

THE PEOPLE PERSPECTIVE



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For Workplace News

How times change. A year ago, organizations were scrambling to attract new talent and doing anything they could to keep it. Employees never had it so good. They were floating on stock options, jumping to IPO bound start-ups, and buying new cars with their bonuses or overtime loot.

But that's all over now — or so the conventional wisdom goes.

Unemployment levels remain relatively low. Talented workers are still able to find a place they can call home. But the mood has changed dramatically.

Major layoffs have been announced by the likes of Nortel, Disney, GM, Procter & Gamble, Motorola and Delphi Automotive, to name a few. Perks and multiple offers are a thing of the past. Quiet hiring freezes are the rule. Recruiters themselves are now looking for work, and job postings get hundreds of e-mailed resumes hours after they go up.

For many companies, it's time to retrench, cut back, slim down and duck for cover until the storm blows over and it's safe to start thinking about hiring again.

But those are the companies that are going to be in real trouble in the future. Because when the tide turns,

The war for talent: Time to retrench or rev up?

those organizations that haven't focused on retaining their best talent are going to be stuck on the rocks. Meanwhile, the smart company that thought long-term about future leadership needs will be in full sail, putting distance between itself and the rest of the pack.

Think about it this way: Jack Welch, CEO of GE, says you don't go looking for bargains when the market is at its peak. You make your best strategic acquisitions when times are tough because prices are low and every one else is too scared to be bold.

And the same goes for recruiting and retaining the talented employees who will be your future leaders.

On the one hand, this is a great time to be looking for bargains. During the talent war frenzy, it was always a challenge to be distinctive and attract the best. Money alone couldn't do it. Someone else could always outbid. Even perks were getting outrageous.

And the truth is, money and perks were never what the best people wanted. When pressed to name what really matters, most answer that they are looking for somewhere to belong, an organization that inspires and energizes them, a place that has meaning because its values fit with their own. Those are the people you want too, and convincing them to join you has just gotten a whole lot easier.

When it comes to hiring, this is not the time to ignore the people who may be banging on your door. It's the time to add highly skilled and much desired employees to your labour force. If you're smart, you will figure out what you want and need and intensify your people strategy to make your company stronger.

In the same vein, it's also the time to make sure you keep the best that you already have.

If, in the next few months or years, you focus more on cutbacks than on keeping your key employees, your best people will be the first to hit the road. Ironically, the employees who are most insecure about their abilities and market potential will be the ones who hang on the tightest. And those are the people you'll have available to select from later on when grooming your future leadership team.

Make no mistake, developing leadership is ultimately your number one strategic issue. That's why you're looking to attract and keep the best in the first place. And the pressure for leadership is going to intensify in the next decade — not lessen.

Why? It's a matter of simple mathematics. Demographically, there are significantly fewer 35- to 45-year-olds out there to replace the "Boomers" who are currently running your company. And the leadership potential within your ranks is thin right now because you've been biting for technical

skills (rather than leadership behaviours and people skills) to get you through the boom period.

During this downturn, you need to identify, nurture, develop and, most importantly, retain the key people you have in your ranks who are capable of leading your company in the future. If you don't, you can be certain that other organizations will leap frog yours.

So what is your strategy- to attract, hire and retain the best? Forward thinking CEOs are rating human resources as the vital link to organizational renewal and longer term success.

The value of recruitment and, even more importantly, retention, is clearly reflected in the bottom line. And the bottom line — the real dollar costs of losing key people — is the language you need to speak when making your point internally.

But there's yet another language that you need to learn — the language of "employee brand," a way to capture and showcase the heart of your organizational culture in order to ensure that the right people choose your company over others, and think of you first as the place they want to be and stay. ●

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