



Survey on the Economic Rebound: Corporate Human Resources and Recruiting Trends

Executive Summary, October 2009

COMPANIES PREPARE TO RECRUIT TOP TALENT AS THE ECONOMY RECOVERS

In September, 2009, talentRISE LLC invited corporate human resources leaders, corporate recruiting leaders and independent contract recruiting and HR professionals to participate in a survey to better understand how businesses plan to meet their talent needs as the economy recovers. Since companies slashed HR and recruiting during the recession, this study focused on when, and how, they plan to begin hiring for growth.

Highlights of our key findings include:

Recovery-related recruiting began in 3Q 2009 and will peak in the first half of 2010.



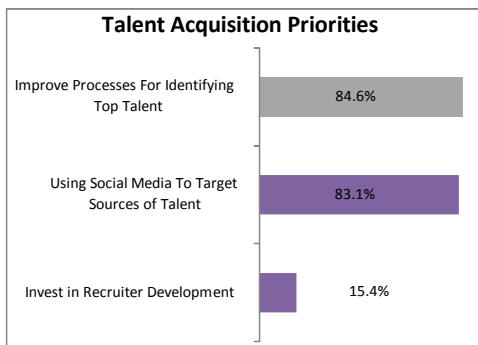
Nearly one third of respondents (30%) said that post-recession hiring is already underway and **80% expect post-recession recruiting to begin by second quarter of 2010**. In order from first to last, respondents expect the following industries to resume hiring first: Technology or R&D, Government, Energy, Professional Services and Consumer Products.

Companies plan to use outside recruiters, not more full-time staff, to meet demand.



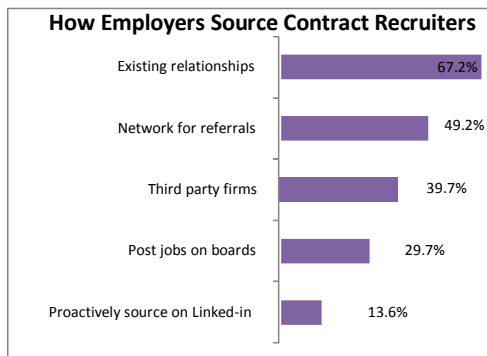
Over three-quarters of respondents (78%) said employers are likely to use outside or interim recruiting staff to meet increased hiring demands. The likelihood that respondents will use contingency recruiters was 50/50, and 66% said they are unlikely to use retained search firms.

Talent acquisition priorities will focus on tools and technology, not internal staff.



When asked about talent acquisition priorities for the coming 12 months, 85% of respondents said improving processes for identifying top talent tops the list. 83% said the use of social media and other technologies to target talent will be key. Investing in internal recruiting staff ranked low.

Employers will select contract recruiters based on relationships and networking.



Over half (67%) reported that they place a high value on past relationships and 50% percent said that they rely on networking with industry peers to solicit referrals to reputable independent recruiting consultants. Nearly 40% said they plan to engage staffing firm vendors to provide quality contract recruiting or HR talent to supplement their existing resources during hiring spikes.

THE TALENTRISE PERSPECTIVE

As the economy rebounds, competition for top talent will inevitably become more intense. Corporate leaders who have the foresight to assess and realign their HR, talent acquisition and talent management strategies *now* will be best positioned to hire the top talent they need to grow again.

There is much work to be done. At many organizations, current internal HR and Recruiting function staffs have been cut far below critical levels. Most are already turning to interim professionals to fill gaps in skills and expertise and to deal with hiring spikes. This means the best recruiting consultants – those with established talent relationships and networks – will soon be in high demand and more selective in accepting assignments. In short, there really is no time like the present to start revitalizing your hiring strategy. talentRISE suggests that organizations take the following steps **now**:

- **Assess, re-align and plan immediately.** First and foremost, conduct a “talent scan” analysis to understand what talent is required to drive your company’s recovery and growth strategy. Determine whether you will need to invest in developing and re-deploying existing employees or recruiting to fill future talent gaps...or both. Proactively analyze and track external demographic trends in all your locations and within all critical functional, technical and operational areas of your business. Identify organizational strengths, gaps and opportunities for improvement related to your company’s ability to effectively support the future talent acquisition and retention needs of the business.
- **Understand your target talent pool better.** Survey your existing top performing talent to better understand why they joined your company, and why they stay or leave. Track the reasons why aggressively recruited candidates decline job offers. Do not assume that what motivates one group of employees will motivate another – many companies currently employ workers from three generations, all of whom have distinct wants and needs. Translate these findings into highly targeted employment branding and search engine optimization strategies.
- **Optimize the recruiting process and technology.** Time is money – every day a position goes unfilled, productivity and revenue are impacted. Review recruiting processes and technologies to identify, prioritize and focus on improving those that will have the greatest impact on your company’s ability to achieve its strategy. Incremental changes – eliminating redundancies by moving from a de-centralized to a centralized sourcing structure, for instance – will potentially generate significant cost-savings. Be sure recruiting can be delivered consistently and quickly to meet the rapidly-changing needs of the business unit. Determine the appropriate minimum HR and Recruiting staff levels needed to keep fixed overhead expenses low and productivity high. Scale recruiting resources to support hiring spikes by engaging interim contract recruiting staff or by outsourcing recruiting to partners who have existing relationships with the top talent you seek to hire.
- **Be smart about selection.** Hiring mistakes are very costly. Improve candidate quality by investing in tools and training that enable recruiters and hiring managers to more consistently and accurately select top performers via the interview process. Consider using predictive performance talent assessment tools to help you benchmark existing top performers’ critical behavioral competencies and to provide valuable insights into how well candidates map to the ideal profile. Evaluate new hire on-boarding, employee development, reward and recognition programs that go beyond compensation to ensure these programs help retain top performers once you hire them. Track the quality of hires by measuring turnover metrics in critical roles and continuously refine recruiting, screening and selection practices as your business strategy changes over time.

For a full set of responses to the talentRISE survey, please email us at TopTalent@talentRISE.com.

For more information on how talentRISE can help your organization be better prepared to compete for top talent as the economy recovers, contact talentRISE at 312-878-4300 or email us at TopTalent@talentRISE.com.