

That may be the most important message from our benchmark interviews. The firms that grow successfully will not simply be those that add the most revenue, offices or Partners but moreover the ones that can grow without losing the culture, leadership access and sense of opportunity that made talented people want to join them in the first place. Revenue growth is easy to measure but whether the employee experience has kept pace with it is much harder to discern. Our findings suggest that the firms that get both right will have a significant advantage in attracting talent, retaining their best people and building more durable businesses.

Leadership is always central to retention. People want clarity, recognition, fairness and confidence in where the firm is heading. They also want to believe that opportunities are distributed fairly and that strong performance will be recognized. Belonging matters as well. Hunt Scanlon's work on diversity and inclusion has emphasized that belonging is not about creating homogeneity but about building an environment where different experiences and perspectives are valued and where people believe they have a legitimate place in the organization.[107]

For executive search firms, culture has also become a source of differentiation. Competitors can replicate compensation structures and match guarantees but it is much harder to replicate a genuinely collaborative culture, respected leadership team and organization in which people want to build careers.

Evolving Rewards: Benefits, Perks, and Alternative Compensation Structures

The definition of compensation today itself is becoming far broader.

Base salary, draw and annual bonus remain the foundation of most executive search compensation packages, but firms increasingly need to think about the complete economic proposition offered to employees.

107 https://huntscanlon.com/a-look-at-leadership-in-todays-workforce-and-what-trends-lie-ahead

Depending on the level and ownership structure of the firm, that can include retirement contributions, healthcare, deferred compensation, profit participation, equity or synthetic equity, long-term incentive plans, carried-interest-style arrangements, signing guarantees, retention awards, flexible benefits and additional paid time off.

At senior levels, the distinction between annual compensation and wealth creation becomes particularly important. A Partner deciding between two firms may compare not simply the first year's guaranteed cash but the opportunity to participate in the long-term value of the business.

Private equity ownership makes this especially relevant because participation can align senior executives with enterprise value creation and give high performers a financial reason to remain through an investment cycle rather than maximizing annual cash compensation.

At more junior levels, flexibility, healthcare, retirement benefits, parental benefits, vacation and professional development may carry greater relative value.

The important point is that there is no single total rewards package that works for everyone. Mercer and WTW have both emphasized the movement toward more differentiated rewards, flexible benefits, career development and skills-based approaches. The strongest firms will increasingly understand what different employee populations value rather than assuming that every compensation dollar needs to be delivered in exactly the same form.[108]

Learning, Career Pathing & Internal Mobility as Core Retention Engines

THE CHANGING CAREER PROPOSITION

THEN		NOW
Prestigious brand	→	Brand + employee experience
Linear promotion	→	Multiple career pathways
Annual compensation	→	Total rewards + wealth creation
Office presence	→	Flexibility + connection
Informal apprenticeship	→	Structured development
Individual production	→	Individual + institutional value
Stay for the firm	→	Stay because the proposition works

One of the most underestimated retention tools in executive search is simply showing people where they can go with their career and why they matter.

Historically, career development across much of the profession has been very informal at best. That model is becoming increasingly difficult to sustain.

Hunt Scanlon's review of talent acquisition trends for 2025 cited Korn Ferry research finding that 67% of employees would remain with an organization if offered opportunities for advancement and upskilling, even when they otherwise disliked their job. Lack of career growth was identified as the second-largest reason employees leave.[109]

The generational data reinforces the point. Deloitte's 2026 Gen Z and Millennial Survey found that younger workers are redefining career progression. Only 25% of Gen Z and 21% of millennials said they preferred fast-paced advancement characterized by rapid promotions. Many instead favor gradual development or lateral moves that build skills and experience.[110]

That has important far-reaching implications for search firms.

Career progression cannot simply be an inflexible pathway from Researcher through Associate to Consultant ending with Partner. There needs to be a variety of multiple routes for success. A strong researcher may develop into a talent intelligence leader while someone with technology capability may move into data or AI. On the other hand, a consultant may become a practice leader, key account leader or people manager while others may develop careers in assessment, leadership advisory, training or operations.

Internal mobility gives talented people somewhere to go without having to leave the firm to grow. Development also needs to become more deliberate. Deloitte's 2025 research found that 86% of Gen Z and 84% of millennials value mentorship and guidance, while 88% and 89%, respectively, value on-the-job learning and practical experience.

For executive search firms, this should be familiar territory. The profession has always learned through hands on experience. The opportunity is to make that experience more structured, consistent and scalable and more in line with other segments of the professional services industry.

Linking Culture, Performance & Revenue Outcomes

Culture should not be treated as something separate from economics.

There is substantial evidence connecting engagement with commercial performance. Gallup's latest Q12 meta-analysis examined more than 183,000 business and work units covering more than 3.3 million employees. Business units in the top quartile of engagement recorded 23% higher profitability and 18% higher sales productivity than bottom-quartile units. They also experienced substantially lower turnover.[111]

That relationship is particularly relevant in executive search.

108 https://www.wtwco.com/en-ug/solutions/total-rewards
109 https://huntscanlon.com/predicting-talent-acquisition-trends-for-2025
110 https://www.deloitte.com/global/en/issues/work/genz-millennial-survey.html
111 https://www.gallup.com/workplace/645416/key-insights-global-workplace

An engaged consultant is more likely to collaborate across practices, introduce colleagues into client relationships, share market intelligence, mentor junior team members and remain with the firm. An engaged researcher is more likely to go beyond producing names and instead develop the market knowledge that improves the quality of the search.

Conversely, a culture that encourages internal competition at the expense of collaboration can produce strong individual economics while weakening the institution around those individuals.

The question search firms should therefore ask is not simply whether their culture is popular but if it encourages the behaviors that produce better client and financial outcomes. The best cultures should ultimately show up in measurable results: higher employee retention, stronger client retention, more cross-practice revenue, better search completion rates, stronger productivity and greater revenue per professional. Culture is not the opposite of performance and therefore when properly designed it is one of the key catalysts that drives it.

Retaining Top Talent: Incentives, Engagement & What Actually Works

THE RETENTION EQUATION

COMPETITIVE PAY + LEADERSHIP + CAREER OPPORTUNITY + CULTURE + FLEXIBILITY + DEVELOPMENT + OWNERSHIP / LONG-TERM ECONOMICS

= RETENTION

Pay can be matched. A complete employee proposition is much harder to replicate.

There is no single retention tool that works for every high performer. For one Partner, the critical issue may be economics while for another it may be equity. Somer may want greater leadership responsibility, and others expect the opportunity to build a team or the resources to expand internationally. A high performing principal may want a realistic path to partner while a researcher may want recognition, development and greater responsibility.

Hunt Scanlon's workforce research found workload, work-life balance and compensation among the leading factors affecting morale. Our 2026 workforce coverage has also highlighted declining engagement and persistent burnout, pointing to workload management, workplace connection, communication and professional development as important retention priorities.

This suggests that retention cannot simply mean paying someone more each time a competitor approaches them. Eventually that becomes an expensive substitute for addressing the underlying reason they are willing to listen. The strongest retention strategy is creating an environment that successful people are reluctant to leave.

Workforce Realities: Burnout, Generational Shifts, Hybrid Work & DEI

The workforce entering and progressing through executive search today has far different expectations from the workforce that entered the profession twenty years ago.

That does not mean younger professionals are less ambitious but that their ambition is being expressed differently. Deloitte's 2026 research found that Gen Z and millennials increasingly prioritize stability, skills and well-being over rapid promotion. Its 2025 study of more than 23,000 respondents across 44 countries similarly found that money, meaning and well-being collectively influence career decisions. Learning and development ranked among the top reasons younger employees chose their employer.

Burnout also cannot be ignored. Executive search has always involved periods of intense activity, demanding clients, unpredictable schedules and pressure to deliver. Technology has increased productivity, but it has also created an environment in which people can remain connected almost continuously.[112]

Hunt Scanlon's 2026 workforce coverage identified declining engagement and persistent burnout as significant leadership concerns, with workload and hours among the major drivers. Gallup estimates that burnout-related turnover and lost productivity cost organizations globally approximately $322 billion annually.[113]

Hybrid work adds another dimension. Hunt Scanlon and TI Verbatim Consulting found that 70% of HR leaders believed hybrid work improved morale and retention, while 65% of employees favored hybrid models. The same research also identified communication, technology and maintaining culture as continuing challenges.[114]

For search firms, the answer is unlikely to be simply office versus remote. It is determining where people work most effectively, how teams learn, how junior professionals receive mentoring, how collaboration occurs and how culture is maintained when people are not physically together every day.

The firms that retain the best people will be those that combine competitive economics with opportunity, development, leadership, flexibility, belonging and a genuine sense that employees can build something valuable by staying.

That is the shift from compensation to total value proposition.

112 https://huntscanlon.com/burnout-in-the-workplace-what-the-latest-research-tells-us/
113 https://www.gallup.com/workplace/215924/well-being.aspx
114 https://huntscanlon.com/workforce-trends-through-the-lens-of-leadership-and-employees/

SECTION 11

INTERNAL TALENT ACQUISITION VS. EXECUTIVE SEARCH COMPENSATION

The growth of internal talent acquisition is one of the more important structural changes that has impacted the executive search industry.

Large companies have spent years building in house recruiting organizations that increasingly resemble search firms themselves. They employ executive recruiters, researchers, talent intelligence professionals and assessment specialists. They have invested considerable time and resources in building their own proprietary candidate databases, market and capability mapping, talent intelligence and internal search infrastructure, giving them many of the tools and capabilities required to identify, assess and successfully recruit senior talent themselves.

Technology has accelerated that development. LinkedIn, CRM platforms, talent intelligence systems and AI have given corporate recruiting teams access to information and capabilities that were once exclusively concentrated only within executive search firms.

This does not mean that companies no longer need executive search firms. However, it has muddied the dividing line between what companies do themselves and what they are prepared to pay an outside firm to do on their behalf. That distinction has significant implications for the economics of executive search, the compensation of the search professionals working within it and, ultimately, the value proposition of the executive search industry.

The Rise of Internal Executive Search Functions

Internal recruiting has moved steadily upward through the organization. Historically, many corporate recruiting teams concentrated primarily on volume hiring and positions below the most senior leadership levels. VP, C-suite and board searches were more routinely handed to retained executive search firms. That model has changed substantially and some of the world's largest organizations today now maintain large dedicated executive recruiting teams capable of handling a meaningful proportion of senior appointments internally. This is not a new phenomenon. Hunt Scanlon was documenting the emergence of in-house recruiting more than a decade ago, noting that increasingly sophisticated internal teams were being asked to recruit at the VP level and above. What has changed however in the interim is the leverage capability now available to those teams.[115]

More recently, Gartner has gone beyond simply recognizing the growth of internal executive recruiting and has published its own research specifically addressing how organizations can build an in-house executive recruiting capability.[116] The timing is significant in that Gartner links increasing executive recruiting demand to CEOs pursuing growth through business transformation and argues that a properly developed internal capability can both improve the quality of leadership appointments and reduce dependence on executive search firms.

This represents an important shift in how larger organizations think about executive recruiting. Rather than automatically outsourcing every senior mandate, corporations and financial institutions have built permanent capability around the leadership markets they recruit from most frequently. That means having to develop dedicated executive recruiters and researchers as well as build proprietary talent pools to create institutional knowledge. The economics are particularly attractive for organizations making a consistent number of senior appointments each year and their cost savings in search fees is significant.

There is also another advantage that is more difficult to quantify as internal executive search teams operate much closer to the business and can understand succession plans, internal candidates, leadership gaps, culture, compensation and future organizational requirements well before a formal search ever begins. Over time, that allows executive recruiting to move from being primarily reactive to being strategic.

However, reducing dependency on executive search firms is very different from actually eliminating them. The stronger the internal capability becomes, the more selective companies can be about when they go outside. Routine or repeatable senior searches may increasingly be handled internally, while external firms are reserved for CEO and board appointments, confidential replacements, difficult or highly specialized mandates, new markets, external benchmarking or situations

115 https://huntscanlon.com/strong-the-emergence-of-in-house-recruiting/
116 https://www.gartner.com/en/documents/6322047

where independence and access carry particular value.

That distinction is important for the executive search industry moving forward. The competitive threat is not simply that clients are hiring more of their own recruiters internally but they are becoming considerably more capable executive search organizations in their own right. The opportunity for external firms therefore moves toward the work that is hardest to replicate internally: judgment, specialist market knowledge, independent assessment, confidential access, succession advice and a genuinely external view of the leadership market.

INTERNAL VS EXTERNAL: LEADERSHIP DECISION MATRIX

A board-ready view of where each model has the natural advantage.

Decision Lens	Internal Search	External Search
Legacy & Culture	Preserve continuity and reinforce values	Bring fresh perspectives and challenge the status quo
Time-to-Hire & Cost	Faster and more economical for repeatable needs	Greater investment, but broader market reach and dedicated capacity
Leadership Needs	Strong fit for stable, known environments	Best suited to transformation, innovation or new expertise
Growth Trajectory	Signals internal development and retention	Signals ambition and willingness to import capability
Scale & Context	Works best with a strong internal pipeline	Critical where internal depth is limited or the market is unfamiliar
Readiness for Change	Understands existing dynamics and stakeholder history	Can accelerate change when the culture is ready to absorb it
Stay for the firm	Stay because the proposition works	Stay because the proposition works

A 2026 discussion involving executive recruiting leaders from lululemon, Danaher and TD Securities[117] described internal executive search teams moving beyond being primarily process or cost management functions and becoming more closely embedded with business leadership.

That distinction matters because a strong internal executive search team possesses something an outside firm can never completely replicate: continuous access to the organization. It understands the culture, knows the leadership team, sees internal succession candidates, understands compensation structures and can maintain executive talent pipelines over many years and for recurring leadership requirements, that can be extremely powerful. In-house recruiting does not eliminate the external market, but it has irreversibly changed when and why companies access it.

Compensation Differences: Internal vs. External Models

The economics of compensation are fundamentally different on the two sides of the internal and external search market. Internal executive recruiters are employees of the corporation and their compensation generally reflects the corporate compensation governance structure as a result; base salary, annual incentive, benefits and, at sufficiently senior levels, potentially long-term incentives or equity.

External executive search professionals operate within an entirely different economic model. At senior levels, compensation is much closely connected to revenue production. A Partner or Managing Director may be measured not simply on whether searches are completed successfully, but on the nature and mix of business originated, revenue generated, client relationships developed, collections and, increasingly, broader contributions to the firm overall.[118]

That creates a fundamental difference in risk and reward. The internal recruiter has greater compensation certainty but generally less direct participation in the economics of each individual assignment whereas the external search professional can have considerably greater upside. However, that upside is also accompanied by business development expectations and far greater exposure to the vicissitudes of market cycles and individual revenue performance.

This helps explain why direct comparisons between internal and external compensation can be misleading at best. While the internal and external roles increasingly overlap the economics do not.

An internal Head of Executive Recruiting may manage extremely important searches and advise some of the most senior executives in the company while an external search partner may perform very similar work. However, the external partner also has to originate the assignment, maintain the

117 https://buffkinbaker.com/blog/talent-acquisition-from-an-in-house-perspective
118 www.sec.gov/Archives/edgar/data/56679/000130817925000580/kfy

client relationship and generate enough revenue to support researchers, associates, technology, offices and the broader infrastructure of the entire firm.

Compensation therefore reflects two different business models rather than simply two different ways of simply performing the same job.

Productivity & Cost Economics Comparison

The most obvious argument for bringing executive search internally is cost. A company making a significant number of senior hires will often resort to building an internal team which is less expensive than paying an external retained search fee on every assignment.

