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Headhunters find candidates for jobs. They are paid by their clients—employers—when the candidates they generate accept job offers. Headhunters, therefore, resemble other third-party agents or brokers whose fortunes rest on their ability to secure a match between their clients and other interested parties. In this analysis, we examine how headhunters manage the risks of being a broker in a highly competitive industry. They pursue two strategies: They attempt to develop close ties with clients, and they are willing to be opportunistic toward these clients. These strategies reflect their lack of power compared with that of clients, their belief that clients are disloyal, and the lack of embedded ties between clients and headhunters that could create a basis for enforceable trust.

Risk, Opportunism, and Structural Holes

How Headhunters Manage Clients and Earn Fees

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There's no money for a silver medal contingency recruiter. You either hit the gold or you don't.

—Southern City headhunter

Headhunters find candidates for jobs. They are paid by their clients—employers—when the candidates they generate accept job offers. Headhunters, therefore, resemble other third-party agents or brokers, such as investment bankers, realtors, marriage brokers, and actors' agents, whose fortunes rest on their ability to secure a match between their client and

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another interested party. They are examples of what Simmel (1950) called the “*tertius gaudens*”—the third party who benefits from manipulating the relationship between two others. As Burt (1992, 1997) has pointed out, the power of the *tertius* rests on his or her ability to bridge the gaps, or “structural holes,” between people who would otherwise remain disconnected. A structural hole is “a relationship of nonredundancy between two contacts” (Burt, 1992, p. 18).

Burt’s (1992) analysis of structural holes argues that competition among people is based on their access to these holes. Players with networks rich in structural holes enjoy entrepreneurial opportunities unavailable to those whose networks lack holes or whose contacts are redundant. Redundancy means that an entrepreneur is competing with others to fill the same structural hole: The players are substitutable. The successful entrepreneur, therefore, is one who can identify and fill structural holes and avoid redundancy. According to this line of reasoning, entrepreneurs will eschew transactions where they are providing the same product as other entrepreneurs unless they can either arrange with their competitors not to allow themselves to be pitted against one another or establish their product’s distinctiveness (pp. 38-45).

Headhunting, however, is an industry in which contacts are highly redundant and in which it is very difficult either to stifle competition or to promote product distinctiveness. Headhunters are risk-taking entrepreneurs whose matchmaking efforts are undertaken with the knowledge that failure—resulting from either their inability to find a satisfactory candidate or the production of a better candidate by a rival headhunter—is a distinct possibility. In fact, failure is more probable than success, given that employers normally use two or more headhunters on any given search assignment. How, then, do they succeed as entrepreneurs? We argue that they do so through a risk assessment strategy in which they consider, first, how they generated their business (i.e., the assignment to find a job candidate), second, the quality of the relationship with their client, and, third, the circumstances under which they can justify being disloyal to their client. We suggest that the structural holes argument is too limited because it explains entrepreneurial outcomes in terms of the positions of players in a network. Our results reveal that the idiosyncratic and personalized characteristics of the exchange relationship—the degree of loyalty, trust, and dependence between headhunter and client—also play a substantial part in determining how and where entrepreneurs focus their efforts.

THE OPPORTUNISM PROBLEM

The central problem facing all contingency headhunters (i.e., headhunters who are paid only if their candidate is the one hired) is that they are in an

industry with minimal barriers to entry and they have no formal means of regulating or restricting the competition among one another. No matter how good the relationship between a client and a headhunter, and no matter how high the quality of the service that has been provided, if another headhunter provides a more attractive candidate, there is nothing the first headhunter can do to prevent the second one from offering his or her candidate to the client and earning the placement fee. In other client-provider relationships, opportunistic behavior by clients is curbed by their dependence on providers (e.g., Faulkner, 1983) or by the development of strong and enforceable bonds of trust between client and provider (e.g., Larson, 1992; Portes & Sensenbrenner, 1993; Uzzi, 1997), but these safeguards are not available to headhunters. Instead, headhunters manage the risk of client opportunism by continually assessing the strength and quality of their relationships with their clients and by being willing themselves to behave opportunistically. They manage risk by managing their clients.

The headhunters' predicament can best be appreciated by comparing them with other agents who have to negotiate relationships with powerful clients. Consider, for example, the freelance Hollywood composers in Faulkner's (1983) study. In this highly competitive business, most freelancers work very little, but nearly half of all films are scored by just 10% of the composers. Some of these top composers form relatively enduring ties with certain producers and directors, working with them repeatedly. Faulkner argues that the dominance of a highly productive and visible elite of freelance composers, who are closely linked to leading filmmakers, is a direct consequence of the rise of big-budget filmmaking. Producers who have risked enormous sums of money on their projects are reluctant to take additional gambles on unknown composers; consequently, they seek out established, preferably award-winning, composers with proven records of success. Filmmakers thus hire successful, established composers in an attempt to reduce some of the uncertainty and risks associated with commercial moviemaking.

Faulkner (1983) concludes that the existence of this elite challenges the assumption that clients have all the power and will shop around to find the cheapest and most pliable service providers. In Hollywood, he suggests, it is the clients—the filmmakers—who are dependent on the service providers: "There is a countervailing market strength in the inner circle of freelancers because employers with big-budgeted projects need high-profile 'names.'" He terms this a "resource-alternative theory" (p. 235).

Although headhunters are not exactly analogous to composers—composers, unlike headhunters, are not third-party brokers—they are alike in that both provide scarce and valued products (candidates and scores, respectively) to clients. Economic success for headhunters and composers rests on

managing their dependence on clients—in ensuring that clients choose their products rather than those of another provider. Faulkner's (1983) analysis suggests that composers enjoy two structural advantages over headhunters in handling clients. The first is the willingness of clients to pay a premium to secure the services of the top composers. The reason for this is that filmmakers are actually buying the composer's reputation rather than the music, whose quality it is often quite difficult for them to rate. Consequently, they have little or no interest in the products of unheralded composers. Employers, in contrast, although by no means indifferent to a headhunter's reputation, are evaluators and buyers of products (i.e., candidates). Although they may be circumspect in dealing with a headhunter with whom they have not done business in the past, there is no economic incentive for them to refuse to take a look at candidates generated by an unfamiliar source.

The second advantage that composers have is that they do not work on a contingency basis. In theory, at least, a filmmaker could request scores from a number of composers for a film and then select the one that he or she liked best, but composers, especially established composers, will not write scores without some guarantee of payment. Similarly, a filmmaker could in theory pay all the composers for all the scores that were commissioned, but this would be a very costly way to do business. The result, in practice, is that a filmmaker will commission a single score and will not, therefore, have the opportunity to review multiple scores for his or her film. Headhunting, however, is contingency work, which means there is no cost to an employer (other than the delay in filling the position) in reviewing candidates from more than one headhunter. The consequence for headhunters is that notwithstanding the strong ties that many form with clients, they are unable to convert these into bonds of dependence, as composers do with their clients.

