

"Aggressive" managers most at risk of recruitment talent exodus

10 November 2009 6:48am

Recruitment companies with "aggressive" managers are the ones most likely to lose their consultants as soon as employment opportunities in the industry improve, says human capital consultant Anthony Sork.

Managers' actions - specifically "non-constructive, or more aggressive coercive behaviours" - act as "push factors" that will drive employees out when they perceive they can move elsewhere, he says.

"If managers have been applying significant pressure and leveraging some insecurity - or even some fear - within the business over the last 18 months, there's a strong likelihood that they're going to end up seeing a reasonable proportion of [their staff] get up and go."

Sork, the managing director of Sork HC, says owners and managers should consider the level of risk that exists within their workforce, and how they will lower it.

"What are they doing to address management behaviour *right now* to ensure that aggressive coercive behaviour is reduced or eradicated?"

He says managers need to focus more on behaviours that are going to achieve long-term sustainable performance from consultants, which means "engaging and motivating our people to *want* to perform, as opposed to feeling that they're in a position where they *have* to perform, otherwise there's a job security risk".

Industry ill-prepared to take advantage of upturn

Recruitment companies moved "hard and fast" to reduce their headcount when the downturn hit, leaving them ill-prepared to deal with a sudden upswing in hiring demand, Sork says.

In previous downturns and recessions the recruitment industry was reasonably well positioned to capitalise on the surge in demand for labour, he says, but this time around the industry was skills-short to begin with, and the consultants who were "dumped" are unlikely to be willing to return.

Sork adds that one issue fairly unique to the recruitment industry is that many consultants have come from other professional services backgrounds, "and where the opportunity arises to get out of recruitment there may be a trend towards those people going back into those professional services disciplines", leaving the industry short of skilled consultants.

Sork forecasts that competition for talent will be "fierce" among the big recruitment players over coming weeks, as "frenetic hiring activity" starts to occur in the broader market. (He predicts that although there will be a pause over the Christmas break, job ad levels will remain higher than usual during this period.)

He expects that, as a result, the industry won't benefit from the recovery to the extent it

has in previous cycles.

But, he says, "those agencies that held fast to their talent and kept their nerve will surely capitalise in the coming months."

Second phase of opportunity

Even if recruitment companies can't take full advantage of the imminent, initial upturn in demand, there will be a second wave of opportunity, Sork says.

This is because many employees who are unhappy with their current work situation will move quickly during the economic recovery, often making decisions without careful consideration. "The key motivator in their decision making will have been to 'get away' from here."

Their new employers, he predicts, "will likely do what is historically a poor job of attaching and on-boarding [them], particularly given the market pressure to have them up and running and producing as quickly as possible. The combination of accepting a job that does not meet the two key sets of criteria - 'what I want' and 'what I don't want' - coupled with poor attachment will lead to many of these employees realising that they have made a rash and poor decision".

"Phase two" of the recovery, therefore, will see many of these workers looking to move again, and they will be more likely to use recruitment professionals to help them make a better match, he says.

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