At sufficient volume, that calculation can be compelling. However, the comparison is more complicated than just fee versus salary argument. An internal executive search function also carries fixed costs itself whether search volume is high or low and those costs invariably include compensation, benefits, researchers, recruiting technology, databases, assessment tools and management infrastructure. An external search firm converts much of that fixed infrastructure into a variable cost incurred when the company chooses to use it. There is also a productivity question at the center of all this.

How Internal Talent Acquisition Is Measured

Internal talent acquisition teams are typically judged against a much broader set of metrics than simply whether a position is successfully filled. Traditional measures include time-to-fill, time-to-hire, cost-per-hire, requisitions managed per recruiter, source-of-hire effectiveness, pipeline conversion rates and offer-acceptance rates.

Increasingly, however, organizations are looking beyond these efficiency measures toward outcomes: quality of hire, first-year retention, new-hire performance, time-to-productivity, hiring-manager satisfaction and candidate experience. SHRM makes an important distinction between efficiency and effectiveness: filling a position quickly and economically does not necessarily mean the organization made the right hire. Its current recruiting framework includes time-to-fill, source of hire, quality of hire, funnel effectiveness and recruiter performance, while its 2026 benchmarking research specifically tracks cost-per-hire, requisitions per recruiter, time-to-fill and quality of hire.[119]

For internal executive recruiting teams value is also judged by the strength of succession pipelines, percentage of senior roles filled internally, diversity and depth of executive talent pools, external-market coverage, reduction in unnecessary search firm expenditure, and the performance and retention of executives after hire. The strongest internal functions are increasingly being measured not simply by how efficiently they recruit, but by whether they improve the organization's ability to make better leadership decisions.

The economic value of executive recruiting cannot be measured solely by cost-per-hire as the more senior the appointment, the greater the consequences of making the wrong hiring decision. Speed and cost both matter but candidate quality, assessment, confidentiality, market coverage and the eventual performance of the executive matter considerably more to Boards and CEOs.

That is why quality of hire metrics is becoming such an important measure across talent acquisition. LinkedIn's 2025 Future of Recruiting research found that 89% of talent acquisition professionals believed measuring quality of hire would become increasingly important, while only 25% felt highly confident that their organization could measure it effectively.[120] The real economic comparison therefore becomes: What does it cost to identify, assess and successfully appoint the right executive and not simply what does it cost to run the search?

Advisory Capability Gaps & Opportunities

This may ultimately be where the greatest opportunity lies for executive search firms.

Candidate identification is becoming easier but good judgment and context is not. Internal teams now have access to extraordinary amounts of information. AI has made information even easier to search, organize and interpret. LinkedIn has reported that internal talent professionals already using generative AI and are saving approximately 20% of their work week on average, while 73% believe AI will irreversibly change how companies manage and execute their hiring.

As the mechanics of recruiting become ever more efficient, the premium will moves elsewhere as it always does. Boards and CEOs still need an objective view of internal candidates and to understand how those executives compare with the external market. They need assessment, succession planning, compensation intelligence, competitor mapping and, sometimes, an independent voice capable of challenging assumptions inside their organization. That is a very different value proposition from executive recruiting.

Russell Reynolds provides a useful example in its CEO succession work. The firm argues that companies should develop internal successors while simultaneously understanding the external leadership market and their most recent research has found that only 41% of leaders reported benchmarking internal succession candidates against external talent. That gap creates an important opportunity for executive search firms.[121]

The future value of an executive search firm will increasingly lie not in possessing names that the client cannot find, but in the inherent and hard to find intelligence, judgment, access and objectivity that the client cannot easily create themselves

119 https://www.shrm.org/topics-tools/tools/toolkits/optimize-hiring-strategy-with-business-driven-recruiting
120 https://business.linkedin.com/hire/resources/future-of-recruiting
121 https://www.russellreynolds.com/en/insights/articles/inefficient-succession-planning-holds-csuites-back

internally. That is a much more defensible position upon which to argue the merits of leveraging external search.

Two Sides of the Same Market: The Movement of Search Talent In-House

The relationship between internal executive recruiting teams and executive search firms is much closer than it sometimes appears. Many of the companies that have built sophisticated internal executive search functions have recruited the people to build and lead them directly from executive search firms. This is important because companies have not simply created larger corporate recruiting departments but also adopted executive search capability into their organization.

This movement has been underway for a long time. AESC research into the changing executive search market notes that it has become more common to find former retained search consultants managing or working within corporate executive search departments. These professionals brought with them a comprehensive understanding of how retained search works, including research, market mapping, candidate development, assessment and the management of senior stakeholders.[122]

Hunt Scanlon has observed the same trend. In our reporting on the development of in-house executive search teams, we have noted that executive recruiters have been increasingly moving from search firms into corporate environments, particularly in the U.S. and U.K and that the motivation has not only been a matter of cost reduction.[123] Companies are seeking to build genuine executive search capabilities internally while continuing to use external firms for assignments where confidentiality, complexity or specialist market access justified bringing in an outside advisor.

Why Companies Recruit Search Professionals

The imperative and attraction is relatively straightforward. Someone who has spent ten or fifteen years in retained executive search arrives with capabilities that can take considerably longer to develop inside a traditional talent acquisition organization.

They understand how to map a market rather than simply advertise a position and know how to approach executives who are not actively looking for another job. Additionally, they understand how to maintain confidentiality, manage a difficult candidate process, assess executive motivation and compensation, and work with CEOs, CHROs and other senior leaders who expect a very different level of service from that associated with traditional recruiting.

They also bring a tremendous external market perspective. An internal recruiter may certainly understand the company exceptionally well but a search professional coming from then outside has spent many years working across competitors, sectors and leadership teams. What is important is that experience can help a corporation understand not simply who might be available, but what the external leadership market actually looks like and provide a critical strategic lens to evaluate it.

There is a very tangible example of this at IHG. Katie Howard moved into IHG Hotels & Resorts after a career largely spent in executive search and was specifically recruited to help develop an internal executive search capability for the company's luxury and lifestyle business. She described the move as bringing her search experience inside while gaining much deeper exposure to the company, its HR organization and its business than would normally be possible from the agency side.[124]

What Changes When the Search Professional Moves Inside

Moving in-house often changes the perspective of the recruiter. An external search consultant normally enters the organization around a particular assignment. Even where the relationship is longstanding, there are always limits to what the consultant sees.

An internal executive recruiter lives deep within the organization. They see succession discussions before a search begins and understand which executives are performing well and which may be vulnerable. They also know a lot about the politics surrounding the potential hire as well as compensation structures, internal candidates, organizational history and why apparently straightforward appointments can sometimes be considerably more complicated than they appear from outside.

That institutional knowledge can make internal executive recruiters extremely effective. Moreover, it can also make them much more sophisticated buyers of executive search.

This is an important consequence of the movement of search professionals into corporations. A former retained search consultant sitting inside the client understands what a search firm should be capable of delivering. They understand research quality, candidate coverage, assessment, off-limits restrictions, Partner involvement and how much real work has gone into producing a slate.

They are therefore often better equipped to decide which searches should remain internal and which genuinely require an external firm.

Current corporate executive recruiting roles increasingly reflect precisely this model. Guardian Life, for example, describes its Head of Executive Recruiting role as responsible both for strengthening internal executive recruiting capability and for leading the company's executive search agency strategy, including vendor selection, relationship management and performance oversight. The role specifically seeks experience gained within an in-house executive recruiting function, a retained search firm, or both.[125]

122 https://www.aesc.org/
123 https://huntscanlon.com/alc-launches-service-help-build-house-executive-search-teams
124 https://recruitingfuture.com/2024/03/ep-598-building-exec-search-in-house
125 https://guardianlife.wd5.myworkdayjobs.com/Guardian-Life-Careers/job/Head-of-Executive-Recruiting

That is not internal recruiting replacing executive search but it is confirmation that the client has become a far more informed buyer of executive search.

The Relationship With External Firms Becomes More Selective

This has important implications for search firms.

As internal executive search teams become stronger, external firms are less likely to receive assignments simply because the company lacks recruiting capacity. The internal team can increasingly handle those searches itself.

External firms therefore have to earn their place. Buffkin/Baker's 2026 discussion with executive recruiting leaders from lululemon, Danaher and TD Securities provides a useful current illustration. Their conclusion was not that successful internal functions eliminate external search. Instead, the strongest models operate somewhere between the two. Internal teams execute significant amounts of work themselves while using external firms selectively where confidentiality, urgency, specialist knowledge or access to a difficult market makes outside support valuable.[126]

AESC guidance similarly positions executive search around consequential CEO, board, C-suite and other strategic appointments, where external market perspective and specialist search capability remain important.[127]

The relationship therefore becomes less transactional and potentially more strategic. The internal executive recruiter becomes the informed client. The external search Partner becomes the specialist resource brought in when there is a reason to go outside.

That can actually produce a better relationship between the two. A former search professional sitting inside a company knows what good search looks like. They understand that a difficult CEO, CFO or specialist leadership search cannot always be reduced to cost-per-hire but also when an external firm is adding genuine value and when it is simply performing work the internal organization could reasonably have done itself.

Search Firms Have Also Benefited From the Movement

The movement is not entirely one way. Professionals move from search firms into corporations and some subsequently return to executive search. Hunt Scanlon identified this movement in its reporting on the growth of internal search, noting that some consultants move into corporate environments and later return to the search sector.

Those individuals can return with a very different understanding of the client. They have sat on the other side of the table and understand procurement pressures. They know why internal recruiters become frustrated with search firms as well as the importance of communication, candidate experience, internal politics, succession candidates and the pressure a CHRO faces when presenting a shortlist to a CEO or board.

That experience can make them better search consultants. It also reinforces a broader point about where the industry is heading. The boundary between the executive search firm and the corporate executive recruiting function is becoming increasingly porous as talent, methodologies and technology move constantly between the two. The strongest people on either side increasingly understand both environments.

A More Sophisticated Buyer Changes the Search Firm Value Proposition

There is another consequence that may ultimately be even more important. As companies recruit experienced search professionals into their own organizations, executive search firms increasingly find themselves selling to people who know exactly how their business works. That raises the bar because it becomes harder to justify a retained fee based principally on access to a database, research capability or the ability to identify candidates. Many internal teams now possess those capabilities themselves, and some of the people running those teams previously built exactly the same maps and candidate strategies inside search firms.

The external firm's value therefore has to move further upstream. This is why the movement of executive search professionals in-house should not simply be interpreted as disintermediation. It is also professionalizing the internal client talent function, and a more sophisticated client does not necessarily mean they buy less executive search. It does however mean they are leveraging executive search far more selectively and expect considerably more from the firms it chooses. That distinction will matter enormously over the next decade.

Hybrid Models: Build vs. Buy Talent Strategy

The future for executive search is unlikely to be completely internal or completely external. It is increasingly hybrid. Companies can build internal capability around recurring searches, succession planning, talent pipelines and institutional knowledge while selectively using external firms where independence, confidentiality, specialist expertise or access to a different talent market creates additional value.

126 https://buffkinbaker.com/blog/talent-acquisition-from-an-in-house-perspective
127 https://www.aesc.org/aesc-for-clients/

The Hybrid Operating Model

The client owns institutional capability; the external advisor is deployed where independence or specialist reach matters most.

CLIENT OWNS	SHARED / HYBRID	EXTERNAL ADVISOR
Recurring executive searches	External benchmarking	CEO & board search
Succession pipelines	Market mapping	Confidential replacement
Institutional knowledge	Assessment support	New / difficult markets
Internal talent pools	Specialist sourcing	Independent advice
Build permanent capability	**Blend capability around the decision**	**Buy expertise where it creates a premium**

CEO succession demonstrates the model particularly well. Russell Reynolds reported that approximately 76% of incoming CEOs during the first half of 2025 were internal hires. Yet boards want to also consider a median of one internal and two external candidates when making the final decision.[128]

That tells us something important; an internal appointment does not necessarily eliminate the need to understand the external market. External benchmarking may become more important as internal succession pipelines become stronger. A board considering an internal CFO, CEO or other major appointment still needs to know whether that individual compares favorably with the best talent available elsewhere.

Spencer Stuart makes a similar point, arguing that even where an organization intends to develop or appoint an internal successor, external benchmarking can provide an objective comparison against outside talent and help pressure test the strength of internal candidates.[129]

The external firm does not necessarily have to own every search from beginning to end but it can provide very valuable market mapping, external benchmarking, assessment, specialist sourcing or succession advice around an internal process.

For search firms, that creates a whole array of new products and potentially new revenue streams.

Future Convergence of Internal & External Talent Models

The distinction between internal talent acquisition and executive search will become muddier over the next several years. Internal teams are already adopting practices developed by executive search firms: market mapping, proactive pipelining, executive research, passive candidate engagement, talent intelligence and increasingly sophisticated assessment. Search firms are moving fast upstream to expand beyond individual searches into disciplines such as succession, assessment, leadership advisory, talent intelligence, market mapping, executive development and broader workforce strategy.

The two models are therefore beginning to meet in the middle. Technology will accelerate that convergence. Korn Ferry's research shows both the rapid adoption of AI within recruiting and the increasing importance of human capabilities such as relationship development. It supports the 2025, LinkedIn report that employers were 54 times more likely to include relationship development as a required recruiter skill than they had been only one year earlier.[130]

128 https://www.russellreynolds.com/zh-cn/insights/articles/how-do-boards-organize-themselves-for-ceo-succession-planning
129 https://www.spencerstuart.com/research-and-insight/overcoming-the-common-obstacles-five-critical-steps-for-best-in-class-chief-legal-officer-succession
130 https://www.kornferry.com/insights/featured-topics/talent-recruitment/the-evolving-role-of-the-recruiter-a-human-ai-future

That is an important signal as technology will reduce the value of some traditional recruiting activity while increasing the value of judgment, relationships and advice. The result will likely be an executive talent ecosystem in which corporations own more of the underlying talent intelligence themselves but bring external firms into the moments where independence, judgment, specialist knowledge and external market perspective matter most.

This should not necessarily be viewed as an existential threat to executive search but is a challenge to search firms whose principal value remains solely in identifying candidates.

For firms capable of moving further upstream helping clients determine what leadership they need, understanding where that talent exists, benchmarking internal and external options, assessing executives and advising boards on consequential leadership decisions, the opportunity may actually become far larger. The industry is therefore unlikely to disappear because internal in house capabilities become stronger. However, the basis on which clients are prepared to pay for it will continue to change.

What This Means for Executive Search Firms

The growth of internal executive search does not remove the need for external search firms, but it substantially raises the standard required to justify their fees. Clients increasingly have best in class databases, researchers, recruiters, technology and direct access to candidates themselves. Simply producing a list of executives will become progressively harder to differentiate.

The firms best positioned for the next stage of search market growth will be those that can provide something the internal organization either cannot economically build or should not provide for itself: independent judgment, confidential access, specialist market knowledge, external benchmarking, assessment, succession advice and intelligence drawn from working continuously across companies and markets.

That changes the competitive question. It is no longer simply internal recruiting versus executive search but what should the client own, what should the client buy, and where does an external advisor create enough additional value to justify the economics? That is likely to become one of the defining questions for the executive search industry over the next decade.



SECTION 12

TECHNOLOGY, AI & COMPENSATION DISRUPTION

Artificial intelligence is no longer a technology story sitting alongside the executive search industry. It has irreversibly impacted the economics of the industry itself as executive search has historically been a people intensive business.