Headhunters also do not have the social ties to their clients arising from membership in a common ethnic community (Sensenbrenner & Portes, 1993), from working in the same industry (Uzzi, 1997), or from having prior personal relationships (Larson, 1992) that might be expected to restrain opportunistic client behavior. Sensenbrenner and Portes (1993) cite the examples of Dominicans in New York City and Cubans in Miami, Florida, to show how financially strapped immigrants are able to borrow capital. Lacking the necessary collateral to obtain loans from mainstream banks, these immigrants receive "character loans" from other members of their ethnic group, with the understanding that defaulters will be punished by exclusion from the community. Sensenbrenner and Portes refer to this as "enforceable trust": Economic transactions are enforced by the sanctioning capacity of the group (p. 1332).

Headhunters, whose clients are neither dependent on them nor socially tied to them, are vulnerable to client opportunism. We argue that they employ

a two-pronged approach to offset this problem. First, they closely scrutinize the business they receive from clients as well as the relationships they have with clients to assess how likely it is that they will be able to make the placement. Second, they pursue a strategy of reciprocal opportunism in which they specify the circumstances under which opportunism toward clients can be condoned. Reciprocal opportunism means taking a candidate from a client and attempting to place the candidate with another client (i.e., the first client is turned into a candidate source).

Our analysis develops in four stages. First, we examine how headhunters attempt to develop clients by obtaining job orders from employers. They try to identify structural holes—they seek out opportunities to broker a match between employer and job candidate. Second, we discuss how headhunters determine how much effort to put into filling a job order. They closely evaluate their relationships with their clients to assess how successful their brokering activities are likely to be. Third, we show how headhunters, by establishing close relationships with clients, also make themselves dependent on and vulnerable to these clients. They are confronted with the threat of client opportunism. Fourth, we examine how headhunters attempt to mitigate their dependence by deciding when it is appropriate for them to behave opportunistically. They may decide to recruit from clients, thereby creating new brokering opportunities for themselves with different clients.

INDUSTRY BACKGROUND AND DATA

Published literature on headhunters includes only a few kiss-and-tell accounts by industry insiders (e.g., Cole, 1985; Sibbald, 1992), a dated but insightful study by Martinez (1976), and occasional passing references to the presence of headhunters in the labor market (e.g., Granovetter, 1974/1995; Hirsch, 1993). Scholarly neglect of headhunters contrasts sharply with their prominent role in the labor market. Although it is difficult to get an independent confirmation of the percentage of positions filled by headhunters, the results of the recent National Organizations Survey indicated that between 13% and 20% of firms used private employment agencies “frequently” to find a wide variety of workers (Kalleberg, Knoke, Marsden, & Spaeth, 1996, pp. 137-138).

Headhunters recruit employees for a wide range of positions in a wide range of companies. The salary range of positions filled by headhunters we observed and interviewed is enormous, beginning with jobs paying as little as \$12,000 a year and continuing up to positions paying \$100,000 a year. Virtually all of the positions are white collar and include various levels and types of administrative support, accounting, engineering, sales, data processing,

construction (not laborers), and insurance, to name just a few. The companies that used these headhunters include small professional practices and family businesses that lack specialized *human resources* departments; they also include many large corporations, some of which are among the largest corporations in the world.

Our data collection efforts were limited to headhunters who find workers for permanent (as opposed to contract or temporary) positions and who work on a contingency basis. They are paid by an employer when a candidate they have found is placed with that employer. The fees headhunters charge employers usually range from 20% to 35% of the candidate's 1st year's salary. Our study thus does not include retained search firms that require a fee prior to initiating a search, charge the fee even if a candidate is not hired, and typically work on only top-level searches for positions paying in excess of \$100,000 a year.¹

This article is based primarily on evidence collected from interviews and fieldwork. The interviews were conducted between 1993 and 1996 with headhunters working out of a major metropolitan area in the southeastern United States (which we shall refer to as *Southern City*). We completed 34 1- to 3-hour semistructured interviews with headhunters, all but 1 of which were tape recorded and transcribed. Only one request for an interview was ultimately refused. The interviewees were randomly selected by area of specialization from the members' directory of the state association of contingency headhunting firms. The interviewees represented 31 different firms and consisted of 24 White males, 8 White females, and 2 Black males. A total of 12 interviewees were solo practitioners in one-person firms. Most headhunting firms—24 of the 31 in our sample—make placements all around the country. A full breakdown and description of these firms is contained in the appendix.

The interviews were conducted at the headhunter's place of business. In the interviews, we asked open-ended questions to explore their careers and work as headhunters, including the development of clients, the production of candidates, and the matching of clients with candidates. In addition, we focused on their decision making, including the criteria they used for deciding whether to undertake a search and how they handled client relations. In virtually every interview, headhunters spoke at some length, with little or no prompting, about their relationships with clients.

We also conducted more than 300 hours of fieldwork. This took two main forms. We spent approximately 150 hours at five different headhunting firms, observing and talking to headhunters on the job. The firms consisted of one large organization (more than 100 headhunters), three small companies (3 to 5 headhunters), and one solo practitioner. We had conducted prior interviews

with the owners/managers at four of the firms, so the fieldwork enabled us to observe and talk to the other headhunters in these locations. Fieldwork provided an opportunity to observe the daily activities of headhunters. Much of this involved listening to the headhunters' sides of telephone conversations, which they would explain or interpret for us once the call ended. Our second fieldwork site consisted of the various seminars, lectures, luncheons, training sessions, and conferences sponsored by the state and national associations of contingency headhunters. These conferences and other events allowed us to hear well-known speakers from the industry address various aspects of headhunting and to talk with the headhunters who were in attendance. During the 4-year span of the project, our presence at Southern City events became an opportunity to both meet and speak with headhunters we had not yet encountered as well as an opportunity to follow up with those we had interviewed, observed on the job, or met at one or more previous events. In both fieldwork settings, we took extensive notes either during the course of the observation or, when that was not possible, as soon as the situation permitted (no later than a couple of hours afterwards). All field notes were entered as text documents on our computers within 1 day of the fieldwork.

Finally, we conducted a mail survey of the approximately 500 contingency headhunting firms in the greater Southern City metropolitan area. Unfortunately, only 98 usable surveys were returned, and, consequently, this analysis does not draw extensively on these data. Nevertheless, it is instructive to compare this sample to our sample of interviewees. Some 95% of the mail survey respondents were White compared with 94% of the interviewees; 69% were male compared with 76% of the interviewees; 43% were solo practitioners compared with 39% of the interviewees. The basic characteristics of the mail survey respondents and the interviewees thus are quite similar.

