



Driving Financial Success through Strategic Talent Sourcing and Hiring

by

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Realism and Optimism Can Coincide

To be certain, the economic forces impacting today's global marketplace are staggering. From Greek debt and the euro's struggle to China's slowdown and ever-present political unrest in the Middle East, realism tells us that most of the world's swirling economic factors are not favorable.

Yet, as the old adage suggests, business leaders have a choice about how they view the proverbial glass. While in many respects the economic glass remains half-empty, there is also clear evidence for adopting a half-full approach to talent recruitment, development, and retention. Spending cuts and technology investments were critical to surviving in the darkest of days, but they are only two of the three fundamental pieces to renewed growth. The U.S. economy is edging – even if ever-so-slowly – into the positive, and many companies now recognize that it's time to bring in the third piece and reinvest in human capital.

Many CFOs are now cautiously optimistic and more focused on recruitment. According to the Duke University/*CFO Magazine* Global Outlook survey, CFOs consistently cite hiring and retaining qualified employees as their number two concern, second only to protecting EBITA. In response to this challenge, 68 percent of CFOs say that they are actively trying to fill vacant positions and nearly half say that they've had difficulty filling a position in the last year.

Like any investment, recruitment and retention require the right approach. CFOs are recognizing that an intelligent focus and sound methodology can assist them in recruitment and retention, as it does in all things financial. And as 60 percent of CFOs cite that they will recruit more actively going forward, I challenge them also to recruit more effectively.

How do you recruit and retain with active efficiency? How do you ensure that the investments you make will pay the dividends you seek? This paper outlines guiding principles CFOs and other hiring authorities should consider as part of their corporate recruitment and retention programs.

Invest wisely, and move your company steadily forward in an emerging economic recovery.

Hire and Manage Like Your Job Depends on It

A superior team almost always makes the job easier. Great leaders hire outstanding people and feel comfortable knowing that those within their ranks bring intelligence and potential to the job. Thus, the most important task that senior executives face is to hire smartly and manage wisely. Everything else is secondary.

Who you hire and how you manage them directly impacts your company's performance, and these two actions are ongoing and intertwined. You cannot consider one without having a plan for the other. Hire without developing and you'll lose your best talent to the outside.



Invest too heavily in developing poor hiring choices and you're wasting both human and fiscal resources. Approach them in concert with each other and watch your productivity rise along with your profits.

Recruitment is an ongoing and active process. Don't think of it as an act that starts only when a vacancy requires filling and stops once that person is onboard. Clearly, there are times when an unexpected and critical vacancy occurs. In those situations, invest the necessary time to find the right new hire, recognizing that the time spent managing a poor hiring choice is far greater and far costlier. It may sometimes make sense to hire an interim contractor or consultant while you identify an outstanding replacement. Doing so allows you to accomplish your short-term imperatives while you find an exemplary candidate to address longer-term goals and objectives.

But consider that recruitment extends beyond these obvious vacancies. Don't wait for a key departure to begin ongoing succession planning. We know that these vacancies will occur, even if we can't precisely target when and where. **Be ready.**

- *Expect vacancies and shifts in your organization, and be prepared to manage these changes with active efficiency.*
- *Have a deep bench and be ready to promote. Consistently retain and groom replacements and place value on professional development from within your organization.*
- *Keep abreast of successful people at other companies who could one day be key to the success of yours.*

Recruitment and management go hand-in-hand. Today's hiring market is shifting and more and more industries are witnessing the return of the candidate-driven market. Successful professionals are sought after and have choices in the workplace. Recruiting and on-boarding, while critical in the acquisition phase, aren't enough. **Executives need to embrace these three steps to managerial excellence:**

- 1. Hire people smarter than you and hire to improve, not simply replace. The benefits of escalating excellence are clear.*
- 2. Train, challenge, and encourage your top performers. Doing so will not only increase their productivity now but just might keep these leaders working for you and not your competitor.*
- 3. Replace weak links proactively. Don't wait until under-performers resign, and don't live with problems simply because you don't have a replacement at the ready. Always be thinking ahead. Passivity encourages mediocrity.*

