



Article

Myths about Hiring in a Down Market

Common misconceptions about hiring in a down market can sabotage efforts to attract and hire top talent. If you're ready to hire, you need to understand the dynamics that are in play in today's marketplace.

Many companies see the recession as an ideal time to exploit the difficulties of the job market. According to a recent survey of local hiring managers, 74% of respondents believe that it is easier to fill jobs with highly qualified candidates now than at any other time in the past few years. In fact, when it comes to hiring, there certainly is the perception of a larger qualified applicant pool, more interest in job openings and a greater number of resumes in circulation. It was challenging to attract top talent when the economy was booming, but now many hiring managers are finding – to their amazement – that it's even more difficult during the economic slump.

So, with unemployment across New England approaching 9% and a glut of resumes flooding HR offices, why are some hiring managers still struggling to fill open positions? We talked with our clients across New England and conducted a survey of hiring managers to get a handle on the myths and realities of what it takes to hire top talent in today's market. This article explores some of the myths of hiring in a down market – myths that can stop you from closing the deal with the top talent you need. If you're ready to hire, be sure you understand the real dynamics that are driving today's recruiting environment.

Myth: High unemployment equals lots of great candidates

Hiring managers believe there is a greater supply of qualified job candidates available now than in any time in the past, and they believe companies can be more demanding about the skills and experience they require from new hires. That same survey indicates that 84% said that they believe that there are significantly more qualified candidates looking for work now than at any time in the recent past. From a strictly "quantity" perspective, it is correct that high unemployment means a greater supply of job candidates. However, if you seek qualified candidates with specific skills, the *true* labor pool is actually much smaller. In fact, the pool of qualified candidates has likely shrunken from previous years because there are virtually no voluntary resignations in today's market. "I was shocked at the small number of qualified candidates that applied to our open systems analyst position. I expected to fill the job in two weeks. Two months later we were still in the recruiting process", reported a Director at a local healthcare company.

Those who have jobs that they perceive as "stable" are more likely to hunker down and wait for a better time to venture into the job market. In a "normal" market, it is generally believed that leaving a stable position for a new opportunity carries only a low to moderate risk. But in today's uncertain economic climate, most employed candidates are less likely to jump ship. Being risk-averse, they'd rather ride out the recession with the "devil they know". Many with stable employment fear they have much more to lose than gain if things don't work out in a new position. "Although there is nothing challenging me here anymore, I don't want to be last in and first out if I make a move to a new company" said a controller at a Boston-based Biotech firm.

Furthermore, stable organizations are doing their best to retain key resources. These factors make it even more challenging to lure quality talent to a new employment opportunity. So while you may be flooded with an overabundance of resumes, the clutter of additional job applicants will not necessarily yield a wealth of qualified talent.

Myth: I can finally have my cake and eat it too

Some companies believe today's employment market is so ripe that they issue job requirements with an ever expanding and increasingly inflexible set of requirements. Almost 60% of respondents indicated their belief that the current hiring market enables them to be less flexible with the skills and experience that they want to see in a candidate. Often representing a "catch all" wish list, the large number of rigid requirements makes it unrealistic to expect that one candidate has everything being sought. For example, a world-renowned university has been attempting to fill a Database Administration position for the past two months. Normally this would be a routine process yielding a fair number of candidates. But they have an expanded list of required technical skills in addition to a rigid requirement that the candidate must have supported research scientists in a specific field of study. As of this printing, they have only been able to find two candidates in two months that were even close to the mark and have still hired no one.

It can be a costly and time consuming mistake for organizations to think that they can quickly and successfully recruit for a large and sometimes "unnatural" mix of credentials simply because of the economic downturn. Our experience has shown that increasing the requirements for a position often causes openings to remain unfilled for long periods of time and leaves companies frustrated and disappointed. When you fill an open position, you're adding a team member, not a laundry list of skills. So while it is reasonable to want the biggest bang for the buck, a large, inflexible list of requirements can unwittingly exclude excellent candidates who may, in fact, be a great fit for your organization. There are superheroes out there, but you may never recognize them if you can't be flexible and focus on key requirements.

Myth: Time is on my side

Many hiring managers think today's candidate-rich climate offers an excuse to drag their heels in the hiring process. When surveyed, about half of the hiring managers believed they did not need to make hiring decisions as quickly as they had to in previous years. As a result, organizations are clearly spending more time shopping for the perfect candidate. "Earlier this year I needed to hire a senior Java developer to join my team as a consultant. The second person I interviewed turned out to be the best in the pool. I figured that he wasn't going anywhere so I decided to keep interviewing in the hopes that I could find someone just a bit better or at least confirm that he was the best out there. After two more weeks of interviewing, I called the consulting firm to hire him and they told me that he took another position the previous week. For me it was back to the drawing board and it took three more weeks to find someone as good", reported an IT manager for a mutual fund firm.

In many local hiring sectors - including healthcare, finance, technology and accounting - hiring competition is still fierce and good prospects are being courted. Despite manager perceptions that time is on their side, talented candidates are likely looking at multiple opportunities and geared up to make decisions extremely quickly. Qualified candidates are moving forward with the first acceptable offer of employment. If your process isn't able to keep up with their pace, you will likely find yourself losing your top prospect.

Getting real and moving on

More than ever, businesses depend on having the right people in place, with the right skills and experience. Despite the belief that high unemployment equals more qualified candidates, talented people generally prefer to stay put rather than risk a move to a new employer. This hunkering down actually depresses the talent pool. Hiring managers must understand that many notions about hiring in today's market are merely myths. It's time to eliminate any self-defeating behaviors and get back to the basic tenets of employment recruiting:

- Hire a person, not a laundry list of skills.
- Quantity does not correlate to quality when it comes to finding top talent.
- Top notch talent is still tough to find. Use recruiting resources wisely and be prepared to move fast with a competitive offer when you find the right candidate.

Remember, the way that you recruit today helps shape your company's long term image. When the economy turns, how will you want potential future employees to remember you?

* Survey of hiring managers in New England, May 2009