Two aspects of our analysis and presentation of the evidence should be noted. First, our analytic strategy was to identify what we saw as the most common and theoretically important ways headhunters viewed their relationships with clients. Our focus here on issues such as responsiveness, dependence, power, mistrust, and opportunism is not an attempt to force our evidence to speak to issues that have already surfaced in the literature. On the contrary, it quickly became obvious that these were highly salient issues for headhunters themselves in their management of client relations. Second, our presentation of the evidence is couched in terms of observations and interpretations that tend to be typical of the headhunters we interviewed and observed. We do not claim that all headhunters express exactly the same thoughts about how they or clients behave. We do claim, however, that our portrait captures what is most common about the behavior and actions of

headhunters and points to some important aspects of the client-provider relationship that have been not been identified in previous studies.

GENERATING JOB ORDERS: FINDING THE STRUCTURAL HOLES

Studies of markets ranging from Moroccan bazaars (Geertz, 1978) to academic book publishing (Powell, 1985) have found that buyers, when faced with uncertainty about the quality and reliability of goods and services, attempt to form clientlike relations with sellers. Geertz (1978) refers to this as “clientelization,” by which he means the tendency “for repetitive purchasers of particular goods and services to establish continuing relationships with particular purveyors of them rather than search widely through the market at each occasion of need” (pp. 30-31). Although headhunters are sellers rather than buyers, they confront an equivalent type of uncertainty, in response to which they have adopted a similar solution. The uncertainty lies in the fact that it is difficult, first, for headhunters to generate business from new customers (i.e., employers) and, second, should they receive any such business, to determine whether it is worth investing time and energy in trying to make the placement. An unfamiliar customer, like an unfamiliar seller in the bazaar, is a risky proposition. Economic success in headhunting comes from making repeated placements with the same employers—from having clients. As one headhunter stated, “It’s a relationship-driven industry, not a placement-driven industry. And those people who don’t know how to build those relationships [with clients] are not going to be long-term in this business.” To get clients, however, headhunters first need to get job orders.

The lifeblood of headhunting is the search assignment, or job order. It is an agreement between a headhunter and an employer that the headhunter will provide candidates for a position that the employer is seeking to fill and that if one of the headhunter’s candidates is hired the headhunter will receive a fee. Job orders are generated in three main ways: cold calls, in which a headhunter simply calls targeted employers and inquires as to whether they have any positions that need to be filled; marketing calls, in which a headhunter contacts employers and inquires as to whether they might be interested in a specific candidate the headhunter is promoting; and client calls, in which a headhunter is contacted by an employer and asked if he or she would be willing to undertake a search assignment. Most headhunters use all three methods for generating job orders; we encountered only two headhunters who claimed to make neither cold nor marketing calls.

The way in which a job order is generated is of enormous significance, because it offers answers to the two intertwined questions that lie at the heart of contingency headhunting: What is the relationship between employer and headhunter? and What is the likelihood of the headhunter's making the placement? Veteran headhunters assume that an employer who gives a job order to a cold caller has probably given it to others as well. A headhunter who undertakes a cold-call-generated search will likely be competing with many other headhunters to make the placement, and the probability of success will, therefore, be quite small. More commonly still, a targeted employer will respond to a cold call with a rejection, not a job order, which is an even less auspicious way to begin a relationship with an intended client. As one headhunter said, "You can make 75 calls and not get one [job order]."

Experienced headhunters prefer marketing calls to pure cold calls because they are less likely to be rebuffed. Marketing calls differ from cold calls in that the headhunter approaches the employer and proffers a job candidate. Ideally, the candidate is someone whose skills are strong and whose qualifications and personality will likely appeal to the target company. Such a candidate is known as an MPC—a most placeable candidate. When headhunters speak of MPCing someone, they mean, in effect, that they are going fishing for a job order, with the MPC as bait. A good marketing call requires a combination of knowing the kinds of candidates who are likely to impress the employer, having a good candidate, and effective presentation of that candidate's abilities and qualities.

There are two advantages to using MPCs to generate job orders. First, an MPC encourages the prospective client to take the call. The caller is not approaching empty handed. One headhunter, who specializes in the investment management sales and 401(k) market, stated the following:

Just calling and saying, "What openings do you have?" I mean they just don't want to hear from you. But if you go in there and say "I'm marketing someone that has 10 years' experience, excellent track record selling 401(k) in the middle market, he's looking to leverage his career," that's much more effective. I mean, you're going in there with a product that would be a benefit to them, and that's what you're marketing.

Second, the marketing call lays the foundation for a relationship with the intended client because, if done effectively, it allows the headhunter to demonstrate that he or she is familiar with the employer's hiring needs and has access to candidates who can fill these needs. The headhunter, in effect, is offering a sample of his or her wares, with the implicit understanding that more will be available should the employer become a client.

Headhunters define a client as an employer who calls a headhunter and offers a job order. An employer may make this call because he or she was impressed by a marketing call, because someone else either inside or outside the organization recommended the headhunter, or because he or she was pleased with previous searches undertaken by the headhunter. Whatever the reason, headhunters attach considerable significance to a client call. They interpret it as proof that they have now established a relationship with the client, which gives them a real shot at making the placement. They believe that employers are unlikely to have called numerous headhunters—we examine this point at greater length in the next section—and, consequently, their chances of success are far greater than they would be had they received the job order from a cold call. Headhunters, in turn, work far harder on job orders they receive from clients' calls than on those they generate through cold calls. As one explained, "If a client that I have an established relationship with calls me about anything that they need, that's going to get a priority long before anything I generated on a cold call."

Only two headhunters told us that they made no cold or marketing calls. One, who places paralegals and legal secretaries in law firms, indicated that she was content to add two to three new clients a month through referrals, which for her was a painless way of developing new clients. She explained, "Gaining two or three new clients a month, without any effort, that's enough for me." The other, who places candidates in the food, beverage, and hospitality industries, said that he had so many clients "that it's a full-time job just staying in touch with these people and [they] are constantly coming back to us for more." He felt little pressure to generate new clients; he might send letters to prospects advertising his services, but "I don't pick up the phone anymore and call people up and say, 'I just want to tell you about our company,' which is sort of nice, because I don't like it." The overwhelming majority of headhunters, however, combine referrals and repeat business with a limited amount of cold or marketing calls; the latter is the way new relationships get started.

Headhunters are unequivocal in claiming that client calls produce the best job orders, by which they mean job orders most likely to result in placements. The following comments from one headhunter are typical: "Most anything I've developed in the last few years have been relationships I've developed from years earlier. I'm trying to think—the last placement I did off a cold call, a marketing call, was probably a year and a half ago, maybe two years ago." Nonetheless, not every job order received from a client call is equally likely to result in a placement. In the following section, we consider how headhunters evaluate clients and job orders to decide how much time, energy, and money to invest in their searches.