The shift has been fast. Recruiterflow frames 2024 as the year of task automation, mid-2025 as the move into workflow automation, and 2026 as the point where AI becomes delivery infrastructure. Korn Ferry is the clearest proof point, consolidating decades of data into a single unified platform to build an app-like experience, work that depends on exactly the clean, structured data that AI both requires and makes possible.[131]

Revenue growth generally required more consultants, more researchers, more associates and greater research capacity as part of the growth story. It is clear that for the past twenty five years technology has materially improved the search process, but it rarely changed the fundamental relationship between headcount and revenue as AI has.

Search firms can now increase research capacity, improve market coverage, reduce administrative work and execute parts of the search process considerably faster without adding people at the same rate. The implications extend well beyond productivity as they reach directly into organizational design, career paths, leverage models and ultimately compensation across the entire industry.

Research conducted by Hunt Scanlon Media and Recruiterflow among 97 executive search firm leaders in the first quarter of 2026 illustrates how quickly the market is moving.[132] Ninety-one percent of respondents were already using general-purpose AI tools such as ChatGPT or Claude. Yet only 20% had achieved broad adoption across multiple workflows, while 58% remained in moderate adoption and another 20% were still experimenting. Among the most advanced firms, 74% had integrated AI directly into their ATS or CRM, 68% had developed shared custom GPTs or AI agents and 58% were already running multi-agent workflows.

The significance of those numbers is not simply that firms are adopting AI. It is that a relatively small group is beginning to build a fundamentally different operating model. For compensation, that creates a difficult but important question many are asking; if technology allows fewer people to produce more revenue, who then captures the economic value of that productivity? The answer may become one of the defining compensation questions facing executive search firms over the next several years.

AI IS ALREADY CHANGING THE OPERATING MODEL

The adoption gap is no longer about whether firms use AI, but how deeply it is embedded into workflow.

91%	20%	74%	68%	58%
Using general-purpose AI	**Broad adoption**	**AI in ATS / CRM**	**Shared GPTs / agents**	**Multi-agent workflows**
ChatGPT / Claude	Across multiple workflows	Among advanced firms	Among advanced firms	Among advanced firms

Tools Individual use → **Workflows** Repeatable use → **Platform** Integrated use → **Operating Model** Economic change

The real divide is moving from AI as a tool to AI as an operating model.

Source: Hunt Scanlon and Recruiterflow; The Ai integration Gap – What separates firms

131 2026 productivity analysis."
132 https://huntscanlon.com/inside-the-ai-integration-gap-what-separates-the-firms-moving-furthest

AI's Impact on Recruiter Productivity & Pay

The first measurable impact of AI on the search industry is productivity. Recruiters spend a significant amount of their time on work that is necessary to executing and completing a search but does not necessarily represent the highest use of their skills: building lists, updating databases, preparing candidate summaries, scheduling, recording notes, researching companies, drafting outreach and maintaining CRM records.

Much of that work has been increasingly automated or at least materially accelerated.

LinkedIn's 2025 Future of Recruiting research found that talent acquisition professionals already experimenting with integrating generative AI have reported saving approximately 20% of their working week, effectively one working day. At the same time, 73% of talent acquisition professionals believed AI would change the fundamental way organizations hire moving forward.[133]

Recruiterflow reports similar effects within agency recruiting. Its 2026 productivity analysis estimates that AI agents and workflow automation can return 10 or more hours per week to recruiters. Recruiterflow also cites the example of Guy Last Recruitment, which increased productivity per recruiter by 41% after changing its operating model and technology infrastructure.[134]

Within executive search specifically, Hunt Scanlon's partnership with Recruiterflow has led to some compelling findings. CEO Manan Shah has outlined several examples of what this can look like in practice. Total Aviation reportedly achieved three times recruiter productivity after embedding AI workflows,[135] while Andiamo reduced time-to-fill by 76% and doubled client submissions.[136] These are individual examples rather than industry wide benchmarks, and they should be treated accordingly. However, the direction of where ethe search industry is heading is difficult to ignore.

Productivity Changes the Compensation Equation

If a consultant historically required significant research and administrative support to generate $1 million of revenue, but AI allows that same consultant and a smaller supporting team to generate $1.3 million or $1.5 million, the economics of that desk have substantially and irreversibly changed.

The immediate benefit of course accrues to the search firm through higher revenue per employee and potentially stronger margins. However, that advantage is unlikely to remain entirely with the firm as high performing recruiters will increasingly leverage and benefit from all that AI continues to provide them. If an individual can manage more searches, develop more clients and generate more revenue because AI has expanded his or her capacity, compensation expectations will also eventually rise with that productivity. We therefore expect compensation discussions increasingly to move away from simply: How much revenue did you produce? to: how effectively did you use the firm's platform, data and technology to produce it? That creates an important distinction between individual productivity and platform-enabled productivity. The best compensation systems will need to recognize both moving forward.

THE PRODUCTIVITY DIVIDEND AS SEEN BY RECRUITERFLOW

AI expands capacity before firms add equivalent headcount.

~20%	10+ hrs	3x	-76%
Working week saved	**Returned each week**	**Recruiter productivity**	**Time-to-fill**
LinkedIn 2025	Recruiterflow 2026	Total Aviation	Andiamo

Less admin (Time released) → **More capacity** (More assignments) → **More coverage** (More clients) → **More revenue** (Per professional) → **Pay repricing** (Higher expectations)

If fewer people can produce more revenue, the compensation equation changes with the economics.

133 https://business.linkedin.com/hire/resources/future-of-recruiting
134 https://recruiterflow.com/case-studies/guy-last-recruitment-case-study
135 https://recruiterflow.com/case-studies/how-total-aviation-staffing-tripled-their-productivity-with-recruiterflow
136 https://recruiterflow.com/case-studies/andiamo-ai-recruiting-case-study

Automation vs. Augmentation: Who Wins?

There is an understandable tendency to frame the impact of AI on recruiting as a choice between people and technology. In executive search, many believe that is the wrong way to look at it since the more important distinction is between the parts of the search process that can be automated and the capabilities of experienced professionals that can be strengthened by technology.

AI will undoubtedly remove a significant amount of manual labor from the traditional search life cycle, but that does not necessarily mean removing the people who perform it. In many cases, it will actually allow them to spend considerably more time on the high value work where their experience and judgment matter most.

Recruiterflow makes this distinction particularly clearly. In high volume, lower complexity recruiting, AI is now automating significant portions of sourcing, screening, scheduling, follow-up and administration. However executive search is very different. Assignments are fewer but the stakes are considerably higher and the decisions are rarely straightforward. Here, AI is more likely to augment the recruiter than replace them. It can certainly make the process faster but the most consequential decisions still require considerable human judgment. In practice, that augmentation is concrete. AI absorbs the mechanical load around an engagement, notetaking, updating the CRM, and surfacing context on a role or a contact, so consultants stay focused on the conversation and the relationship, where the judgment that carries an assignment actually sits.

The International Labor Organization reached a similar conclusion in its broader 2025 workforce research, finding that one in four workers globally were employed in occupations with some exposure to generative AI, but that transformation of jobs was more likely than their wholesale elimination.[137]

Within executive search, the areas that have been impacted by automation have been relatively easy to identify. AI can already help identify companies and executives, construct initial talent maps, recognize patterns across candidate populations, summarize interviews, prepare research, draft candidate reports, maintain databases, monitor career movements, personalize initial outreach and identify relationships that may provide a route into a candidate.

What is much harder to automate is the accumulated judgment and context behind a successful search. AI may identify an executive whose experience appears to match the specification, but determining whether that person will actually succeed inside a particular organization is a far different question. Understanding the CEO, the board, the culture, the circumstances surrounding the appointment and often the issues that were never included in the original position specification are critical. Experienced consultants also know when the client's specification itself is unrealistic, when the obvious candidate is probably the wrong candidate and when the search needs to move in a different direction. Moreover, they are direct in saying so.

The same distinction applies to candidate engagement. Identifying a successful executive is very different from persuading that executive to consider leaving a role in which he or she is already successful. Senior candidates rarely make career decisions based solely on compensation or a job description. Family circumstances, relocation, reputation, career risk, chemistry with the CEO, confidence in the board and belief in the organization's strategy can all determine whether a candidate ultimately accepts an opportunity. Managing those issues, navigating counter offers and keeping both client and candidate aligned through an uncertain process require trust and judgment that AI simply cannot easily replicate.

There is also an important advisory component to consider here. One of the most valuable things a search consultant can do is tell a client something they may not want to hear: that the compensation is insufficient, that the specification is unrealistic, that the market does not contain the candidate they have described or that the individual they prefer is not the person they should hire. That advice is based not simply on information, but also on experience, pattern recognition and the credibility to challenge a client when necessary. Those are not administrative parts of executive search but are where much of its true and inherent value resides.

WHAT GETS AUTOMATED — AND WHAT BECOMES MORE VALUABLE

Automation		Augmentation	
Identification	**Note capture**	**Judgment**	**Candidate persuasion**
List building	**CRM maintenance**	**Assessment**	**Market interpretation**
Scheduling	**Drafting & reporting**	**Client challenge**	**Leadership advice**

Automation reduces the value of process. Augmentation increases the value of judgment.

Process → **Context** → **Judgment** → **Trust**

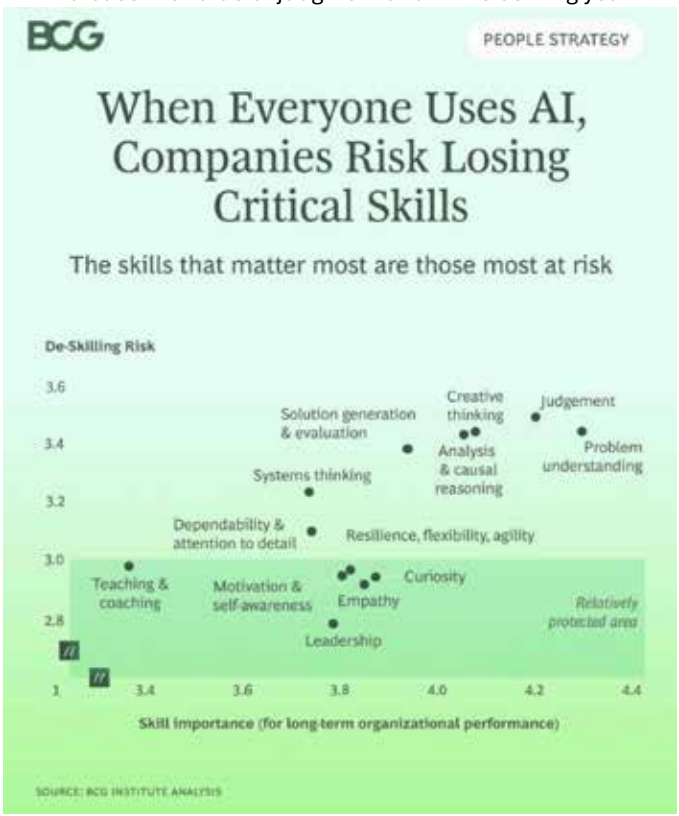
137 https://www.ilo.org/publications/generative-ai-and-jobs-2025-update

HelloSky founder Alex Bates described this changing division of labor in a 2026 Hunt Scanlon interview. [138] AI can remove much of the manual list building that has historically occupied researchers, allowing them to spend more time on search strategy, building lists, assessment, market interpretation and relationships. The important shift is actually from producing lists to providing insight. That distinction will ultimately prove far more important to the future of executive search than whether AI simply allows firms to employ fewer search professionals.

Many of those we canvassed in our interviews did not believe the principal winners will necessarily be firms that automate the greatest number of activities but rather those that understand where automation will materially improve the economics of search as well as how it increases its value. Used properly, the majority believed that technology should remove lower value work while giving consultants and researchers far more time to understand markets, develop relationships, advise clients and exercise judgment.

The compensation implications follow naturally. As routine execution becomes easier and less valuable, compensation premiums are likely to move toward the capabilities that remain difficult to replicate: judgment, sector knowledge, assessment, relationships, client influence and the ability to turn information into commercial insight. Most believe that the most successful search professionals will not compete with AI as much as leverage it to increase the amount and quality of work they can perform.

Automation will reduce the value of process but augmentation will increase the value of judgment and in the coming year



Source: https://www.linkedin.com/posts/whzemp_leadership-executiveeducation-artificialintelligence-share-7492756152288575488-JGxL/?utm_source=share&utm_medium=member_android&rcm=ACoAAAEr-V0Bj9yoqfl_Uit2zv1KvPgv74PXFIE

The Judgment Paradox: As AI Does More, Human Skills in Executive Search Matter More

There is another side to the productivity gains created by AI that the executive search industry should take seriously. As AI automates more of the work historically performed by researchers, associates and consultants and through which those individuals learned to become good search professionals in the first place.

Recent research from Boston Consulting Group provides an important warning.[139] In a global survey of C-suite leaders and senior executives, half said they were already observing de-skilling within their organizations and more than 60% believed it would become a material threat within three to five years. Perhaps most concerning, the skills considered most vulnerable were not technical skills but those involving judgment and decision making, problem framing, creative thinking, analysis and causal reasoning, precisely the capabilities that should become more valuable themselves as AI continues to devour more routine work.

The findings apply almost perfectly to executive search; AI is increasingly automating candidate identification, company mapping, research, market analysis, database maintenance, initial candidate comparisons and parts of report preparation. That should ideally allow search professionals to spend considerably more time advising clients, assessing executives and interpreting markets. However, there is a potential contradiction; many of those higher-level capabilities were historically developed by spending years doing the work that AI has eliminated in many cases.

A researcher learned to become a subject matter expert in any given market by mapping it repeatedly. An associate developed judgment by sitting in and then by interviewing hundreds of executives, comparing candidates, watching searches succeed and fail and gradually understanding every aspect of the life cycle. Consultants learned how to advise clients by sitting alongside experienced partners, observing difficult conversations and eventually being required to make their own recommendations. There were no shortcuts and judgment was increasingly accumulated through day in and day out repetition, experience and, importantly, being wrong occasionally and learning from the consequences of one's mistakes.

BCG found that 53% of the leaders surveyed were already concerned about slower development of junior talent. More than half also reported reduced ownership and accountability as AI becomes more embedded in work. This is particularly relevant to executive search because judgment ultimately requires ownership and a consultant has to be prepared to tell a client that one candidate is stronger than another, that the specification is wrong, that compensation is below market or that the candidate everyone likes should not be hired and provide all the reasons behind it. AI can inform those decisions but it cannot be accountable for them.

138 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms
139 https://www.bcg.com/publications/2026/when-everyone-uses-ai-companies-risk-critical-skills

This creates an important challenge for the industry's traditional career model. If AI removes much of the research, analysis and process work historically performed during the first several years of a search career, search firms cannot simply assume that the next generation of search consultants will somehow acquire the judgment that previous generations developed through their career trajectory. BCG cites Shell as one organization already addressing this problem by requiring junior employees to frame problems, test assumptions and produce an initial analysis themselves before turning to AI.

Executive search firms will need to think along the same lines and in much the same way. The objective should not be to continue inefficient work simply because that is how people learned historically but to preserve the learning outcomes from experiences that develop judgment, curiosity, skepticism, accountability and the ability to form an independent point of view.

This may ultimately be one of the most important consequences of AI for compensation. As information becomes cheaper and routine execution becomes much faster, context and judgment should command a greater premium. Search firms will also have to become much more deliberate about how they develop it or the industry risks automating the bottom of the career ladder while simultaneously weakening the pipeline of people capable of performing the higher-value work at the top. The paradox is straightforward: AI is making human judgment more valuable at exactly the same time that it may be making human judgment harder to develop.

Data Ownership and Its Monetization

For decades, executive search firms have accumulated extraordinary amounts of information. Historically, much of this information has been fragmented across individual consultants, spreadsheets, databases, emails and CRM systems. AI has changed the potential economic value of that information because it makes enormous quantities of historical data easier to organize, interrogate and reuse.

