



Beyond
the bounce:
recruitment
strategies to
ready you for
what's next

Introduction

The global jobs market has seen an unprecedented bounce in the past 18 months. Tackling talent shortages has become the new normal for employers. Economic uncertainty is leading many in talent acquisition (TA) to reassess their current strategies – and question whether what succeeded before will see them through the next period of volatility.

With a downturn looming, the instinctive reaction is to turn to hiring freezes or headcount cuts. But this is not the moment to think short-term. The talent shortage is like a long-running arc in your favorite TV series, not a quick turnaround storyline concluded in a week.

In talent terms, the organizations which emerged strongest from the pandemic are those that took a thoughtful, data-driven approach – while putting greater emphasis on the candidate experience and employee value proposition (EVP).

So how can TA continue to respond thoughtfully to the latest threats and opportunities? How can TA prepare for what's coming next, when so many eventualities are possible? This is a time at which you need a plan – a talent demand plan – alongside a renewed focus on best practice and innovation.



Prepare for a bumpy ride in the jobs market



The global jobs market has been vibrant throughout the first half of 2022. Even in July, the US added over half a million jobs – more than double expectations. However, there are warning signs. On July 9th, the Financial Times reported that, “Some of the froth must come off the labour (sic) market as the Fed readies another jumbo rate rise.” The number of US job vacancies is indeed now falling, and in early August unemployment claims increased by 260,000 – a figure 40,000 higher than the pre-pandemic average.

In the UK, June 2022 vacancies increased at the weakest rate in more than a year, according to a KPMG report. An interesting indicator from Europe is a 40% drop in job postings for start-ups in the first half of 2022, according to data from VC firm NGP Capital.

Organizations are very conscious of runaway inflation, interest rate hikes, the cost of living and the continued fall out of the war in Ukraine. Short-term prospects are concerning, but the longer view amongst economists and business leaders is generally more optimistic. In some companies, there is the possibility that finance functions and operational leaders will request a pause in hiring and, perhaps, some rationalization of their workforces.

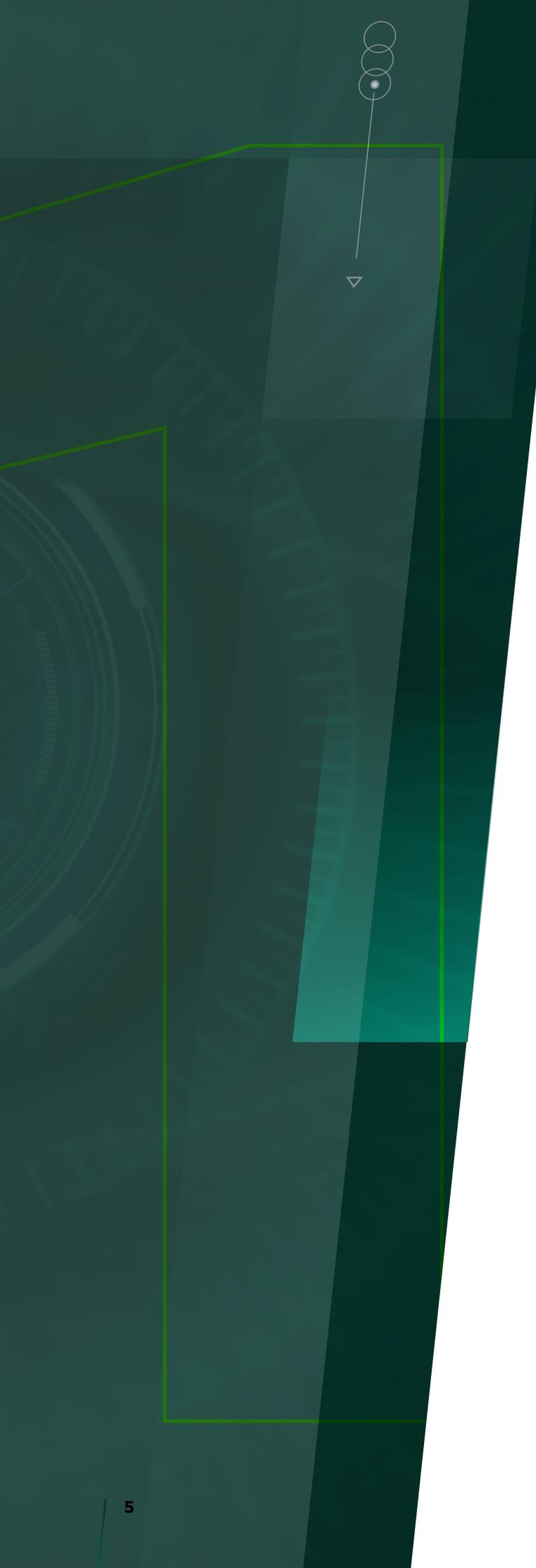
However, the sweeping redundancies and furlough of the pandemic are unlikely. Organizations that make rapid layoffs are risking lasting reputational damage – as are those that take a short-term view and move away from a talent-centric approach. When the market inevitably bounces back again, hiring will be harder than before.

