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Wall Street woes prompt more execs to stay put

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SPECIAL TO THE JOURNAL

The financial turmoil on Wall Street has led to layoffs by the hundreds, but is it stalling the executive job hopping and lateral recruiting efforts?

While 76 percent of workers still don't think they are in danger of losing their jobs in the next 12 months, the Spherion Employee Confidence Index does reveal that fewer workers are confident in their ability to find a new job in the current market. What's more, a mere 36 percent of workers said they are likely to look for a new job during the next year.

Ted Chaloner, president of Chaloner Associates, a Boston-based executive search firm specializing in communications, marketing and advertising, is already seeing the impact of the credit squeeze on hiring in 2008.

"We have seen a few offers turned down that might have otherwise been accepted and we're sure it's due to a lack of confidence in the market," Chaloner said. "Changing jobs involves risk and some candidates are risk-averse right now."

Risk-averse is the same word Greg Schneider, managing partner of the Boston office of Egon Zehnder International, a global executive search firm, is using to describe candidates he speaks with. He is convinced the Wall Street turmoil is curbing job hopping.

"People want to stick with the devil they know rather than take the risk of going to a devil they don't know," Schneider said. "Most established performers don't want to take the risk of being a new hire in a new environment in this market."

Dave Barbato, CEO of Burlington-based recruiter Talent Retriever, said candidates are asking more questions than they did in the past.

Candidates want to know more than just what's available. They want to know specifically how the new opportunity compares with their current employment situation, he noted, as well as how they fit in and what value they can bring to the table.

"Executives that feel vulnerable at their current company because management doesn't value their role as much in today's economy are looking

around for new opportunities," Barbato said. "And we are encouraging our clients to take this opportunity to replace the lowest 10 percent of performers with higher quality execs."

From where he sits, Aaron Green, president of Boston-based Professional Staffing Group, sees employees hunkering down.

But Green said he is concerned about a disturbing X factor that should lead candidates to keep their options open: roles that were created six months ago may get cut six months from now.

"Now is a good time to consider a career move because companies that are still hiring today have decided they need to hire and there's a fairly strong commitment to the role they need to fill," Green said. "There are opportunities to make strategic moves."

As recruiters look ahead, it is important to remember that while the effects of the current financial situation will be far-reaching, sectors such as health

care, education, legal services, energy and government are holding up fairly well, according to Roy Krause, president and CEO of Spherion Corp.

"We are continuing to identify potential opportunities for displaced jobseekers to parlay their skills from one industry to another and advising workers, such as realtors, mortgage specialists and financial services to think outside the box and be flexible to other career opportunities," Krause said.

Indeed, recruiting firms are beginning to shift their focus to include the displaced jobseekers Krause mentioned.

Greene expects to see more layoffs in the Boston area in the months ahead. That means creative recruiting firms still have plenty of opportunities to fill a need.

Despite the layoffs and the nervous execs, Chaloner says it hasn't gotten any easier to find great talent.

"Companies are holding on to their top performers even more tightly," he says, "and companies seeking talent are having to get more aggressive."



Barbato:
Candidates asking questions