EVALUATING CLIENTS: FILLING THE STRUCTURAL HOLES

Headhunters earn their fees when they make placements. Receiving a job order, even a good job order, is merely the first step in a process whose payoff is not realized until a candidate accepts the job offer. Having a job order creates the opportunity for a headhunter; the question is whether he or she can take advantage of it. There are in fact a number of obstacles confronting any headhunter seeking to make a placement, such as a failure to find strong candidates, a client who finds all the candidates unsuitable, candidates who are unwilling to accept the job offer, and better candidates provided by a rival headhunter. The art of contingency headhunting is being able to size up these obstacles before investing efforts and resources in a search—to form, in other words, a reasonably clear picture of the risk-reward trade-off.

Headhunters employ two types of decision rule in attempting to figure out this trade-off. First, they pose a fairly standard set of questions to clients, such as why the position is open, how long it has been open, what happened to its previous occupant, how quickly and by whom the hiring decision will be made, the competitiveness of the proposed salary, the availability of viable candidates, and, finally, whether the fee is commensurate with the difficulty of the search. The answers to these questions allow them to decide whether to undertake the search. All else being equal, the shorter the amount of time a position has been open, the more quickly the hiring decision has to be made, and the fewer the number of people involved in the hiring decision, the easier it will be to make the placement. The higher the salary or fee, the more willing the headhunter will be to invest the time in trying to find a strong candidate.² If a search promises to be difficult or only marginally profitable, a headhunter will either not conduct it or will do it perfunctorily. For example, he or she might do a quick scan of his or her candidate base to ascertain whether it contains a candidate who might fit the assignment. This will be considerably easier and cheaper than a full-blooded search, in which numerous hours will be spent on the phone tracking down and talking to potential candidates (for a fuller account of this process, see Finlay & Coverdill, 1999).

Second, headhunters apply a set of decision rules that allow them to evaluate the strength and quality of their relationships with their clients. These evaluations, in turn, enable headhunters to assess the likelihood of filling the job orders that they receive from these clients. Headhunters use two criteria in particular to rate their client relationships—exclusivity and responsiveness. Exclusivity is a structural feature of the client-headhunter relationship, whereas responsiveness is the headhunter's assessment of the behavior of the client during the search process.

EXCLUSIVITY

Exclusivity refers to how many headhunters are seeking to fill the job order. Obviously, the fewer the number of competitors a headhunter has, the more likely he or she will be to make the placement, so headhunters prefer searches in which they have few, if any, rivals. Headhunters assume that they will face stiff competition working on cold-call-generated job orders, whereas a client who calls them is unlikely to have offered the job order to numerous headhunters, although there are occasions, headhunters report, in which employers go on “shopping” expeditions or use a “shotgun” approach and contact many headhunters about the search.

One of the first questions headhunters ask when they receive a call from a prospective client, therefore, is how many other headhunters have been given the job order. The answer to this question dictates the intensity with which they will conduct the search. Although all headhunters agree that a greater number of competitors results in a less attractive job order, there is no consensus on how many headhunters seeking to make the same placement push it beyond the limits of acceptability. For some headhunters, these bounds are very narrow. One headhunter said that if there were more than 2 headhunters plus himself working on a job order, he would not accept it. Some reach their limit at 5 or 7, whereas others do not object to competing with 10 or 12 headhunters. Whatever the limit, when it is reached, clients effectively lose their client status with the headhunter, which means that the headhunter will downgrade the search from priority to perfunctory. One headhunter explained that if he felt there were too many headhunters competing for a job order, “You just kind of stick it [the job order] in the book and say, ‘If you find anyone, guys, send it there, but we’re not going to work real hard for that.’”

A headhunter reaches the pinnacle of exclusivity when he or she is the only one to be offered the job order. These searches are known as exclusives, and they may last from a few days to a few weeks, during which, at least in theory, the client will not consider candidates from other headhunters who may have learned of the search and submitted the candidate’s résumés. An exclusive or near-exclusive (i.e., one or two competitors only) makes an enormous difference in how headhunters conduct their business. Instead of just checking their data banks to see whether they have any qualified candidates on file and then submitting those résumés, they will go all out to find the best candidates for the job.

There is considerable variation in the percentage of business that headhunters report as consisting of exclusives. One headhunter, who places people who work in physicians’ offices, said that she had never had an exclusive, whereas another, who places paralegals and legal secretaries with attorneys, said that about 60% of her business was made of up exclusive searches. Our

rough estimate is that between 10% and 20% of the job orders of the headhunters we interviewed were exclusives.

Headhunters who receive exclusive search assignments from clients herald the strength and importance of these relationships. As one headhunter declared, "On those assignments that we have where we are the only one they're working with and they need to fill it and they're giving us information, it's a beautiful relationship—it's just like the textbook would have." An exclusive allows the headhunter to single-mindedly devote himself or herself to the attempt to make the placement, knowing that a client who honors this arrangement will not entertain candidate résumés from other headhunters.

RESPONSIVENESS

Responsiveness refers to how much information and feedback clients provide headhunters and to whether they hire the latter's candidates. Responsiveness is especially vital to headhunters when they are working with new clients because they are unlikely to be familiar with clients' organizational cultures or with the factors and procedures shaping their hiring decisions. A headhunter will not put as much effort or attention into a search for a client who fails to provide adequate information or feedback or who does not hire the headhunter's candidates as he or she will for one who is perceived to be more forthcoming and cooperative.

Information means what clients tell candidates about the job order: An unresponsive client may offer little more than a job title and starting salary, whereas a responsive client will give the headhunter some guidance for the search, such as the typical daily activities to be performed by the position's occupant, the performance expectations attached to the position, and, if appropriate, an explanation for why the position is open. A headhunter who specializes in the administrative support industry emphasized that specific information was critical for undertaking the search. He said,

If they [clients] can't be specific with their needs, there's red flags going up all over the place and I'll tell them, I'll say, "Look, why don't I check back with you in a day or two and this will give you time to find out some of these really important bits of information that I need in order to be effective for you."

Feedback, as the term implies, means how clients respond once the search is under way, such as whether clients set up interviews with candidates who have been presented and how quickly and in how much detail they let headhunters know the results of interviews. A client who responds slowly or, worse still, makes no response when a headhunter presents a candidate will automatically be demoted in the headhunter's eyes. As one headhunter said,

“If I do a lot of work and the guy [the client] doesn’t call me back and kind of drags me and doesn’t return any of my calls, the chances are I drop it right there.”

