

Good reasons to hire in recessive markets

Recessions over the last few decades have lasted an average of eleven months. How long the current one will continue is uncertain, but there is still the chance for your organisation to lose mission-critical people during its span, if it hasn't done so already.

This could occur for a multitude of reasons, but the result is likely to be just the same – a headache for the person in charge, confronted as he or she may be by salary or hiring freezes. Yet with a little careful analysis and strategising beforehand, the worst effects can be avoided.

In fact, the situation could be a major opportunity for the astute enterprise, especially in the small-to-medium sector, which has historically been unable to compete with larger firms for the best available talent in a more buoyant economy.

Those same large competitors may also have let go at least some of their more productive people as the recession bites. The sizable packages offered to secure them in the first place will become the very reason they have to go.

So if your organisation is ready to take advantage of the situation, you could be in a position to hire some of the best people in your field for the same or significantly less than you would have expected to pay just six months ago. Attraction and acculturation of this new talent could help secure the future wellbeing of your organisation.

It's important to be somewhat pragmatic about this. You may not be in a position to offer the higher pay your candidate of choice is accustomed to, but you could be helping them out of a fraught financial situation by providing them with employment suited to their skills and talents, in a labour market that still shows considerable weakness. Bear in mind also that a cut in their gross pay is not the same in take-home terms. And perhaps you can be generous in other ways – flexible hours, on-target bonuses, potential equity and so on.

However, you must be ready when the opportunity comes knocking. This means looking carefully at each position in the organisation and deciding if you really need it, both now and in the future. And, if you do, is the best person in terms of skills and future potential occupying it? If you have a hiring freeze in place, make sure there is a little bit of flexibility built in by calling it a headcount freeze instead – don't allow it to be set in concrete and damage the enterprise as we have seen some large organisations do in recent times. You must be able to 'seize the day'.

Unless you have a very good network of contacts, you will also need either a strong HR department or a savvy personnel consultant to find the best people among the very large number of retrenched employees. Remember that only a few of the top tier will be in the market and it will take time and resources to find them.

Finally, make certain that you get the best from your outstanding new recruit. Apart from offering a competitive remuneration package, have a detailed job description, agree upon challenging but achievable KPI's, carefully plan their induction, give and ask for regular feedback – in short, do everything you can to help them to help you.



'... you could be in a position to hire some of the best people in your field for the same or significantly less than you would have expected to pay just six months ago.'

A handwritten signature in black ink that reads "Richard A Weston". The signature is fluid and cursive.

Richard Weston
Principal