Moreover, whatever happens in the economy, the best professional talent will continue to be scarce and hard fought over. Doing only what you did yesterday in talent acquisition will get you yesterday’s results at best. TA teams have interesting times ahead – navigating the challenges will take the right combination of planning and execution.



Be ready for
what's next:

6 steps
for talent
acquisition



Create a talent demand plan

With the future uncertain, planning can take much of the unknown out of the equation. TA can make a valuable contribution to the business strategy by working with leadership to align talent demand plans with the business forecast for the next 12 months.

To evaluate how demand for talent will change if a downturn hits, it's valuable to develop a full range of 'what if' scenarios, including outlying eventualities. This will create a richer vision of what the horizon might look like and enable TA to anticipate the unexpected and plan for that too.

Seeing these potential scenarios on a page will focus strategic discussions. To plan accurately, you will then need a data-driven approach that harnesses predictive analytics. The goal is a plan based on the most likely outcomes – but with flexibility built in. Modelling should be agile, with the functionality to pull levers as market conditions or likely outcomes change (no doubt, they will change swiftly on multiple occasions).

As part of the talent demand planning process, the most business-critical roles should be identified and prioritized, first to ensure talent in those positions is retained and second to protect the most impactful, value-adding vacancies from freezes. Planning can also identify where interim professionals or contingent workforces may be a smart alternative to full time hires.

Once there is a clear sense of the talent acquisition needs, and how these might flex under different conditions, TA can support the wider organization to balance the duality of potential budget constraints with staffing needs.



Talent demand planning in action

Like many businesses during the pandemic, a major multinational was facing rapidly fluctuating resourcing needs. Whatever the peaks and troughs in talent demand, it was essential that the talent acquisition service remained consistent. TA needed the ability to scale activity up or down quickly, with no compromise on time, efficiency and quality.

The task was complicated by compliance requirements and a difficult jobs market. To scale effectively, TA would need as much advance notice as possible of upcoming volumes. The answer was talent demand planning.

A time series predictive model was developed which leverages predictive analytics to understand historic activity and forecast volumes based on current run rate, while also allowing for known impacts to be included – for example major projects or changes in customer demand.

Equipped with accurate predictions, TA maintained service standards despite significant volume fluctuations; time, quality and cost measures were all met. With a clearer picture of future volumes, the business also improved cost control. The added benefit was a better ability to plan the onboarding of new hires – from having laptops and phones ready to booking induction and training sessions.

Stay connected

For most organizations, establishing the right strategy to navigate a possible economic dip will involve input from multiple internal stakeholder groups. Senior leaders from finance, HR and operations will be putting their heads together to understand the post-pandemic economic conundrum, with each driven by their own sense of the top priorities.

Finance will rightly want to protect cash flow and the bottom line. Operational leaders will aim to minimize the impact on delivery and output. HR will be focused on the workforce elements; sensitive to the negative reputational and cost impacts of layoffs.

During early discussions, these three objectives are often at tension with each other – you can't pull one lever without adversely impacting the other. So, whilst organizations work through this balancing act, talent acquisition will likely find itself in the middle, with no clear direction or receiving instructions that change frequently.

It's critical, then, that TA teams stay connected to the conversation and keep their fingers on the pulse of the latest thinking. Not only can they adapt their TA demand plan and strategies accordingly, they can also add key expertise, data and insight to decision-making.

TA's influence can add value by highlighting the importance of retaining hard to fill roles, maximizing internal talent pools, focusing activity on critical positions and understanding the latest market conditions.

