

When the going gets tough, the tough go hiring

A recession should not stop companies from recruiting the best talents

Massive lay-offs are the hallmark in recessions as firms struggle to survive the global economic crisis. And in many countries, retrenchments are no longer limited to the rank and file – professionals, managers, executives and technicians (PMETs) are also facing the brunt of the recession.

However, as despite the general slump, the economic downturn may be an opportune time for employers to go cherry-picking for valued talent while companies trim their headcount to remain lean.

Managing the talent pool

Hiring freezes and job cuts are the perfunctory, “knee-jerk” reactions organisations adopt when tough times loom ahead. Laying off staff may be the easiest way to address at-the-moment cost containment issues, but may not be the best strategy to maintain the strength of the organisation. Many experts would agree that while cutting staff may reduce operating costs but it doesn’t necessarily improve the skills, aggressiveness and creativity of the company.

Managing employee strength is similar to maintaining a car. In this vein, a sustainable workforce is like the oil that lubricates business operations while enhancing performance. A well-built workforce would help the company to ride out the financial storm and maintain a competitive advantage.

Leveraging off the recession, HR can use this period as an opportunity to weed out poor performers and replace them with candidates that are well-placed to contribute to the company. Meanwhile, fresh hires can help rejuvenate stagnancy and creativity at the workplace. This is why hiring freezes and retrenchments may do more harm than good.

Take the strategic road

Sometimes there is a no better time for companies to grow or rebuild themselves but during a recession. The current job market may be evolving from an employee-centric to an employer-centric one, but it does not necessarily mean it would be easier for companies across all industries to find solutions to their human capital needs. Some niche industries might still face difficulties in finding suitable talents with specialised skills sets.

The recession is a favourable time for recruitment as other companies may release very talented staff who are deemed too expensive to keep. This presents a perfect opportunity for employers to go cherry picking of the best talents. Some top executives may even take this chance to jump ship to smaller companies that have carved out a growing niche. These executives trade in their bigger paychecks and career for a job that encourages more creativity in an entrepreneurial environment.

And despite of an economic slowdown, the search for talent is continuous. A surplus of top talent is a good excuse for businesses to “over-hire” as well – they can recruit fresh graduates to replenish their pool of talent to groom and develop into future leaders of the company.

This is also the time where companies can explore contingency hiring where the terms of employment are contractual. Employees can be presented with the option of converting to permanent position when the economy improves.

Recruit to a better brand

Budget cuts and lay-offs can work to the advantage of companies that make the unusual decision to recruit new hires. Canvassing for new employees can be seen as a smart marketing strategy as it establishes a favourable standing of a company over its competitors that have been retrenching staff.

Much like advertising, recruiting during tough times makes the brand more prominent than its competitors. It signals to potential candidates that the company is experiencing positive developments and is secure enough to make investments for the future.

Smart companies exploit the recession by using the period for expansion in the recruitment area to be ready for the next cycle of robust economic growth. Firms should keep in mind that recessions are often cyclical, and consider the potential for future growth.