

[A LETTER FROM JAMES]

## **Gone Fishing, or Why You Need to Revisit Your Talent–Management Strategy**

Valerie has been on vacation, but like any good manager, she’s not afraid to delegate. So in our annual summer tradition, here are a few words from Valerie’s business partner, James Holland, and the VF&Co team:

“Gone Fishing.”

I (James) used to see this sign on the windows of businesses all the time where I grew up in Decatur, GA. It always made me envious how someone could just put out a sign and take off.

Fast–forward to the present and we’re seeing a similar trend in the HR market. After hunkering down for the past couple of years, HR professionals are now putting out their “Gone Fishing” signs, blowing off parts of the workday to take networking lunches and go on interviews. We’ve been getting calls from countless HR professionals letting us know they want to cast their nets and looking for advice: “Is it time?” “What should I be looking for?” “What do you think about companies X, Y, and Z?” There’s not enough confidence in the market for people to actually cut bait on their current jobs, but a lot of people are trolling. And this, of course, doesn’t just apply to HR professionals. It’s safe to say there are fishermen among your other employees as well.

The odd thing, though, is that we’re not just seeing this type of behavior from employees. We’re seeing it from the employers, too. CEOs, CFOs, and top HR executives with everyone from Fortune 500 companies to growing startups have been contacting us with questions about their talent–acquisition and talent–management strategies. “Are we looking for the right skill sets?” “Are we looking in the right places?” “Do we have the right recruiting model?” Basically, companies are going fishing, too. But for some reason they can’t seem to decide whether they want to reel in the fish they have on the line.

Why is it that both employers and job seekers are so tentative in their outreach? Is it because they’re afraid the economy will play another trick on us? Is it because the recent instability in the marketplace has created a wave of low self–esteem? Or are we all just burned out and less opportunistic? Yes, yes, and yes. But, if you think about it, there’s more here than meets the eye. If talented workers are looking to jump but companies are reluctant to hire, well, that tells us there is a problem with their current talent–management strategies. Doesn’t having a strategy, by definition, mean agreeing on a particular approach, accepting the inherent risks, and firmly plowing ahead? Being tentative in your talent–management strategy, in fact, isn’t much different than not having a strategy at all.

So what options do you have? Let’s take a look at the classic Buy vs. Make debate. One of the most difficult decisions companies face is whether to spend money to purchase talent, as tech companies like Apple, Google, and Microsoft are famously known for, or to spend it on developing talent internally, as in the traditional GE model. The reality is that, most of the time, companies end up doing both. However, it’s not always clear that the ROI is really there for the development and succession–planning programs. Most of us in HR, for obvious reasons, are automatically in the “develop your people at all costs” camp. But here’s the thing: In 21st–century America, the average professional changes jobs every three to five years (in the technology industry, even less). During those three to five years, companies invest thousands of dollars in performance appraisals, 360° reviews, training, assessments, and related development programs. Leadership, with the best intentions, and HR organizations, with excellent

processes and methodologies, may at best be buying time and at worst throwing capital out the window.

There is a business case for the development side, of course, but where it often breaks down is through a lack of focus—on the part of leadership and HR. Knowing that you have limited capital to invest in filling the bench with talent, you must constantly ask, “What are the chances that our investment in this person is going to provide a healthy return?” Granted, you can’t always read the future. But you can ensure that you fully understand what the company’s needs are today and tomorrow; what roles, once developed, your internal candidates can play; and finally, how likely it is that you can keep those people for the duration. Ask the tough questions, be honest with yourself, and then target selection and development like a laser.

Now let’s move from fishing to the World Cup. Perhaps the best recent example of the ability to mix the Buy and Make strategies is La Liga, the premier division of Spain’s professional soccer league. In a bid to develop homegrown talent, Spanish teams are allowed a maximum of three international players on the pitch at any one time. In other words, they can only make use of three fully-developed, proven high performers; the other eight players have to be internal candidates. As for ROI, Spain and its squad of carefully nurtured homegrown players just took home the nation’s first World Cup title. Meanwhile Italy—whose top professional team, Inter Milan, won the UEFA Champions League Cup this year with a roster of bought-and-paid-for talent from around the globe—finished dead last in what was arguably the World Cup’s weakest first-round group. So what does this tell us? Whether your aim is to score goals or to hit your stretch goals, a key step is to settle on the right talent-management strategy and keep pushing forward until you stick it in the back of the net.

Share your comments with us on Twitter @VFandCo.

Take care,  
James (and Team!)