In addition to noting how long it takes for their clients to return their phone calls, headhunters have various tricks they can use to, as one put it, “test the opening and see if they [clients] are real serious about hiring someone rather than wasting my time.” One stratagem is to present just one candidate to the client as a test case. Clients typically expect a headhunter to present three to five candidates to them; the purpose of the one-candidate strategy is to see how the client responds. If the client responds favorably, albeit without hiring the candidate (i.e., if the client lets the headhunter know why the candidate was not interviewed or, if interviewed, was not hired), then the search will intensify, and other candidates will be presented. If the client responds unfavorably (i.e., if the client does not explain the interviewing or hiring decision), then the search effort will be scaled back, if not abandoned altogether. The test case role of the single candidate was clearly articulated by a food industry headhunter, who explained the following:

Let’s say it’s a new company that calls me and they say, “Hey, we need a production supervisor.” Well, if it’s a new company, I don’t know them . . . First, I search my database and if I have somebody there I’ll call them and qualify the candidate. If not, then I’ll recruit. And then what I do is I like to try and give them a good candidate or two or three in front of them. And then I stop. I see how they respond. If they sort of dilly dally or they say, “Well, we haven’t had a chance to look at them yet” or “Oh, Joe’s out of town and hasn’t had a chance to look at it,” then I’ll begin to realize, hey, Brian, just hold on, you know. Feedback from my client is what gets me going more than anything else. Even if it’s bad feedback, even if they tell me ‘this candidate you sent us does not have just what we’re looking for,’ that’s okay. At least then I can tailor my search efforts to what they need. But if a client is just sort of wishy washy and so forth, then I’ll begin to sort of, I may recruit some but maybe just in my spare time or you just sort of keep your eyes open or something like that.

Testing a client in this manner is quite similar to what occurs when large companies decide to try out a new supplier or service provider. The initial order may be for a relatively small or unimportant item or service as a way of assessing the provider’s responsiveness and trustworthiness. If the test is passed, more crucial items or services may be ordered, thereby gradually tightening the relationship between the two parties (Smitka, 1991). In our case, it is the service providers who are using this process of trial and error to gauge the interest and commitment of their more powerful clients.

The ultimate test of a client’s responsiveness, as far as any headhunter is concerned, is hiring that headhunter’s candidates. A client who does so can

expect a wholehearted effort from the headhunter on subsequent searches. Conversely, if a headhunter is unsuccessful with his or her candidates, a subsequent assignment from that client may receive cursory attention. A striking illustration of how an assignment can be downgraded in this fashion came at the firms where we were conducting our field research. One of the headhunters received a call from a client who wanted five loss-prevention managers. Normally, this would be a prized assignment, because it contained the possibility that one search could result in multiple placements and, therefore, multiple fees. On this occasion, however, only one headhunter in the firm greeted the assignment with as much as modest enthusiasm; the others were openly dismissive, deriding both it and the client. The explanation for their response was their past history of failure in trying to find loss-prevention managers for this particular client: None of the headhunters had been able to make a single placement and they now regarded both the client and the client's hiring process as too uncertain.

A headhunter who receives exclusive assignments from responsive clients has achieved what Baker (1990) and others have referred to as a "relationship interface." Headhunters continually stress the value of these relationships, and yet, as we show in the following section, they are mixed blessings. The basic paradox of headhunting is that the more successful headhunters are in creating strong relationships with clients, the more dependent they become on these clients. Dependence, in turn, is accompanied by vulnerability and insecurity.

THE PROBLEM OF LOW STRUCTURAL AUTONOMY

RELATIONSHIPS AND DEPENDENCE

A nearly constant refrain among headhunters is that theirs is a "relationship-driven business." In their interviews with us and when we observed them at the conferences and seminars we attended, they repeatedly emphasized the need to build and nurture their relationships with clients. Among the strategies that we heard recommended were calling clients every 60 to 90 days, sending birthday cards to clients, and visiting clients' offices. The accounts that headhunters give for how they acquired particular clients usually give a prominent role to networks of relationships in the form of "I had developed a relationship with person A and he/she suggested I call person B."

In our mail survey of Southern City headhunters, we asked them how many "regular" clients they had. (Regular was defined as "clients for whom

you have made multiple placements in the past and whom you expect to service in the future.”) The median number of regular clients was 15. Within this group, there is generally a smaller subset of clients who provide the bulk of their job orders (and, therefore, fees). For example, the owner-manager of one of the largest headhunting firms in our study, which specialized in placing candidates in accounting, engineering, data processing, finance, insurance, and manufacturing, said that his firm did 95% of its business with its five largest clients. A solo practitioner who specialized in the transportation industry reported that in 1994 he had done business with seven different clients, two of whom “represented the majority of the money that we made.” In fact, it is quite common for recruiters to get 50% or more of their fees in any given year from a single client.

Job orders from regular clients, therefore, are critical to headhunters’ economic fortunes. As one put it, “The cost of getting new business as opposed to repeat business is very high. Very high!” By relying so heavily on one or two clients, however, a headhunter risks losing a substantial portion of his or her income if a client stops hiring or decides to use another headhunter. A company hiring freeze, for example, can be devastating for a headhunter who has become dependent on that client. One headhunter explained that he had been doing 75% of his business with Coca-Cola Foods until the company introduced a hiring freeze in 1994 that lasted 13 months. He continued,

The problem is that you become fat and happy dealing with two, three, four people and should that business dry up, you’re sitting there with your butt in your hand, *per se*. Meaning you have no business left So last year was kind of a good thing for me because it was a kind of kick in the butt, that you need to go out there and whether you have business or not, you need to go out there and keep pounding the phone until you make your phone calls.

The dilemma for any headhunter with a large percentage of his or her business from one or two clients is that it is far more pleasant to field phone calls from established clients than it is to make cold calls, and the demands of doing a good job for one’s established clients (i.e., of conducting wide-ranging and thorough searches) often allow little time for generating new business.

The danger of overreliance on one or two clients becomes just as apparent should a client switch headhunters. Although this may occur for many reasons, headhunters particularly fear the consequences of a personnel change at the client’s place of business. Client-headhunter relationships are relationships between individuals rather than organizations. A headhunter’s ties are usually to just a single individual within a single department of the client organization; should that person leave, there is no guarantee that his or her

successor will continue to use the old headhunter. The loss of business because of the loss of their contact person was repeatedly cited by headhunters as a primary concern when they reviewed the relationships they had forged with clients. The observations of one headhunter succinctly summarize the individualistic component of client-headhunter relationships:

Now you always have to get more companies because eventually that account will dry up. *Because, what is an account? It's not Pizza Hut. It's Bob Jones, the regional vice president.* If Bob Jones leaves, the next guy comes in and says, "[Employment] agencies, I hate them!" Doesn't matter what you've done with that company before. If you can't convince them, "Hey, here's what it is," you'll lose that account.

The importance of individual attachments to headhunter-client relationships is consistent with what researchers studying provider-client ties in other settings, such as in auditor-client relationships, have found (Levinthal & Fichman, 1988; Seabright, Levinthal, & Fichman, 1992).³

In short, building relationships with a few clients is the key to successful headhunting, but it also makes headhunters highly dependent on these clients. When headhunters establish these relationships, they mortgage their futures to the continuation of these ties. Success leads to dependence, and dependence in turn breeds vulnerability. Uzzi (1997) has coined the term "the paradox of embeddedness" to characterize what happens when a contractor in the apparel industry suffers the ending of a relationship with a client: "The embedded relationship that had originally benefited the contractor may now put it at a higher risk of failure than if it had diversified its ties" (p. 57). As we have shown, the paradox is equally apparent in headhunting.

