

Are You Ready For The Talent War After The Recession?

by William J. Beyer

According to **Forbes.com**, indicators (e.g., number of new unemployment claims, consumer spending, consumer prices, easing credit conditions, housing market) point to May 2009 as the end of the recession. Are you ready?

During the recession, most employers implemented hiring freezes, many companies laid-off a portion of their workforce and some companies did both. The result has been some of the highest unemployment rates we've seen in many years. Post-recession, these same companies, as they slowly rebound, will soon need to add capacity and will begin hiring again, but in new ways.

In the short term, during the initial recovery stage, many companies will be hiring. But, there will be a shift from hiring full-time employees, to hiring contract or temporary employees. Hiring independent contractors, consultants and temporary workers will provide (1) scalability and (2) the ability to "audition" talent, assess their abilities and suitability, to the position and company for future full-time employment, as the economy strengthens and grows.

In the long term, while economists claim May 2009 as the end of the recession, unemployment rates remain high and may even increase in the months to come. But viewing the bigger picture, companies will soon be competing for talent and we will be in a "candidate's market" unlike we've seen in years. Much has been written about an upcoming talent shortage primarily due to shifting demographics of the workforce. Fact or fallacy, companies should pay close attention to talent trends affecting their firms and industry. According to a recent survey conducted by Deloitte Consulting LLP and the International Society of Certified Employee Benefits Specialists (ISCEBS), nearly three-quarters of the HR professionals surveyed cited "talent" as their top concern. Clearly, talent management is the top organizational challenge today.

Initially, we are facing a "boomerang effect" in the talent pool, post-recession, as laid off workers go back to work. Down the road ahead, we are faced with an impending talent shortage due to major demographic changes in the workforce referred to as the "perfect storm" by Sue Meisinger, the CEO and President of the Society for Human Resource Management.

What can you do to prepare for your talent needs, post-recession?

1. Think of the talent market, like the stock market, and apply similar principles to become an informed investor of talent.
2. BUY early and buy LOW. The laws of supply and demand apply. Bring in a free-agent guru that understands the talent acquisition and selection process, someone who can leverage the Web for sourcing candidates and someone who understands the selection process and best practices.

3. Assess your risk. If your risk is high, don't invest in lower-priced talent with less of a track record. Go with higher-priced "blue chip" talent. Conversely, when appropriate, invest in a promising talent "startup" that can deliver big results down the road, seize the bargain!
4. Don't trust your brother-in-law. Remember what happened the last time you took his hot stock tip. To get the most from the talent market, look beyond your personal contacts. Check your tendency to look "inside" for your talent needs.
5. Research past performance. Past performance is a good indicator of future performance. For example, if you need someone to help with a merger, look for someone that has experience specifically doing that. Stress more emphasis on specific experience and/or competencies, less on years of service, job titles, and other things you've been taught to look for.

JT Stodd & Associates helps organizations to plan for organizational change and offers business-critical HR solutions, including Talent Acquisition.

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