So, be brave in sharing knowledge, bold in asking for a seat at the table and proactive in engaging constructively with colleagues across the business. Your input can ensure the organization reacts thoughtfully and keeps talent at the center of its strategic thinking

Stick to best practice principles – and explore innovation

Times of uncertainty are when it is most important to follow the overriding principles of TA: plan then execute. Talent acquisition is a machine with several moving parts, so don't be tempted to rely overly on one of them – or to disrupt its workings as a whole. A strategic response is required, rather than a tactical reaction (such as reducing the TA headcount).

There is value in reflecting on your TA operating model – to identify ways to make it more agile and create differentiation in the talent market. By adopting digital talent acquisition solutions, organizations can put the power of artificial intelligence behind their hiring processes. Technology accelerates the candidate journey and can enhance the candidate experience (see below), while making it easier to manage peaks and valleys in volumes.

Automated processes also remove bias and open up roles to a wider range of external candidates – a proven way to improve diversity results. Looking inside your organization, AI hiring tools make it easy to identify existing employees who are the best match for open roles – even if they are not actively looking to switch. Technology enhances internal mobility (see below).

Continue enhancing the candidate journey and experience

Talent shortages are not going away. Which makes it vital to build a journey for talent – one that begins even before the first engagement with a candidate, and ultimately connects into the employee experience. Even if you do pause much of your hiring, you still need to be visible in the candidate community and keep prospects warm – continual engagement is a way to beat competitors to top talent.

Crucially, don't assume you know what the best journey looks and feels like. Co-build it with current employees and your candidates. The most talent centric organizations are already approaching things this way. If you don't do the same or better, you'll be left behind.

Consider the right blend of people, tech and process to enable and enhance the experience. Remember, the more tech enabled, the more scalable. But don't forget the human touch or sacrifice an engaging, high-touch experience for efficiency. Ultimately, the process has to work for candidates more than for you.

A lesson to learn from the pandemic is the importance of honest communication. Hiring results improved for employers that highlighted the business transformation they had undergone to adapt to lockdowns, and also the steps they had taken to protect employees and support mental wellbeing.

Uncertainty is unsettling. Candidates, and current employees, will want to know how an organization is traversing a downturn or recession. So, an accurate, authentic, positive narrative, fed into the EVP, will be key for attraction and retention.



Making candidate experience count

Employing 17,000 people in New Zealand, Fonterra is the world's largest exporter of dairy products. It is crucial for Fonterra to deliver high-quality candidate experiences because almost everyone in New Zealand has a relationship with the company - as customers or employees, or through friends and family. Any poor experience will have a negative impact, not just on Fonterra's employer brand, but on the consumer brand as well.

A high-quality experience, however, means different things to different people. So, Fonterra takes a segmented, not a one-size-fits all, approach. The TA team assesses the specific needs and expectations of different role types and considers how the process can be adapted to make it as engaging as possible. For entry level volume hiring, the company now uses Nimble, Korn Ferry's fully integrated technology solution, which allows candidates to go through screening and selection steps at their own pace. For professional candidates, the process is more formal, featuring telephone interviews and assessments delivered through the Korn Ferry assessment platform.

Automation has significantly sped up the recruitment process, leading to increased candidate satisfaction. Freed from admin duties, recruiters are spending more time gaining insight into candidates - and providing a high touch experience at interview stage. Hiring managers are happier with shortlists and assessment centers are filling up in half the time as before.

Capitalize on your internal talent population

Whenever economies slow down, organizations start to focus more on internal mobility, reskilling and upskilling existing employees to prevent attrition and fill niche roles. The people you already have could become the people you need.

Talent acquisition should gear up to support increased internal moves, ideally using digital hiring tools to identify and bring hidden skills and potential to the fore. TA has the option to use internal only attraction processes, maximize internal talent pool usage or run effective redeployment processes.

To achieve their reskilling goals, some companies are upping their training, development, coaching and mentorship programs and creating more on-the-job learning experiences. Others are investing in new technologies to help advance careers.

Ultimately, everyone wins when you keep talent instead of making it easy to leave for competitors.



Select the right specialist partners

Time is of the essence in preparing for volatility in the jobs market. Depending on your current internal capabilities, you may need support with data modelling and the formulation of your talent demand plan – either by hiring in specialists, engaging external consultants or working with your RPO provider. Look for proven expertise in predictive analytics and a recent record of enabling recruitment success.

