

The Current State of Recruitment & Staffing – An Insiders View!

By Simon Parkin, Managing Partner at Granite Consulting Corporation

For the most part the last thing companies make a priority in a recession is Recruitment. Organizations are more focused on cost and expense management than the investment into new talent. The focus during a recession becomes “doing and getting more with less” – being more productive with less talent. Most companies are simply trying to survive this market, keep their heads above water and wait out this recessionary market. Unfortunately only focusing on the present and not at all on the future will hurt organizations once the markets move into recovery and then prosperity once again.

Most organizations view their Recruitment function as a reactive and transactional function that simply fills their currently open positions with talent who are actively looking for a new role. Most executives don't understand the impact of Recruitment to their future bottom line. They don't see the fact that Recruitment does not provide an organization with an immediate ROI – the return on the investment of new talent usually takes at least six months to a year before it is ever realized. In six months to a year the markets will definitely be in a recovery mode and unfortunately most companies will just be beginning to look at investing in their Recruitment strategy and function once again. These companies will be missing out on the opportunity to fully realize their maximum potential and profitability in the better market as they lack the right talent on hand. They will also be forced to spend a lot more money on their reactionary recruitment practices further diminishing the return.

Luckily we work with a number of organizations across North America who understand the importance of a future focused Recruitment strategy and see it as a critical investment rather than a cost. They see Recruitment as a key foundation to their road back to maximum corporate profitability. These are the companies who are continuing to hire for their key roles with the future in mind – and they are the smart companies who realize the best time to recruit the top talent in the market is during a recession. They have a plan and vision for their workforce and understand their talent is the key to their success.

Think of Recruitment during a recession the same way you think of buying shares of an undervalued company in the stock market or buying real estate at a great price in a recession. Once the market recovers you will be in a position of strength with your assets growing in value. The most important asset for an organization is its' talent and now is a great time to be a buyer in an oversupplied top talent marketplace. Top talent is more actively and aggressively looking for their next role and organization in today's reality. They have less and less loyalty to their current organization and have watched their talented colleagues lose their jobs and are thinking they will be next. Top talent in today's market will definitely be more open to discussing a new opportunity than they were in previous years.

For an organization to compete effectively for talent during this time they must have a vision and proactive Recruitment strategy in place. They must have a workforce plan in place to properly assess their current and future gaps in talent across their organization;

planning the effective development and movement of their current top talent and identify the skill sets and experience they will need to go to the external market to recruit for. Once an organization has this plan in place they can begin to build proactive talent pipelines in the external market. The key component is proactive. It's fine if you can't afford to fill these roles now but it's a great time to invest in building your talent pipelines so that you are able to benefit from them in three to six months in the future. Smart companies have a vision and Recruitment strategy in place and are continuing to invest in their talent pipelines for when they are truly needed.

This recession has had an interesting impact on the talent marketplace. With so many talented people out of work and the obvious limited hiring demand by companies to bring on new talent, many professionals across all skill sets and levels have established themselves as their own bosses and become consultants. The growth in the contingent labour market across North America over the past year has been substantial. More and more talented professionals have realized their limited opportunities to secure permanent opportunities in this market and are focusing on project and contract opportunities that provide them with greater flexibility and work life balance than they have had in years while working in corporate life. When this economy begins to recover, top talented professionals will become more selective in their opportunities having already gone through the career roller coaster during the recession.

I predict that even when the recession is over and the market is in a period of recovery this large market of contingent professional labour will realize the perks of their lifestyle and most will not return to corporate life again. This will be an interesting phenomenon as it will force companies to change the way they look at their base of talent from being permanent headcount focused to utilizing a more contingent labour focus similar to the transformation of the Information Technology workforce many years ago. Companies will see more of their critical roles within Sales and Marketing, Finance, Accounting and Human Resources filled with contingent labour. Companies will need to adapt their Recruitment practices to also include more focus on the talented professionals now only interested in contract and project opportunities.

As our economy moves to a period of recovery and then back into the inevitable period of prosperity, organizations will once again need to re-brand and re-establish themselves as a top employer. The recession has created a media storm of negative coverage of employers with very few organizations being viewed in a good light during this time. The Employee Value Proposition (reasons why your organization is a great place to work for) that was effective two years ago for your company is no longer valid. You need to take the time to understand what your workforce is feeling and how the recession has changed their priorities in choosing to work for you. You will need to re-build your employer reputation to effectively compete for talent in this market.

Strategy and vision are terms used quite a bit in times of corporate prosperity and often neglected in times of recession. Organizations who maintain a forward thinking strategy and future vision especially when it comes to talent will be the ones who succeed in the new economy. Is your organization a visionary when it comes to talent these days?

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