



STOCKING UP ON TALENT

Some savvy employers are investing in opportunistic hiring amid the COVID-19 pandemic.

By Roy Maurer
Illustration by James Fryer

Internationally renowned speaker, author and management consultant Claudio Fernández-Aráoz was at a summit in Washington, D.C., surrounded by CEOs from the world's largest companies. Their fear was palpable. The growing worldwide crisis was shaping up to be a disrupter of massive proportions, and many were focused on slashing costs in order to survive.

But Fernández-Aráoz, an Argentine who had experienced firsthand a major economic collapse in his native country, knew that visionary leaders must think beyond survival to take advantage of the extraordinary opportunities at hand.

That was in 2008, and Fernández-Aráoz is once again preaching his gospel to companies that will listen, as the U.S. navigates an economic

downturn comparable to the Great Recession and marked by lost jobs, businesses and wealth. "It's natural for business leaders to be paralyzed," says the Executive Fellow at Harvard Business School and senior advisor at global executive search firm Egon Zehnder. "Companies are downsizing. Some sectors are collapsing. But there's a chance to hire talented people at a time when the pool of available talent is expanding, and visionary leaders can make the most of it, preparing their companies for recovery and growth."

Some talent acquisition experts and HR leaders agree that with millions of new entrants into the job market, employers that are focused on recruiting will be well-positioned to fill critical roles with suddenly accessible top talent at all levels, from executives to front-line workers.

“There’s more available talent than there’s ever been,” says Elizabeth Birrell, head of insight and talent analytics at Armstrong Craven, a talent mapping and executive search firm in Manchester, England. “Millions of people will be without jobs, and millions of jobs without people. Talent teams that can be decisive and invest in high-performers have unprecedented access to people from hard-hit industries who find themselves looking for work, sometimes for the first time in years.”

A BUYERS’ MARKET

An estimated 16 million people were officially classified as unemployed in the U.S. in July, while more than 1 million people are filing for new unemployment benefits each week. But it’s not just the suddenly high unemployment rate that has broadened the available talent pool. The growing adoption of remote work and use of virtual communications means that talent is potentially available—and easily accessible—anywhere.

“The transition to remote work, combined with companies moving toward digital imperatives, has changed the way the workforce is put together,” says Scott Engler, vice president of the advisory practice for CFOs and CHROs at Gartner. The location of talent is no longer geographically limiting, and people are open to being contacted by recruiters and to working away from the office, experts agree.

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approach the candidate market, both for active job seekers as well as those passive job seekers who might be facing uncertainty in their current jobs,” says Shawn Tubman, vice president of talent acquisition at Boston-based Liberty Mutual Insurance. The company has continued to recruit and hire in areas such as sales and customer service, though overall hiring has slowed. “The factors that make it the right time for an organization to hire are the same regardless of the state of the economy—financial strength, a workforce plan that reflects the changing needs of the business and having a long-term focus versus reacting to a shorter-term crisis,” Tubman says.

“It’s a buyers’ market for talent right

now, and there’s been an increased volume of applications coming in,” says Mary Dickerson, chief human resources officer at DLL, a global finance and leasing company headquartered in Eindhoven, the Netherlands. DLL filled 328 positions globally with a mix of internal and external candidates between March and July, she says.

Dickerson and others note that recruiting costs are generally down due to cutbacks in travel and the lower cost of engaging with candidates through virtual recruiting technologies such as video interview platforms. “The crisis has also given more people time to reflect on their career paths,” she says, “and remote work has provided more time for private conversations with recruiters.”

TENDENCY TO FREEZE

About 60 percent of employers stopped hiring in the spring as the economy worsened, according to a survey of CEOs conducted by *Fortune*.

That’s typical. Fernández-Aráoz explains that during the Great Recession, employers’ top response was to dramatically scale back recruiting and reduce hiring. But employers at that time also rated the selective hiring of high-performing employees from competitors as one of the three most effective responses to the previous crisis of the early 2000s.

“This contradictory irrationality is widespread,” he says. “It can be tempting to focus on short-term crisis management, but it will be the long-term thinkers who thrive.” →

TIGHT TIMES FOR MANY COMPANIES

Workforce-related actions CEOs say their companies took in response to the pandemic.