The Hunt Scanlon & Recruiterflow study provides an important clue as to where the market is heading. Among firms with the broadest AI adoption, 95% had standardized note-taking and transcription tools across their teams and 74% had AI integrated directly into the ATS or CRM. Hunt Scanlon also highlighted a critical point from Recruiterflow that structured and searchable conversation data becomes the bedrock and key foundation for CRM integration, research automation and eventually custom AI agents.[140]

That turns the database from a storage system into something potentially far more valuable: institutional intelligence.

Recruiterflow makes the same point in more commercial terms, arguing that AI allows recruiting firms to treat their existing database as an economic asset by resurfacing candidates and relationships rather than repeatedly beginning searches from scratch.[141] Recruiterflow's research puts a figure on it, finding that roughly 71 percent of placements come from a firm's existing database.[142]

This also creates an important issue around ownership. Traditionally, much of the economic value in executive search followed the individual consultant. When a senior recruiter left, relationships, knowledge and institutional memory often walked out of the door with them. However, a well-constructed intelligence platform changes that equation. The consultant may still own the relationship in a practical sense, but the organization increasingly retains the history and talent intelligence surrounding that relationship. Over time, that could become one of the most important assets on the balance sheet of a search firm even if accounting conventions never formally recognize it that way.

From Search Data to Talent Intelligence

There is a much larger opportunity for the search industry than simply using data to make individual searches faster or more efficient. For most of the industry's history, data has been treated primarily as an input into the search process as firms built databases to help consultants identify candidates and execute assignments. The commercial value of the data was therefore largely realized after a search was successfully completed.

That model is now very because the same underlying information, when it is current, structured and combined with experienced human interpretation, can also support a much broader range of client decisions. It can now help a board understand whether it has credible internal successors well before a CEO transition occurs and equally show a private equity firm where leadership gaps exist across its portfolio. Similarly, it can identify which competitors are adding capabilities, losing senior talent or reorganizing important functions as well as benchmark the depth and quality of an organization's leadership team against its closest peers. Additionally, it can inform compensation decisions, workforce planning, acquisition diligence and the sequencing of future leadership hires.

The value today is no longer confined only to identifying who might fill a role but in understanding what the movement of talent is telling you about a company, a competitor, a sector or a market at any given moment.

That is the distinction between traditional search data and talent intelligence. A database can tell you that an executive has changed companies whereas talent intelligence explains why that move actually matters. A database can identify ten potential successors to a business-unit president but talent intelligence can assess how credible those successors are, how difficult they may be to recruit, what they are likely to cost, how their backgrounds compare and whether the market is moving toward a different leadership profile altogether.

That additional layer of interpretation is where much of the future economic opportunity sits. It also changes the timing of the relationship with the client. Traditional executive search

140 https://huntscanlon.com/inside-the-ai-integration-gap-what-separates-the-firms-moving-furthest
141 https://recruiterflow.com/blog/ai-candidate-sourcing
142 https://recruiterflow.com/ebooks/impact-of-outdated-data-on-recruiting-agencies

is largely event-driven. Talent intelligence allows the advisory relationship to begin considerably earlier so the firm can help identify the leadership risk before there is an open position.

That matters commercially because the adviser involved upstream in identifying the problem is often in a stronger position than the provider brought in later to execute the solution.

This is central to the model being developed by Hunt Scanlon. The objective is not simply to accumulate more names or build a larger database but to combine quantitative market data with qualitative intelligence gathered from executives, recruiters, investors and other market participants to understand leadership risk, competitive movement, succession exposure and emerging capability requirements.

That distinction is important as much of the most valuable information in executive markets is not contained neatly in a public database but sits in context: whether a senior executive is genuinely promotable or a leadership team is stronger than it appears externally or if a competitor is building a new capability to gain market share. It is also focused on why and how an executive may become available, if compensation expectations are changing; or whether a company is likely to face a leadership problem twelve months from now.

The data creates the underlying foundation but the intelligence is what creates the commercial value.

For search firms, this potentially opens a much broader revenue model since talent intelligence can be delivered through recurring advisory relationships, subscription products, portfolio monitoring, leadership benchmarking, succession reviews, competitive talent mapping, transaction diligence and other services that do not depend upon an immediate placement fee.

It also creates a different kind of client relationship. Instead of appearing episodically when a mandate is awarded, the firm becomes part of the client's continuing understanding of its leadership market. The economic proposition therefore moves from: we know who the best candidates are to; we understand what is happening across this specific segment of the market, why it is happening, where the risks and opportunities are developing, and what those changes mean for your business. For the executive search industry, that may ultimately be the more valuable asset.

Platform Economics vs. Human Advisory

AI also raises a larger strategic question about what clients will actually pay search firms for. Over many years, access to information represented a vital part of the value proposition. That advantage has narrowed considerably.

Candidates are much easier to identify, and organizational information is far more accessible. Professional Bios can be generated in seconds and AI can instantly produce market maps, identify comparable executives and produce preliminary candidate assessments very quickly.

Hunt Scanlon's 2026 recruiter rankings report captured the issue directly: the next generation of executive search firms will not win simply because they possess better data, because in an AI-enabled market data itself becomes more widely available. The differentiator becomes the ability to answer harder questions about leadership, performance and organizational fit.

That has significant consequences for the business model. The lower end of the value chain becomes easier to commoditize:

Identification → Mapping → Screening → Initial Outreach → Reporting

The higher end becomes more valuable:

Judgment → Assessment → Influence → Market Interpretation → Client Advice → Candidate Persuasion → Leadership Risk

Manan Shah CEO of Recruiterflow has often made a similar argument when he suggests that sourcing, screening and shortlist delivery have all faced increasing commoditization while successful search firms continue to move upstream into more broadly defining the brief and providing market intelligence and talent perspective clients cannot readily obtain elsewhere.

LinkedIn is observing the same shift. Its 2025 research found that employers were 54 times more likely than a year earlier to list relationship development as a required recruiter skill, reinforcing the argument that as routine recruiting activities become easier to automate, distinctly human capabilities become more valuable.[143]

This creates a simple strategic reality that technology will increasingly determine how efficiently a search firm operates but Human advisory will determine how difficult it is to replace. The strongest firms search firms will need both.

Compensation Implications of AI-Driven Efficiency

The compensation consequences of AI are unlikely to be uniform. Some roles will become more valuable while others will become narrower. There will be search firms who need fewer people and almost every role in the firm is most likely going change to chang ein some way or other. The greatest pressure is most likely to occur where compensation has historically been attached to activities that technology can increasingly perform.

Research is one obvious example. This does not mean research will disappear but the definition of what excellent research is will surely change. A researcher whose primary value is manually identifying names will become obsolete but the researcher who can interpret markets, construct search hypotheses, challenge assumptions, understand talent flows, use multiple datasets intelligently and convert information into insight will become considerably more valuable.

143 https://www.linkedin.com/business/talent/blog/talent-acquisition/future-of-recruiting-2025

The same applies to consultants. AI will reduce the premium attached simply to being busy but it will increase the premium attached to being commercially productive.

PwC's 2025 Global AI Jobs Barometer found that workers with AI skills earned an average 56% wage premium relative to workers in the same occupations without those skills. Importantly, PwC also found wage growth occurring in both AI-automatable and AI-augmentable occupations, suggesting that automation does not automatically translate into lower compensation.[144]

PwC's 2026 update goes even further. Productivity growth was 40% higher among companies most exposed to AI than among those least exposed, while the most AI-exposed junior roles were seven times more likely to require traditionally senior capabilities such as leadership.

The World Economic Forum similarly identifies AI and big data as the fastest-growing skills through 2030, but places leadership, social influence, analytical thinking and talent management among the skills also increasing in importance.[145]

For executive search, that suggests compensation premiums may increasingly attach to combinations of capabilities rather than technology alone:

AI fluency + sector expertise + judgment + client influence + commercial productivity.

That combination will be difficult to automate and difficult to replace.

A Different Kind of Pay Dispersion

AI may therefore widen compensation differences within firms. Two consultants with similar tenures may no longer produce remotely similar economics. One may use technology to manage a larger portfolio of searches, maintain more client relationships, identify opportunities earlier and generate materially greater revenue. Another may continue operating largely as before. If productivity diverges, compensation eventually will as well.

We expect firms to increasingly examine metrics such as revenue per consultant, gross margin per employee, assignments managed per recruiter, conversion rates, client retention, database utilization and revenue generated without proportional headcount growth. This does not necessarily mean compensation becomes just more formulaic but that the economics underneath compensation becomes much more visible.

What This Means for Compensation

The impact of AI on compensation is therefore unlikely to be simply fewer recruiters earning less, but the outcome is bound to be considerably more complicated.

We expect greater pressure on roles dominated by repeatable execution; higher expectations for technology fluency across almost every level; stronger premiums for professionals who combine AI capability with commercial judgment; fewer distinctions between traditional research and consulting skills; and potentially greater compensation dispersion between average and exceptional performers.

Most importantly, firms will have to decide how the productivity dividend created by AI is shared. If AI allows a firm to generate substantially more revenue without adding equivalent headcount, part of that value will initially appear in margins. However, over time the people capable of turning technology rapidly and more efficiently into revenue will understand their value and leverage it. The compensation battle will therefore not be between people and technology but between people who know how to use technology to create disproportionate value and those who do not. That is an important distinction to highlight because as AI makes executive search more efficient, it may also make exceptional search professionals considerably more valuable at the same time.



144 https://www.pwc.com/gx/en/news-room/press-releases/2025/ai-linked-to-a-fourfold-increase-in-productivity-growth
145 https://www.weforum.org/publications/the-future-of-jobs-report-2025/in-full/3-skills-outlook



SECTION 13

REGIONAL & FIRM-TYPE DEEP DIVES

Executive search increasingly represents a collection of distinct markets operating across different regions, each shaped by its own economics, competitive dynamics, client expectations and competitive pressures. As a result, it is becoming increasingly difficult to describe the executive search industry as a single market or to draw conclusions from one geography alone.

Geography remains only one part of the picture as ownership structure, scale, specialization, client mix, growth profile and business model can be just as influential in determining how a firm competes and performs. A large global public company operates within a very different economic and corporate governance framework than a partner owned boutique. A private equity-backed platform pursuing acquisition led growth faces substantially different priorities from a specialist firm that has been built around a small number of sectors and senior client relationships. Even firms operating in the same city, serving similar clients, can also share very different economics, growth trajectories and compensation structures. That difference increasingly is reflected in revenue growth, investment priorities as well as compensation.

North America Market Analysis

North America remains the industry's largest and most commercially developed market.

From an executive search perspective, North America remains the industry's deepest and most commercially developed market. The concentration of large public companies, private equity sponsors, financial institutions, healthcare organizations and technology businesses continues to create constant and sustained demand for senior leadership talent across a broad range of functions and sectors.

It is also one of the most competitive search markets in the world. Clients have access to global firms, specialist boutiques, PE-backed platforms and increasingly sophisticated internal recruiting teams which places greater pressure on search firms to differentiate themselves through best in class sector knowledge, access, assessment quality, speed and market intelligence rather than just relying on client relationships or brand promise alone.

Hunt Scanlon reported that revenue among the 50 largest executive search firms in the Americas increased approximately 11% to $6.69 billion in 2025. Three quarters of the top ranked firms grew and twenty four recorded double-digit growth.[146]

The market remains still relatively dominated by the largest global firms. Hunt Scanlon's 2026 data shows Korn Ferry at approximately $1.65 billion of Americas revenue, Spencer Stuart at $790 million, Heidrick & Struggles at $770 million and Russell Reynolds Associates at approximately $701 million. Scale is important of course but only one part of the story.[147]

Some of the strongest growth over the past eighteen months has come from firms well below these traditional global leaders. Hunt Scanlon reported 61% growth at CenterPeak, 51.2% at Landing Point Search Group, 45.2% at NU Advisory Partners and approximately 32% at Sheffield Haworth's Americas business. That tells us something important.[148]

The North American market is growing, but the growth is not being shared evenly.

Specialization, sector exposure, lateral hiring, ownership structure and investment in technology are increasingly separating winners from the rest of the market. The compensation implications are equally important as search firms still pay heavily for revenue production. However, our interviews also suggest that greater value is increasingly being placed on search professionals who can build practices, expand strategic accounts, introduce new services and create revenue that extends beyond just an individual search assignment itself.

146 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage
147 https://huntscanlon.com/top-50
148 https://huntscanlon.com/top-50

Europe Market Analysis

Europe remains a major executive search market, but it is structurally far more fragmented than North America and subject to greater variation between individual countries. It is not just one homogeneous market. Differences in language, regulation, employment law, compensation practices, corporate governance, ownership structures and business culture all influence how executive search firms operate and how consultants are paid within these markets.

The United Kingdom remains one of the region's largest and most mature search markets, while Germany, France, Switzerland, the Netherlands, Italy and the Nordic countries each have their own competitive characteristics. In some markets, large global firms have significant scale and established client relationships; in others, strong local and specialist boutiques remain deeply entrenched. Cross-border work is common, particularly at the most senior levels, but the economics of delivering that work can vary considerably from one country to another.

This fragmentation has important implications for compensation as there is no single European compensation model. Salary levels, variable compensation, partner economics, employment protections and the portability of client relationships differ substantially by market. In certain countries, higher fixed compensation and stronger employment protections for employees can reduce the degree of pay variability seen in the United States. Elsewhere, particularly within entrepreneurial boutiques and partner-led firms, compensation can remain closely connected to individual and team revenue production.

For this reason, European compensation data needs to be interpreted at both the regional and country level. Two consultants producing similar revenue for similar firms may have materially different compensation structures simply because they operate in different European markets. Europe is therefore best understood not as a single executive search market, but as a collection of mature, interconnected national markets operating within a broader regional ecosystem.

London continues to be a major center for financial services, private equity, professional services and board work. Paris, Frankfurt, Zurich, Amsterdam, Milan and other markets remain important in their own right for consumer, industrial and life sciences.

That fragmentation matters because it has created a European market with enough depth and diversity to support very different types of executive search firms. Large global firms can compete on scale, geographic reach, brand, assessment capabilities and increasingly broad leadership advisory platforms. At the same time, specialist international boutiques can build meaningful businesses around sector expertise, senior-level relationships, greater partner involvement and the ability to move across markets without some of the off-limits constraints that accompany larger platforms.

Hunt Scanlon data illustrates just how broad that competitive spectrum has become. Hunt Scanlon data illustrates just how broad that competitive spectrum has become for European firms. Sheffield Haworth reported approximately $68.5 million in global revenue of which $38.3 million was in Americas revenue while Leathwaite reported approximately $45.6 million globally and HIEC, another international boutique operating across multiple markets, generated approximately $14 million in Americas revenue according to Hunt Scanlon's 2026 rankings.[149] These are not small local boutiques operating at the margins of the industry but substantial international businesses capable of competing for senior mandates across multiple countries and sectors. InterSearch represents a different model again, operating through a global network of approximately 610 consultants across 90 offices worldwide. The significance here is not simply related to the size of these organizations, but in the variety of models through which international scale can now be achieved.

Europe therefore demonstrates an important change taking place across executive search. Scale no longer has a single definition and can come from ownership of a large integrated global platform, deep specialization across a smaller number of strategically important markets, or from a network that combines local market strength with international reach. This has created a competitive environment in which global firms, international boutiques, national champions and specialist firms can all now occupy defensible positions.

