

J. Michael Locke

Musings

#36: The Talent Acquisition Opportunity

April 27, 2020

An issue with these musings is they are “one way broadcasts.” I would enjoy hearing and learning from you.

Yesterday, I wrote about investment opportunities. The unprecedented dislocation in our economy is also presenting a unique talent acquisition opportunity. For those businesses which were conservatively capitalized and made the right decisions quickly, they now are looking at the horizon and have an opportunity add to their team. It is like the sports team general manager entering free agent seas on with lots of room under the salary cap. Hopefully, you are in a position to hire. A couple thoughts before you start signing people up.

Beware of those who have been laid off. I am not saying good people can't find themselves in a hard position but when companies are creating plans for a reduction in force, they don't let their A players go. Rather, target the individuals a company under stress chose to keep. They have shown you who the performers are.

Don't feel compelled to “match plus” their current compensation. The standard thinking is that you have to give someone an increase in compensation from their current level to attract them. That is not a truism. Smart executives will look at the trajectory of the potential new employer, the future opportunity for promotion and increases in equity compensation value. I believe compensation levels in general are going to experience some deflation. The labor market is a market like any other with demand and supply. With 20% unemployment, supply of available workers has just increased and demand is down. As we learned in Economics 101, wages will go down.

Beware of big to small switchers. There is a different skill set for those who succeed in larger organizations and those who succeed in smaller, entrepreneurial organizations. One is not better than the other, just different, and switching is hard. The large organization executive is used to established systems and procedures. They probably have had significant administrative support and “title and status” are important. These individuals often struggle in a world of ambiguity where you might have to take out the trash and book your own flight.

In the venture-backed technology world, the movement of talent may be from small to big. According to the Wall Street Journal, “the current moment may give well-capitalized tech companies a chance to poach skilled workers who until recently were gravitating to smaller upstarts.....Apple hired aggressively during the financial crisis (2008-2010)....and Tim Cook has indicated in communication with staff it will do so again.”

Don't wait for them to come to you. Go get them. Think about that executive you met at a meeting or someone you saw present at an industry conference. With the beauty of LinkedIn, you can directly

reach out to them and see if they are happy or thinking about moving. You have to be careful with these “passive” candidates to ensure you don’t waste time dancing with them only to have them stay.

As a leader, building your team is your #1 responsibility. Why do you think Nick Saban sits in family rooms of high school football players? Selling employment at your organization is your job as a leader – not the recruiting department’s job.

Be safe. Go get some talent!

Jml

Second Thought

Yesterday I wrote about Covid-related opportunities. It is unclear to me what the future is of zoom socializing. Am I the only person whose social life has actually increased with the shutdown? That said, the zoom cocktail hours are starting to wear me down. They also have unusual dynamics like “how do they end?” Article on this from the Wall Street Journal: <https://www.wsj.com/articles/zoom-fatigue-is-real-11587652460> and an article in National Geographic (thanks Kelly Page) on the science behind Zoom Fatigue [zoom fatigue](#).