POWER AND MISTRUST

Social psychologists have long asserted the reciprocity of power and dependence: The dependence of one party provides the basis for the power of the other (e.g., Cook & Emerson, 1984; Emerson, 1962). The power of clients over headhunters is displayed in the pressure they exert to cut fees and in headhunters' fear of client disloyalty.

The fees that headhunters charge clients vary somewhat, typically ranging from 20% to 35% of the new hire's 1st year's salary. But when they acquire regular clients, few headhunters are able to maintain their standard rates. They discover that their clients expect to receive a discount on the fees they are charged. Most headhunters accept this as an inevitable cost of client development. For example, one headhunter, who places candidates with an

engineering background in technical and management positions in paper mills, noted that his standard fee was 35%. However, he had recently developed a strong relationship with a human resources manager at one of his clients' and had conducted a series of searches for the company for which he had agreed to accept a 25% fee.

One response to fee-cutting pressures is to request an exclusive. The discount-exclusive quid pro quo is nicely illustrated in the following remarks of one headhunter, who described how he would negotiate with an employer who sought a fee discount. He said, "You want a reduced rate, everybody wants a deal, right, so I'll say, okay, I'm going to do it for less, but I want an exclusive for a 60-day period or whatever." Others accept low fees as the price for doing repeat business. For example, one headhunter said she was willing to accept a 15% fee "because I'm going to get repeat business during the course of the year. That's more important to me than having to keep that pipeline going with new business."

Not surprisingly, headhunters often resent fee-cutting clients, even when they get exclusives or repeat business, because they represent both a loss of earnings and an undervaluation of the headhunters' work. One headhunter even declared that he actually preferred to deal with new companies rather than established clients, because when it came to the latter,

the cozier you get with them, the more likelihood they're going to take advantage, in my opinion. If you make multiple placements with them, they'll want discounts. "Oh, Ted, you charged blah, blah for that placement and I think this next time it should be 5% less, 10% less, blah, blah, blah." [All this was said in a whiny, high-pitched voice, intended to mimic and mock the client.] But if it's a new company you're dealing with, you don't get that . . . They have less respect for you in my opinion if you get too cozy and comfy.

Few headhunters that we spoke to took quite so bleak a view of their longtime clients, but it was evident to us from attending gatherings of headhunters and from reading trade publications, such as *The Fordyce Letter*, that complaints about fees figure prominently in headhunters' thinking.

The contest between headhunters and their clients over fees underscores for many headhunters the adversarial dimension to their relationship. It fuels a sense of inequity and betrayal that often emerges in conversations about clients. One of the most striking features of the headhunter-client relationship is that it is when this relationship is at its strongest (i.e., when headhunters are given exclusive search assignments) that they express their gravest doubts about their clients' honesty and integrity. Headhunters believe that clients have the incentive and the opportunity to behave opportunistically toward them.

Headhunters recognize and fear that there are powerful motives for clients to get headhunters to commit to intensive search efforts by promising them exclusive or near-exclusive assignments while at the same time considering candidates submitted by other headhunters. One headhunter remarked, "They [clients] can tell you all you want about how much they love you and how they hate a different recruiter If a résumé comes across their desk from their most hated person, they'll look at it." A client who is willing to consider résumés from headhunters who have not been offered the assignment gets the best of both worlds: the uninhibited efforts of a headhunter who believes himself or herself to be engaged in an exclusive search and the possibly better candidates produced by rival headhunters, who will be eager to break up the exclusive relationship. Headhunters simply do not believe clients who claim they will not look at unsolicited résumés.

In making this argument, we wish to emphasize two points. First, not every headhunter we interviewed questioned their clients' fidelity. Nevertheless, it arose with sufficient regularity in our interviews and in our fieldwork sites to lead us to conclude that it was a widespread concern. More important, these were unsolicited remarks made, in most instances, by some of the most experienced headhunters we interviewed; client disloyalty had not been one of our initial interview topics. Second, we do not suggest that all clients are as unfaithful as these comments may indicate. Our claim is that headhunters make the assumption of client infidelity—based, quite possibly, on a few incidents—which then shapes how they think and act about clients. We have selected one statement from the various comments that they and others made to illustrate their concerns about opportunistic behavior by clients. A solo practitioner who specializes in engineers in the food and pharmaceutical industries said,

I do know you can't trust them. Absolute statement—there's no loyalty and I just assume there's no loyalty and no trust. If there is, I lucked out, it's a bonus. But they're going to be saying, they're going to give the impression that they're working only with me, when they're really working with several simultaneously. They want to get the job filled as soon as possible, they'll do whatever is necessary to do it, even if it means lying, like, for example, a company tells me I'm working an assignment on an exclusive basis.

Headhunters fear that regardless of how good their relationship with a client, and even if they are engaged in an exclusive search, there is always the danger that the client will hire a candidate provided by another headhunter. It is through painful experience—the "ninth-inning placement from some other source," as one headhunter put it—that headhunters "learn the hard way" that they need to be aware of the possibility of client opportunism.

The issues we have identified here—headhunter vulnerability and their mistrust of clients—are not found in all client-provider relationships. For instance, Faulkner's (1983) study of Hollywood composers cited at the beginning of this article found that filmmakers' power, based on their control over the allocation of work to composers, was counterpoised by their need to hire the top composers to mitigate the risks and uncertainties associated with movie production. To take another example, Larson's (1992) analysis of the dyadic relationships between high-growth entrepreneurial firms and their partners (suppliers, distributors, or customers) revealed an absence of opportunism and the predominance of "norms of fairness, honesty, and reciprocity" (p. 96).

Part of the explanation for the differences between these relationships and that between headhunters and their clients can be found in Burt's (1992) structural hole theory. Headhunters are an example of players in a relationship who have low "structural autonomy" because they are easily replaced by other more-or-less identical players who surround them. A client who considers résumés submitted by headhunters with whom he or she does not have a relationship confirms the replaceability of all contingency headhunters. In Burt's (1992) terminology, headhunters are redundant players because they are so easily substitutable (pp. 40-42). Composers, however, are not so easily substituted for one another. Unlike headhunting, there is no contingency arrangement that allows a client to share an assignment with more than one provider at no cost. Furthermore, as we have already noted, filmmakers have strong incentives to have their films scored by only the best-known composers. Similarly, the partnerships that Larson observed are by definition relationships in which both parties are nonredundant.

