

# How Retained Executive Search Works in India

A practitioner's view of retained executive search in India: what the retainer funds, why exclusivity matters, and how the market shapes the mandate.

SANIA NAZEEF · FOUNDER DIRECTOR, STRANCE – EXECUTIVE SEARCH ACROSS INDIA AND THE MIDDLE EAST.

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Retained executive search is a model in which the client funds a structured search of the leadership market, not simply the eventual appointment. The distinction matters because the commercial model shapes how deeply a firm can research, approach and assess the market.

## IN BRIEF

- 01 Retained search funds a defined search process; contingency recruitment is generally paid on successful placement.
- 02 Exclusivity allows one firm to approach the market deliberately and manage confidentiality more closely.
- 03 Decision-making structures vary significantly across listed, professionally managed and promoter-led Indian businesses.
- 04 Notice periods, stakeholder dynamics and cross-border leadership mobility can materially affect search timelines.

## 01 · The Retainer

### What a Retained Fee Actually Buys

A retained executive search engagement is typically contracted and funded independently of whether a particular candidate is ultimately appointed. The client pays for a defined search process: understanding the mandate, mapping the market, approaching leaders discreetly, assessing them against the brief and supporting the appointment decision.

Contingency recruitment operates on a different commercial logic. Payment generally depends on a successful placement. That naturally places greater emphasis on identifying and presenting available candidates efficiently.

Neither model is inherently better in every hiring situation; they are designed for different problems. A board may need a broad and defensible view of the leadership market, not simply access to candidates already considering a move. The retained model creates room for that deeper research.

This is also why a retained engagement begins with a defined mandate. The objective is not an unlimited search. It is an agreed depth of market coverage, a clear assessment standard and accountability for running the process properly.

02 · The Incentive

Why Exclusivity Is Structural, Not a Preference

Running the same senior mandate through several firms can appear to increase market coverage. In practice, it can also create duplicated research, repeated approaches to the same executives and pressure to submit candidates before competing firms do.

When several firms compete on the same brief, the commercial incentive naturally shifts toward speed of submission rather than depth of market coverage. A retained mandate changes that incentive by giving one firm responsibility for understanding and covering the relevant market.

Exclusivity also supports discretion. Fewer parties representing the mandate means greater control over who is approached, what is disclosed and how the opportunity is positioned in the market.

That does not make contingency recruitment unsuitable. For many hiring requirements, speed, access and parallel sourcing are exactly what an organisation needs. At senior-executive level, however, the cost of incomplete market coverage or poorly managed confidentiality can make a more deliberate model appropriate.

RETAINED SEARCH COMPARED WITH CONTINGENCY RECRUITMENT

|                    | RETAINED SEARCH                                                | CONTINGENCY RECRUITMENT                                                             |
|--------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Commercial model   | Client funds an agreed search engagement                       | Fee generally depends on successful placement                                       |
| Primary incentive  | Depth and completion of the agreed search                      | Successful candidate introduction and placement                                     |
| Mandate structure  | Usually exclusive to one search firm                           | May involve multiple firms                                                          |
| Confidentiality    | Easier to control through a single search partner              | More parties can increase market exposure                                           |
| Candidate approach | Coordinated through one search process                         | Candidates may receive approaches from several sources                              |
| Leadership pool    | Can systematically include passive and less visible executives | Often places greater emphasis on candidates accessible within the recruitment cycle |

03 · In India

What Makes Executive Search in India Different

India's leadership market cannot be treated as a single governance environment. A professionally governed listed company may involve a board, nomination committee, CHRO and multiple business stakeholders in a senior appointment. In a promoter-led enterprise, decision authority can be considerably more concentrated.

Neither structure is inherently more effective. What matters for the search is identifying where the real decision authority sits, and who must be aligned before the market is approached. Each stakeholder will also require evidence before making an appointment.

Timing also needs to reflect the realities of the Indian executive market. Senior candidates may have significant notice, transition or contractual obligations. These need to be understood early rather than treated as an unexpected delay late in the process.

The addressable leadership market is also increasingly cross-border. Indian executives may be leading businesses elsewhere, while leaders with international experience may consider returning to India or taking broader regional mandates. A credible market map therefore needs to follow relevant leadership talent beyond a purely domestic list of companies.

For boards, the implication is straightforward: the search process should be designed around the market that actually exists, not around a standard timetable or organisational model.

#### EXCLUSIVITY

The client's commitment to run an agreed mandate through one retained search firm for a defined period. It gives that firm clear responsibility for market coverage, candidate engagement and confidentiality.

**The value of exclusivity is not that it reduces competition between search firms. It creates accountability for covering the market properly.**

#### 04 · In Practice

### What This Changes for a Board's Mandate

The argument for retained search is not an argument against speed. It is an argument for sequencing the work correctly: establish the mandate, decision process, market scope and realistic timeline before approaching candidates.

In India, that may mean accounting for a concentrated decision structure in one organisation and a multi-stakeholder governance process in another. It may also mean planning around notice periods, cross-border candidates or succession considerations that affect when an executive can realistically move.

The search firm's side of that arrangement is accountability. Exclusivity is what lets a firm take clear responsibility for covering the market. With one firm responsible for the mandate, responsibility for market coverage, candidate engagement and process discipline is clear.

A well-structured retained search therefore does not promise to make the leadership market move faster than it can. It gives the board a disciplined way to navigate that market without sacrificing depth for artificial speed.

## **Exclusivity is what lets a firm take clear responsibility for covering the market.**

### **QUESTIONS BOARDS ASK BEFORE A RETAINED SEARCH**

#### **Why pay a retainer before a leader has been appointed?**

Because the engagement funds the search process itself: mandate definition, market research, candidate identification, discreet approaches, assessment and support through the appointment decision. The work begins well before a successful candidate is known.

#### **Why does exclusivity matter?**

Exclusivity gives one firm responsibility for the mandate. It reduces duplicated approaches, allows candidate communication to be coordinated and makes accountability for market coverage considerably clearer.

#### **Why can executive searches in India take longer than expected?**

There is no single reason. Senior candidates may have substantial notice or transition obligations, and stakeholder approval can vary considerably between organisations. The strongest candidate may also not be actively considering a move when the search begins.

#### **Is retained search simply a more expensive version of recruitment?**

No. The commercial structure and the work being commissioned are different. Recruitment typically focuses on identifying candidates who can fill a defined role, while retained executive search examines a leadership market and assesses executives against a senior mandate.

### **05 · The Takeaway**

## **Choosing the Model That Fits the Mandate**

Retained executive search is not simply a premium version of contingency recruitment. It is a different engagement model built around defined market research, deliberate candidate engagement and clear accountability for the search.

In India, the value of that structure becomes particularly visible because governance models, decision authority, candidate mobility and appointment timelines can vary significantly from one organisation to another.

The question for a board is therefore not whether retained search is universally better. It is whether the mandate requires a sufficiently complete, discreet and defensible view of the leadership market to justify commissioning one firm to build it.

When the answer is yes, exclusivity is not an administrative condition attached to the search. It is part of what makes that depth of work possible.

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