I know from personal experience. I became CEO of Lucas Group in 2009, and my first week on the job was difficult. The firm was not in a good place financially and people were understandably concerned. What was I going to do and how was I going to do it? One person was convinced that he had the answer. Our CFO spoke to me frequently and forcefully throughout the week about his belief that we should file for bankruptcy, and his background as a bankruptcy specialist made it clear how his perspective was formed. I was both disconcerted by his persistence and disagreed with his conclusions. My knowledge and my instincts told me that we could and would recover from our current setback, so I told him to hold off on anything until I had a more in-depth look at our finances and our corporate future.

Despite my direction, he persisted with his bankruptcy recommendation, seemingly on a daily basis. I was planning for my first meeting with our GMs from across the country to discuss the company, our direction, and my approach. Our first meeting was to be open-ended, and I wanted to hear their thoughts and their vision and share mine with them. I expected both serious discussions and blue-sky ideas.



I told the CFO that this meeting was not the time to discuss bankruptcy. If that path became necessary, we would have those dialogues in the weeks to come. No matter what, my first management meeting was not going to focus on failure.

When the time came at our GM meeting to discuss finances, the CFO closed his presentation with his firm belief that we should file bankruptcy. There it was – undisputable evidence that he neither shared in the corporate vision to emerge from our current troubles nor possessed the professional experience to see beyond his myopic perspective. Within the month, we sought a new CFO. Within the year, we had more than recovered, and we were thriving as a company. Bankruptcy was a distant memory.

We hired one of the most capable CFOs I've ever had the privilege of working with, and we are stronger than ever as a premier executive recruiting firm. We hired not simply to replace, but to improve. That critical choice in the early days of my tenure as CEO helped to establish a half-full viewpoint for our corporate culture and laid the groundwork for our investment in success.

Talent Matters

We know smart management requires smart hiring, and it's important to create a company culture that acts as if talent matters; because it does. Retaining, recruiting, and hiring top talent is a great differentiator.

Consistently high-performing companies consistently invest in talent. It's a wise and proven approach.

As you recruit in a highly competitive environment, it's important to recognize that many of the best professionals are not actively looking for new opportunities. Perhaps the precise people you need are heads-down, busy driving success elsewhere. To succeed in identifying and recruiting the best possible talent for your organization, you must shift your focus from being sold on their credentials to being the seller of yours.

We work with scores of candidates on a daily basis, and time and again we hear similar frustrations during the interview process. Perceptions and experiences of the candidate weigh heavily during offer acceptance considerations. Demonstrate how important talent is to your organization.

Follow these guiding principles and don't lose out on great candidates because of early impressions:

- *Be timely for interviews and be fully present – set the smartphone down for a few minutes and give the candidate the focus and attention she/he expects.*
- *It's appropriate to be probing and persistent, but be prompt and polite as well – both during the interview and in all recruitment communications.*
- *Be enthusiastic! Share your organization's goals and help the candidate envision him/herself as a part of it.*
- *Treat the entire outreach, interview, and follow-up process as an opportunity to sell your company and your objectives to a talented candidate who can make a positive financial impact.*

In this age of viral media, remember that how you treat candidates is readily shared beyond word-of-mouth. Their experiences – especially if they're negative – can go viral within minutes and damage your company brand at lightning speed. A professional approach to interviewing is good marketing, and treating candidates respectfully is great business.

Coordination in the hiring process is also critical. Mixed messages or uninformed team members don't bode well for enticing enthusiasm and interest from talented professionals. Coordinate your efforts within your organization and with your external partners to ensure you present your best foot forward.



Your hiring manager, Human Resources team, and recruiting partner should all have a coherent understanding of the strategic and tactical demands of the position. Tell the same story and sell the same product.

Your resume inbox may be overflowing, but chances are your highly-qualified talent pool is not. Consistently focusing and investing on smart talent acquisition will help ensure that you attract and hire the people with both the skills and the vision your company needs.

