



STATE OF THE MARKETPLACE

Talent acquisition and retention at the midpoint of 2010

It has been an action-packed year as career colleges continue to hit record enrollments, stay in the news and be in the cross-hairs of the Department of Education. All of this commotion has created some unique hiring trends in 2010.

Coming off the explosive growth in 2009, schools were scrambling to secure top talent. Unprecedented growth continues to create unmatched staffing needs. You can't keep opening campuses if you have no one to run them! This has brought many candidates "back from the dead." Job hoppers who are willing to relocate seem to have nine lives these days as we track their moves across the country.

The hiring spree that took place from the end of 2009 into the first quarter of 2010 was the most intense I have seen in seven years. In talking with other search firms both inside and outside of the education sector, I found they are all reporting record quarters. This is a clear indication that strong candidates are a scarce commodity. With Baby Boomers continuing to retire, all the demographics suggest this dearth of talent will only continue.

Education corporations and small school groups alike have tried to modify their internal human resource departments to tackle these hiring challenges. Although search firms continue to be the primary "go-to" people for crucial hires most groups cannot afford to simply outsource all of their staffing efforts.

The most popular trend has been increasing internal employee recruitment resources. Hiring corporate recruiters and talent acquisition managers is all the rage. These high-priced hires are supposed to reduce a company's dependency on outside firms and increase their internal capacity to source talent and reduce open requisition times. Quite often, they can do this with some success by maximizing tools such as job boards and social networking sites, but it is not a total solution.

Sourcing from outside of the sector has been successful for entry-level hires, but the results have been mixed to poor at the management level. The goal of this approach is again to drive down hiring costs. Candidates coming from failing sectors or heavy contraction can often be acquired at a sizable discount.

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This ties into a popular movement we have seen from a couple of publicly traded groups. These companies are taking advantage of this economy to reduce base salaries nationwide. Candidates who are unemployed are especially vulnerable to this approach. They are scared, eager to work, and can often be obtained at a bargain. The pitfall with this tactic is that for the first time since 2008 (according to the Bureau of Labor Statistics), the number of employees voluntarily quitting a job surpassed the number being fired or discharged.

According to *The Wall Street Journal*, in a poll conducted by human resources consultant Right Management at the end of 2009, 60 percent of workers said they intended to leave their job after the market got better. This could create a backlash for companies who hired these individuals "on the cheap," especially in comparison with competitors who are raising base salaries to retain and reward their best employees.

Companies are also starting to brace for potential regulations coming down from the federal government. Many reputable school groups have begun to eliminate safe harbor "bonuses" for admissions folks. This will naturally bring a rise to base salaries for admissions professionals nationwide. While their total compensation may go down, their guaranteed earnings will probably continue to rise.

One scary trend I have personally heard testimony to is a new practice of compensating admissions managers. Bonuses and other incentives of that nature have been eliminated. They are paid only base salary; however, they are eligible for a "review" every six months. At that time they are given a raise or decrease in base salary by as much as 15 percent for their "review." This sounds like a slippery slope to me.

I believe the overall state of talent acquisition and retention is at a defining moment. Schools need to shift their approach to hiring and keeping great employees. The groups that utilize the same vigor in this effort as they do enrolling and keeping students will see great success. ■

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