There is another important distinction. Europe operates within a more complex regulatory environment, particularly around AI, data privacy, employment practices and the use of personal information in recruitment and assessment. GDPR has already placed greater obligations around the collection, processing and retention of candidate data, while the EU AI Act introduces another layer of scrutiny around certain uses of AI in employment and recruitment.[150] For executive search firms investing heavily in talent intelligence, proprietary databases and AI-enabled research, these are not peripheral compliance issues but increasingly influence how technology can be deployed, how data can be monetized and what governance infrastructure firms need to build.

For many European executive search firms, the United States has become one of the most important sources of future growth. The U.S. offers a larger and generally more commercially dynamic market, higher executive compensation levels, larger average search fees and a deep concentration of private equity, financial services, technology, healthcare and life sciences clients. For European firms that have already established strong positions in their home markets, expansion into the U.S. can provide a considerably larger runway for growth than simply adding further share within mature European markets.

There is also a natural client pull as many European search firms already serve multinational companies and financial sponsors whose activities extend across the North Atlantic. As those relationships deepen, clients increasingly expect their

149 https://huntscanlon.com/wp-content/uploads/2026/05/ESR_rankings
150 https://eur-lex.europa.eu/legal-content/en/TXT/

search partners to support them in New York, Boston, Chicago, San Francisco and other major U.S. markets as effectively as they do in London, Paris or Frankfurt. In many cases, U.S. expansion is therefore not simply a geographic strategy; it is an extension of existing client relationships.

The economics can also be compelling. Higher senior executive compensation in the U.S. can translate into larger search fees, while the scale of the private equity ecosystem creates opportunities not only for individual executive searches but for repeat work across portfolio companies, management assessment, succession, talent intelligence and broader leadership advisory services. A European boutique does not necessarily need hundreds of U.S. consultants to participate as a relatively small number of highly productive partners, supported by an established European research and delivery platform, can create a very meaningful U.S. business and top line revenues.

This is helping to change the traditional direction of international expansion in executive search. Historically, global reach was largely built by major U.S.-based firms establishing offices across Europe and other international markets. Increasingly, the traffic runs in both directions. Established European firms are looking at the United States not simply as another office on the map, but as a potentially transformational source of revenue, talent and enterprise value.

Asia-Pacific Market Analysis

Asia-Pacific may be the clearest example of why executive search can no longer be viewed through broad regional labels. Calling Asia-Pacific a single executive search market disguises the reality beneath it. The region encompasses over a dozen meaningful executive search markets, including Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam and other emerging Southeast Asian markets. These markets may sit within the same geographic region, but they do not operate with the same economics, talent pools, compensation structures, regulatory environments or business cultures.[151]

In practical terms, Asia-Pacific is not one market but a collection of markets at very different stages of development, connected by increasingly regional clients and increasingly mobile executive talent. That distinction matters for many reasons.

Singapore and Hong Kong remain important regional and financial centers, but they serve different client ecosystems and increasingly different roles within Asia. Japan is one of the world's largest developed economies, yet its executive labor market challenges, language requirements and corporate culture make it fundamentally different from Singapore or Australia. India combines enormous executive talent depth with rapid growth in technology, financial services, healthcare, industrials and global capability centers. Australia is a mature executive search market with its own established domestic firms and compensation economics. China represents another market entirely, while Indonesia, Vietnam, Malaysia, Thailand and the Philippines are becoming increasingly relevant as multinational companies reconsider manufacturing, supply chains and regional growth.

There is therefore no meaningful "Asia-Pacific executive" in the same way that there is no single Asia-Pacific compensation market. An executive who is highly credible in Sydney may have limited relevance in Tokyo while a search partner with exceptional relationships in Hong Kong may not possess the networks required to execute effectively in Mumbai. Even Singapore's position as a regional headquarters market does not eliminate the need for deep local knowledge when the underlying leadership requirement sits in Indonesia, Vietnam, India or Japan.

This helps explain why Asia-Pacific continues to support such a broad mix of global firms, regional platforms and highly specialized boutiques.

All the major global search firms have significant operations across the region, but they also compete alongside established Asia-Pacific firms and boutiques. Some are country specialists, some regional firms and some include broader international businesses. They include to name just a few: Wellesley Partners, Raintree Partnership, Hattonneale, Osborn and Mori, Aurex, Accord India, Johnson Partners, Kerry Consulting, Watermark Search International, Unico search and Derwent.

The competitive advantage of these firms should not be underestimated. In executive search, knowing that an executive exists is becoming progressively easier but understanding their reputation, determining whether they are genuinely movable and understanding the cultural and commercial context in which they have succeeded remains much harder. That distinction is particularly important in Asia.

Global firms bring multinational client relationships, research infrastructure, assessment capabilities and the ability to move assignments across borders but strong regional firms across Asia-Pacific can leverage local relationships accumulated over many years, cultural fluency, access to executives who may be less visible internationally and a much more granular understanding of how individual local talent markets actually work.

The strongest competitive proposition across Asia Pacific today increasingly combines the two: global connectivity with genuinely local intelligence. That becomes more important as the economic geography of Asia continues to change and companies are reconsidering regional headquarters, manufacturing footprints, supply chains, technology investment and capital allocation.

Singapore has benefited from regional headquarters activity. India has become increasingly important not only as a domestic growth market but as a source of global technology, operational and leadership capability. Southeast Asian economies are still attracting strong investment as companies diversify supply chains while Japan is currently experiencing significant changes

151 Singapore: Singapore Economic Development Board regional/global headquarters and business hub material. India: NASSCOM / Government of India / Deloitte GCC research for the growth of Global Capability Centers. Southeast Asia: UNCTAD World Investment Report or ASEAN Investment Report for FDI and supply-chain diversification. Japan: OECD plus Tokyo Stock Exchange / METI for demographics and corporate-governance reform.

in corporate governance and leadership expectations as well as an aging demographic. Across the region, private equity and other institutional investors are also insisting that leadership teams must be capable of operating across borders. Every one of those changes has a talent consequence.

The compensation implications for executive search firms across Asia Pacific are equally important. The region continues to place a premium on professionals who combine deep credibility within an individual market together with relationships that extend well beyond it. A search consultant who knows Singapore is valuable but a search consultant who knows Singapore and can connect that market credibly into India, Greater China, Japan, Australia, Europe and the United States is considerably more difficult to replace.

The firms that are winning in Asia-Pacific continue to be those that can turn local relationships into regional intelligence and regional intelligence into global relevance.

Boutique vs. Global Firms

The traditional distinction between global firms and boutiques is becoming much less useful. Global firms were historically always defined by scale, international reach and institutional resources, while boutiques competed largely through specialization, partner attention and access. Those differences still exist today, but the competitive gap between the two models has considerably narrowed.

Scale remains a formidable advantage as Hunt Scanlon's 2026 rankings show; the Big Five generated approximately $7.4 billion in combined global revenue, led by Korn Ferry at $2.86 billion, followed by Heidrick & Struggles at approximately $1.25 billion, Spencer Stuart at $1.18 billion, Russell Reynolds Associates at $1.17 billion and Egon Zehnder at $966 million.[152] These are businesses with all the resources necessary to invest heavily in technology, data, assessment, research, leadership advisory, training and global client account coverage teams.

That scale also creates an important advantage with large institutional clients. A top ranked global executive search firm can serve the same organization across multiple countries and functions supporting for instance a CEO search in New York, succession work in London and assessment in Asia while maintaining a broader relationship with the board and senior management of the client company.

However, scale brings constraints of its own; with a far larger client base exists the potential for considerable off-limits restrictions. In addition, specialist and regional boutiques compete against the larger search firms by referencing their cost laden infrastructures, complicated revenue sharing arrangements and the distance between the senior partner who wins the assignment and the actual team executing it.

An additional development to also consider is how AI has reduce some of the historical advantages associated with size. Sophisticated CRM systems, external databases, AI-enabled research, market mapping and talent intelligence platforms are increasingly available without the required investment once necessary to build them internally. A thirty-person specialist team no longer needs the infrastructure of a 3,000-person organization to research a market globally or maintain sophisticated information on executive talent.

That does not make scale irrelevant, but it certainly changes where scale creates the ultimate value. The strongest boutiques are now leveraging AI to reinforce specialization rather than replace it and they can combine deep sector knowledge and concentrated client relationships with research and data capabilities that were once largely the preserve of only the biggest search firms. That makes them increasingly credible competitors for assignments that would historically have defaulted to the largest firms.

The 2026 Hunt Scanlon ESR data provides compelling evidence. The Top 50 firms in the Americas collectively grew approximately 11%, but some specialist firms expanded far faster. CenterPeak grew approximately 61%, Riviera Partners 59%, Landing Point 51.2%, NU Advisory Partners 45.2%, Charles Aris approximately 23% and JM Search 22%. Hunt Scanlon described boutique firms as providing notable upward momentum across our rankings and specifically highlighted their growing influence on the industry.[153]

THE OLD GLOBAL-VS.-BOUTIQUE DIVIDE IS BREAKING DOWN

GLOBAL PLATFORM	THE CONVERGENCE ZONE	SPECIALIST BOUTIQUE
Brand + institutional relationships	BREADTH + DEPTH	Deep specialization
Global coverage	TECHNOLOGY + DATA	Fewer off-limits constraints
Assessment + advisory platforms	CLIENT INTELLIGENCE	Senior partner involvement
Large research infrastructure	ADVISORY CAPABILITY	Speed + autonomy
Broad career architecture	TEAM ECONOMICS	More direct economics

152 https://huntscanlon.com/the-big-5
153 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage

Those firms are not all pursuing the same strategy; some are organized around an industry. While others are set up functionally around a function, ownership type or particular client segment. Their advantage comes from knowing exactly where they compete and building disproportionate expertise within that market to win market share.

Riviera Partners provides a useful example. Hunt Scanlon identifies it as the largest technology focused executive search firm and reported revenue growth of approximately 59% in its 2026 rankings. Following a minority investment from Insight Partners, Riviera invested in geographic expansion, hiring and its proprietary SutroX recruiting and search management platform while remaining focused on technology leadership.[154]

CenterPeak also demonstrates another different model. Hunt Scanlon ranked the legal specialist as its fastest-growing Top 50 firm in 2026, with approximately 61% growth and nearly $90 million in revenue. Its shared compensation structure as part of an overall team-oriented model has been designed to reward collaboration rather than internal competition. This is a model many specialist search firms are adopting.[155]

These examples matter because they challenge the assumption that a boutique must eventually become a generalist to achieve meaningful scale. A specialist can grow exponentially today by going deeper into an attractive market rather than just continually broadening away from it. At the same time, global firms want the depth and relationships that successful boutiques have spent years building.

Egon Zehnder's acquisition of The Prince Houston Group is one of the clearest examples. The Prince Houston Group brought deep specialization and client relationships across asset and wealth management. Egon Zehnder in turn provided a global platform of approximately 600 consultants, broader geographic reach and leadership advisory capabilities. That transaction captures what is happening across the market remarkably well. Prince Houston wanted a larger footprint to scale whereas Egon Zehnder needed greater access and depth of knowledge in the sector.[156]

The same convergence is visible elsewhere. Hunt Scanlon's 2025 M&A review found buyers increasingly targeting specialist firms with embedded client relationships, domain expertise and recognizable positions within attractive verticals while at the same time, firms are acquiring adjacent capabilities in leadership development, interim talent and advisory services.[157]

This changes the competitive question since it is no longer enough just to ask whether a firm is large or small but moreover what does the firm possess that is difficult for competitors to replicate?

For a global firm, that may be institutional relationships, brand, international coverage, proprietary data and the ability to surround a search with succession, assessment and leadership advisory. For a boutique, it may be exceptional depth within a market, access to candidates constrained by fewer off-limits relationships, senior partner involvement, speed and a reputation built around solving one particular type of leadership problem exceptionally well.

Hunt Scanlon and HSiQ's 2026 analysis describes this as part of the industry's broader "Big Shift."[158] The competitive hierarchy is changing less today through wholesale displacement of the largest firms and much more through changes in how firms create value. Firms are increasingly moving beyond placement into leadership advisory, talent intelligence, assessment and consulting. That shift may actually strengthen the best firms at both ends of the market.

Global firms have the resources to broaden their platforms and move further upstream with boards, CEOs and investor while specialist boutiques have the focus to become unusually knowledgeable within particular markets and use that knowledge as the foundation for their own advisory and talent intelligence offerings.

The firms most exposed are those caught somewhere in the middle: not large enough to compete through scale and breadth and not sufficiently differentiated enough to compete through specialization and insight. Simply being a competent executive search firm today is becoming a less defensible position than it was ten years ago.

There is also a direct compensation implication. Global firms can offer brand, infrastructure, international relationships, broader career paths and increasingly sophisticated advisory platforms. Boutiques boast the ability to offer more direct economics, greater autonomy, faster advancement and a clearer relationship between individual contribution and reward.

Yet those propositions are also beginning to converge. Growing boutiques need management structures, technology investment, team economics and institutional account ownership as they scale while global firms are trying hard to preserve entrepreneurial behavior and ensure that their strongest search consultants still feel sufficiently connected to the economics they have created.

The challenge for each is therefore almost the mirror image of the other. Boutiques need to institutionalize their processes without becoming bureaucratic while global firms must prove they are nimble and entrepreneurial without sacrificing the advantages of scale that have served them so well.

The ultimate winners moving forward won't be determined by size alone. Hunt Scanlon's 2026 rankings already show large global firms and specialist boutiques producing strong growth at the same time. What increasingly matters is whether the firm can combine relationships, specialization, technology, data and advisory capability in a way that clients can actually see and are willing to pay for. The old choice was breadth or depth but the emerging competitive model for successful search firms increasingly requires both.

154 https://huntscanlon.com/wp-ontent/uploads/2026/05/ESR_rankings_2026-1.pdf
155 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage
156 https://www.egonzehnder.com/press-release/egon-zehnder-acquires-leading-asset-and-wealth-management-boutique-firm-the-prince-houston-group-strengthening-us-financial-services-practice
157 https://huntscanlonventures.com/2025-mid-year-executive-search-ma-report
158 https://huntscanlon.com/hunt-scanlon-reports-executive-recruiting-sector-grew-11-percent

Private Equity-Backed Firms vs. Partnerships

Private equity is introducing a different set of economic imperatives into executive search. Traditional partnerships have largely been designed to generate attractive annual income for their partners. PE-backed firms need to produce strong current returns as well, but they are also expected to increase the value of the enterprise itself. That creates a different set of priorities around growth, investment, scale and, increasingly, the quality and durability of revenue.

Hunt Scanlon's 2026 research found PE firms placing greater emphasis on operational execution as holding periods lengthen and value creation becomes more difficult, and this is pushing search firms closer to the investment thesis itself.

Ruben Moreno, founder and CEO of Blue Rock Human Capital, described the shift particularly well. Rather than beginning with an open role, he argues that the strategic talent partner should begin with the value creation plan and determine what leadership capabilities are required to deliver it. That moves the conversation from filling a position to identifying the leadership risks that could prevent an investment from achieving its objectives.[161]

PRIVATE EQUITY-BACKED PLATFORM VS. TRADITIONAL PARTNERSHIP

PARTNERSHIP	ECONOMIC QUESTION	PE-BACKED PLATFORM
Distribute current value	PRIMARY OBJECTIVE	Increase enterprise value
Annual partner income	TIME HORIZON	Current returns + future liquidity
Direct / visible economics	REWARD EMPHASIS	Revenue + asset building
Selective reinvestment	CAPITAL ALLOCATION	Technology, M&A, data, capabilities
Individual / team production	VALUE CREATION	Institutional accounts + cross-sell + recurring revenue
Autonomy + current cash	TALENT PROPOSITION	Equity + long-term upside

Private capital is increasingly being used to build broader platforms rather than simply create larger search firms. Acquisitions can add geographic reach and sector expertise, but they bring capabilities in leadership advisory, interim management, assessment, succession and talent intelligence. Hunt Scanlon's recent coverage report of human capital M&A reflects this shift toward firms capable of participating in more of the leadership decisions surrounding the traditional search assignment.[159] The report identifies recurring revenue, embedded client relationships, sector specialization and expanding advisory and interim capabilities as increasingly important drivers of investment and M&A activity across the human capital sector.