Even nonredundant players, however, may be tempted to behave opportunistically if they believe it will confer an advantage. Larson's study offers an explanation for why this may or may not happen. The network dyads were founded on the basis of "prior personal relationships": the partnerships were formed because the leaders of the two companies involved knew each other well. The experience of working together consolidated and strengthened their existing ties, expanding the trust that already existed between them. The relationships, therefore, were socially embedded at the outset and became increasingly embedded over time, providing the preconditions under which honesty and loyalty were likely to flourish. Such preconditions are largely absent from client-headhunter relationships. Most notably, embeddedness, which provides the basis for shared norms and enforceable trust, is weak.

THE HEADHUNTER RESPONSE: RECIPROCAL OPPORTUNISM

Burt (1992) has argued that players may be able to blunt the impact of low structural autonomy by reaching agreement with their competitors not to allow themselves to be played against one another (p. 72). This "oligopoly strategy" is not feasible, however, in the atomized world of headhunting, not only where barriers to entry are minimal but also where rival headhunters may not even be aware of each other's existence. Instead, headhunters have developed a strategy of reciprocal opportunism—they have decided that it is acceptable under certain circumstances to be disloyal and even dishonest in their dealings with clients. This strategy is most visible when headhunters recruit candidates from firms that are their clients, a clear violation of one of the cardinal principles of headhunting. Reciprocal opportunism delimits the loyalty of headhunters to clients by establishing the conditions under which it is permissible to recruit from clients.

Firms from whom headhunters may not recruit candidates are said to be "off limits." The most common reason for a firm's being off limits is that the headhunter placed a candidate there—it is a client. Without exception, all the headhunters to whom we spoke said they had off-limits policies and that they firmly condemned "front door/back door recruiting," or placing one candidate with a client while simultaneously recruiting someone else out of the same firm for another client. Clients, as might be expected, were even more adamant. As one said, "You know the old adage, you're not a source and a client. I take that very seriously."

Off-limits policies would seem to require headhunters to evince a high degree of loyalty and constraint, but in practice they circumvent these policies, and their commitment to clients, in three ways. First, headhunters argue that the client is really a subunit or person within the organization in which they have made placements rather than the organization as a whole. Second, they argue that a client is someone for whom they have made a placement relatively recently—within the previous year, for example. Both rationalizations seek to narrow the definition of a client, that is, to show that an organization that may appear to be a client is not really one. Third, headhunters argue that if an employee from a client approaches them, they are then free to place that employee with another firm. Taking a self-initiated candidate out of a client, they reason, does not violate the off-limits policy because the candidate has implicitly taken responsibility for his or her job change.

The client-is-a-person argument is a reflection of the fact, as we noted earlier, that a headhunter's relationship with a client is really often just a relationship with a contact person—the hiring authority—at the client's firm. This has two implications. First, other hiring authorities within the firm will likely have relationships with other headhunters. Second, if the contact leaves, the headhunter is in danger of losing his or her client. The headhunter-client relationship is thus both individualized and fragmented. Headhunters, in response, restrict their loyalty to the positions for which the contact is responsible. This circumscribed definition of a client was forcefully expressed by one headhunter, who said,

A client is somebody like my relationship with Jane Brown at Meade. Somebody that we've developed a relationship with and I am her primary recruiter, if not her exclusive recruiter. It's not going to behoove me to go in and take somebody out of Jane's organization as far as Meade Coated Board. Now, there are even within Meade Coated Board, there are areas. She handles just the marketing and sales arena. So she is my client for that arena. Now, the paper mill itself and other divisions of Meade are fair game. And they use other recruiters. And they don't use me. So to me, Meade as a corporation is not the client. Jane Brown and Meade Coated Board, or really sales and marketing, is my client. So that's how I define it.

The argument that a client is someone with whom a headhunter has made a recent placement reflects the fact that, even under the best of circumstances, a headhunter's prospects of continuing to make placements with a particular client are uncertain. A firm that has been a very good client may impose a hiring freeze, for example. Another client may decide to bypass its established relationship with a headhunter and give its business to or at least share its business with other headhunters. Headhunters operationalize recency in two ways. First, they set a time limit—the most typical is 12 months—within which, if they have not made a placement at a particular firm, it is no longer considered a client. Second, they insist that a client must be someone with whom they have actually made a placement rather than someone who has just provided them the opportunity of making a placement. For a firm merely to give a headhunter a search assignment does not make it a client, because headhunters claim that companies sometimes hand out “phantom” assignments to protect themselves from being “raided.” Another headhunter declared, “A client is a person whose check lands here and it better be a check every couple of years at least or they're not a client any longer.” In other words, a client that does not maintain its relationship is liable to be raided for candidates.

Perhaps the most common way in which off-limits policies are skirted and loyalty gets compromised involves cases in which a candidate, who either works for a client or who may even have been placed with the client by the headhunter, approaches the headhunter about changing employers. These cases represent the most severe test of a headhunter's loyalty, because the headhunter cannot claim that the client is not really a client. Loyalty would require the headhunter to refuse to accept all candidates from client firms, including those who have approached the headhunter of their own volition. We found only one headhunter who had adopted such an unequivocal position—largely on pragmatic grounds. He reasoned that if he declined to place a client-based candidate, once this person had left the organization (through some other means) he would get the assignment of finding a replacement and his loyalty would be rewarded with still more business from the client.

The other headhunters felt that they were entitled to take a candidate out of a client firm provided the candidate approached them first. The most difficult of these cases are candidates who were placed by headhunters and now approach the same headhunters about getting out. Headhunters justify their "rerecruitment" of these candidates by specifying criteria additional to the main one (i.e., the candidate's making the initial contact). For example, a headhunter may insist that the candidate must remain in the job for at least 12 months before the headhunter will find him or her another job. A headhunter may require the candidate to make some effort to resolve his or her difficulties with his or her supervisor. In the final analysis, however, headhunters view the employment relationship as a contract in which each side has rights and obligations. If an employer does not meet an employee's expectations concerning salary increases or career advancement, then many headhunters feel that they should help that employee to change jobs. As one explained,

Now, my own personal opinion is that if a candidate approaches us . . . and [has] heard that we have an opening that they want to pursue, for whatever reason—better career, closer to home, more money, bigger challenge, who knows—and I have done everything that I possibly could to salvage that relationship with the client, then I feel like I've got an obligation not only to my client to help them find people, but also to the candidates in the industry to help them pursue their career goals. I mean, it's a two-way street, you know.

This headhunter's comment about helping candidates to achieve their career goals highlights the pragmatic flexibility that headhunters see as necessary for their survival in their competitive environment. Headhunters, as we have noted, are agents of clients and are paid by them. In filling the structural hole between client and candidate, the headhunter represents the client.

But when headhunters behave opportunistically (i.e., when they decide to break the off-limits rule), they are, in effect, switching to the candidate's side. The erstwhile client now becomes a source for a new, possibly still unidentified, client to whom the candidate will be marketed. Reciprocal opportunism, therefore, generates fresh candidates whom headhunters will market to new clients.

