

How to poach your competitors' best staff

Thursday, 11 February 2010 00:00

Patrick Stafford

The aftermath of the global financial crisis has left employees under-appreciated, frustrated and ready to move on. Recruitment companies and forecasters predict a mass exodus of workers over the next few months as declining unemployment gives them confidence to seek greener pastures.



This provides SMEs with a great opportunity – snap up the good talent when they're in the mood to move.

Poaching staff takes dedication, time and most importantly, money. Offering an extra \$20,000 to a salary package may hurt now, but if you spot the perfect sales manager and he's ready to jump ship, the benefit to your business could be worth much more.

David Reynolds, executive general manager of Chandler Macleod, says employees are beginning to leave their current roles and look for something new. As a result, more companies are directly targeting individuals they believe to be an asset to their team.

"Poaching is prominent at the moment, no doubt. It started at Christmas and it's certainly on the way up."

Posting up a job description and waiting for the talent to come to you isn't enough. If you want the best people in your business you need to actively hunt them out, and you need to start now.

Making the first move

Kye McDonald, co-founder of Skye Recruitment, says businesses need to do their research and have a clear idea of what exactly they need before they go out searching.

"The best thing is not so much to have an exact idea of the type of person you want or need, but look at what you are achieving overall. It's very easy to say "I want a junior" or "I want a senior" and build a box, but you're better off in going further back and thinking about what you can achieve through different combinations of people or so on."

David Stewart, chief executive of recruitment firm Clarius, says businesses must be willing to headhunt in order to stay ahead of the competition.

"In terms of finding people, I think if you only tap into the active job market you're very much restricting your opportunities. There are only 15-20% of the total work population looking, so if you just post on a job board or a newspaper, you're fishing a small pool."

"Also, these are people who have become disengaged and want to leave, so my advice is you really have to be broader in your attraction strategies by targeting more people than who are just actively looking."

Make the contact

Once you've done your research, the hardest part comes next – making the offer.

Reynolds says there should be no hesitation in directly contacting the person and offering them the possibility of a meeting.

"Approach them directly. You need to make sure the person will go through the due process, and a lot of people who aren't actively looking for jobs may not feel comfortable because it may open them up to a background process, which could in fact open up legal issues with regards to their

current employer."

"There are a lot of warnings to take notice of when you're going out poaching, and you've got to weigh up the risk to decide if the person is worth the initial contact."

While Reynolds suggests contacting the person directly and making an offer, Joris Luijke, HR manager for software company Atlassian, says businesses should take advantage of existing mutual contacts in order to make a meeting.

"This obviously depends on the level of the role. I think it's important to go and talk to the candidate with an established mutual contact, especially within small organisations."

"Many of these referrals come from employees anyway, so you could get a mutual contact to talk with them, sound them out and have a chat about the opportunities you're offering. Not necessarily calling them out of the blue."

Luijke also says businesses should use social media in order to establish a relationship with contacts. Using a service such as LinkedIn or Facebook is a good entry point, and organising a meeting won't seem as formal when it's sent through a private message rather than a phone call.

"Having a presence online makes things easier when you want to talk with people. Making relationships through things like LinkedIn opens the possibility for future meetings later on, and it isn't as formal."

The consensus from these experts isn't to make an offer straight away. Be discrete and discuss general opportunities within the company, investigate what the potential candidate is looking for.

If they aren't interested, don't be tempted to try and change their mind with a big salary that could put a strain on your bottom line. Politely ask if they could reconsider and if they refuse, walk away.

"Leave them alone if they're not interested," Luijke says. "Don't push it too hard."

But if the target is interested, you have the all-clear to set up an initial meeting. The experts suggest nothing too formal, but enough to put an offer on the table.

Reynolds also warns businesses to avoid offering potential employees a relatively high salary just to get them on board.

"Sometimes salary is the only hook the employer has in getting the person to move jobs. They've got to consider they are paying a premium, and they need make sure they are worth what they are paying."

"The danger here is that you'll inflate your salary costs, and you're going to find you'll pay for increases across the board. This is especially a concern in sectors where salaries are quite high anyway, such as infrastructure, mining and healthcare."

Look deep into the background

While Reynolds says businesses should feel free to directly contact prospective employees, he also warns SMEs to be diligent in conducting checks and undergoing a normal hiring process.

"The danger of poaching is that organisations may not perform the same sorts of checks that might have been done in a normal recruitment process."

"It's all very well targeting someone who you think is good, but you may end up with someone who doesn't fit in with the culture. They could be a high performer in sales, but could cause havoc personally around them. You need to go through the same due process you would for a normal employee."

Paul Quinn from Quintessential Marketing also says businesses need to examine the candidate's motivations. Examine why they are leaving their current role and consider whether they would leave your business for the same reasons.

"Are they desperate to get out of their firm because they've been unhappy? That's important, because you don't want people to take the first role offered to them."

"You want to make sure you have a good fit, and there should be at this time of year, but the cost of getting an employment decision wrong is high – two times the person's salary, usually, so it's worthwhile to do some due diligence."

McDonald agrees, and says employers need to look at what drives a particular candidate for a new role.

"You should do this for the sole reason these drivers could establish a lot of problems for that person. Candidates have stayed put with an employer in a very less-than-perfect scenario. People are eager to leave, so think about what's driving them. If you're going to get someone purely based on money then you're also likely to lose them."

Stewart says poaching staff can be beneficial, but employers need to look outside the box when considering new candidates. He recommends opening up the prospective talent pool to as many people as possible.

"Companies should be building up their own talent pools of people they can contact, even people who won't be actively looking. There's also something to say about going to agencies because we have huge databases of people. But the point is, don't just look for people who are actively looking, you have to be a bit competitive."

Don't feel guilty

If you have hesitations about poaching – don't. Being on the lookout is doing the best for you and your business, and you can be sure other businesses could be looking at your staff for their next top pick.

However, these experts suggest poaching does have some ethical guidelines designed to keep your business in the best possible position. McDonald says businesses need to watch out when looking at competitors for potential staff.

"Personally I would be quite uncomfortable in approaching my competitors' staff, it's not something I would do myself. You don't really want to do that, because in a lot of situations you'd want to work with competitors on projects and if you've been sniping staff they won't be too keen."

Stewart agrees, saying businesses need to be prudent with who they choose and why, and particularly consider which companies are targetable.

"You've got to pick your companies carefully, because you certainly shouldn't be poaching from companies you supply to. You'll strain that relationship. There are plenty of other companies out there which you aren't supplying to, and those are better targets."

Patrick Stafford. (2010) How to poach your competitors' best staff. Available:

<http://www.smartcompany.com.au/hiring/20100211-how-to-poach-your-competitors-best-staff.html>.

Last accessed 28 April 2010