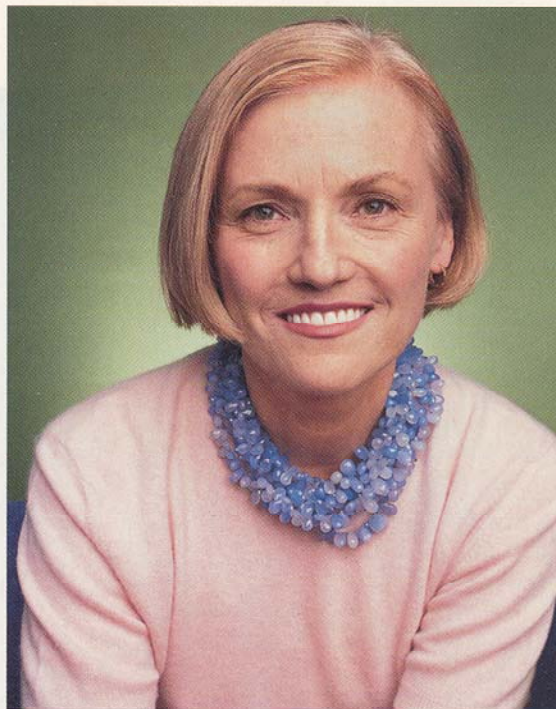


TALKING WITH LINDA BIALECKI



# Q Will salaries decline in a recession?

**A** Employers tend to think that they can hire skilled professionals at a discount during a downturn, but it's not true: Compensation for the most innovative people is still rising. The very best talent never comes cheap.

*From her sunlit aerie 42 floors above midtown Manhattan, executive headhunter Linda Bialecki keeps watch over Wall Street talent. For more than 15 years, the founder and president of Bialecki Inc. has specialized in seeking out and recruiting senior-level investment bankers for such financial powerhouses as Charles Schwab, Deutsche Banc Alex. Brown, and Salomon Smith Barney. Bialecki was ranked as one of the nation's top five in her field, and during the past five years, 86 percent of her candidates have received compensation packages of \$750,000 or more. Worth recently spoke with Bialecki after several major Wall Street firms announced impending layoffs.*

**Does the job market on Wall Street reflect the larger economy?**

I always thought that it was its own specialized world. It isn't. Wall Street is even more sensitive to the economy as a whole because it's so intricately tied to it. There's no separation. What happens on Wall Street resonates throughout the country. That's as true of recruiting trends as it is of the markets themselves.

**So how bad is it out there?**

Wall Street firms are being very cautious about letting people go. They made aggressive cuts as recently as 1998—when a global liquidity crisis sparked by Russia's currency default sent

the financial markets south—and lived to regret it when they had a hard time finding new talent. Now financial outfits are taking a much more strategic approach, laying off back-office staff and people who execute ideas but don't usually generate them. Companies are holding on to their rainmakers—the people whose insight and savvy help create new business. No employer wants to lose them to the competition.

**Is it easier to recruit talent in tougher times?**

During a typical recession people tend to hunker down; it becomes difficult and expensive to move them. But we're in a different climate today than we were during the last recession. Recent Wall Street mergers have shaken loose a lot of talent. People are willing to consider leaving their jobs because they feel unsettled. The A-plus player whom everyone wants is virtually untouchable, even in the best of times.

**What skills are attracting employers?**

There used to be room on Wall Street for real characters, people who were brilliant at what they did but impossible to work with. Not anymore. Today's most sought-after candidates are good collaborators, people who can reach across oceans to coordinate with their far-flung peers. As companies expand globally, the challenge is both political and geographic. People who can meet it are being rewarded.

**Will compensation patterns change if the markets continue to move sideways or down?**

The mix of compensation packages may change—people may start getting paid more in cash than in stock and options—but compensation as a whole will keep going up. Top-flight talent continues to command an enormous premium. We've fostered a winner-take-all society, and it shows.

**What hiring trends do you see longer term?**

A war for talent. As baby boomers move through the job market and retire, fewer talented young people will be available. Employers will have to work harder to woo them. I think a few Wall Street firms are aware, but I'm not sure that they've really addressed the problem. It's been hard to hire good people for some time, and it's only going to get worse.

**How is your business changing?**

A movement is afoot to represent individuals as well as employers. In professional sports, for instance, agents get a percentage, and there's no reason executive recruiters couldn't adopt that model. But such a model will not evolve out of a recession. It'll come out of a market with tight supply and a lot of demand. And for the first time in decades, the power balance will shift from the employer to the employee.

—Loch Adamson