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Time to Focus on Talent Management

How will you attract and retain the best executive talent?

Ask a CEO about the number one thing that keeps him up at night, and you might be surprised by the answer. For many senior executives, the biggest cause for concern is talent management, not the competition. In an informal survey of more than 450 executives conducted last fall by Right Management, 94% of the executives polled said that talent management would be a top priority for their organization in 2010.

Upgrading Talent

As the economic recovery gains traction, executives, who were hesitant to leave their current positions, will be more willing to consider new opportunities. The increased number of qualified candidates will provide companies with a real opportunity to upgrade the talent level of their management teams. However, decision makers must be disciplined in their hiring efforts. They must not fall victim to the “shiny penny syndrome” and should refrain from making hires based on impressive credentials alone.

The First Step – Needs Assessment

Many organizations react rather than making strategic hiring decisions. Developing and implementing a strategic hiring plan is a key step. A company’s leadership team should conduct an honest assessment of the strengths and weaknesses of the current management team and the organization as a whole. During the recession, many companies managed headcount to save expenses in the short term and did not make more strategic long term decisions. First and foremost, the executive leadership of a company must set goals and develop a clear vision of where the organization is headed. Decision makers should understand the skills and

attributes that each member of the leadership team must possess in order for the company to reach its goals and make the strategic vision a reality. Then, the current management team should be evaluated using those criteria. If there are gaps or weaknesses, the company should make strategic hires that will fill those gaps and strengthen the management team. In evaluating a particular candidate, decision makers must keep the overall goals of the company in mind and determine whether that candidate has the right skills to ensure that the company meets or exceeds those goals.

The Job Description

After hiring needs have been identified, the leadership team should develop detailed descriptions of the desired positions. In addition to the requisite skills, educational requirements and experience, these descriptions should address the specific duties, degree of autonomy and oversight, responsibilities of direct reports and goals and expectations for the position. Such a detailed description not only helps decision makers narrow their search, but it can also be a major selling point to potential candidates. Many executives are bored in their current positions and looking for a new and challenging opportunity. A well crafted job description can generate excitement that attracts higher quality candidates and should ultimately result in a better hire.

Cultural Fit

The importance of cultural fit is oftentimes ignored by companies when conducting a search. It is a costly mistake that can be avoided. The decision makers involved in the hiring process should have a deep understanding of the culture of their organization. In an article entitled “How

Route to:

to Select Your Next Executive Hire” (posted to *Business Week.com* on September 19, 2008), Joseph McCool, noted author, speaker and consultant in the search industry, advises “The more you know about the subtleties of your own organization, the more you can speak to its shortcomings, potential, and the kinds of leaders it needs to embrace the cultural elements that make it a great place to work . . .”

Decision makers must also try to learn as much as possible about each candidate’s working and management styles, personality and strengths and weaknesses. Just because a candidate had success in a previous position does not mean that she will enjoy the same type of success in a different setting. Interviewers involved in the process should be trained to ask follow up questions that will require a candidate to provide more details and insight about themselves. Involving more of the management team in the hiring process will provide different perspectives and more valuable insight regarding the fit of prospective candidates. Many companies also use psychometric testing to learn more about a candidate’s personality and leadership traits. Whatever methods are used, decision makers must ultimately try to anticipate whether a particular candidate will thrive or flounder in their company’s culture and environment.

Employer Brand

A company’s “employer brand” in the marketplace can dramatically affect the results of a search. How will the organization be perceived by candidates? What will current employees say to potential candidates regarding the working environment? Those involved in the hiring process must be prepared to address any issues with potential candidates and assuage their concerns. As the old saying goes, “Perception is reality.” Today, that is truer than ever with the proliferation of blogs and social networking groups and 24-hour news. Leadership at companies who are not proactive in identifying potential issues will be left wondering why they are unable to attract top level talent. Although many companies were forced to reduce headcount during the economic downturn, decision makers should be prepared to discuss the steps they took and the manner in which they were implemented. Merely stating that expenses had to be reduced

will not be a sufficient answer for a high-level candidate.

Retention Efforts

Identifying key members of the management team and hiring new talent are only part of the process. A company must also retain its talent. Many organizations cut or eliminated talent management and retention programs during the recent downturn. As a result, employee satisfaction has decreased dramatically. The most recent survey conducted by The Conference Board (an independent research organization) revealed that only 45% of workers in the US are satisfied with their jobs – the lowest level in over twenty years. Companies that do not address retention issues and develop long term strategies will find themselves in a precarious position as the baby-boomers begin to retire. Not only will these companies lose their existing talent, they will be unable to attract new talent. The next crop of leaders will come from Generation X and Generation Y (“Millennials”) whose members have entered the workforce in significantly lower numbers than their predecessors. The resulting shortage in leadership will make talent management and retention even more critical over the next five to ten years.

Implementing the Plan

Those companies that take a strategic, reasoned and long term approach to talent management will attract and retain the right people for their critical leadership positions. Sanford Rose Associates offices work closely with their clients in implementing their plans. Our proprietary Dimensional Search® process matches (1) the client’s expectations for the position with those of the candidate, (2) the technical requirements for the position with the candidate’s education and background, (3) the candidate’s experience and personality with the company’s culture, (4) the chemistry between the hiring manager and the candidate and (5) the candidate’s past experience with the client’s expectations for the major initiatives of the position.

—Rick Carter

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