

Talent Hunting: Debating Active vs. Passive Search Practices for Top-Tier Candidates

Wilmington – By 2010, there will be an estimated 10 million more jobs in the U.S. than people to do them. While outsourcing work to offshore firms continues to gain momentum in several sectors (which may dampen the impact of the supply/demand imbalance), most search industry pundits agree that the retirement of the Baby Boom generation will lead to significant “brain drain” among US companies and a substantive increase in the War for Talent. As we begin to return to lower unemployment caused by demographic changes in the US, it is imperative that we employ “best search practices” to ensure we have the best talent available, through combinations of Active and Passive Recruitment strategies.

What Is Active vs. Passive Recruitment?

Active Recruitment is the commencement of a search once an organization identifies a position that needs to be filled. Funding is allocated toward the role and a description of the duties and skill sets are crafted, followed by search initiation. Passive Recruitment is when the identification and subsequent procurement of exceptional talent is woven into the fabric of an organization’s management culture. The recruitment process is driven by the identification of outstanding talent rather than the emergence of a specific position that requires fulfillment.

What are Pros, Cons of Both Hiring Strategies?

The primary benefit to Active Recruitment is that the organization, driven by a skills need, controls the timing of the hiring process to the extent that they pull the trigger for the hire. This may be necessary due to budget or headcount constraints, or, may simply be a hiring manager’s preference due to workload, new hire training schedules, space availability etc. Timing, as the cliché goes, is everything. It can be the very factor that works against you when you are in the midst of an active recruitment cycle. If your skills need is critical, you may have no choice but to allow your sense of urgency to surpass your desire for the best skills fit, and therefore may be on the shaky ground of “settling” for a stop gap solution versus a hire with better odds of longevity. If you are in sync with most of today’s employers, your skills need was real and pressing several months before the hire became approved. The downside of hire approval followed by search initiation is that there is more delay from when active search commences to when the person you hire actually begins work and there is the additional pain of competing with other employers in the active recruitment market for the talent

you seek. Given that your skills need is critical and your timing is now, you are going to be more inclined to participate in salary negotiations, starting bonuses and other incentive offerings, increasing the cost of your hire. Passive Recruitment, while not an option for every organization, offers several benefits. The main benefit of a passive search is that you and/or your organization are not in reactionary mode due to a pressing skills need, which will translate into several positive outcomes. First and foremost, your mindset is likely to be less stressed and therefore your demeanor will be less emotional, which will have the likely outcome of a superior candidate choice due to time not being a factor. You will certainly spend less time in the hiring process because you will be dealing with a shortlist of one. Moreover, you will be far less likely to succumb to unnecessary compensation negotiations arising from your candidate's competitive offers. To pull the trigger, you will force yourself to truly justify the hire and therefore you will likely try just a little harder to help this person ramp up quickly and gain a strong footing within your organization. The downside to Passive Recruitment is that it takes both courage and discretionary funds. Whereas organizations may, at different times, possess one of these valuable assets, it takes both to initiate and execute a successful Passive Recruitment strategy.

So Which Is Best Strategy To Employ?

While the rationale for choice of a strategy is fairly unique from one organization to another, more often than not, history dictates that one strategy OR the other is implemented. Most firms would do well to blend both strategies. At a minimum, a portion of your organization's management time should be dedicated to regularly interviewing exceptional people for which a role MAY exist at a future time for reasons such as attrition, succession planning, peak workloads, new business opportunities, performance management etc. Should you be faced with the fortunate opportunity to hire an exceptionally talented individual where no predetermined job requisition may exist, consider determining the need in one of the following two ways:

- 1.) Review organizational structures in firms of a comparable size and background to see if your organization's infrastructure and capacity to deliver measures up.
- 2.) Review your external consultants and use of outsourcing services to determine if there may be an appropriate insource inflection point.

On a final note, *always* interview leaders from your competitors when the opportunity arises.

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The Wilmington Group
7040 Wrightsville Avenue
Wilmington, NC 28409
P: 910-256-1056
F: 910-256-1057