



The war for talent is heating up in the Canadian cannabis industry. With recent headlines and the always shifting human capital needs, cannabis companies are scrambling for qualified executives to take their businesses to the next level. Diane Homer discusses cannabis recruiting and explains what HR professionals need to do to attract top talent.

What can Al Capone teach HR professionals about hiring executive talent in the cannabis industry? On the surface, not a whole lot. However, if you take a look at how the alcohol industry has transitioned from prohibition to prosperity, it's easy to see how cannabis companies can mimic and use those lessons to pave the way to legitimacy in the marketplace—and by extension attract experienced and accomplished executives.

The Canadian cannabis industry is at an interesting turning point—it's been almost a year since cannabis became legal, and companies are desperate for experienced executives to take their businesses to the next level—building reputable corporate brands from both a consumer and human capital standpoint. This means hiring executives who have the ability to:

- set and establish vision, mission, values and culture
- explore strategic mergers and acquisitions
- implement formal processes and reporting
- navigate the intricacies of industry regulations
- lead the company's initial public offering (IPO)

As a result, Canadian cannabis companies, large and small, are clamouring for qualified executive talent across operating, marketing, finance, sales, technology and compliance functions as the sector continues to bloom. Easier said than done.

Obstacles in attracting talent

Hiring qualified executives into the cannabis space poses special challenges, not least being the reservations of would-be candidates to take the plunge. Many prospective executives fear the stigma associated with cannabis. Will their professional reputation be compromised? What about personal ramifications, like restricted travel to countries whose marijuana laws are less liberal than Canada? Perhaps of greatest concern is the sheer unpredictability of the sector itself, making it a risky career bet for any stability-seeking candidate. Witness the recent headlines and dislocation in the executive ranks at prominent Canadian cannabis companies, as well as the multiple acquisitions and consolidations.

HR angst

The reluctance of candidates to step forward and fill vacant executive positions presents a thorny problem for HR professionals. Making things even tougher is the absence of a strategy for finding eligible candidates and then enticing them to come aboard. The more accessible recruiting platforms and social media sites aren't particularly helpful in finding people with related or cannabis experience. If you do manage to engage willing applicants, it's hard to gauge their qualifications against any list of objective criteria—there is no standard 'cannabis education' and no industry track record or other credentials. The newness and unfamiliarity of the sector leads most candidates to look elsewhere.

What's a hiring manager to do?

That said, what can HR and talent professionals do to overcome these obstacles? Here are some useful guidelines to follow:

1. Tap talent from neighbouring sectors

There are sectors with similar skill sets, depending on the job description, that could make for fertile ground in sectors that share features with cannabis. We already touched on alcohol, industries such as other food & beverage, agriculture, pharmaceuticals or production and distribution of consumer-packaged goods are great sources. For jobs related to regulatory compliance, look for candidates with experience in setting up policies and compliance protocols in other regulated or licensed industries. Fortunately, some managerial functions tend to transcend sectoral distinctions, such as finance, HR, legal compliance and marketing.

2. Engage the market proactively

In the absence of a definable market for candidates, talent professionals should take a proactive approach by organizing corporate events, attending conferences and engaging in social media. Excitement about the industry has created numerous opportunities to network, with workshops, seminars, receptions and conferences, with eligible prospects. Appearing in the market not only helps you locate talent, it builds credibility and brand awareness for your firm, so that strong candidates will gravitate to you for opportunities.

3. Stress the positives of the sector

There are many attractive aspects of working in this new and evolving market and they need to be emphasized in your recruitment efforts. After all, for those seeking excitement, growth, advancement and reward, it's hard to beat the cannabis sector for opportunities. An executive with an established track record and eagerness to lead large undertakings—such as M&As, human capital projects, or taking a company public—will hold value, regardless of industry. And while the stigma of the cannabis industry persists, there are clear signs that it is gaining an air of legitimacy with the passage of time.

4. Place a premium on an executive's adaptability

The ground is constantly shifting in this emerging sector and so roles can't be expected to remain static. An executive hired for a certain function may be diverted by circumstance to shift gears with little warning. There's also a natural evolution in skill requirements as businesses and industries mature. Those hired as entrepreneurs, builders and risk takers may need to pivot their roles and concentrate on the maze of regulatory issues in the sector or formalize the operational processes and financial reporting aspects of the business.

5. Align reward structure

The character and stage of the cannabis market imply risk, so it will necessarily attract risk-seeking (or at least risk-tolerant) personnel. Compensation structures need to recognize this by gearing rewards to growth, with upside in the form of cash or stock as the business prospers.

6. Ensure transparency

There is a tangible cost to hire and retain good talent. Executives must come in with eyes wide open, but employers need to maintain transparency to ensure that new hires understand the culture and direction of the firm, any inherent risks and the expectations around adapting to new roles and challenges.

Growing pains ahead

It would be an understatement to say the cannabis industry is going through some growing pains. If the recent headlines are any indication, the industry is rapidly changing and will continue to change for the foreseeable future. That means HR and talent teams must adapt and innovate when it comes to finding, and keeping, quality executive talent.

The lack of objective hiring criteria, such as standardized education or industry experience, can leave you with limited resources, both for finding candidates and for evaluating those who prove interesting. Where clear credentials don't jump off the resume, you need to be able to evaluate underlying qualities. Is the candidate nimble, innovative and self-motivated? How can conclusions be drawn from previous experience that relates to the job at hand?

Either way, the name of the game is finding executives who can take your cannabis business beyond the hype and catapult

it into a recognized brand—attracting both market share and skilled executives. The sector has much to offer executives, but the challenges of finding and evaluating candidates set a high bar for HR professionals.

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