



A Candidate-Driven Approach to A&F Recruiting

by

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Five years ago, employers held a powerful hand in the hiring marketplace. Unemployment was high, the recession was deep, and many employees were feeling the pain. They were either content to simply maintain—their jobs, their benefits, their security—or they were frustrated by stagnant wages, meager bonuses, or under-water stock options. The candidates that I work with and my clients seek, fell into the latter category. They were high performers working at companies that didn't appreciate their value.

That was then.

Thanks to a slow but steady economic resurgence, the need for strategic human capital investment, and increasing employee confidence, talented candidates now hold the upper hand. Yet while the hiring dynamics have changed appreciably, too many employers still approach the recruiting and hiring process like it's 2009.

Don't be one of those employers. It's time to embrace a candidate-driven approach to attracting top talent.

An Economic Recovery

While the economic recovery is slow, there is little doubt that the U.S. economy is climbing back from its 2008 depths.

- In her April 16th address to the Economic Club of New York, Federal Reserve Chairwoman Janet Yellen told the gathering that, "More than 8 million jobs have been added to nonfarm payrolls since 2009, almost the same number lost as a result of the recession." She went on to cite a few important statistics:
 - Unemployment is down to 6.7 percent, slightly more than 1 percent above the Fed's long-term forecast.
 - Inflation has dropped from 2.5 percent in 2012 to less than 1 percent in 2014.
 - The Fed's large scale asset purchases have been reduced from \$85B/month at the outset to roughly \$55B.
- Retail sales reported their largest monthly increase in more than 18 months.
- Gross Domestic Product increased 4 percent in the second quarter of 2014, a sharp increase from the 2.1 percent decrease in the first quarter.
- Personal incomes and savings steadily increased from April through June.
- Employment gains remained steady with 209,000 new jobs in July, a rate equal to the increase over the last 12 months. The professional and business sectors have added almost 650,000 jobs over the last year.

Renewed Interest in Hiring

Thanks to this economic recovery, more companies are now seeking to replenish the talent they lost to layoffs and Baby Boomer retirements. They're not simply replacing the people previously let go, they're re-assessing the marketplace and focusing on skill sets that will create competitive advantage. Not surprisingly, companies within like industries are reaching the same conclusions about the talent necessary to excel. The result? Prospective candidates with the most in-demand attributes are in high demand.



The coin has flipped.

A [2012 Boston Consulting Group survey](#) of 4,000 firms from around the world asked executives if they faced a workforce shortage or surplus in various parts of their company. Their responses underscore the current talent gap. More than 80 percent reported an employee shortage, especially in areas such as health care, banking, technology, media, and public services.

The BCG report laid the groundwork for “2014: The Year of the Employee”, a report from Bersin by Deloitte Consulting. It identified challenges facing employers this year which, if successfully addressed, can lead to growth and engagement:

- Recruiting, retention and employee engagement.
- Creating a global brand.
- Developing a leadership supply chain, especially for Millennials.
- Simplifying technology to make it more accessible and understandable for use in recruiting and retaining.
- Building continuous learning opportunities to address evolving skill needs.
- Using social media internally.
- Integrating talent management—from recruiting to retention to retirement—in a holistic fashion.

They are significant challenges for any organization and serve as an excellent roadmap for executive leadership to follow.

My focus at Lucas Group is recruiting and hiring top talent. The most important recommendation that I make to any employer is to approach recruiting and hiring as if your future depends upon it...because it does.

Unlike recent history, the talent marketplace has become highly competitive. Companies who succeed in the talent marketplace have a much greater chance of succeeding in the business marketplace. [In an article in the Human Resources newsletter, TLNT](#), Kyle Lagunas underscores the challenges companies face. “And while it’s difficult to keep track of every detail in the recruiting and hiring process, candidates aren’t particularly forgiving. Last year alone, 56 percent of employers reported that a candidate rejected their job offer.”

How can you minimize rejections and succeed in the talent marketplace?

- **Plan for the Future**

Workforce planning is a necessity as talent needs shift and the generational landscape evolves. By 2020, 50 percent of the workforce will be from Generation Y, and Generation Z will be graduating its first collegiate class. Those organizations that simply recruit and hire as each opening occurs are content to react to unplanned departures as they happen. But those who do plan carefully are demonstrably ahead of the competition. They consider the skills necessary today (accounting) and tomorrow (big data). They have prioritized the people and positions that are critical to their organization’s competitive effectiveness. And they’ve launched training and retention programs designed to keep those people engaged. If you’re not conducting this type of planning, you’re at a competitive disadvantage.

