

Corporate America's Population Problem: Winning the Battle for Talent

by Brian Carlson



Corporate America has known about the pending attrition of the baby boom workforce for years, and companies have struggled to implement effective solutions to deal with the staffing challenges this attrition will create. We are now on the doorstep of this major workforce change, as older baby boomers are starting to enter retirement. Companies are scrambling to implement the necessary succession plan to make sure quality leadership continues to exist within their organizations. Adding to the struggle is the fact that the economy has been rapidly globalizing and the demand for skilled employees has never been greater. The organizations that win today's recruiting war will be those that are set up for future success. The talent race is definitely on!

Fortunately, there are solutions to the talent shortage problem. The ideal solution would be to retain all the top talent within your organization. But this is not realistic, and even doing this will not be enough for most growing companies. So then the question becomes, How do I attract talent from other companies? When filling important roles within your organization, you need to seek out top talent from other organizations. These high-potential individuals are not, for the most part, actively looking for new jobs. Their companies have identified them as people to keep and management is doing everything it can to accomplish this. Because of this, using Monster.com or taking out an ad in the local newspaper is not going to attract the talent you need to fill this gap. When it comes to filling leadership roles, being reactionary is not the best approach; what you need is a proactive recruiting strategy that will keep the company set over the long term.

Three components are involved in implementing this strategy:

1. Understand your reputation in the market and actively manage that reputation;
2. Galvanize your workforce to recruit; and
3. Establish a relationship with an executive search firm.

The first step is to be aware of your reputation in the marketplace.

Every company has a buzz around town, and knowing what yours is will give you a leg up on attracting top talent. For example, some companies have the reputation of making their people work a lot of hours (the “sweatshop” approach), some have the reputation of being family-friendly, and there are many other positive and negative preconceived notions. Knowing these perceptions going into a recruiting push will allow you to either stress a positive perception or counter a negative perception during the interview process. It is important to understand these ahead of time; these vague impressions of a company are seldom expressed in an interview but can be important in determining where a potential employee ultimately takes a job. The good thing about these impressions is that you can generally discover them by asking questions. Ask potential employees about your company’s reputation during interviews, ask your current employees and ask your executive recruiters, who are on the front line for your company every day.

Once you understand the buzz of your organization, the next step is to seek out the top talent and recruit them as ambassadors for your company.

People tend to attract and socialize with people who are similar to themselves. So, what better place to go for top talent than the high performers already in your organization? This is something every good recruiter knows, and something that every manager needs to know in order to win the talent war. Unfortunately, getting your employees to recruit for you is easier said than done.

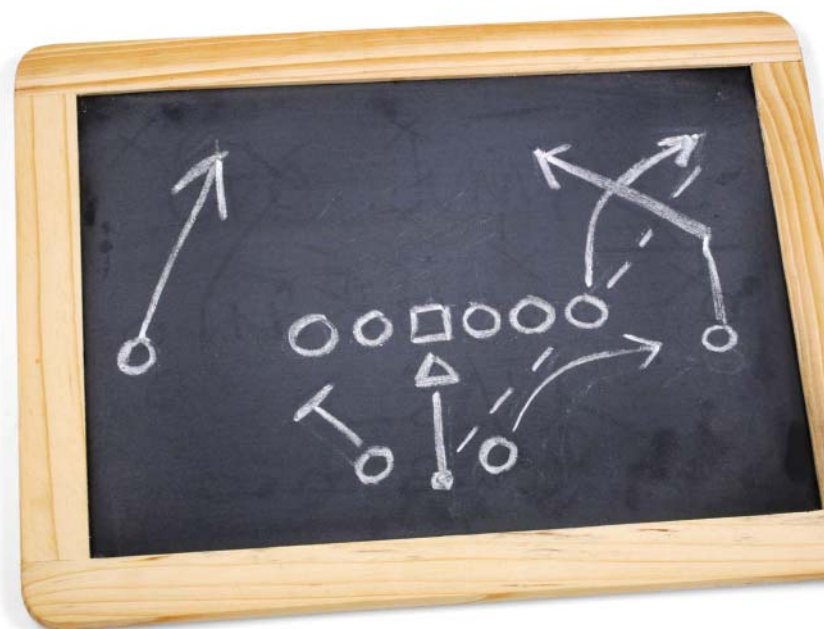
If your company, like most, has an internal referral bonus, the amount needs to be significant (along the lines of how much you might pay for an external placement fee), but this alone is not enough. You need to school your workforce on what your organization’s needs are and create an easy way for people to source candidates. Be specific about what you are looking for in an employee and let your employees know you are counting on them to be part of the recruiting solution. Once they are on board and helping you recruit, take a look at how you handle the referral process. Because your employees may have personal relationships with these referrals, it is vitally important that these people are treated professionally and that the organization delivers on promises made during the recruiting process. Too often, both the person referred to an organization and the person who provided the referral end up frustrated. When this happens, you have not only alienated a potential employee but lost a future source of referrals as well. This does not mean you have to hire everyone who is referred, but simply that the process should move forward as quickly as possible and you should make a decision within the stated time frame. In addition, it is important to keep the employee who made the referral informed about what is happening with the referral. If this process is handled correctly, your current employees can help with the recruiting process immensely; if it is handled poorly, you will lose future referrals and end up with frustrated employees.