On the delivery side, there are different ways to build a talent acquisition solution that will fulfil unpredictable hiring needs. For some organizations, it makes sense to integrate a variety of external partners within an in-house TA function. Others may choose to outsource specific hiring challenges, such as key job families or locations, while retaining some recruitment in-house. Or a fully outsourced TA service could be best equipped to deal with fluctuations in demand, organization-wide.

Ultimately, you have to use the partners who can provide agility, scalability and a joined-up, non-siloed approach. Start the conversation now with your current suppliers in domains such as talent consulting, recruitment technology, RPO, managed services, interim, executive recruitment and EVP. Explore their understanding of talent demand planning and how they can add extra value to hiring activity.



Whatever's next, be ready

Whatever direction the economy takes, whatever happens in the jobs market, you can navigate changes in your talent needs through thoughtful planning and best practice execution.

Please get in touch if you'd like to learn more about any of these recruitment strategies to help you beyond the bounce.

For further Korn Ferry insight, visit www.kornferry.com.



Contributors

David Ellis

VP Global TA Transformation & Client Services

+1 312 208 1866

david.ellis@kornferry.com

Adam Reeves

Director TA Transformation

+44 2038 192434

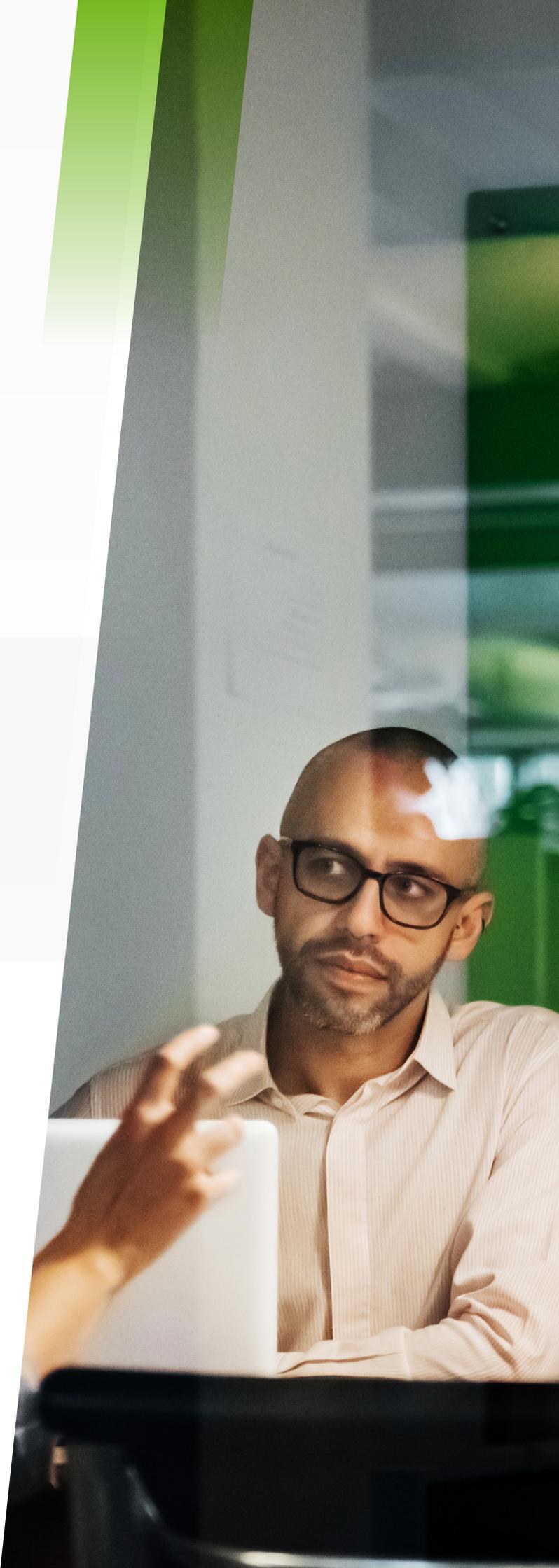
Adam.Reeves@KornFerry.com

Germaine Cade

VP, Client Solutions North America

+1 312 526 0617

Germaine.Cade@KornFerry.com





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