ZRG provides a very good example. Its expansion through acquisition has extended the business beyond executive search into interim leadership and other advisory capabilities. The logic is straightforward: a client relationship capable of generating several forms of revenue is potentially more valuable, and more durable, than one dependent upon a succession of individual search assignments.[160]

There is another dimension to this. Private equity is not only changing the ownership of search firms; it is also revising what an important part of the client base expects from them.

John Zink, co-founder of Taurean says that winning more searches from the same PE client does not necessarily make the relationship more strategic as much as it creates a larger transactional relationship. The real change occurs when the client begins calling about operating models, compensation, organizational structure and other issues before a search is started.[162]

That distinction has important implications for compensation inside search firms. If the objective is to build deeper, broader and more institutional client relationships, rewarding people solely for the searches they personally originate can eventually work against the strategy.

Traditional search economics have generally placed the greatest weight on individual production and annual profit contribution. Those measures remain very important in a PE-backed firm, but they do not necessarily capture everything an investor values. Revenue concentration, client durability, cross-selling, recurring revenues and the ability to build a business that is less dependent upon individual rainmakers weigh equally heavily.

A consultant who produces significant revenue is valuable but a consultant who produces that revenue while building a team,

159 https://huntscanlonventures.com/2025-mid-year-executive-search-ma-report
160 https://huntscanlon.com/zrg-acquires-aspen-leadership-group
161 https://huntscanlon.com/how-executive-search-is-evolving-alongside-private-equity
162 https://huntscanlon.com/why-pe-organizations-need-to-apply-their-own-playbook-to-themselves

expanding an institutional account, introducing other services and creating a practice that can continue to grow beyond them is creating something more durable. The distinction is important as it creates a distinction between producing revenue and building an asset.

Equity and long-term incentives provide one way of recognizing that difference. They allow employees to participate not only in what the firm earns this year, but in what the business may ultimately become worth. For search firms trying to encourage collaboration, cross-selling and platform building, that creates a potentially powerful connection between individual compensation and the broader strategy.

There is an important trade-off as partnership economics are generally more immediate and visible. Equity is a claim on a future outcome that may or may not be realized and its value depends upon growth, profitability, retention, successful integration and ultimately the valuation achieved when liquidity occurs. A dollar of current compensation and a dollar of theoretical equity value are not the same thing in the minds of an executive search consultant.

Partnerships also retain important advantages. Professional autonomy, direct participation in current economics and the absence of an external investment horizon can be highly attractive to successful senior producers. They can also allow firms to make decisions around clients, culture and people without having to consider how those decisions will be viewed through an eventual transaction.

It is important to note however that Investment in technology, data, acquisitions or new capabilities always reduce partner distributions long before they create a return. A PE owner will always view that as investment in future value whereas a partner will see it as money coming out of this year's economics.

The distinction between the two models is therefore more fundamental than who just owns the firm. A partnership is principally designed to distribute the value the firm creates while private equity is attempting to increase the value of the enterprise itself. As executive search continues to broaden into advisory, assessment and talent intelligence, that difference is likely to become increasingly visible in how firms invest, how they operate and ultimately how they compensate their people.

Fast-Growth vs. Legacy Firms

Ownership explains part of the changing market, but it does not explain everything. Some of the industry's fastest-growing firms are PE-backed while others are partnerships or founder-led businesses. Equally, some long-established firms continue to produce impressive growth but today an even more helpful distinction to make between search firms is not so much their ownership, age or even size as it is adaptability and agility.

Hunt Scanlon's 2026 data shows how wide the performance gap has become. CenterPeak grew approximately 61%, Landing Point 51.2%, NU Advisory Partners 45.2%, Sheffield Haworth's Americas business approximately 32%, Charles Aris approximately 23% and JM Search 22%. These are very different businesses, but collectively they demonstrate that significant market share remains available to firms with a clear proposition and the ability to execute against it seamlessly and flawlessly. The same market produced quite different results elsewhere. Hunt Scanlon reported an approximately 2.9% decline in Americas revenue at Diversified Search Group and approximately 3% at SPMB. The point is not to draw conclusions about individual firms from a single year as this occurs at all search firms but simply to highlight that firms operating in broadly the same market are producing increasingly different outcomes based on a number of factors. It is also not just a case of younger firms taking market share from older ones. Spencer Stuart grew approximately 17.8% in the Americas, while Heidrick & Struggles grew approximately 12.8%. Both continue to demonstrate that established firms can continue to grow strongly when brand, scale and long-standing client relationships are combined with continued investment and an ability to move with the market.[163]

Fast-growth search firms do, however, tend to have certain advantages; they are often more surgical and laser focused on

FAST-GROWTH VS. LEGACY: DIFFERENT ADVANTAGES, MIRROR-IMAGE CHALLENGES

FAST-GROWTH FIRMS	THE TEST	LEGACY FIRMS
Focus resources surgically	STRATEGIC ADVANTAGE	Brand + long-standing client relationships
Guarantees, equity, accelerated roles	TALENT WEAPON	Infrastructure + career breadth
Build systems while scaling	OPERATING CHALLENGE	Evolve systems without slowing the institution
Institutionalize without bureaucracy	CULTURAL RISK	Stay entrepreneurial without losing scale
Convert momentum into durability	ULTIMATE JOB	Convert institutional strength into agility

163 https://huntscanlon.com/top-50

where they want to compete and can focus resources around the most attractive sectors. They are also able to recruit aggressively and more flexibly in some cases than a mature search firm can while showing more adaptability in adjusting compensation, introducing equity or offering new leadership opportunities that others cannot.

Growth itself can become a recruiting advantage, and top ranked consultants are attracted not only by compensation but by opportunity. A firm opening innovative practices, entering new markets and creating leadership positions can offer a much different proposition from one in which the organizational structure has been largely settled for years and there is little room for flexibility.

Legacy firms possess advantages that are much harder to replicate such as brand, longstanding client relationships, global infrastructure, proprietary data and decades of accumulated market knowledge housed in state-of-the-art databases. Their challenge is, however, not to abandon those strengths in pursuit of the latest industry trend but to ensure that the structures built around them do not make the organization slower to respond in highly competitive markets.

Compensation sits directly in the middle of that challenge as rapidly growing search firms and new market entrants need to leverage guarantees, equity, accelerated promotion or attractive revenue economics to recruit search people way ahead of any potential revenue they are expected to produce. Legacy firms face almost the opposite problem. Compensation structures that worked extremely well when search was more individualistic may become less effective as firms seek greater collaboration, cross-selling and institutional account management. Changing those structures can often be very difficult because they have worked so well for the people who benefited from them for many years.

There is also an important difference in what each type of firm needs from its most successful people. A rapidly growing search firm needs professionals who can quickly scale infrastructure around critical imperatives such as building teams, new practices, account management and new markets while on the other hand a very well-established search firm depends on those capable of deftly evolving the inner workings of an institution without damaging the inherent client relationships, culture and economics that made it successful in the first place.

That makes individual production an increasingly incomplete measure of firm contribution. A consultant who produces $3 million but leaves behind little beyond their own book of business creates a different form of value from one who produces the same amount while developing people, institutionalizing clients and building a practice capable of producing considerably more without depending entirely upon them. This does not diminish the importance of the rainmaker; executive search continues to remain primarily a relationship business and best-in-class producers will always continue to command exceptional compensation. What is changing is the definition of the most valuable producer.

Search firms today increasingly need senior level leaders who can both simultaneously generate revenue in their own right but also create something substantial behind it such as cohesive teams, a strong succession plan as well as the ability to scale an institutional client base in a consistent manner.

That may ultimately be the more important dividing line between fast-growth and legacy firms. The firms most likely to outperform will be those capable of converting individual success into institutional value without losing the entrepreneurial behavior that created the success in the first place.



SECTION 14

FUTURE OUTLOOK: COMPENSATION IN 2028 AND BEYOND

Executive search compensation is most likely to produce a widening gap between those who create differentiated value for clients and those whose work can increasingly be standardized or automated.

The industry will employ fewer people in certain areas of the search life cycle while simultaneously rewarding those who originate high margin work, possess deep sector expertise, exercise judgment and can translate information into context and wisdom for clients as they assess the threats and challenges facing their businesses.

This is already becoming increasingly visible across the broader labor market. PwC's 2026 Global AI Jobs Barometer, based on the analysis of more than one billion job ads across six continents, describes an emerging two track labor market in which AI can either amplify expertise or make certain work more accessible to less experienced employees.[164] Professionals who had developed strong AI skills carried an average wage premium of 62%, while at the same time those in the most junior roles were seven times more likely to require the kind of capabilities traditionally associated with more senior positions, including leadership and strategic thinking.

That distinction is particularly relevant to executive search, where technology progress has already compressed work that once took days into just hours, accelerating executive identification, organizational mapping, desk research, database management and candidate development along with it.

The result is that the economic value of simply knowing who the most suitable candidates are will continue to rapidly decline while the value of understanding which of those candidates really matter, whether they can be attracted, how they compare, whether they will succeed and what the talent market means for the client's business will become even more critical.

Scenario Planning: Best Case, Base Case and Disruption Case

There are several plausible scenarios for executive search compensation through 2028 based on the insights gained from our interviews. Much will depend of course on the economy. Executive search has always been particularly sensitive to interest rates, capital markets activity and broader business confidence, all of which influence hiring decisions, transaction activity and demand for senior leadership.

In the best-case scenario, technology will continue to be a productivity tool rather than a substitute for executive search itself. Research, market mapping, reporting, database management and other administrative elements of the search life cycle will also become considerably faster, allowing

THREE PATHS TO 2028

BEST CASE	BASE CASE	DISRUPTION CASE
AI augments the search professional	Revenue grows faster than headcount	AI reduces the value of candidate identification
More time moves to clients, assessment and insight	Fewer junior support roles per assignment	Clients strengthen internal recruiting capability
Search expands into advisory, succession and talent intelligence	Higher productivity expectations across roles	Traditional fees face greater scrutiny
Higher revenue per professional	Career ladder compresses	Routine research economics come under pressure

164 https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html

search consultants and researchers to spend far more time on clients, candidates, assessment and market insight. Search firms will continue to leverage productivity gains to increase the number and value of assignments handled by each search professional while continuing to expand their revenue potential into leadership advisory, assessment, succession and talent intelligence.

There is some justification for this more optimistic scenario. Hunt Scanlon reported that the 50 largest executive search firms in the U.S./Americas generated $6.69 billion in fees in 2025, an increase of 11%, with 75% of ranked firms reporting growth. At the same time we also described the market moving toward a more strategic and intelligence-led hiring trajectory, with search firms repositioning themselves around increasingly more complex leadership development and talent initiatives.[165] If that transition continues, greater productivity should also mean that compensation in these areas should not be negatively impacted. Moreover, it could signal potentially higher revenue per professional, stronger margins and greater compensation capacity, particularly for the those within search firms who are the closest to clients and revenue.

Our base case is somewhat different. We expect the search industry to continue growing, but we do not expect headcount to grow at the same rate as revenue. Technology will increasingly absorb parts of the search life cycle currently performed by researchers, associates, administrative staff and, to some extent, junior search consultants. Executive search firms will still need to hire and develop these professionals, but they will need fewer of them to support a larger volume of work. This will most likely result also in higher expectations around individual productivity and a gradual increase in revenue per search professional.

The International Labor Organization has provided a useful framework for thinking about this. Its 2025 research found that one in four workers globally is employed in an occupation with some degree of exposure to generative AI. Importantly, the ILO concluded that because human input remains necessary across most occupations, job transformation is more likely than outright replacement of roles.[166] We believe the same principle applies to executive search. The more likely outcome is not going to be the disappearance of the researcher, associate or consultant, but there will be a substantial change in what each of those jobs is expected to contribute to the bottom line as the search industry enters a new cycle and increasing headwinds.

The disruption case is more challenging. In this scenario, we see AI dramatically continuing along its path to reduce the cost and difficulty of candidate identification and market mapping. At the same time clients will continue strengthening their own internal executive recruiting capabilities and more of the search process will itself become far more accessible to clients directly. In addition, procurement and cost containment pressures will increase and search firms will find it increasingly difficult to justify their traditional fees for assignments where the principal value being delivered is based on yesterday's model.

This is the real commoditization risk facing the industry. HelloSky founder and CEO Alex Bates has thoughtfully described how AI is replacing much of the low-value friction associated with manual list building, stale-data checks and working across disconnected systems. The broader implication is that researchers will spend far less time producing lists and considerably more time on strategy, assessment and insight.[167]

That is encouraging for firms that have already made the transition, but much more concerning for firms whose value proposition remains heavily dependent on producing candidate information that AI can now generate faster, more comprehensively and at a fraction of the cost.

For decades, one of the underlying sources of value in executive search was in information asymmetry. Search firms knew who the executives were, where they worked, how organizations were structured and, importantly, how to reach them. Clients were willing to pay substantial fees partly because they did not possess that information themselves.

That advantage has all but disappeared. AI, LinkedIn, professional networks, increasingly sophisticated databases and integrated talent intelligence platforms have made basic executive identification and organizational mapping considerably easier and levelled the playing field.

WHERE ECONOMIC VALUE MOVES

DECLINING VALUE	VALUE MIGRATION	RISING VALUE
Name generation	**DATA → CONTEXT → JUDGMENT**	**Who is actually good?**
Database maintenance	**DATA → CONTEXT → JUDGMENT**	**Who is movable?**
Basic market mapping	**DATA → CONTEXT → JUDGMENT**	**Who will fit?**
Information aggregation	**DATA → CONTEXT → JUDGMENT**	**Why would they leave?**
Standardized reporting	**DATA → CONTEXT → JUDGMENT**	**What does the market mean?**

165 https://huntscanlon.com/executive-search-continues-its-confident-climb-as-transformation-takes-center-stage/
166 https://www.ilo.org/publications/generative-ai-and-jobs-refined-global-index-occupational-exposure
167 https://huntscanlon.com/hellosky-bringing-ai-into-the-core-workflows-of-executive-search-firms

The value therefore moves to a different set of questions for the search industry moving forward; who is actually good? Who is movable? Who will fit this particular CEO, board, culture or ownership model? Why would they leave? What would it take to attract them? Which executives are likely to succeed through the next stage of the company's development? Where are the hidden succession risks? What is happening inside a competitor that cannot be understood from publicly available information?

Those questions require judgment, relationships, context and intelligence rather than simply data. This has potentially significant implications for compensation through 2028. If Ai continues to reduce the economic value of research production, compensation attached primarily to that work will undoubtedly also come under pressure. At the same time, individuals who can convert information into deep insight, more robust assessment and strategic client advice will also become considerably more valuable in their own right.

The same applies at the firm level. Search firms will increasingly be differentiated not by the size of their databases, but by what they know well beyond their database and what they can help clients do with that knowledge to optimally position them in the market.

As information becomes cheaper to source, the value of judgment will rise accordingly. That shift will have important implications for both the economics of executive search and how people across the industry will be compensated through 2028.

Who Will Be Paid More — and Why

Those who will be the highest paid in executive search in 2028 are still likely be the industry's top rainmakers. Relationships, trust and the ability to originate major client mandates will be high touch and remain difficult to commoditize. There is little reason to believe that will change materially over the next several years but what may change is the definition of an actual rainmaker. The most valuable partners will increasingly be those who can turn an individual search relationship into a far broader institutional client relationship encompassing search, assessment, succession, talent intelligence and other advisory services as part of a far ranging account management program.