Froze/deferred
new hiring
59%

Reduced
executive pay
35%

Furloughed
employees
29%

Laid off
employees
25%

Increased
workforce
19%

Reduced
employee pay
17%

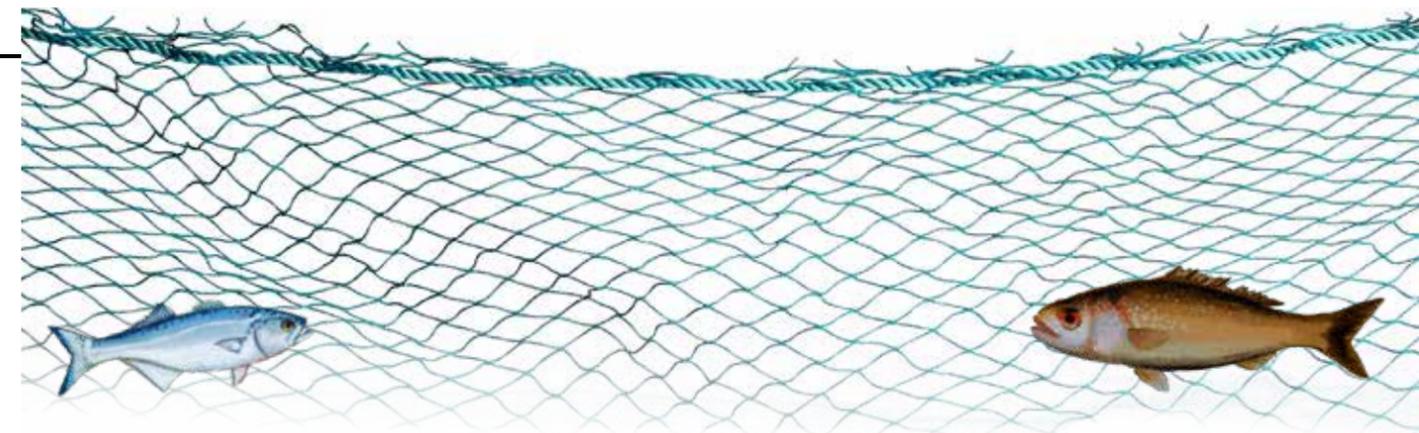
Reduced employee
benefits
15%

Expanded retirement
and exit packages
11%

Replaced staff
with contractors
6%

Increased
outsourcing
5%

Source: *Fortune* CEO survey, in collaboration with Deloitte, June 2020.



STRATEGIES FOR PROACTIVE RECRUITMENT DURING THE RECESSION

Experts and practitioners say there’s plenty that can be done to minimize the impact of a recession on attracting, recruiting and hiring talent:

Target distressed sectors. “Set up a task force to source potential candidates from hard-hit sectors such as airlines, hotels and recreation, or startups that might already be faltering in the face of recession,” says Claudio Fernández-Aráoz, senior advisor at global executive search firm Egon Zehnder.

Global outsourcing firm Alorica, for example, partnered with large health care, hospitality and retail employers that were conducting furloughs and layoffs to provide some of those displaced workers with employment, at least temporarily. “That helped us meet short-term needs and helped those newly unemployed workers receive a paycheck while they figured out what they wanted to do,” says Jeff Luttrell, SHRM-SCP, senior director of talent acquisition and staffing.

Identify transferable skills. Mortgage insurance and real estate firm Radian has been looking at identifying transferable skills that align with open roles, says Jennifer Bombardier, SHRM-CP, vice president of talent acquisition. Recruiting for transferable skills that can be used in different industries and jobs can dramatically expand the available talent pool to include the millions of workers who lost their jobs due to the pandemic.

Leverage networks. Everyone knows someone who has been impacted by the pandemic and may be looking for a job, Bombardier says. “That could be new talent we never looked at before.”

Aim high. Fernández-Aráoz advises top leadership to check in with a few exceptional people they would have liked to have hired over the past five years. “It’s possible that many will now be open to considering an offer because their circumstances have changed,” he says.

Promote flexible work. Companies that offer the flexibility to work remotely will gain access to more and better talent, says Sally Stetson, co-founder and principal at executive search firm Salveson Stetson Group. Organizations that mandate working onsite will minimize the talent pools available to them, she adds.

Global finance and leasing company DLL is doing the for-

mer. “We have now taken the leap toward remote work and are posting vacancies without a geographic constraint,” says Mary Dickerson, chief human resources officer.

Source in-house talent. Companies tend to overlook extraordinary internal candidates, Fernández-Aráoz says. “This is the time to carefully review your existing key players; assess their skills and knowledge in light of the revised outlook for your sector and company; and help them move from potential to success with targeted development plans, including the right type of stretch assignments that often arise from crises.”

Focus on messaging. “The people in demand will be in demand by a lot of people, so showcasing your culture is critical,” Luttrell says. That means mastering storytelling through social media and building your employer brand.

“Empower internal brand ambassadors to share their genuine and personal perspectives about what it means to work at the company and how [the organization] navigated the crisis,” says Shawn Kessler, managing director of recruitment at marketing and advertising agency Aloysius Butler & Clark.