### **Ask Valerie**

Dear Valerie:

I’m the HRD at an engineering firm where the CEO hates HR, is unforgiving of my mistakes, and regularly tells me that he won’t spend any money on HR because he wants to give all the money to the consultants. We have 800 employees and I only have two people on my staff (admin and a recruiter who’s not very good) and am having to spend most of my time flying around doing M&A integrations. The executive team is demoralized but also hates HR and thinks I’m not doing a good job. I can bring in one new direct report, but am not sure if it should be Compensation or ER. What do you think?  
- Just Wondering

Dear Wondering:

Forget about who to hire: your first move should be to get the hell out of there. There’s no way that you can be successful enough in this environment to justify staying there. Get out before it harms your health. Let the next person fight the battles because you’re not gonna win the war.

Dear Valerie:

I'm from Scandinavia and am a Director with a Scandinavian company doing a big push to grow in the US. I need to hire two right-hand people to help me transform this division: a BD person and a marketing person. I've never hired anyone in the US before and don't know how to go about it and don't have the time to do it myself and the HR person HQ has given me is on the East Coast and isn't any good. Where should I start and what do I need to know?

- Lars

Dear Lars:

The question is more, "What do you not need to know?" It sounds like you need a consultant you can trust who can partner with you and teach you what you need to know and when you need to know it. The stakes are high in this situation and you need to learn a lot more than what interview questions to not ask. Although that's not a bad place to start.

Dear Valerie:

I'm a CFO at a pre-IPO software company and am very concerned about how many engineers we are losing to Google. It seems that there's no way we can pay them enough to stay with us. What are some best practices you'd recommend?

- Concerned

Dear Concerned:

Let's look at the big picture: you're losing enough engineers that you're missing your deadlines and are not in a position to give enough equity to make a difference, nor are you a big 'quality of life' play. I'd suggest seriously looking at outsourcing your engineering. If you can't hire them here, hire them in India or Eastern Europe.

- Valerie

### [VF&Co HR On Demand](#)

Would you like to have access to an at-a-glance feature of HR professionals who are pre-screened, pre-interviewed, highly motivated, and ready to go? Check our website for updated profiles on a variety of candidates from HR Managers and Vice Presidents of Human Resources to specialists in the areas of compensation, benefits, and M&A.

Candidate 229 – Global VP of Total Rewards

- Total rewards executive with heavy international background
- Senior-level communication skills presenting to CEOs and board of directors in several public companies
- M&A background
- Experience in high-tech and financial services

For more information on this candidate and to view the rest of this month's featured candidates, [click here](#).

### [HR Consultant & Contractors' Corner](#)

What's Up in HR At Successful Companies?

Each month you can check out what's critical to our clients by seeing what kinds of HR projects we're doing.

Cool Contracting & Consulting Assignments:

- **Customizing the Bait** — Helping on-the-job individuals plan their next career move
- **To Hire, or Not to Hire** — Coaching a high-tech client in defining competencies and personality fit, and setting hiring priorities for Q3
- **From the Beginning** — Creating HR systems and processes for a stealth-mode biotech start-up
- **Parlez Français** — Helping a SF-based company manage their Paris-based recruiting firms
- **Fighting Boredom In The Boardroom** — Reviewing the Board compensation structure of a growing company to ensure that they are properly positioned in the market
- **Se Habla (Again)** — Providing translation services to a Spanish company so they can align their US and home-based policies and procedures
- **I Need A Brand Aide** — Revamping a company's print and social media employment brand image to assist in the attraction of talent
- **Partnership Gone Bad** — Helping a major employer revamp the role of their HR Business Partners to one more focused on talent management
- **Put Me In Coach** — Working with several companies on executive coaching projects to help improve the productivity of the executive and enhance their development and growth
- **Dream Assignment** — Interim VP HR support for venture-funded start-up
- **Green is Golden** — HR start-up support for a global wind energy company new to the US
- **Clash of the Titans** — Helping an employer review their HR policies to introduce more flexibility, better communication and focus on improving communication and cooperation between Boomers, Gen Xers and The Millennial.
- **Keeping the Seat Warm** — Filling a seat on a major employer's compensation team to provide job grading and salary structure support and board presentations

### [Current Executive Searches](#)

Director of Compensation (Santa Clara, CA)

Public, high-tech company needs a seasoned, polished compensation Vice President or Senior Director to redesign their compensation programs including executive and sales compensation. Previous experience presenting to the Board of Directors and Compensation Committee is required.

Compensation Manager (San Francisco, CA)

High-growth San Francisco-based retail firm requires a Compensation Manager to revamp their administrative compensation structure.

Interim Director of Human Resources (San Francisco, CA)

Major software company needs temporary, high-level HR executive to assist with a series of reorganizations and some strategic communications.

