

# Plan for Recovery—Now

From top to bottom, the war for talent rages on—especially as a turnaround seems imminent.

By Lisa Maxwell

**D**o we “wait it out” or make changes now? This is a decision faced by many companies in this current economic crisis. While some analysts suggest that we may have hit bottom, others contend that this period of decline could last well past the fourth quarter. Those who believe the latter are making a conscious decision to use this time of uncertainty to restructure their organization at all levels, from the very entry level positions to top executive posts. These types of changes have significant implications for both general categories of workers and even the most specialized and experienced employees.

This shift in perspective became evident recently when I began to get calls from clients interested in making changes at the very top of the organization. The purpose of these calls, primarily coming from chief executive officers, was to discuss the possibility of moving out key members of the firm in order to bring in top individuals from elsewhere in the industry. As I probed a little deeper, they explained that they were thinking about how this economy is going to turn, and how they wanted to be better equipped as we emerge from this recession

## Forward-Thinking Trumps Inertia

The idea of transforming the workforce in a forward-thinking manner makes sense right now. When the economy is good and we are submerged in growing our businesses, it is easy to say, ‘If it isn’t broke, don’t fix it.’ On the other hand, during this time of mass layoffs and reorganizations, leaders are rethinking their management teams and asking the questions: Do I really have the best and brightest? Do I have the team that can lead my firm out of this economy and into a much brighter future? Is my succession plan in place?

Other glaring questions leaders are asking themselves: Is now the time to make these changes? And will we have better access to talent now or later?

Although executives change positions and firms create and eliminate jobs in all economies, the process of restructuring occurs even more intensely during recessions.

The costs of recessions are significant; however the pain of recessions can be accompanied by activity that helps prepare the economy for further expansion. Firms can eliminate roles that are no longer productive and add new positions that will strengthen them and make them more efficient for economic growth.

Bringing in new and high caliber talent is critical to maintaining a culture of innovation. For any business to succeed it has to maintain—or, better yet, gain—a competitive edge. Having leading talent on your team is essential to achieving this type of advantage. Recruiting candidates now is less challenging because more candidates populate the market. While the first round of layoffs might have been just getting rid of dead weight, firms have more recently downsized even some highly talented employees. This means better candidates (not just more) are in the job market.

Additionally, it is easier to recruit candidates from competitors. Individuals in the top ranks who are currently employed are more likely to take a call from a recruiter, friend, or former co-worker about a new and compelling opportunity in this market. Almost everyone has thought about their company’s future success and the long term opportunities with their employer.

After the recovery begins, we’ll be shifting back to a candidate’s market in which it will be much more difficult to recruit. In the growth climate, candidate’s variable compensation will begin to kick in again, and they will once again be earning large bonuses. These bonuses are usually long-term incentive plans, often paid annually and well into the following year, partly to retain employees. Executives don’t have large bonuses lingering in the future right now, which makes it easier for them to leave.

What strategies and tactics are you employing right now to find and acquire great talent for your company? Have you done a top-to-bottom assessment of your entire organization and selectively identified a few key roles that could be upgraded?

Don’t procrastinate, or you’ll be kicking yourself for not acting sooner to hire that next superstar. **HRO**



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