In recent months, DLL has been “far more present on social media, telling our story,” Dickerson says. “Each employer has a brand to be managed, to show what they stand for, especially at times of crisis. More candidates are asking us about our values and what we have done to take care of our employees during the pandemic.”

Build a pipeline for the future. Talent acquisition professionals should not be sitting idle, even if there are no immediate job openings.

“No matter how competitive or noncompetitive your industry’s need for talent is right now, recruiters must begin to increase candidate touch points and change what they look like in preparation for an increase in hiring efforts,” says Jessica Miller-Merrill, SHRM-SCP, an HR expert and consultant in Austin, Texas. “Now is a great time to reach out to candidates, especially in areas or with job titles that you are expecting to have an increased need for in 12 to 36 months.”

DLL is building relationships with passive talent for future opportunities “because as each country emerges from this crisis and sales activities increase, we expect an explosion of growth,” Dickerson says. —R.M.

LESSONS FROM THE PAST

Talent leaders and experts are drawing on lessons from the Great Recession of 2007-09. Coming out of a recession, contingent and contract arrangements tend to recover first, says Joseph Hanna, chief strategy officer at Workforce Logiq, a workforce intelligence and technology company. "After the financial crash, the contingent market started to recover after one year, and it took a couple more years for the full-time market to recover," he says. "Employers should already be evaluating their mix of full-time versus contingent workers and rationalizing that composition given the oversupply of talent."

Shawn Tubman, vice president of talent acquisition at Liberty Mutual Insurance, advocates supporting in-house resources. "As hiring slowed, it seemed many companies, particularly larger

and midsize companies, eliminated or greatly reduced their recruiting teams," he says. "As jobs came back, companies had to rebuild those functions and replace that proprietary knowledge, so there was a curve to ramp up to full proficiency."

While working at a previous employer during the last recession, Mary Dickerson, now chief human resources officer at global finance and leasing company DLL, experienced the other side of the hiring/firing coin: mass layoffs. "It was horrible, and it broke my heart," she says.

The company created a LinkedIn community for laid-off workers to stay connected, and when rehiring started, many of them returned. "Prioritize well-being in all its facets," Dickerson advises. "If you nurture people through stressful times, employees will never forget that. If you're unfeeling, they will always remember that, too." —R.M.

He cites a Harvard Business School analysis of 4,700 companies across the last three recessions that found employers with progressive hiring plans were able to flourish in the recovery periods following downturns. Selectively downsizing can be an opportunity to "unmake" hiring mistakes, he adds, but "unfortunately, most companies go into full survival mode and freeze all hiring."

Stopping hiring "as a knee-jerk reaction—cutting both muscle and fat—when you need to strategically pivot is a mistake we see a lot of organizations make," Engler says. "However, being prudent in managing a cost base is always a good practice at a time like this. It's a balance."

Zachary Simon, global head of executive search for Amsterdam-based grocery retailer Ahold Delhaize, was a talent acquisition leader at a large electrical manufacturing company during the Great Recession. The company laid off 10 percent to 15 percent of its workforce and asked remaining employees to take pay cuts. Simon figured that the executive recruiting team would be disbanded. He was surprised and inspired when, instead, it was asked to start building a talent pipeline for future growth.

"The CEO and CHRO envisioned that the unfolding crisis could be a great time to have conversations with pro-

spective candidates," Simon says. "People were listening more, even if they weren't ready to make a move. We went after the big fish at our competitors and built relationships with executives who, in some cases, we may not have had an opportunity to talk to before."

The company, he adds, came out of that recession better-positioned for the subsequent upswing, smarter about the competition, and with a much bigger database of talent and stronger relationships with candidates.

SUPPLY AND DEMAND

While no sector has been entirely pandemic-proof, some employers are seeing booming demand even as others have been hollowed out.

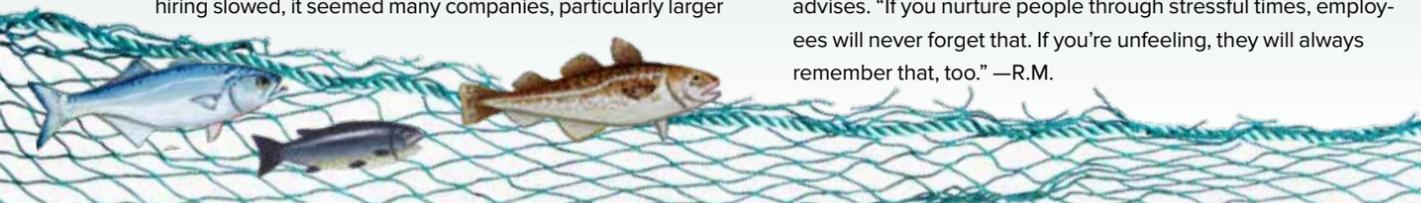
"The most negatively impacted employers have been the brick-and-mortar retailers, the hospitality and travel industry, restaurants, colleges and universities, commercial real estate, nonprofits, and clearly the airlines," says Sally Stetson, co-founder and principal at Salveson Stetson Group, an executive search firm in the Philadelphia area.

