Some Strategies to Survive this Wild Economic Ride

Can your recruiting strategy handle the shift from kiddie ride to thrill ride?

Traditionally, economic cycles have swung like a pendulum. As a result, recruiting peaks and valleys have been relatively predictable. Your company has probably been able to enjoy the ride, anticipating needed shifts in recruiting scope and strategy.

But hang on—the ride's getting wilder. Today's unpredictable economy has made recruiting feel more like a roller-coaster than a gentle swing. Instead of the conventional highs and lows, your company must be prepared to handle radical, unpredictable changes in human capital needs. Here's why.

Volatile financial markets. Credit and capital markets have been especially chaotic. Continued uncertainty will create brief periods during which money (to fuel corporate growth) is easier to get. During the ups and downs, businesses will grow and hire in erratic spurts.

Global economy. It's true that many European and Asian markets are down, just like the U.S. But in today's global business climate, emerging economies scattered around the world will always

create economic growth. As a result, major U.S. companies will continue to book revenues abroad—balancing the need to keep their workforce lean and their corporate functions fully staffed.

High consumer demand. When the going gets tough, the tough go shopping. Right or wrong, we're a nation of consumers—even during an economic slump. Demand will vary widely, but your firm will still need to innovate in your products and business processes.

Surviving the Wild Ride

Unfortunately, no single tactic will recession-proof your recruiting process. The problems are complex, and so are the solutions. A multi-faceted approach that keeps your recruiting function flexible and responsive offers your company the best chance to survive—perhaps even prosper—during these tough economic times. Here is a compilation of the top recruiting strategies to endure the wild ride.

Defend your recruiting budget. Above all else, fight against your CFO's temptation to institute a company-wide hiring freeze. The knee-jerk reaction may initially cut costs. But, it will also seriously impede your company's responsiveness once the economy improves.

Instead of issuing a blanket freeze and slashing recruiters, suggest that your CFO implement a spot-freeze. Analyze which business units are growing and which are shrinking, then select the best targets for hiring suspension.

Prepare for an onslaught of applicants. Company layoffs and downsizing translate into more work for your recruiters. Scrutinize your resume sorting process now, to ensure you can handle the higher volume while maintaining your standards for quality.

Leverage other people's resources. Recruit at professional conferences or other events. Require each attending employee to bring back contact information for three individuals who would be outstanding recruits. Create a peer-to-peer community with other like professionals in similar industries. Network with them and call on them for their best recruiting practices. Update your employee referral program. Referrals have always been an excellent source for high quality talent.

But during tight budget times, cast a wider net while lowering the overall cost of referral bonuses:

- Instead of giving individual cash bonuses, provide an opportunity to win airline tickets or spa days, or go to lunch with the CEO.
- Make customers, employees' family members and even suppliers eligible for your referral program.
- Be proactive. Approach your company's top performers individually and ask for names of potential recruits.

Capitalize on social networks and technical blogs. Right now, your employees are using the internet to connect with like-minded individuals. Leverage employees' networking potential by asking them to include compelling facts about your company in their postings. Encourage them to actively seek out potential recruits on these sites.

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Churn Your Talent Pool

The demand for relentless innovation in the chemical industry will continuously alter the skills needed by your firm at any particular point—even during this economic downturn. To keep pace with rapid change, you must "churn" your available talent pool—continuously hiring workers with new and needed skills, while simultaneously releasing employees whose skills are obsolete or whose performance is poor.

Churning may seem counterintuitive in today's slump and you may be tempted to declare a moratorium on hiring. However, the sluggish economy provides the precise strategic rationale for churning. Right now, when your competitors are laying off top employees, it's faster and cheaper to recruit new talent (innovators with the skills you need) than to develop it in existing employees.

Low-Cost Recruiting Strategies

Of course, there are other ways to mine for talent. During tough economic times, individuals may regret their decision to leave your firm. A call to a former superstar, letting him know he'd be welcomed back, might be all it takes to land a proven performer who fits into your culture.

Another low-cost strategy is using interns. College interns do not increase your "headcount," and may even work for free to gain experience. To boot, they excel at metrics, internet research, software assessment and grunt work.

Be sure to Google prospects. Top performers are highly visible on the internet. Have interns use major chemical industry technical terms or job titles to identify key industry performers.

Shift Recruiting's Focus

Turn recruiting into a revenue generator. Focus resources to attract high-impact employees (innovators and top performers) and fill high-impact positions (mission-critical, revenue generating positions).

Be sure to quantify recruiting's impact. Work with the CFO's office to convert talent-management results (i.e., quality and speed of hires, recent hire retention rate) into the actual dollar impact that these outcomes have on revenue. As a result, you may decide against reducing budgets for recruiting functions that were previously considered "overhead cost centers."

Encourage workforce planning. Turn this slump into an opportunity—prepare for the next change. Have recruiters develop effective forecasting tools and recruiting strategies that will shift to accommodate different economic conditions. When there's little actual hiring to be done, recruiters can do other things to add value. Redirect their efforts toward retention, improving your onboarding process or reorganizing talent internally.

Outside Sources

Re-examine your use of staffing vendors, recruiting services and search firms. Tap professional executive recruiters to get aggressive about top grading talent. During an economic downturn, a recruiter's industry knowledge, and ability to recruit confidentially, can prove indispensable. Together, you can effectively target and pursue top candidates who may be interested in making a career move. If you rely heavily on these companies, make sure they are financially sound. Vendor failure has occurred during past recessions and is likely to occur again.

In a tough economy, you can control labor costs by keeping your workforce lean and flexible. Increase your percentage of contingent workers, who can be easily released when demand slows. Along these lines, where appropriate, convert traditional "permanent" jobs to contract positions. Within recruiting, it might also make sense to rely more heavily on contract recruiters and third-party vendors during peak—albeit brief—hiring periods.