A final key component that companies and hiring managers often lack is an established relationship with one or two external recruiters.

Just as employees in an organization are in contact with passive job seekers, so are recruiters. You should use recruiters to reach out to passive candidates for your difficult searches. It is a recruiter’s full-time job to network and maintain relationships; it’s also a recruiter’s job to understand what hiring managers want in a candidate and what candidates want in a job. By establishing a relationship with a recruiter early on, you set yourself up for success when a difficult position is suddenly open.

Why one or two recruiting firms and not 10? First, if you establish relationships with 10 firms, you would not have time to do your job. More important, if you use a larger number of firms, recruiters won’t be dedicated to working on your search. When a search gets difficult, too many companies fall into the trap of sending it to 10 recruiting firms. The problem with this approach is that there is no commitment from any of the firms to fill the position.

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You would be better off using fewer firms and taking the time to meet with recruiters and explain what you are looking for in the position. In addition, take the time to provide feedback to your recruiter after receiving a resume or interviewing a candidate. I know from experience that clients that get the best service are those that make recruiting a priority.

By understanding your reputation in the marketplace, motivating your current employees to help with your recruiting and establishing a relationship with an external recruiter, you will be well on your way to smoothing out the transition from baby boomer to Generation X and eventually to Generation Y. This does not mean the transition will be easy, but without using nontraditional sources for high-potential candidates, you will find the talent level in your organization decreasing dramatically over the next decade. No company wants to be in this position. The organization that maintains a high level of talent is the organization that will succeed.

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October 4, 2007

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www.mncpa.org/cpe.

“Deployed soldiers receive help from CPAs” continued from page 19.

This program is one of the MNCPA’s financial literacy efforts. Members also provide tax help during the Taxline phone bank at KARE 11, volunteering with AccountAbility Minnesota and speaking to groups in the community. The 360 Degrees of Financial Literacy campaign also has financial information specific to military personal at www.360financialliteracy.org.

Plans for the 2008 tax year

As the program enters its fourth year, the MNCPA and the Minnesota Military Family Readiness program are already considering ways to reach a larger audience so that more military personnel and spouses can take advantage of the program. If you are interested in participating, contact Liz Beckmann at lbeckmann@mncpa.org or call 952-885-5533.

The MNCPA extends a huge thank you to all members and firms that volunteered for the program.

Other financial resources available to the public

MNCPA Tax Resource Center

www.mncpa.org/taxes

MNCPA articles for individual and small businesses

www.mncpa.org/info

360 Degrees of Financial Literacy

www.mncpa.org/360

Thank you volunteer firms and members.

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