Define Your Needs and Your Wants

When considering candidates, draw a clear picture of what you need and what you want. Take the necessary time to detail the position and its importance to your organization. When competing against other companies in the hiring process, you must be well-prepared, focused, and highly-persuasive in an effort to entice outstanding candidates to leave what they know for the unknown or to choose you over a competitor.

To define your needs and wants related to important hires, consider the following:

- *Why are you hiring for this position and not eliminating it? What critical importance does it play in the overall strategy and objectives?*
- *What – precisely – is expected from this position and upon what top tenets will it be evaluated?*
- *What are the key challenges and opportunities this position will face in the organization?*
- *What critical skill-sets and characteristics are necessary for success in this position? What will the company need to provide this candidate to ensure that success?*
- *Consider the real transferability of education and skill sets. For instance, an educated accountant may readily become an analyst, but the reverse is more difficult. Look outside prescriptive industry experience when possible. Real talent, regardless of industry, is consistently valuable.*

Interview and hire based on your defined needs and wants moving forward; not on the past. Take an honest look at your organization and define what you lack. What do you need most? Hire to your weaknesses – what you don't have, they should. The most successful executives hire the most talented people. Never hire down; raise up.

Other key aspects to consider during the recruitment process are soft skills. While proficiency skills are critically important – particularly in accounting, finance, and technology, where these skills must be verifiably in place – soft skills play a vital role in predicting an executive's success as well.

A few years ago we partnered with a client in the Southwest after they had made a poor CFO hiring choice and needed outside recruitment consultation. Their long-tenured CFO stepped away and the private equity firm managing the company installed a very brash and self-assured replacement. Rather than investing time to understand his new culture, he embarked upon a misguided effort to radically change the culture to fit his priorities. He terminated a number of highly-experienced and capable people in the Finance group and those who remained quickly left. They liked neither his direction nor his approach. In less than a year, the Finance department experienced an almost complete turnover in personnel.

While in some cases, clearing the room may be healthy, in this case, it most assuredly was not. The knowledge, experience, skills, and deep understanding that the Finance team possessed went out the door with them. Those hired to replace them lacked what was needed to excel under difficult financial circumstances. Within 18 months of hiring this CFO the company filed for bankruptcy and the CFO was terminated. Change is fine. Recklessness is not.



Soft skills matter and are as important to success as technical experience. This company needed more than functional proficiency. Recognizing this, our client looked to us to help them identify not only a skilled CFO but someone who could truly lead their organization during difficult times.

Recruiting is Marketing

Make recruiting, hiring, and retention an extension of your company's marketing. Traditional job descriptions are ineffective. Write your job descriptions as if they were position advertisements.

Develop new descriptions that market your company and this position as effectively as possible. They should clearly describe the goals and objectives of the position, as well as lay out how this position contributes to the overall company's vision and strategy.

Utilize marketing methodology to develop and create your job descriptions. Consider classic elements such as positioning, messaging and proof-points, and write your descriptions using actionable words and phrases as well as positive undertones of achievement and value. ***Be specific wherever possible.***

- *What are the 12 month goals and objectives for this position? What about at 36 months? 60 months?*
- *What challenges will this position face? Be candid up front. If the person you hire isn't ready to face these challenges, then you've hired the wrong person.*
- *What opportunities will there be for this person in terms of advancement and growth? Careers are made from stepping stones. Help your candidates see the path ahead.*

Market your product (i.e. your company and your open position) to your desired target. Consider their perspective when crafting your message and tackle their inevitable questions with candor. Developing position descriptions that are both informative and enticing will help attract the A Players you seek.

Don't Go Old School

The days of roaming the classified ads for job opportunities are essentially over. Talented, successful people rarely look at classifieds or job boards. Those who wander the hallways of old technology are not the people you need for the future. If that's where you invest your search and recruiting efforts, you're targeting the wrong end of the talent market.

We live in a media-rich environment. Take advantage of it to find the *right* talent pool. Take your message to where your target audiences exist. Use social media, personal and digital networking, outbound phone calls to desirable candidates, and perhaps an executive recruiter. You need to find people who are successfully accomplishing the goals you seek. Classified ads and job boards rarely achieve that.

