



Desirée Klein-Wagner

Member, 2009 WorldatWork
Board of Directors

Executive Vice President,
Global Reward & Performance,
Allianz SE, Munich, Germany

Do Attraction and Retention Matter Any Less During a Recession?

When preparing an offer for a senior critical hire, I have sometimes been told, “We don’t need to go out of our way to make this offer real attractive, as opportunities are fairly limited these days.” My typical response has been: “Nonsense, top talent is always in demand and always has choices.”

However, this can sometimes be difficult to accept as an answer by decision makers who have spent their entire careers in one company and have never had the opportunity, motivation or guts to test and apply their competencies and experience in a new setting. While taking advantage of a new opportunity can be rewarding — it may involve a promotion or a new perspective — there is also a cost, which mainly involves the loss of one’s internal network (and supporters) and record of achievements, or “immediate credibility.” Also, the last one in may be the first one out in times of crisis.

Therefore, why should top talent not expect a “risk premium” when accepting a new role in an unknown, new environment, new sector or even new geographic location? Does a recession change that?

To provide some food for thought, an increasing number of friends and peers have had pretty devastating personal experiences. Some examples:

- The hiring manager of one of my external peers left one week after my peer joined the firm. The manager’s replacement had a totally different vision for the function, which gradually alienated all of my peer’s most respected colleagues and his own team.
- An ex-colleague of mine convinced her husband to give up his long-term career with a Fortune 100 company to look after their children, which allowed her to pursue a vice-president-level opportunity overseas. She found herself in the midst of a complete restructuring 12 months into her role; her boss left, her function was eliminated and her role was made redundant.
- An ambitious ex-team member of mine joined a fast-growing privately owned business and made a significant step up only to find out later that the owner/manager to which he reported was making all important decisions himself, and wasn’t interested in any of my ex-team member’s suggestions.

These examples are real and unfortunately, I could continue with more, but you get the idea. Now does this justify a new CEO in my country obtaining approval for a €15 million golden parachute in a tier-two, nearly bankrupt company, which turned bankrupt a few months later? Hardly.

How about retention? Is this any less important during a recession? Definitely not when considering your top talent. So don’t let the recession fool you. Nothing has changed with regard to top talent. They are always in demand, so the need to properly attract, motivate and retain does not go away.

Sincerely,

Desirée Klein-Wagner

