

The retention imperative

As the financial outlook in markets across the world looks increasingly unstable, Nigel Lynn, Managing Director of **Hewitson Walker**, tells us how to get the most out of senior management.

Although we are yet to slide into anything like an official downturn, a definite edginess has crept into the market in 2008. In such an environment, organisations of all sizes have turned their attention to getting the maximum benefit from the resources at their disposal and, in particular, from that most important resource of all – their workforce.

Given the fact that they cost the most, it will consequently come as no surprise that most thought has been devoted to maximising return on investment in senior executives. So how do you go about ensuring that your most experienced finance professionals are delivering what is required?

In an economic downturn, cynics may suggest that simply piling on the pressure will be sufficient, but this is a distinctly short-sighted view. Although the employment market may have slowed, this tends to happen more at the peripheries of the war for talent, not on its key battlefields. Unless the economy caves in completely, effective, high performance executives will always be able to move on if their situation becomes untenable.

Employers need to address how they can move an expensive professional through the early, learning and assimilation stages of their career with an organisation as quickly as possible. And once such an individual has transitioned into the phase of genuine productivity, employers need to use imaginative and innovative ways to retain their services so that the investment in their initial development does not go to waste.

To get this right, businesses should be seeking to create a talent pipeline, most crucially at the senior management level. This means instituting a robust succession planning system which will avoid the

need for knee-jerk recruitment when an individual moves on and will give the organisation more control over the talent acquisition process.

This is particularly important because the likelihood of retaining an executive through their high productivity phase and consequently gaining best ROI is

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often determined right at the start of the recruitment process. Why? Because it is at this point that the nature of the long-term match between employer and employee is established.

Many organisations seem to believe that their relationship with a potential employee only really begins once they walk through the door on the first day of their contract. However, I would argue that it actually commences as soon as the individual is introduced to the job description. It is from this point on that the true motivations of any senior candidate need to be explored in considerable depth – most likely through the forensic approach of competency based interviewing.

Too often the recruitment process at senior level becomes a ritualised courtship where both parties mask their true natures and intentions in the interests of securing a relationship. Of course, the problem



engendered by this is the creation of fault lines – a mismatch between employer and employee which can lead to the breakdown of the relationship just at the point where it could theoretically deliver most benefit to both participants.

Arguably, the technical and commercial ability of an individual and the prospects of an organisation are relatively easy to assess. More difficult, but equally as important, are the fundamental motivations of the two parties. Is the business really committed to the rapid expansion plans it feels bound to promote to potential recruits? Is the executive really interested in a prestige car and a large office or would they rather have the freedom to work at home?

Of course, measures further down the line such as the increasingly fashionable idea of on-boarding and 360-degree appraisal all have their part to play. But, unless the relationship between employer and senior employee is built on genuinely secure foundations, the prospects of long-term ROI will be slim. ■

Further information

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