CONCLUSIONS

A common theme in the recent literature on client-provider relationships is the role of trust as the glue that binds the two parties together (see Dore, 1983; Larson, 1992; Powell, 1990; Uzzi, 1996, 1997). These studies, which typically focus on the ties between manufacturers and contractors, suggest that evidence of high levels of trust can be seen in the expectations that both parties should be honest and frank with one another, that they should not act in a self-interested or opportunistic way at the other's expense, and that each party should be willing to perform favors and provide special treatment for the other without reliance on formal reciprocation. Headhunters' relationships with their clients, in contrast, are far more adversarial. They are similar to the relationships between investment bankers and their corporate clients, discussed by Eccles and Crane (1988).

Eccles and Crane (1988) report that the relationship between bankers and their customers is characterized by "a lack of trust" (p. 69). They argue that mistrust originated in the shift from single-bank to multiple-bank relationships: Most corporations and other issuers of securities now use more than one investment bank when doing deals. This shift, which was designed to capitalize on the growth and increased volatility of the securities market, has led customers and bankers to complain that their dealings with each other have become much more "transactional." Their complaints are strikingly similar to what we have observed in headhunter-client relationships. Bankers criticize customers for treating them as substitutable; they are unhappy when customers with whom they believe they have a relationship use other bankers. For their part, customers distrust their bankers; they fear that these bankers may be tempted to use their knowledge of customers in the service of an acquiring company at some future date. This is the investment banking equivalent of a client company's becoming a source of candidates.

The conflict and mistrust in headhunter-client and banker-client relationships reflects two sets of factors. First, in each relationship there is a strong economic incentive for clients to have multiple providers. Competition

among providers—especially, in the case of headhunters, hidden competition—produces the most desirable outcomes for clients. In contrast, the filmmaking clients of Hollywood composers derive no benefit from open competition. Second, headhunters (or bankers) and their clients do not form an identifiable community as composers and filmmakers, manufacturers and contractors, or Cuban immigrants do. Communities develop norms and embedded ties and are able to enforce trust, as Larson (1992) and Uzzi (1997) have argued. The interweaving of social connections with economic exchanges that is found in embedded relationships creates a strong foundation for honesty and loyalty.

Headhunters, who operate in a highly competitive market without the advantages of client dependence or enforceable trust, are not, however, mere atomized agents bobbing like helpless corks in the sea of economic exchange. Notwithstanding their weak structural position and lack of embedded ties, they do assert some amount of control over their environment through their management of clients. They are able to make this environment less competitive or, to use the language of the structural holes argument, to increase their structural autonomy. These efforts include, for example, establishing exclusive ties with clients and behaving opportunistically toward clients as circumstances dictate. Our analysis reveals that the players in network exchanges are less bound by their positions in the network than the structural holes argument would imply. What we have found to be of most interest is understanding how players, such as headhunters, seek to test the limits of the structural constraints under which they operate and, if possible, to surmount them. Future research on economic exchanges should be sensitive, therefore, to both the structural and relationship dimensions of these transactions rather than focusing exclusively on one or the other, as many current studies do.

APPENDIX: Description and Breakdown of Participating Headhunter Firms

	<i>Type of Firm</i>	<i>Number of Headhunters</i>	<i>Specialty Areas</i>	<i>Number of Interviewees</i>	<i>Interviewee Demographics</i>
Firm 1	Solo practitioner	1	Paper (food, engineering)	1	White male
Firm 2	Multiheadhunter	3	Banking, finance, sales (consumer), engineering	3	White male, White male, Black male
Firm 3	Solo practitioner	1	Medical (nurses, office staff)	1	White male
Firm 4	Multiheadhunter	6	Accounting, bookkeeping, human resources, legal, office administration, office staffing, office support, secretarial, word processing	1	White female
Firm 5	Multiheadhunter	11	Accounting, finance	1	White male
Firm 6	Solo practitioner	1	Engineering (food, pharmaceuticals)	1	White male
Firm 7	Multiheadhunter	8	Accounting, bookkeeping, finance	1	White male
Firm 8	Solo practitioner	1	Sales (investment management)	1	White female
Firm 9	Multiheadhunter	2	Medical (nurses, office staff)	1	White female
Firm 10	Multiheadhunter	4	Food (processing, sales, hospitality, supermarket)	1	White male
Firm 11	Solo practitioner	1	Data processing	1	Black male
Firm 12	Solo practitioner	1	Bookkeeping, office administration, office staffing, office support, secretarial, word processing	1	White female
Firm 13	Multiheadhunter	3	Construction	2	White male, White male
Firm 14	Multiheadhunter	2	Legal (support)	1	White female
Firm 15	Multiheadhunter	19	Accounting, data processing, engineering, finance, Insurance, manufacturing	1	White male

Firm 16	Multiheadhunter	4	Engineering, insurance, medical, transportation	1	White male
Firm 17	Solo practitioner	1	Accounting, engineering, human resources, management consulting, manufacturing	1	White male
Firm 18	Solo practitioner	1	Data processing	1	White male
Firm 19	Multiheadhunter	8	Food (retail and restaurant management)	1	White male
Firm 20	Multiheadhunter	100	Accounting, engineering, sales	1	White male
Firm 21	Solo practitioner	1	Accounting, bookkeeping, finance	1	White male
Firm 22	Solo practitioner	1	Transportation	1	White male
Firm 23	Solo practitioner	1	Food (manufacturing, sales, marketing)	1	White male
Firm 24	Solo practitioner	1	Wireless telecommunications	1	White male
Firm 25	Multiheadhunter	8	Data processing	1	White male
Firm 26	Multiheadhunter	7	Engineering, office staff, sales (corrugated box and paper)	1	White female
Firm 27	Multiheadhunter	4	Dental, medical	1	White female
Firm 28	Multiheadhunter	2	Accounting, human resources, office staffing, office support, secretarial, word processing	1	White female
Firm 29	Multiheadhunter	3	Accounting, data processing	1	White male
Firm 30	Multiheadhunter	5	Retail	1	White male
Firm 31	Multiheadhunter	4	Communications technology, consumer electronics, engineering, product development	1	White male

NOTES

1. Two points should be noted. First, some headhunters do retained searches as well as contingency searches; the headhunters we studied were either primarily or exclusively contingency recruiters. Second, these headhunters should not be confused with the old-fashioned employment agencies who were paid by job seekers and who sought placements for job seekers. Headhunters' clients are employers, not candidates, and their task is to find a candidate for a client, not to find a job for a candidate.

2. Headhunters will frequently let clients know if they think the salary and/or fee is too low. Although they cannot insist on a higher fee, they can decline the assignment.

3. Baker, Faulkner, and Fisher's (1998) study of advertising agency-client relationships found only partial support for the role of individual attachments in maintaining these relationships.

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