Compensation Consultant (San Francisco, CA)

Venture-funded software company needs a number of important compensation projects completed as they prepare for their IPO.

Compensation Manager (Santa Clara, CA)

Multi-national technology company needs a Compensation Manager to conduct due-diligence and integration of a newly-acquired telecommunications business.

Current HR Executive Searches

Vice President of Human Resources (Washington, DC)

East coast-based, extremely well-respected commercial construction firm is looking for a VP of HR to upgrade and lead the function. Our client requires a polished, strategic, sensible executive with a labor relations background and expertise in compensation, talent development, and succession planning who can revamp the function and lead HR into becoming a major strategic differentiator for the client.

Head of HR (Sunnyvale, CA)

Small, private, global semiconductor global company needs a Head of HR to build their processes and position HR for a massive ramp-up in the coming 18 months.

Senior Director of Talent Management & Talent Acquisition (Irvine, CA)

Rapidly-growing pre-IPO high tech start-up needs a Senior Director of Talent Management and Talent Acquisition with experience in both start-ups and public companies in the high-tech industry. The ideal candidate will have held roles in the staffing function and as an HR Business Partner.

Director of Human Resources (Irvine, CA)

Major global technology/defense employer requires a strategic HR lead for a key Southern California location. The candidate must be able to independently lead HR for a very high growth location that will be doing multiple acquisitions and growing organically, plus utilize the specialized services from Corporate HR.

Director of Human Resources (Los Angeles, CA)

Diversified, highly complex engineering and construction organization based in North America is looking for a regional HR Director to head their Western HR operations. The role reports to the head of HR and will be responsible for leading all employee relations and HR compliance efforts.

HR Manager (Santa Clara, CA)

Growing medical device company located in Silicon Valley needs HR Manager. This role is right for someone who wants to add value directly in compensation, performance management, employee relations, compliance, and recruiting.

HR Manager (San Francisco, CA)

Rapidly growing, pre-IPO, software company is looking for an HR Manager to support the head of HR in all to day to day activities. Experience with systems implementation, benefits management and training is required. Our client is looking for polished, proactive, engaging candidates.

Compensation Manager (Santa Monica, CA)

Internationally renowned, not-for-profit research organization needs a collaborative, flexible, proactive compensation manager to manage all the compensation programs and provide support to the Executive Committee.

## Industry Events

### NCHRA Talent Management Conference

July 29, 2010 — Foster City, California

Panel: Getting the Most From Recruiters

The most important asset of your company is its people. With the right team in place, you can do anything. With the wrong team, no matter how good the product, success will be hard to find. Discover how to best partner with search firms and placement agencies to get the talent you need to succeed. You'll be able to: build a business case for enlisting outside help, identify types of recruiting partners to bring in a variety of situations, negotiate rates and where can you save big bucks, and apply benchmarking metrics to find a good recruiter. Panelists include Heather Broome, Principal of Blue Executive Search, Valerie Frederickson, CEO of Valerie Frederickson & Company, and Andrew Adelman, CEO of CoreTechs Staffing.

### 13th World Human Resources Congress

September 27–29, 2010 — Montreal, QC, Canada

Learn and network with 3,500 dedicated HR professionals from around the world at the 13th World Human Resources Congress in Montreal this fall! Renowned HR experts from Canada, USA, Mexico, France, Switzerland, Singapore, UK, Australia, Dubai, the Netherlands, and Puerto Rico will be offering almost 100 sessions based on this year's theme of "HR Without Limits".

### Human Resource Executive's 13th Annual HR Technology Conference

September 29–October 1, 2010 — Chicago, IL

Based on real-time feedback from LinkedIn group members, this year's HR Technology Conference in Chicago will focus on three critical areas in HR technology – Talent Management, Social Media and HCM & Workforce Planning. Additionally, the conference will be revisiting some of the more traditional functional areas (such as payroll, compensation, and benefits) that may have plagued you for years. The highlight of this conference will be the hands-on Twitteriversity training class that will turn you into a pro in just 75 minutes!

### European HR Directors Business Summit 2011

January 24–25, 2011 — Birmingham, United Kingdom

The HR Directors Business Summit 2011 features the leading HR business practitioners and thinkers sharing insights into the challenges faced by the HR Director and the future of the HR function. The 2011 agenda will address the core issues of business transformation, skills shortage, team building, self-service HR, HR 2.0, and top challenges for the European HR Director role. Key speakers include HR executives from Royal Mail, Standard Life, The BBC, Axa UK, ACAS and The Carphone Warehouse.