

Building a Successful Staffing Strategy in the New-New Economy by *Jeff H. Chapman* from roboticonline.com July 2002

It's Time

As our country and business community slowly rouse themselves to the distant drums of an economic upturn, we can't help but wonder if growth will ever drive the high demand for well trained and educated people that peaked only a few short years ago. The harsh reality inflicted by the dot com bubble-burst and exacerbated by the 9/11 tragedy is that downturns are as inevitable as changing tides. While we try to guess whether this is the low-water mark, it's time, as the old song says, to "pick yourself up, dust yourself off and start all over again."

What have we learned?

Before we charge ahead with a business-as-usual attitude, however, consider how things have changed. We've just gone through a unique chapter in history where the rules of business 101 were happily ignored. Old adages like "there's no free lunch", "if it seems too good to be true it probably is" and "don't take any wooden nickels" ring more true now than ever. Most important is the reality that things won't ever be the same again in our relationships with our employees.

During the wild and crazy end of the millennium, over-valuation, based on veiled promises and hype, clouded good sense and sound business management practices. Things simply got out of control and we developed a Superman Mentality, where we thought we had become invincible. (We forgot about Kryptonite.) This time we need to remember that near-term profitability is the only way to measure business success, not artificially inflated stock valuations, like many of the dot coms that went public or everybody's favorite riches-to-rags story, Enron.

Job hunters know that opportunities for instant wealth have mostly vaporized, so they want longer-term relationships with companies who won't disappear. The companies destined to attract the best people in the future are those who set realistically attainable goals and reward their people appropriately with additional incentives when they reach those goals. Your strategies to keep the best people, long term, will require understanding, nurturing and supporting those successful people. This return to old fashioned, core values may be one of the most positive by-products of the economic downturn.

Although it's unlikely that we'll reach previous levels of demand for highly trained and educated technical/executives any time soon, it remains true that, in the long run, growth will out pace the supply of management executive talent-especially in the industrial sector. The gradual shift from an industrial to a service based economy is reflected in the flavor of new graduates turned out by our institutions of higher learning. The percentage of fresh-outs qualified to work in the industrial manufacturing and automation sectors is shrinking each year. With immigration laws tightening, access to international talent has dwindled. These changes, and the fact that the baby boomers are starting to retire, means there are fewer candidates to staff the professional and executive positions required to run industry. We're about to face what leading industrial manufacturing consulting firm, McKinsey, refers to in a recent study as the coming "War for Talent."

The savvy recruit

Yes, there are some very talented people who have lost their jobs and, as things turn around, they will be the first to get back to work. Quickly though, the apparent talent glut will dry up and, especially if you are a small- to mid-sized company, you'll have difficulty competing for the best people in the finite talent pool.

To start, you'll have to create a streamlined and effective recruitment and retention process and you'd better figure out how to evangelize a cohesive, compelling vision. The best people are smarter and more conservative than ever before: many of them have been badly burned or at least singed in the downturn. Wary of empty promises, they seek stability first, then a rewarding growth opportunity and finally a competitive, realistic and achievable compensation plan with a solid retirement package.

The days of attracting talent with a flashy package, heavy in start-up stock options and promises but light in compensation dollars, are over in all but the most unusual circumstances. Wary of turmoil, top candidates will respond to companies that can clearly articulate short- and long-term objectives that benefit the company and it's people. They want to believe you can do what you promise for the business. Things like a healthy work environment, reasonable hours, clearly defined goals and expectations and the time they need to enjoy their success with their families will draw the best people.

With employer and employee focused on agreed-to goals, both parties can create a more productive, rewarding and profitable environment. Here's another solid maxim to dust off: When people feel their company has the employee's best interests at heart, they'll more likely be positively challenged and dedicated to the company.

The Web as savior...NOT!

Some companies aren't worried about future staffing. They figure it's just a matter of using the Web. Simply place a couple of ads on the major job boards and go to lunch. While you're out, candidates line up at your door. Online recruiting never was very precise. The fact is there are literally thousands of job boards out there, with more new ones coming on line each and every day. Many are generic, while only a few focus on tighter niche markets. Each job board uses it's own method to search a database, using different sets of allowable search arguments.

Many candidates create general, generic resumes so as not to be typecast in a too-narrow specific industry. This means that the more specific employers gets in a search, the less likely they will find the good candidates who elect to post vanilla resumes. Another challenge is to find timely and accurate data. It's a garbage-in, garbage-out scenario that requires a great deal of verification time during the pre-screening process. Obviously, potential candidates can present themselves on the Web in any way they choose; what you read about a person on a posted resume may be more fiction than fact. Some job boards are adding more sophisticated screening services with background verification and reference checking, plus a candidate anonymity option, but as a common practice these refinements are a long way off.

The savvy recruiter

The Web is no shortcut. It's a huge repository of fragmented information. You have to visit and scan many job boards to avoid missing something. When you do find a reasonable looking resume, you can't trust the data. What's the candidate's status and availability? What are his or her hot buttons and motivations and what are the obstacles the hiring company has to overcome to land the candidate? In a lot of ways the Web just adds to the problem,

generating megabytes of nebulous information that require hours and a lot of direct interaction to sort the real from the imagined or outdated. The vast majority of resumes posted on the web are for people who have already or are about to lose their jobs. Those who are casually looking aren't on Web job boards, and they're your prime candidates.

People who are casually looking for new opportunities typically are employed and don't want to risk exposure that could get them the sack. These are the most sought after people, because they aren't overexposed and because employers usually believe that the harder candidates are to find, reach and hire the better, somehow, they will be. Employed but casually looking people are discreet. They usually reveal their search to only a few others: immediate family, most trusted friends, colleagues, mentors and a trusted executive recruiter.

Beyond the electronic noise

When the smoke clears, effective recruiting for your company is about human interaction and direct contact, not access to unsubstantiated data. For the most critical, specific and difficult-to-fill positions, the most effective solution is the old fashion approach of leveraging your personal network of contacts to find the best people and opportunities. Many of the best people I know have rarely, if ever, used a resume as a door opener for a new job. Because they are good at what they do and have excellent networking skills, they are easily remembered and recommended by current or former colleagues or they are recruited by a professional recruiter and invited to interview.

All of the impersonal electronic noise out there has made personal relationships more valuable than ever before. In an age when spam runs rampant, direct contact is what it's all about. It's the same for people needing to hire talent as for those in search of a new position. Do what you've always done and build and work your network. This includes all your previous business contacts, former co-workers, managers, subordinates, customers and, yes, headhunters too.

Where do Headhunters fit in?

The downturn has flushed out many of the new headhunters who capitalized on the boom market. They failed to develop long-term relationships and valuable knowledge of people in the field or establish expertise in a specific industry niche. Many survivors are experienced, have deep contacts and are intimately familiar with the companies and key decision makers in their area of specialization. The most deeply ingrained headhunters are the first outsiders to know about new positions on the horizon and to hear from those people who are employed but are confidentially open to conversation about new opportunities. These job opportunities and potential candidates are nowhere to be found in the land of Internet employment.

You all have to be there, in person

When it's all said and done, changes in staff-building cut both ways. One of the most important and effective business building techniques in this post 9/11 world will be a more humanistic management approach^{3/4}where the employee's voice is better informed, is heard clearly and the committed, valued employee is allowed to help guide the company's direction and future.

The new approach wins more than best-place-to-work polls. It leads to highly productive and dedicated team members who support the company, the customer and each other. Get-rich-quick promises are laughable. Instead, a well-stated commitment to a solid business

philosophy, a balance of profitability, employee support and empowerment are the foundation of a new breed of company.