Deep sector specialists should also continue to command a premium. As access to information becomes easier, the ability to interpret that information becomes all the more valuable. A search consultant who has spent fifteen years in a particular sector understands far more than just who works across that ecosystem. They also are deeply familiar with reputations, relationships, compensation, organizational history, cultural differences, leadership strengths and weaknesses and why executives might make a career move at any given moment. Technology can certainly make a consultant considerably more productive, but it does not immediately replicate the accumulated wisdom and context sitting within the search professional.

We also expect compensation premiums to become more defined around talent intelligence, assessment, data and AI capabilities in general. This does not mean every search professional needs to become a technologist, but they will need to know how to use the technology faster and better than their peers to generate better outcomes. Those who ca leverage that intelligence, identify patterns and improve client advice will become more valuable than those who simply use it to perform existing tasks more quickly.

The AESC's current executive search programs reflect this direction. Its AI training now includes market intelligence, talent mapping, competitive positioning, talent strategy and client advisory conversations.[168]

Broader labor market evidence also points in the same direction. PwC found an average 62% wage premium for workers with AI skills, while the World Economic Forum identifies technological literacy alongside analytical thinking, leadership and social influence among the capabilities becoming increasingly important to employers. It is worth pointing out that executive search sits almost exactly at the intersection of these technical and human capabilities.[169]

The professionals likely to benefit most will therefore be those who combine technology with something technology cannot easily provide: judgment, relationships, specialization, commercial influence and credibility with senior clients.

Who Will Be Paid Less — and Why

The other side of the compensation equation is more difficult but equally important. Some of the work performed within executive search today will become much less valuable because it will require considerably less human time to perform.

Traditional search research based primarily name generation is the first victim as are roles heavily focused on database maintenance, basic market mapping, information aggregation, scheduling, standardized reporting and other repeatable elements of search execution. This could have a particularly significant impact at the junior end of the profession because search firms have historically employed researchers and associates to learn the business by performing many of these activities as part of an apprenticeship program. If technology allows one researcher to support materially more assignments, firms will need far fewer people performing traditional research work.

At the same time, the people who remain as core members of the search team are likely to be better paid because considerably more will be expected of them. This could have important implications for the traditional search career progression as technology begins to compress the executive search career ladder. Firms may employ fewer people at the junior levels while giving talented individuals greater responsibility far earlier in their careers. As a result, the traditional distinctions between researchers, associates and junior consultants could become less rigid, particularly within smaller and more specialist search firms.

The implication for compensation here is not necessarily that junior salaries will collapse but that routine work will be paid less while more sophisticated research and talent intelligence

168 https://www.aesc.org/learning-development/ai-101-for-executive-search-firms
169 https://www.weforum.org/publications/the-future-of-jobs-report-2025/in-full/3-skills-outlook

work will be better paid. Increasingly, the dividing line here will be the overall quality of the judgment attached to the work rather than the title attached to the individual performing it.

The Future of the Partner Model

The partner model will remain central to executive search, but the economics supporting it are likely to somewhat change. Many search firms have historically rewarded partners primarily because of their individual revenue production. That model works well when a partner originates a search, executes the assignment and receives clear credit for the resulting fee but has become more problematic as search firms attempt to build broader advisory businesses in general.

A significantly more valuable client relationship in 2028 will involve executive search, but also include potentially succession planning, assessment, talent intelligence, compensation intelligence and other advisory work delivered by several other professionals across the firm. The partner who originated the relationship may not execute every piece of the work; a talent intelligence professional may identify the opportunity, another consultant may lead the search and an assessment specialist may deliver another component of the engagement. Determining who actually created the economic value consequently becomes considerably more complicated and contentious.

This matters because compensation always drives behavior. A firm cannot say that it wants collaboration while continuing to reward almost exclusively individual production. It also cannot expect partners to introduce colleagues and capabilities to clients if by doing so it reduces their own personal economics. We therefore expect partner compensation to become broader and while individual revenue will remain important, firms are likely to place greater value on account management, cross-selling, recurring revenue, team contribution, intellectual capital, talent development and overall firm profitability. These are well-established practices across all other sectors of the professional services industry. The most valuable executive search partner is going to become far less of an individual producer and much more of a driver of overall client value.

Compensation Always Drives Behavior

The End of Traditional Commission?

Traditional commission is unlikely to disappear because it is too deeply embedded in executive search and remains the most straightforward and effective form of revenue attribution. Boutiques, specialist firms and highly entrepreneurial platforms are likely to continue using commission structures creatively and aggressively to align individual performance directly with economics which allows for the most flexible cost structures. Th dominance of pure individual commission structures will continue to undergo scrutiny.

The broader the search industry's offerings become, the harder it will become to determine who should receive credit for each particular dollar of revenue. Talent intelligence makes this particularly clear; if proprietary intelligence identifies a leadership issue, and as a result one partner develops the client relationship, while another consultant conducts the search and several other specialists contribute to the successful final engagement, the traditional origination and execution percentages look increasingly artificial.

The likely outcome is therefore not the end of commission structures but the continual development of a number of hybrid compensation models. These structures might combine salary or draw with individual production, team performance, account economics, firm profitability, recurring revenue and, in some cases, equity or long-term incentives. This ideally allows search firms to preserve entrepreneurial behavior while also rewarding collaboration and broader enterprise value creation.

There is another important consideration to take into account. AI has the potential to increase the amount of revenue individual professionals can support. AI has the potential to increase the amount of revenue individual professionals can support. PwC reports that productivity growth is 40% higher among companies most exposed to AI than among those least exposed,[170] while the World Economic Forum found that 77% of employers regard employee productivity and performance as a major consideration when determining wage and compensation policies.[171]

FROM INDIVIDUAL PRODUCER TO CLIENT VALUE DRIVER

YESTERDAY	TRANSITION	2028 MODEL
Individual revenue	**Broader account economics**	**Institutional client value**
Origination credit	**Cross-selling**	**Search + advisory + intelligence**
Execution credit	**Team contribution**	**Recurring revenue**
Personal book	**Shared capabilities**	**Firm profitability**
Commission logic	**Hybrid economics**	**Long-term enterprise creation**

170 https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html
171 https://www.weforum.org/publications/the-future-of-jobs-report-2025/in-full/4-workforce-strategies

That raises one of the most important compensation questions facing search firms over the next several years. If technology allows a consultant who previously generated $1 million of revenue to generate $1.5 million or $2 million without a corresponding increase in support costs, who receives the benefit of that productivity?

The answer will differ by firm. However, search firms that expect employees to generate materially greater economic value without allowing them to participate in any of that upside may ultimately find retention increasingly difficult to manage. The World Economic Forum's research is relevant here as well: alongside productivity, 71% of surveyed employers identified competition to retain talent as an important influence on wage and compensation policy.

Predictions from Industry Leaders

The industry leaders we have spoken with are generally very optimistic about the future of the search industry. Their concern is that the basis on which firms create value is changing and the need to be agile, resilient and innovative will be key moving forward. Search firms have historically been paid for a combination of access, process, judgment and relationships. Technology has reduced the importance of the first two which places considerably greater importance on the others.

This is consistent with the direction of the search industry described by Hunt Scanlon throughout 2026. Its 2026 industry analysis points to a broader overall move toward strategic, intelligence led hiring, more specialization and rapidly evolving client expectations. These are among the forces that will increasingly separate the strongest search firms from the rest of the market.[172]

Our interviews also suggest that compensation dispersion within executive search is likely to increase but the industry's strongest originators, sector specialists, client advisors and high-performing partners will continue to be highly sought after. There is therefore little reason to assume that compensation at the top of the industry will decline.

The pressure will be felt elsewhere. Firms will have to decide how many researchers and associates they need, what those people should be responsible for and whether traditional organizational structures still make sense. Partners must demonstrate more than just individual production.

By 2028, executive search should continue to remain a highly compensated profession at the top end. However, it may also become a far more polarized one; the search professionals who will be paid the most will also increasingly be those who can effortlessly originate relationships, interpret markets, exercise judgment, influence important decisions and use technology to multiply their effectiveness. Those whose principal contribution can be replicated through technology will face considerable pressure.

For much of its history, executive search has been paid exceptionally well for access. The next stage of the search industry's evolution will place a far greater premium on insight. Firms that understand that distinction, and have a clear strategy for delivering against it, should be able to capture a disproportionate share of the industry's economics as a result.



172 https://huntscanlon.com/the-forces-reshaping-executive-search

SECTION 15

BUILDING TO EXIT: FOUNDER ECONOMICS AND STRATEGIC OUTCOMES

For many executive search founders, compensation and ownership have historically been two sides of the same coin. Many have been successful in building a respected firm with a strong brand promise.

They have generated substantial revenues while keeping the cost base under control and returning a significant portion of the profits back to the owners. It has also been a very effective model for creating annual income and, for many founders, remains exactly the best option available.

What has gradually changed over the past several years is that search firms have become more attractive investment targets after a long period of being out of favor. Private equity firms, strategic acquirers and larger human capital platforms are increasingly interested in executive search, leadership advisory and their adjacent businesses. Hunt Scanlon Ventures that sits exactly at the epicenter of all this activity, has become the leader in helping founders create exits and strategic outcomes. Scott A. Scanlon, CEO of Hunt Scanlon Ventures has described this market moving away from isolated search acquisitions toward far more integrated platforms combining executive search, leadership advisory, workforce analytics, succession, assessment and technology a pivotal moment in the trajectory of executive search.[173] Recent investments in businesses, including Heidrick & Struggles and ghSMART also provide growing evidence that institutional capital is moving more aggressively into the executive search sector.

A series of transactions over the last several years shows just how many different routes to liquidity and value creation are now available to search firm founders. AEA Investors acquired a majority interest in Bespoke Partners, while LLR Partners invested in True and the combined platform subsequently acquired Hobbs & Towne. RFE Investment Partners backed ZRG, which has used outside capital to acquire businesses including Turnkey Search, Walking the Talk and The Registry. ShoreView Industries has similarly backed Diversified Search Group as it has expanded through acquisitions including Alta Associates and EWF International. These are not isolated transactions but rather demonstrate how private capital working closely with founders has increasingly been used to turn executive search firms into much broader human capital platforms.[174]

This in turn creates an important question for founders. The key question at the outset is are they building a business primarily to maximize annual income or an asset that somebody else will ultimately want to own? The two objectives are not mutually exclusive, but they do not always lead towards the same decisions.

Ownership Structures & Equity Design

Executive search has always traditionally had a relatively simple ownership structure. A founder or small group of partners own the equity while their search consultants and employees participate economically through salary, bonuses and commissions. That remains still very common today, particularly among smaller firms, but it is no longer the only model out there. Equity participation, profit interest, phantom equity, management incentive plans and private equity backed ownership structures have also become increasingly more relevant as firms position themselves to grow exponentially and become more institutional.

The central dilemma confronting founders is not how much equity to give away but what behavior the ownership structure moving forward should be intended to create. A founder who retains 100% of the business retains 100% of the eventual value, but that does not provide the next generation of leaders who come up through the ranks enough of an economic reason to stay and help create that value. Giving meaningful long-term economics to a small number of people who can genuinely influence the future of the business can strengthen retention, succession and alignment. However, giving equity indiscriminately can also create dilution and other challenges without producing any of the intended benefits.

This becomes particularly important as a search firm start to move beyond its founder. A business in which the next generation of leaders has a meaningful economic interest in

173 https://huntscanlon.com/the-platform-shift-reshaping-human-capital-ma
174 https://huntscanlonventures.com/selected-transactions

what happens five years from now is fundamentally different from one in which everybody is maximizing what they can earn in the next twelve months. The right structure will vary firm to firm, but the principle is relatively simple: ownership should reward the people who are helping build the institution, not simply those who happen to work in it.

Partner Economics & Incentive Alignment

Executive search compensation has historically rewarded individual production extremely well but it has been far less effective at rewarding the broader creation of enterprise value.

A partner who controls a $5 million book of business is enormously valuable but there is an important difference between $5 million of revenue that belongs effectively to that individual and $5 million that has become embedded within the firm. If clients follow the partner out of the door, the firm never really owned the revenue in the first place.

That is why compensation architecture matters to any potential buyer. Systems that reward collaboration, account management, cross-selling, leadership, succession and the development of other consultants can gradually turn individually controlled economics into more consistent institutional economics. This does not mean taking away the incentive to originate revenue as search will always reward its rainmakers, but it does mean recognizing that the person who helps turn a $500,000 client into a $3 million institutional relationship may be creating as much long-term value as the individual who originally opened the account. The strongest partner models increasingly need to reward two things simultaneously: what the search consultant produces and what they build.

Transitioning from Income Extraction to Value Creation

This is often the most difficult change for a founder to make and creates a number of challenges.

A successful search boutique can generate exceptional cash flow. However, if the founders have spent the past twenty years distributing most of that cash, it can suddenly become very difficult to pivot and now begin retaining capital to invest in technology, new hires, management infrastructure, data, acquisitions or new search offerings required for value creation. However, these are precisely the investments that are required to make the business more scalable and ultimately more valuable to any prospective buyer.

The economics therefore begin to change when a founder starts thinking seriously about enterprise value. A dollar distributed today is a dollar of income but a dollar retained and invested successfully will eventually contribute to a considerably larger valuation several years later. The firm that maximizes partner distributions every year may be a wonderful business to own but will be a far less valuable business to sell if it has underinvested in infrastructure, leadership and growth.

There is another contradiction to consider. Founders often take considerable pride in being indispensable and are usually at the epicenter of all that happens day to day. From an acquirer's perspective, that can be seen as a weakness as the more dependent the business is on the founder, the greater the risk that the buyer is purchasing revenue that may disappear when the founder eventually leaves.

Building enterprise value therefore requires a founder to do something that can feel counterintuitive: gradually make the firm much less dependent upon them.

FROM INCOME EXTRACTION TO ENTERPRISE VALUE

The strategic shift is from maximizing what the firm distributes today to increasing what the institution can be worth tomorrow.

1	FOUNDER-LED ECONOMICS	**Strong cash generation High annual distributions**
2	REINVESTMENT	**Technology & talent data management infrastructure**
3	INSTITUTIONALIZATION	**Broader client ownership management depth processes**
4	REVENUE QUALITY	**Repeat & recurring diversified multiple service lines**
5	SCALABLE PLATFORM	**Operating leverage advisory + intelligence + tech**
6	STRATEGIC OPTIONALITY	**Remain independent • recap merge • strategic sale**

Revenue Quality & Its Impact on Valuation

Revenue is obviously important to every valuation, but the quality of that revenue is arguably even more important than founders generally appreciate. Consider two $20 million search firms. One generates its revenue across 40 clients, has high repeat business, several large institutional accounts, multiple service lines and no single search consultant responsible for a disproportionate share of revenue. The other generates the same $20 million but half comes from five clients controlled by the two founding partners.

These are not the same businesses. A buyer will look very closely at client concentration, repeat business, retention, sector exposure, cyclicality and the extent to which revenue is attached to individual search consultants. Hunt Scanlon Ventures has increasingly emphasized recurring advisory relationships and broader operating capabilities as attractive characteristics of human capital platforms. Buyers are prioritizing scalable businesses with recurring relationships rather than businesses built solely around placement revenue.[175]

Hunt Scanlon's M&A research equally provides evidence of what buyers are actually looking for today; recurring revenue, embedded client relationships, sector specialization and scalable advisory capabilities among the characteristics increasingly attracting both strategic and private equity buyers. The significance is that revenue quality is now being judged not simply by how much a firm produces, but by how repeatable and transferable that revenue can become over time.

