

A Current Look at the Talent Phenomenon in the Leasing and Finance Industry

As we approach 2012, it's a good time to reflect on the concluding year and to start implementation of new strategies for the year we're about to begin. A key element, if not **THE** key element, is and has always been **THE PEOPLE**. As obvious as this sounds, many strategists focus on process, increasing productivity to lower costs, and other non-Human Capital areas when analyzing their corporate structures and plans. It makes sense to stop, take a step back, and begin at the beginning. **IT SHOULD PRIMARILY BE ALL ABOUT THE PEOPLE.**

After 20+ years as owner of an executive search firm dedicated to the leasing and finance industry, my retrospective on the hiring trends in our industry has led me to different and more urgent conclusions than in years past. None of them are surprising, however. They have been coming for a long time, and have certainly been the topic of lots of boardroom conversations followed by periods of head scratching which usually ended by reverting back to the Scarlet O'Hara approach to life; "We'll worry about this later." A more accurate representation of this inaction is "If it isn't on fire, let's not panic until the building is about to fall." To sum it all up, our building is about to fall. Our industry has matured, consolidated and become more regulated, and consistently finds itself in fierce competition for top talent with other financial industries. To further exacerbate this problem, we do little to nothing to promote the leasing and finance industry as a career choice to young college attendees or graduates. Virtually no intern programs have been established (with a few notable exceptions) and active recruitment of inexperienced potential industry entrants has never gotten off the ground in a substantive manner with a few exceptions.

My clients have all memorized the "Woe to the Hiring Manager" mantra. "Why do I keep seeing the same old retreads? Everyone just changes business cards like they change their clothes and coast until they can retire. Isn't there anyone out there with drive, ambition, and a consuming desire to grow, excel, and contribute?" Yet, despite this significant frustration and the dire consequences of continuity of inaction, Hiring Managers have also memorized the "See if you can find me someone..." mantra as well. It goes like this.

1. Well established in our industry with a strong track record of success (So much for new blood)
2. Job consistency (So much for taking industry consolidation into account)
3. An active contact database that can be tapped into for short-term account acquisition (So much for the concept of customer loyalty, not to mention, is there really enough company to company differentiation to incent a prospect to jump ship?)
4. Able to self-motivate and manage themselves and requiring limited supervision and no training. (So much for investing in the future)

Of all the companies that I am working with, only one has told me they want candidates with specific characteristics rather than experience. Drive, enthusiasm, clean slate thinking, lack of industry baggage, and a burning desire to make a difference top their list of Must Have's. Industry experience --- a book of business--- entrenchment in their specific market segment --- knowledge of their competitors? Finally and fortunately, it's NOT REQUIRED or even necessarily desired. Translation? They are here for the long haul and are investing in their company, our industry, and their people. They are in tune with progressive thinking when it comes to maximizing human capital because they recognize it as key to their success. They have put into place a concrete, comprehensive plan to identify, entice, train, and retain bright new talent and they're serious about it.

Not only is this refreshing, it's essential. It makes my job harder, because I must expand my database as well, but then isn't that what this article is all about? We must all step beyond our comfort zones or we will become like the Clang Bird. This is a mythical metallic bird that flies in ever decreasing concentric circles until...(I'll leave the rest up to your imaginations!)

Here are some interesting statistics I learned at the Women in Leasing session at the 2011 ELFA annual convention. McKinsey and Company undertook research regarding the status of women in the work place. Some of their findings are unique to women, but much can be extrapolated to address what leasing and finance companies must do to attract, hire, and retain satisfied, challenged, and engaged employees. Their study found that women commonly felt the odds of getting ahead were daunting due to a lack of role models, exclusion from informal networks, and not having a sponsor in upper management (mentoring is a powerful tool to keep employees on the cutting edge in terms of skills). They found the most powerful force holding women back in terms of career advancement was the existence of entrenched beliefs. If we stretch this idea out beyond women only, it speaks directly to beliefs born at the top that define many of our industry's companies regarding hiring practices and philosophies when it comes to training, and deliberate implementation of policies to nurture human capital. These institutional mindsets are challenging to eradicate. According to the McKinsey and Company, "A CEO's personal crusade to change behavior does not scale. A diversity program [or a recruiting program at large] by itself, no matter how comprehensive, is no match for entrenched beliefs. Targeting behavioral change without mindset shifts generally leads to an early burst of achievement followed by reversion to old ways". "Their evidence points to the need for systemic, organizational change. Companies must choose to change their cultures. Management needs a powerful reason to believe, such as the potential competitive and economic advantage from retaining the best talent."

If we continue the current trend of primarily recycling industry veterans without implementing strong systemic shifts to proactively broaden, and thus strengthen the talent pool, we will find ourselves floundering like a rudderless ship. A compelling mandate (in many cases all that is needed is permission) for change and provision of

the necessary tools to implement this shift in focus are required and must come from the top down. It has to be for real and for the long haul.

Where has all the talent gone? Many have retired. Some are resting every day on your corporate dollar. Others have both voluntarily and involuntarily exited the leasing and finance industry and are working in other industries. It's time we all take a hard, objective, and razor sharp look at our greatest asset or biggest detriment to success and start making the tough decisions.