

Linking Private Equity Talent to Growth: Takeaways from an Insightful Hunt Scanlon Conference



With private equity as one of our talent acquisition specialties, we've had the pleasure of attending [a series of conferences](#) organized by Hunt Scanlon Media. Most recently, we traveled to San Francisco to attend "[Private Equity Recruiting: Linking Talent to Growth](#)." This rewarding event brought together hundreds of private equity leaders, chief talent officers, and executive recruiters to explore the private equity talent trends that are advancing the industry.

A Bird's-Eye View of Private Equity Talent

In order to understand how talent drives private equity growth, it's first necessary to take a step back and look at trends

from the highest level. Simply put, not everyone is suited to work in the private equity world. Executives in this arena must be able to thrive in fast-paced environments with shifting priorities and limited resources. They must also have a higher risk tolerance when it comes to compensation. Most notably, this includes a willingness to have “skin in the game” with the expectation of being rewarded based on positive performance metrics.

The conference underscored the importance of talent fit, explaining that the cost of one bad hire can be as much as 15 times that individual’s annual compensation. This large amount can be attributed to the cost of their bad decisions, the loss of great talent working under that leader, and the time it takes to search for their replacement. These trends and statistics set a tone for everything else that came out of the conference, proving that the stakes are elevated in private equity.

Getting More Intentional with Talent

The private equity sector has shifted into a new era defined by firms recognizing the need to manage talent as rigorously as they manage their money. As they seek transformational leaders, these firms are making efforts to better use data in order to conduct their searches. This has become necessary for two reasons. First, the demand for talent within private equity has risen to an extreme level where the best candidates are able to choose between multiple opportunities. Secondly, 85% of people see themselves as being part of that top 20% of private equity talent. Data allows firms to better identify, target, and recruit the true top performers.

Who exactly are these top performers who can usher in growth? During the conference we discussed how more private equity firms are building their internal human capital capabilities by bringing in top HR leaders and talent acquisition professionals. In some cases, an HR leader comes in as an operating partner helping to oversee the entire portfolio of companies as it relates to human resources issues. This individual even participates in the due diligence of targeted acquisitions and might sit on the boards of operating companies. On the other hand, talent acquisition professionals are more focused on filling key roles within those companies and remain dedicated to that function. Both types of roles represent a significant trend shaping the entire private equity industry, and it’s one we here at Slayton Search Partners will continue to explore in future articles.

The Role of the Search Firm

With so many executive recruiters present at the conference, it was rewarding to have discussions about the evolving role of the search firm and private equity’s increasing reliance on services such as ours. A main takeaway in this area is

that the relationship search firms have with clients is changing. Firms are continuously striving to raise their game, teach, learn, and experiment. They're thinking outside the box, using dissonance as feedback to better their searches. Importantly, it's no longer just about finding talent; it's about working with clients to improve their search processes, evaluate talent, and complete a number of other activities.

As a result, traditional status reports and calls are changing. These essential activities are going beyond simple reviews of candidates and are delving into the trends and insights that matter to private equity leaders. This change of perspective in looking at the modern state of the market is taking search firms away from relying on LinkedIn and putting more effort into relationships and providing value beyond a placement. These sentiments were especially rewarding for us at Slayton Search Partners since we've been on the forefront of this important transformation.

Private Equity Talent and Growth

The private equity market is changing, but it's happening for the better. As firms continue to connect the dots between talent and growth, there will be bigger positive leaps in the industry. We're excited to be a part of the future of private equity and we look forward to future Hunt Scanlon conferences on the topic.

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[CEO Turnover in the Private Equity Sector](#)