

Are you preparing for the largest talent churn in decades?



As the fog of the Recession begins to lift, keep all eyes on your top talent.

by Celeste Gudas

At long last, the economic recovery is upon us, albeit in fits and starts. One of the most hopeful signs of the coming turn-around and brightening job market is the May 2010 report from the Bureau of Labor Statistics (BLS) which reported more Americans quitting their jobs than being laid off. April saw the highest number of voluntary resignations in a year, and the lowest number of layoffs since 2007.

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Paired with the BLS news is the recent publication of several studies, ranging from the venerable Harvard Business Review to HR industry forecasters. These warn of a significant talent churn in the coming year. It

seems that the slightest glimmer of hope is all it takes to inspire new found confidence in the gainfully-employed survivors of the Recession. Many of these employees see the brightening economic reports as the signal to flee from companies where they had found shelter.

For those who have quit, most have left for a firm offer. But some intrepid job-seekers are so sure of the turnaround that they are leaving with no offer at all. Instead they choose to seek greener pastures, incomeless, not looking back at jobs they've come to resent.

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Perhaps the most troubling finding of the studies is that the desire to defect was greatest among the brightest talent within companies. One in 4 top performers reported that they are planning to jump ship within the year. This is significantly up from 2006, when only 10% expressed a desire to make an employment change.

What's Behind the Predicted Churn

According to the 2009-2010 U.S. Strategic Rewards Report conducted by Watson Wyatt Worldwide and WorldatWork, "actions taken [by corporations] to combat the downturn have had a significant negative impact on some employee perceptions". This holds true in recent industry research that finds that as companies cut staff to the bare minimum during the Recession, the result has been a less engaged and exhausted team left behind to shoulder the workload.

Lately, media reports feature working Americans expressing disillusionment and resentment towards their employers. Feeling put upon and taken for granted, they are embittered by the lack of pay raises, training and development, and having to do the job of several people for no additional compensation. Even those who had once been happily willing to work doubly hard to preserve themselves through layoffs no longer consider "gratitude for employment" enough of a reason to stay loyal to the team.

As companies unfreeze their full-time hiring or seek stop-gap freelancers to test the economic waters, increased employment alternatives tempt both motivated and passive job seekers to take the leap of faith and make a career change.

With companies fighting their way back, now's not the time to be caught short-handed in the talent department.

The Challenge for Hiring Managers

Companies realize they can no longer squeeze another drop of productivity from their lean staff, and many are beginning to rebuild teams shrunken by Recessionary actions. In addition, companies will need to re-engage disgruntled top performers, and stoke the talent pipeline in anticipation of their attrition. Finding replacements for resigning key talent will be particularly challenging because the "do more with less" working conditions have raised the bar in terms of skill sets, endurance and productivity. Faced with a challenging work load inherited from eliminated colleagues, existing workers have become highly-skilled, multi-tasking hybrid professionals, stretching well beyond their original job descriptions. They are adaptable, flexible and extremely quick to learn. Not only are these top-performers at highest risk of leaving, they are also most sought after by other firms experiencing the talent churn.

Shoring up over-worked staff or filling unexpected vacancies with freelance contractors can go a long way in rebuilding trust with cynical remaining employees, improving morale and staving further resignations. It also buys time while determining full-time hiring requirements and provides an opportunity to "test drive" attractive hybrid freelancers before committing to a permanent hire.

As the war for talent heats up, Hiring Managers must unlearn some bad habits developed during the Recession, when resumes were plentiful and companies had all the time in the world to mull over candidates at bargain prices. Increasingly, time is of the essence, whether considering a permanent or freelance addition to the team. More and more, once companies have gotten around to making a hiring decision, many

are unfortunately finding that the attractive candidate they were considering has been taken. Or the candidate has multiple sweet offers to choose from, as the market grows increasingly competitive and compensation packages improve.

Forewarned is Forearmed

With companies fighting their way back to pre-Recession strength, now's not the time to be caught short-handed in the talent department. Hiring Managers should consider retaining a strategic recruiting partner to ensure they can hit the ground running and embrace the improving economy while mitigating the impact of talent attrition.

Because talent recruiters are plugged into a variety of industries, these partners inform the recruiting process with high level market intelligence gained through trusted client and candidate connections developed over the years. Recruiters know who's hiring for what roles, who's left which company, what skill sets are in demand or at most at risk for being poached, as well as what compensation packages have lured recent defectors, and what offers may tempt a new hire to take their place. Because of their close relationships with candidates and the resulting detailed insight to their career aspirations, recruiters can report what job seekers are thinking with an insider's accuracy. Strategic recruiters have a handle on the talent that's actively or passively has their feelers out, what they're looking for and which job seekers are ripest for the picking. A strategic recruiting partner knows which of these candidates would be the best cultural fit for a firm, ensuring longevity and improved retention going forward.

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Should a top performer resign, a strategic recruiting partner can minimize the impact by preparing a stable of prequalified, seasoned professionals ready to step in at moment's notice and take the wheel. Contingent talent is also a great strategy to re-energize lean teams with reserves, enliven creative thinking and spark innovation.

The increasingly active post-Recession job market is a double edged sword for companies, as it tempts top performers to flee, while reciprocating with the opportunity to attract fresh new superstars. To navigate the tricky waters, it's imperative to select a strategic partner who can provide direct access to prescreened, high-quality talent for the resultant short-term and full time workforce challenges.

Turning a Challenge Into Opportunity

- 1 Honestly assess your existing talent to determine the potential flight risk and the impact on productivity and morale**
- 2 Retain a talent management partner to develop a comprehensive talent management plan that both protects the company from the talent defection and leverages influx of hybrid professionals due to talent churn in the marketplace**
- 3 Revisit staffing cuts made to ride out the Recession and reevaluate hiring needs in light of economic and company forecasts**
- 4 Determine which hiring challenges require full-time or contingent labor solutions**
- 5 Complete a competitor assessment of compensation packages by job type, in terms of salaries, benefits, perks, and work/life balance features to develop compelling employment proposition to attract and retain top talent**
- 6 Going forward, optimize timing and budgets by fine-tuning hiring activity according to changing market and business conditions**



ABOUT THE AUTHOR Celeste Gudas is a leading authority on workforce strategy for creative-driven companies. A distinguished entrepreneur and recruiting industry innovator, Ms. Gudas has grown 24 Seven from a single New York office to 9 US locations and internationally to London and Canada, and has expanded the industries the firm serves. Today 24 Seven is the go-to talent source supporting the world's top teams in Fashion, Retail, Advertising, Marketing, Design, Interactive/Digital, Media, Beauty, CPG and Entertainment. A certified Women's Business Enterprise by the Women's Business Enterprise National Council, 24 Seven is also a recipient of the prestigious Ernst & Young Entrepreneur of the Year Award. For more information about how you can create a successful workforce strategy for your company call your local 24 Seven office or email President Celeste Gudas at cgudas@24seveninc.com. **FOR MORE INFORMATION ABOUT 24 SEVEN, VISIT WWW.24SEVENINC.COM AND 24SEVENTALENT.COM**