What Buyers Are Really Valuing

The strongest valuation story is not simply more revenue. It is better, more transferable revenue inside a business that can scale without the founder.

What would cause a buyer to pay more for my earnings than somebody else's?

This is also why the expansion of executive search firms into assessment, leadership advisory, interim leadership, talent intelligence and other services matters economically. Search revenue can be extremely profitable, but it still remains largely assignment driven. Revenue that recurs, or relationships that repeatedly generate multiple forms of revenue can create far greater visibility into future performance.

The objective should not be recurring revenue for the sake of impressing investors but better and more accretive revenue that is durable, profitable, diversified and difficult to displace.

Private Equity Participation & Capital Structures

The more interesting consequence of private equity entering executive search is not simply that more firms are being bought and sold but that the economics available to founders and senior search executives have presented a whole host of new opportunities.

Recruiterflow's Manan Shah makes a related argument, that private equity is beginning to reshape the economics of recruitment, with direct consequences for how founders approach value creation and exit.[176]

The interest is increasingly coming from sellers as well as buyers. Hunt Scanlon Ventures reported in July 2025 that 58% of executive search firms were actively considering a transaction, an all-time high.[177] That is a remarkable number for an industry historically dominated by independent partnerships and founder-owned firms

Historically, most of the financial reward from owning a search firm has come through annual distributions where the partners

THE VALUATION QUESTION

1	GROWTH	Is revenue expanding consistently?
2	REVENUE QUALITY	How much is repeat, recurring or embedded?
3	CLIENT CONCENTRATION	How dependent is the business on a handful of accounts?
4	FOUNDER DEPENDENCY	Does revenue survive without the founder?
5	SECTOR SPECIALIZATION	Does the firm own an attractive market position?
6	MANAGEMENT DEPTH	Can the business operate without its original owners?
7	ADVISORY CAPABILITY	Is there revenue beyond individual search assignments?
8	SCALABILITY	Can revenue grow faster than the underlying cost base?

175 https://huntscanlon.com/the-platform-shift-reshaping-human-capital-ma
176 https://www.linkedin.com/pulse/private-equity-starting-reshape-recruitment-interesting-manan-shah-ayale
177 https://huntscanlonventures.com/news/hunt-scanlon-ventures-2025-mid-year-executive-search-ma-report-shows-rising-sector-consolidation

generated revenue, paid the firm's expenses and divided much of what was left as profit. There was certainly value and merit in the underlying business, but for many owners the principal economic objective was the income it generated consistently each year.

Outside capital has introduced another interesting dimension; a founder can now take some liquidity from the value already created while continuing to own part of the business and participate in what happens next. In a majority recapitalization, the founder might sell a substantial interest of the firm but roll part of the proceeds up into the new company. If the business grows and is subsequently sold at a higher valuation, that retained ownership can become an important second source of wealth.

This also can change the calculation for senior search professionals sitting in the firm. A private equity backed firm can use management equity, long-term incentive plans and other forms of ownership to recruit and retain search executives who previously would have been compensated primarily through salary, bonus and revenue production. For the right people, the attraction is no longer simply what they can earn in a good year, but what their ownership could ultimately be worth.

There is also a strategic use of capital that many independently owned search firms have historically lacked themselves which has important implications. Rather than funding every new office, senior hire, technology investment or acquisition from current earnings, firms can use outside capital to make several of those investments all at once. That can of course materially accelerate the firm's growth, particularly where the objective has been to build scale before its competitors can do the same.

However, the capital also comes with significant expectations and challenges. Once an institutional investor enters the ownership structure, growth, margins, cash generation and capital allocation become much more explicit measures of performance moving forward. Investments must produce returns and create value immediately. Management teams now have to themselves deliver without fail against their financial plans and while the business may still retain much of its entrepreneurial culture, the financial discipline around it has irreversibly changed.

That distinction is important. Private equity does not only change who now owns the search firm but also how the firm thinks about capital, compensation and ultimately the creation of wealth moving forward.

Perhaps the clearest indication of how far this has progressed came with the Heidrick & Struggles announcement. In 2025, the company agreed to be acquired for approximately $1.3 billion by an investor consortium led by Advent International and Corvex Private Equity, taking one of the world's largest publicly traded executive search and leadership advisory firms private.[178] The significance extends well beyond the Heidrick example itself. Private equity interest in executive search was once concentrated primarily around smaller founder led firms and emerging platforms, but this transaction noted for its size demonstrates how institutional investors are now ready and prepared to place substantial capital behind the economics of executive search and leadership advisory on a more global scale.

Margin Expansion & Operational Leverage

Revenue gets most of the attention in executive search, but ultimately buyers are purchasing earnings and the expectation of future earnings as well. That in turn puts margins at the center of every discussion.

Compensation is the largest line-item expense for most search firms, which makes the relationship between compensation and productivity particularly important. The opportunity is not simply to pay people less but cutting compensation at the expense of retaining productive consultants can also destroy value remarkably quickly. Technology and AI have become particularly important here because if researchers can cover more assignments, consultants can spend more time with clients, administrative work can be automated and market mapping can be completed faster, revenue can grow without headcount growing at the same rate.

That is genuine operating leverage. It is also one of the reasons the impact of AI on executive search will ultimately be measured economically rather than technologically. The question is not how many AI tools a search firm has purchased but whether those tools have improved productivity, revenue per employee, conversion, execution speed or margins. If they have, the impact eventually appears in the EBITDA.

ZRG provides an interesting example of what this can look like at scale. Hunt Scanlon's 2025 rankings placed the firm seventh among the largest U.S. executive search firms. Its growth has been driven by a combination of organic investment and repeated acquisitions, with management explicitly describing the strategy as one of adding complementary capabilities rather than simply adding scale.[179]

Valuation Methodologies & Market Benchmarks

Founders naturally want to know what multiple their business is worth and the question is considerably far easier to ask than it is to answer. Revenue multiples can provide useful comparisons, but most buyers will spend much more time understanding normalized EBITDA and the quality of the earnings behind it. Two firms generating exactly the same EBITDA can still receive very different valuations because the risk attached to those earnings can be very different.

A business growing consistently, producing strong margins, retaining its best consultants, operating in attractive sectors and generating diversified repeat revenue should command a different valuation from one with declining revenue, high client concentration and significant founder dependency. That is why reported market multiples should be treated carefully. The headline multiple rarely tells the full story and may not reveal EBITDA adjustments, rollover equity, earn-outs, deferred consideration, working capital adjustments or the amount of cash actually received at closing.

The most useful way for founders to ask themselves about valuation is therefore not "What multiple can I get?" but "What would cause a buyer to pay more for my earnings than somebody else's?"

178 https://www.adventinternational.com/news/heidrick-struggles-enters-into-definitive-agreement-with-investor-consortium-led-by-advent-international-and-corvex-to-become-a-private-company
179 https://huntscanlonventures.com/selected-transactions

Deal Structures: Earn-Outs, Rollovers, Minority vs. Majority Stakes

The highest headline price is not necessarily the best deal. Search transactions include cash at closing, earn outs, deferred consideration, rollover equity and other forms of contingent value but each in turn changes how much risk remains with the seller after the transaction.

An earn out may increase the theoretical purchase price but also requires the founder to hit aggressive revenue targets or EBITDA targets over the course of several years. Rollover equity may reduce immediate liquidity but allow the founder to participate in a much larger second transaction. Minority investment can provide capital and some liquidity without giving up control where a majority sale can provide significantly greater liquidity but also fundamentally changes who controls the business in the end. The details matter enormously.

Founders need to understand not only the enterprise value placed on the business but how much of that value they will actually receive, when they will receive it and what has to happen before the remainder is ever paid out. Valuation is not the same as proceeds and that distinction becomes particularly important when comparing competing offers.

Exit Pathways: Strategic Sale, PE Recap, Merger, Internal Succession

Selling to private equity is only one exit route. A strategic buyer may value a firm's sector expertise, geographic presence, client base or capabilities much more highly because it can immediately combine them with its existing platform. A merger can create scale while allowing both leadership teams to retain meaningful ownership. In this regard a private equity recapitalization can also provide partial liquidity while preserving important upside.

Recent strategic transactions demonstrate another important point: a founder does not necessarily need to build the largest firm to create an attractive asset. Russell Reynolds Associates acquired Savage Partners,[180] a specialist search boutique serving growth equity and private equity-backed software companies while Egon Zehnder subsequently acquired The Prince Houston Group, a highly specialized asset and wealth management search boutique.[181] Savage Partners was acquired by Russell Reynolds in 2023, with Hunt Scanlon Ventures advising Savage Partners. The Prince Houston Group was acquired by Egon Zehnder in 2025, with HSV advising on the transaction. Hunt Scanlon's 2025 M&A report explicitly describes the deal as evidence of accelerating consolidation and confirms buyers are seeking specialized, scalable niche platforms with sector depth, embedded relationships and strong brands.

In both instances, the strategic value was deeply rooted in specialization, client relationships and market position rather than just scale alone. For founders, that is very important because deep sector expertise today can itself become a valuable form of enterprise value when placed inside of a larger global platform.

Internal succession is another option and deserves more attention than it sometimes receives as a founder might decide that preserving the firm's independence, culture and legacy is far more important than actually maximizing the immediate purchase price. The next generation of partners can gradually acquire ownership, potentially financed through future distributions or external capital and that is often a good strategy for many.

The real objective should be to create optionality. A strong management team, diversified clients, clean financials, attractive margins and limited founder dependency always allow an owner to choose whether, when and how to exit.

Build the Business to Create Optionality

The characteristics that make a firm more attractive to a buyer are also the characteristics that make it a stronger independent business.

FROM INDIVIDUAL PRODUCER TO CLIENT VALUE DRIVER

REMAIN INDEPENDENT Preserve ownership, culture and annual economics.	**MINORITY INVESTMENT** Take capital and partial liquidity while retaining control.	**MAJORITY RECAP** Create liquidity now and retain rollover equity for a second outcome.
STRATEGIC SALE Combine specialization, relationships or geography with a larger platform.	**MERGER** Create scale while allowing leadership teams to retain meaningful ownership.	**INTERNAL SUCCESSION** Transfer ownership to the next generation and preserve legacy.

BUILDING TO EXIT AND CONTINUING TO OUTPERFORM ARE INCREASINGLY TWO VERSIONS OF THE SAME STRATEGY.

Timing the Exit & Market Cycle Considerations

Executive search has always been an economically sensitive sector. When hiring confidence falls, search volumes can decline quickly but when CEO confidence, transaction activity and corporate investment recover, demand can rebound

180 https://www.russellreynolds.com/en/about/newsroom/russell-reynolds-associates-acquires-leading-tech-executive-search-firm-savage-partners
181 https://huntscanlon.com/egon-zehnder-acquires-the-prince-houston-group

equally quickly just as fast. That cyclicality matters when selling the business.

A firm coming to market after two or three years of strong growth will naturally be easier to position than one whose revenue has just declined materially. Interest rates, credit availability, private equity fundraising, M&A activity and broader economic confidence also affect what buyers are willing and able to pay.

However, founders should be careful about trying to perfectly time the market. By the time everybody agrees it is an excellent time to sell, many other owners may have reached exactly the same conclusion.

The better approach is to prepare the business transaction ready well in advance. Client concentration cannot be repaired three months before a sale and neither can founder dependency, a weak management team or years of underinvestment. Exit preparation is therefore not an event but a disciplined process.

The continued level of founder interest today suggests that this is becoming a much more mainstream strategic consideration.

Hunt Scanlon Ventures reported in its 2025 Mid-Year Executive Search M&A Report that 58% of executive search firms were considering M&A activity, an all-time high. By the end of 2025, Hunt Scanlon Ventures reported having closed more than 25 transactions in 60 months. Its Q1 2026 Human Capital M&A Report went further, describing the market as having shifted from opportunistic transactions toward a more structural consolidation of the human capital sector. Buyers are now increasingly pursuing integrated platforms combining executive search with leadership advisory, workforce analytics, succession planning and AI-enabled infrastructure.[182]

For founders, that changes the context in which an eventual exit might be considered. Preparing a firm for sale is no longer relevant only to an owner who intends to sell next year. The same characteristics that make a business attractive to an acquirer such as strong management, a diversified client base, institutional relationships, recurring revenue, differentiated capabilities and limited founder dependency are also the very characteristics that make it a far stronger independent business. Building something with a view to exit as well as ensuring it continues to outperform are increasingly becoming two versions of the same strategy for founder led search firms.[183]



182 https://huntscanlonventures.com/news/hunt-scanlon-ventures-2025-mid-year-executive-search-ma-report-shows-rising-sector-consolidation
183 https://huntscanlonventures.com/wp-content/uploads/2025/07/HSV-2025-Mid-Year-Executive-Search-MA-Report.pdf



Bridging Founder Expectations vs. Buyer Reality

This may be the most human part of any transaction. A founder knows what it took to build the business and they remember the years when nobody knew the firm's name, the personal guarantees, the difficult hires, the lost clients and the years spent developing relationships that now generate millions of dollars. A buyer does not pay for any of that history. That creates an inevitable gap between the way founders and investors think about value. A founder may point to a client relationship that has lasted twenty years. The buyer will ask who owns that relationship and whether it will survive after the founder leaves. The founder in turn could point to a record year of earnings whereas the buyer will ask whether it is really repeatable.

The most effective way to bridge the gap is evidence: strong retention, repeat clients, diversified revenue, clean financial reporting, sustainable margins, a credible leadership team and a business that can demonstrate rather than simply promise future growth.

Executive search firms have very few traditional assets. Their value walks out of the office every evening as it sits in its people, relationships, reputation, knowledge, intellectual property, data and trust. Increasingly, it may also sit in technology and proprietary talent intelligence.

However, there is an important distinction between personal goodwill and institutional goodwill. If clients hire the firm because they trust one founder, much of the goodwill belongs economically to that individual. However, if clients trust the institution, use multiple partners and purchase several services from the firm, that goodwill becomes far more transferable.

The same is true of knowledge. Information held inside the heads of individual recruiters disappears when they leave but structured data, proprietary market intelligence, documented methodologies and institutional processes remain.

This is one reason talent intelligence may become more strategically important to search firm valuations. A properly constructed intelligence platform creates an institutional asset from information that historically was spread across individual databases and search consultant relationships.

The firms that succeed in turning what their people know into something the institution owns will have created a very different type of asset.

Post-Transaction Founder Roles & Incentives

For many founders, selling the firm does not mean leaving it. Buyers often want the founder to remain in place because the founder still controls important relationships, understands the culture, recruits senior talent and provides continuity. Earn-outs and rollover equity can create an additional financial reason for them to stay.

This can work extremely well, but it can also be one of the most difficult parts of the transaction. Someone who has spent twenty years making every important decision may suddenly have a board, an investor or a new parent company involved in decisions that were previously theirs alone. Budgets may require approval and hiring decisions will be scrutinized. The founder therefore needs to think as carefully about life after the transaction as about the transaction itself.

How long do they actually want to remain? What authority will they have? What are they being asked to achieve? How is their compensation structured? What happens to their rollover equity? Who will eventually succeed them? Those questions should be answered before the deal closes rather than discovered afterwards.

The best outcome is not necessarily the transaction that produces the largest check on closing day but one that provides the right combination of liquidity, future upside, strategic fit and personal outcome.

For founders of executive search firms, that brings the compensation discussion full circle. Early in the life of the firm, compensation is largely about how the founder gets paid. As the business develops, it becomes much more about how partners and employees participate in the overall economics. How much of the value created over decades has been converted into an institution that can survive and ultimately be valuable without the people who originally created it is the critical question? That is ultimately the difference between creating income and designing enterprise value.


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