

Recruiting and Retaining Top Talent in a Softening Market

Members of CTPartners share their thoughts.

Internal Recruiting

- Performance management becomes critical. Non performers will try and hide.
- Create a mid-to-long term retention program to protect and "cuff" the top 20% of the executive cadre.
- Use this time to move upwardly mobile, high potential management across business platforms and segments.
- Step up the communication and excel at front line communication. Help assuage employees and potential employees concern about the long term viability of the company; for example, cash on hand, investment in R&D and next generation products, where positioned vis-à-vis competitors, analysts' market projections, new customer wins, etc. Long term employee loyalty is based on trust. Ensure the employees understand that the company cares for them.
- Spend more time with top employees. Take their temperature and let them know that you are thinking about their well-being. Include them (as appropriate) in strategic business decisions so the feel that they are an integral part of the present and future.

External Recruiting

- Growing companies (many of which are well established but not yet public) should consider upgrading their talent with pedigreed talent from public companies. While it's often challenging to solicit executives out of brand name companies (unless, of course, the client is also a brand name firm), in a softening market with declining share prices, there is often an opportunity with people considering alternatives that previously were not of interest.
- People become very risk adverse so it is much more difficult to recruit people. Talented executives care about doing well financially, but they also want to work for a solid company that provides them with a good experience.
- Talent needs to move to where the opportunities are, which may require shifting into new markets and sectors. Counter to this point, employers become very choosy about whom they recruit and recruit to very tight criteria.
- Take advantage of talent in less fortunate markets. Financial Services has an abundance of talent in marketing, product development, etc, which can be transferable to other industries (technology, media, telecommunications, services).
- Don't use tough economic times to underpay executives in an effort to get someone cheaper because they may be desperate. It will come back to haunt you when the economy picks up and they leave for richer pastures.