At the same time, it's important not to allow technology to control your search. Software application packages can sometimes screen out highly capable candidates because their parameters are too narrowly set. For instance, a search for candidates with PhDs, those who make less than \$165,000, and people with specific industry experience can screen out highly talented candidates every step of the way.

In a recent article in *The Wall Street Journal*, Peter Cappelli, a professor of management and human resources at the University of Pennsylvania's Wharton School and author of the book "Why Good People Can't Get Jobs" relates a choice email that "came from a company that drew 25,000 applicants for a standard engineering position only to have the HR department say not one was qualified. One job seeker said 'he had been told he was perfect for a given position—except for the fact that his previous job title didn't match that of the



vacancy,' a title unique to the prospective employer." While software applications clearly offer benefits to under-staffed HR departments who must weed through hundreds – if not thousands – of incoming resumes, judicious use is essential for hiring success.

Further, smart job applicants are increasingly peppering their resumes and profiles with keyword nuggets designed to get them past software screens and front and center on your interview list – whether they're qualified to be there or not. Don't let software alone define your talent pool. Human engagement, complemented by intelligent technology, is the ideal approach.

Does a Recruiter Make Sense?

Even though I run a highly successful executive recruiting firm, recruitment services are not for every situation. There are advantages and disadvantages to working with outside partners, and a clear understanding of the executive recruitment process is needed before making that evaluation.

If you decide to move in the direction of engaging a recruitment partner, there are a few important tenets to apply that can help ensure a successful business relationship. ***When researching executive recruiting firms, make sure you find a partner who exhibits the following advantages:***

- *A provable track record of success in identifying and placing demonstrated, successful talent that may not be readily found on job boards or through standard job postings.*
- *Industry, functionality, or geographic-specific experience – based on what matters most to your organization, seek a recruiting partner who intimately understands your market and knows where and how to find the people who can be successful in it.*
- *A consultative, insightful approach – you want an engaged partner, someone who is candid and provides intelligent feedback; not an arms-length vendor pushing a stack of resumes.*

Despite how some may try and convince you to the contrary, there is no magic bullet with executive recruiting. It requires a dedicated passion for doing the right thing – on behalf of both the clients who engage them and the candidates they place. A quality partnership with a recruitment expert requires ongoing and honest communication and a shared commitment to finding more than an adequate hire; it requires identifying *the right hire for you.*

Conclusion

The recruiting and hiring marketplace is rapidly shifting, affected on multiple fronts by ever-changing economic forces. From the global economy to the local marketplace, there are factors that we cannot predict, let alone control. Despite these challenges, forward-thinking companies are making a deliberate and thoughtful mind-shift. They are choosing to see the recruitment and hiring glass half-full, and they are actively investing in their futures by engaging in intelligent, effective recruiting.

These leaders recognize that carefully crafted recruiting, hiring, and retention programs will provide the ever-important competitive edge. ***A few guiding principles will you succeed in this high stakes game:***

- *Expect and plan for change in your organization. Develop and promote from within your bench and create a realistic, effective plan for acquiring talent from the market.*
- *Recognize and assert that talent is critical. Hiring and developing top talent improves every aspect of your company.*



- *Match job descriptions to the realities of the position, your organization, and the aspirations of your candidates.*
- *Ensure that everyone involved with the recruiting and hiring process clearly understands and is invested in its success.*
- *Approach recruiting, hiring, and retention as an extension of your marketing efforts. Keep in mind that you are being evaluated as carefully as you are evaluating.*
- *Utilize multiple media, your own network of colleagues, and qualified recruitment partners to search for candidates who match both your corporate needs and wants and who will truly excel at your company.*

Recruiting, hiring, and retaining highly-talented people will positively drive your financial and operational future.

Make the investment to match your desired returns.

Implement these approaches and values in your organization and execute on them to ensure your success.

I'm interested in your thoughts and lessons-learned on this topic. Please send your ideas, experiences, and comments to me at andi.jennings@lucasgroup.com.