- **Do Unto Others**

The recession is over and the hiring dynamic has changed. Offering someone an opportunity doesn't constitute doing them a favor. As an employer, you're no longer in the catbird seat. Treat talent with the same courtesy and respect with which you want to be treated. That means being well prepared and arriving on time for interviews; keeping strong candidates apprised of the interview/hiring process without them having to pester you for information; and being prepared to discuss social media critiques of your organization from such sites as [Glassdoor](#), [LinkedIn](#), or [Vault](#)

- **Move with Speed**

Time is no longer on your side and I continually counsel my clients to move quickly when a great candidate surfaces. Type "accounting/finance/audit manager" into Indeed or LinkedIn and see how many job opportunities are out there for people with these skills. This afternoon, I found 2,274 jobs available on LinkedIn alone. If you're doing that as an employer, chances are high that candidates are doing it as well. Just as you are evaluating them, they are evaluating you; by reviewing social media, networking with friends and peers, and possibly even directly contacting others in your organization. They have many options. Waiting until you can cross off everything on your job description checklist may mean that you miss top talent. Move with intelligent speed in your recruiting process or run the high risk of losing the person who could make a difference.

- **Money Matters**

Despite their reputation, even Millennials care about money. Employers must consider both the actual cost of offering more than you planned vs. the opportunity cost of not successfully obtaining that person. In today's environment, top talent is attracting multiple offers, sign-on bonuses, and stock options from new opportunities. They're also receiving counter-offers from their existing companies. Understand this dynamic going in and consider making an initial offer that will simply make the competition go away. In today's market, it's better to err on overpaying at the outset than to lose your top candidate to a counter-offer.

Relocation is also rising in importance. One of my clients is willing to pay relocation costs, purchase existing stock buy-outs, help with bridge loans, and offer other incentives to find the right person for their investment group. That makes sense for them. But for most of my clients, I recommend broadening their parameters to find more local candidates rather than investing in relocation costs. That's especially true now as anyone who bought a house from 2005-2012 is likely to have far less equity than those who bought within the last two years. Relocation is certainly an option but one that should be further down your "willing-to-do" list.

- **Brands Don't Matter (as much)**

This is especially true for Millennials, the most sought-after hiring generation. A few marquee brands (Apple, Google, etc.) have continued hiring clout. But Millennials tend to be more interested in variables like a good work/life balance, short commutes and/or flexible work schedules, the cultural norms of an organization, and opportunities for advancement. They're also highly attuned to understanding how their role helps achieve the corporate vision. A great brand is beneficial. But these organizational characteristics hold more appeal for Millennials.



Don't Forget On-Boarding

Recruiting and hiring are critical to your organization's future. But don't stop recruiting once the contract is signed. A positive onboarding experience can appreciably impact employee retention. In [Y-Size Your Business](#), author Jason Dorsey says that 90 percent of Gen Y workers determine on day one if they will remain in their job. "Studies show that 22 percent of turnover in the U.S. occurs in the first 45 days of employment," said Lagunas. "New hires expect to hit the ground running. But if a hiring organization can't get them up to speed in a timely manner, they risk losing those employees. And considering the average cost of turnover is around 20 percent of an employee's salary, failure to manage hiring effectively can be costly."

Onboarding failure is indeed costly. Take practical steps to ensure that your new employees' first days on the job are productive and welcoming.

- Have their business cards printed and on their desk.
- Ensure that all of the IT hardware and software is ready for use.
- Introduce them to their colleagues.
- Designate a mentor to whom they can turn when they have questions about how things are done or where they can be found.
- Check in on them periodically to see how they are acclimating and allow them to ask questions or verbalize frustrations.

Conclusion

A candidate-driven approach to hiring and recruiting in accounting and finance is mandatory in today's market. Hold your employees and recruits to high standards. But impress upon them the importance of humanizing their professional lives. Implementing these few simple policies can send the powerful message to future recruits and today's existing workforce that your organization truly cares about its people.

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