

# What goes up...

**David Nosal** explains how the current down market is affecting recruitment across all industries.

**What impact does a down market have on the war for talent? With so many layoffs leading to more and more people in the talent pool, is it actually easier for employers to find the right candidates?**

**David Nosal.** A large number of people are currently in transition at all organizational levels. While the job-seeking population has grown exponentially, the degree of difficulty in recruiting the right candidate still generally increases with position stature up the organizational ladder. Our firm operates at the C-suite and executive level, where the war for talent is as fierce as ever despite an abundance of executives on the job market. Boards and CEOs still seek best-in-class senior executives, who are difficult to recruit from an organization unless it is being acquired or merged. Regardless of economic conditions, great people generally have great opportunities in their current positions, and are constantly approached by companies looking for the top 15 percent of the gene pool for C-level talent.

**Does a down market actually create a 'needle in a haystack' situation where it is more difficult to find the best candidates? How can companies overcome this?**

**DN.** A down market makes it considerably more difficult to attract high calibre executives, who tend to develop an entrenchment mentality. They perceive a far greater degree of risk around new job opportunities than they would during healthier economic times, and are therefore more inclined to stay put. As a result, when evaluating a potential career move, they undertake extraordinary levels of due diligence to ascertain that an opportunity represents a significant improvement over the current position, even in the case of prospective employers with blue chip reputations. We have continued to see major brands—including some that were once category killers—surprise the world with catastrophic financial results. In such an environment, it is critical for hiring companies to invest significant amounts of timesharing information with finalists considering a move. No less important are



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realistic performance targets as part of the compensation package.

**In what ways can companies look to attract passive candidates as well as those who are actively looking for a new job? What is the value of such an approach especially in relation to a down market?**

**DN.** High-end executive search firms tend to target passive candidates, because executives who are not proactively looking are typically doing well in their current situation. Companies want to hold onto them and send signals to that effect through equity grants, promotions, etc. Although there can be a number of valid reasons (e.g., pending merger, acquisition, etc) for an executive to proactively look to make a move, we focus on passive candidates because they are

most likely thriving and successful where they are. How do we inspire a contented executive to take a look at something new? It is critical to understand who the individual is and why our opportunity represents an improvement over his or her current situation in terms of title, compensation, client growth strategy, etc., and to package all the variables up in a very compelling way.

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**What can companies do to ensure they are filling positions correctly and keeping hold of top talent, particularly when they are being forced to make cutbacks because of the ongoing economic woes?**

**DN.** Companies should conduct an annual assessment of their leadership team to truly understand who the top talent is. I recommend individually tailored strategies that continually challenge high-potential executives, as well as compensation-based retention programs. It is also important to proactively discuss career progression opportunities with high-potential executives. Even though senior leadership may view someone as high-potential, they risk losing that executive unless they are continually communicating opportunities for growth in terms of responsibility, challenge, performance-laden compensation plans, mentoring, and new realms of expertise. The annual leadership assessment is also invaluable for identifying gaps and planning for succession, because it enables one to go out and target very strategically any specific competencies the organization currently lacks and/or is projected to need to remain competitive in the future. ■