The opportunity is there for bold talent acquisition teams to assess their

talent needs and select from the large available talent pool, but the tendency to "wait and see" is strong, according to hiring data from jobs site Indeed.

Hiring has slowed down overall, even in sectors that weren't hit hard by the pandemic initially, says Jed Kolko, chief economist at Indeed. The trend in job postings was 23 percent lower in mid-July year over year—although that's an improvement from being down 39 percent on May 1. Postings were down in nearly all sectors as of mid-July, including falling 32 percent in higher-wage occupations and 14 percent in lower-wage occupations, even though most jobs lost during the pandemic were in lower-wage industries.

While job-posting and hiring rates haven't fully recovered, LinkedIn data released in June showed job searches returning to pre-pandemic levels: Job views were only 4 percent lower than they were back in January. And employers are receiving significantly more job applications for their open roles, according to data from the 4,000 customers of recruitment software company iCIMS. The data show that large employers are nearing pre-pandemic job



application levels and small businesses are also closing the gap.

"Industries in a more favorable position that can gain from this scenario are logistics and supply-chain companies, packaging companies, and technology firms, especially around payment systems, cybersecurity and virtual conferencing," Stetson says.

Shawn Kessler, managing director of recruitment at Aloysius Butler & Clark, a marketing and advertising agency in Wilmington, Del., says that hard-to-fill positions such as nurses and physicians, software developers, instructional designers, and technology and virtual conferencing support staff have become even more essential than before, and that jobs associated with e-commerce will grow, along with research positions in labs, pharmacology and public health.

Stetson says companies that can identify transferable skills and are willing to provide training for new roles will benefit. The biggest transferable skills right now from the heavily disrupted industries are customer service and problem solving, says Christy Whitehead, chief data scientist and talent economist at Workforce Logiq, a workforce intelligence and technology company in Orlando, Fla. "Flight attendants or service staff from restaurants and retail with good people skills and the ability to understand the needs of end-users can apply those skills in the health care sector, for example, which is undergoing a lot of volatility. They may not be able to step in as nurses, but there are a lot of aide-type roles [and] customer service positions they can help with."

SEIZING THE OPPORTUNITY

Strong demand for an organization's products and services and a proactive willingness to invest in talent acquisition have kept some employers centered on hiring, despite the economic hardships wrought by COVID-19.

"Our company is busier than we've ever been, increasing headcount to assist clients with providing essential services across the country," says Jeff Luttrell, SHRM-SCP, senior director of talent acquisition and staffing

FAST-GROWING JOBS IN THE COVID-19 ERA

The following job titles grew in popularity this year.



Source: LinkedIn's Economic Graph Research & Insights.

firm Radian, based in Philadelphia, is also "firing on all cylinders," with over 300 new hires and 130 open requisitions as of mid-July, says Anita Scott, senior vice president and chief human resources officer. "We've been all systems go—on track to breaking hiring records this year," she says.

A diversified business portfolio is another driving factor for some companies. Dickerson says DLL's customer-centric culture has given it the flexibility to shift and reskill some of the workforce to take on new roles to meet crisis needs. "Some parts of the business have been exceptionally busy—helping clients manage repayment schedules and assessing new risk—while others, like sales, have slowed down," she says. "Having a clear mission has made these shifts possible because, at the end of the day, we all know we're working toward the same goal of helping our customers succeed."

These talent acquisition leaders also understand the risks involved in aggressively hiring during a downturn, with turnover being top of mind. "I'm most nervous about attrition when things turn around," Luttrell says. "Many people took a job because they needed to work, and they may start looking again when jobs in their previous career field open up."

But not capitalizing on a transformative moment could be a long-term fail. Passing up the chance to embrace flexible work, support digital imperatives or shift from role-based to skills-based workforce planning to expand talent pools could prove to be mistakes, according to Engler.

"This is a fantastic opportunity for heads of talent acquisition to engage the business on what skill sets to look at that are not bounded by the old workforce rules of org charts, roles and geographic location," he says. "Roles are breaking down into 'skill clusters,' which determine an individual's capabilities and change the way we think about building and buying critical skills." ■

Roy Maurer is an online writer/editor for SHRM who focuses on talent acquisition and labor markets.



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