



Recession is Ending... What's Next for Hiring?

Is the recession over? Should you start hiring again? Is the recovery around the corner, coming in just a few months? Should you be getting ready to start hiring again?

The answers to these questions are mixed.

Yet many economists, corporate leaders, and others supposedly in the know seem mostly upbeat about a recovering economy. And one executive recruiter is advising employers to "start getting ready to start hiring."

First, the evidence that the worst recession in 70 years may be waning:

- *Workforce Management* magazine reported in late July that "Recruitment process outsourcing providers are seeing an increase in interest from employers... now realizing the need to start hiring again in the next few months."
- *Workforce Management* reported in early August on results of the "Greenwich Market Pulse" survey by Greenwich Associates. Findings: 31 percent of execs in the U.S. believe the global recession will end in seven to 12 months. Another 42 percent believe it will end in one to two years. Nearly 50 percent of execs in Canada believe the recession will end within a year.
- The smartbrief.com survey in mid-August asked this question: "...when would you expect to restore more normal investment in business, including inventory, staffing, expense budgets and capital projects?" More than 1,000 respondents recorded with these results: 44 percent expect to restore more normal investment in the first half of 2010... 29 percent in the second half of 2010... 12 percent in the fourth quarter of 2010... and 10 percent in 2011 or later. Only 5 percent expect to restore more normal investment in business in the current quarter.
- In late August, CNNMoney.com reported the Leading Economic Index (from the Conference Board) "rose in July for a fourth straight month, "in another sign that the recession is bottoming..." The report quoted Ken Goldstein, economist at The Conference Board, as saying, "The indicators suggest that the recession is bottoming out, and that economic activity will likely begin recovering soon."

Using Social Networking Sites in Hiring?

More and more employees and management people are using social networking sites in their personal lives. And they're also starting to use social networking sites in work-connected ways...including in their job searches and their hiring process.

So, the question arises: When you and your company are ready to begin hiring again, should you use social networking sites to attract job applicants and to check out job applicants?



Shafiq Lokhandwala, CEO of HR technology firm NuView Systems, cautions against using the purely social networking sites in the hiring process. Among the most popular social networking sites are Facebook, MySpace, and Twitter. People use these sites to connect with each other and to inform others about what they are doing, to generate discussions, and to follow each other. They're mostly for posting and exchanging personal information.

Lokhandwala distinguishes the LinkedIn site as a professional network rather than a social networking site.

"If the job you're looking to fill is a low level job that anyone can do," says Lokhandwala, "then social networking sites can work." But there aren't that many of those types of jobs anymore. If the job or position requires levels of essential knowledge, experience, and skill... then going to social networking sites to learn about people has risks.

1. Social sites are not places where people share information, photos, and videos about their professional lives. They're sharing about their social lives, their hobbies, their opinions, tastes and personal preferences. "In society we have a work face and a social face," Lokhandwala explains. "In work you may not have any alcohol but in your

- Survey results released Aug. 25, by CareerBuilder.com and Robert Half International, Inc., found that 53 percent of employers surveyed plan to hire full-time employees in the next 12 months. Another 40 percent plan to hire contract, temporary or project professionals in the next 12 months. Survey results came from 500 hiring managers. The respondents reported the average time to recruit a new full-time employee was ranged from 4.5 to 14.4 weeks.

Next, some encouragement from those-in-the-know:

- Greg Robb, writing for MarketWatch, in early September reported, "The most severe economic recession since the Great Depression is history, economists said... after key early data for economic conditions in August came in much stronger than expected."
- Martin Crutsinger with Associated Press reported in late August: "Further evidence the recession is ending came in a [Commerce Department] report... confirming that the economy shrank at an annual rate of just 1 percent in the spring." Crutsinger reported that Nigel Gault, chief U.S. economist at HIS Global Insight, "predicted the economy would gain momentum in this quarter and the final quarter... He expects the gross domestic product to jump to above 3 percent in this quarter... Growth most likely will remain around 3 percent in the fourth quarter."
- Chris Isidore, CNNMoney.com senior writer, in late August reported that Federal Reserve Chairman Ben Bernanke indicated "prospects for a return to growth in the near term appear good." Bernanke warned "economic recovery is likely to be relatively slow at first, with unemployment declining only gradually from high levels."
- Lou Adler, president of The Adler Group and author of "Hire With Your Head," in late August wrote in an ere.net blog: "A small trickle of new jobs will cause a tidal wave of unexpected replacement hiring. Here's why you need to get ready now. Hopefully, it's not too late." He explained that "employment churn" (fully employed people switching seats) "will increase dramatically three to four months before any pickup in overall employment. This unplanned spike in voluntary turnover will leave many companies ill-equipped to handle the surge, since most are not considering replacement hires in their new hiring forecasts as a big item."
- Investor Warren Buffett in late August wrote in the New York Times that the economy "is now out of the emergency room and appears to be on a slow path to recovery."
- Michelle V. Rafter, writing for workforce.com in mid-August, reported that "recruiters are noting the slightest of upturns as they help companies find turnaround talent to work their way out of trouble."

personal life you can. So the fact that a social site is more about what you do in a social setting causes people who look at it from a professional perspective to come to wrong conclusions."

"So you may be depending on inaccurate information if you depend on what you learn from a social networking site," he says.

2. You may generate too many applications and too much information. Says Lokhandwala: "If you're trying to recruit in social networking sites you may be recruiting where your best candidates may not be. If you get your recruiting out into these general spaces you may get people who are aspiring for a job but who are not actually qualified. You'll get a huge amount of applicants without the accurate information you need."

3. Inaccurate information is a risk. "When you look at information on Facebook or Twitter without the applicant's permission, and you draw conclusions on that information, you are potentially relying on inaccurate, speculative information," Lokhandwala continues. "You're relying on social situations that may have occurred that have no bearing on the individual's ability to do the job. It may lead you to infer this person is not qualified for the position you're looking to fill."

Now, how one executive recruiter sees the hiring picture today:

Jennifer McClure is vice president of the executive recruiting firm Centennial, Inc., Cincinnati, OH. As the recession seems to be reaching its end and as the economy seems to be shifting into a forward gear, what does McClure see in the hiring picture?

"Most employers are still just tentatively hiring, in the sense they're not putting together a plan or process to hire," she says. "They're not hiring with gusto as before. Now they're taking more time. They're not filling vacancies with any urgency."

Of course, there still are positions getting filled, even in a dragging economy. "I interact with a lot of senior-level people who are seeking and landing jobs," McClure explains. "Mostly they're landing jobs through personal networking."

"Most of our clients have put things on hold," McClure continues. Obviously, she explains, the search business has been affected by the down economy. Still, she says, "companies retain us to find persons for opportunities they have in their businesses."

What should employers be doing right now in preparing to hire again? "The recovery will probably begin in the 4th quarter. So my advice is, to get people on board in the not-too-distant future start right away," McClure explains. "Employers need to start preparing to hire again. They've done their layoffs. They've gotten rid of some of their key people. If the economy is coming back, they really need to start preparing to hire now. For example, they need to consider, What is our employment brand? What can we do to spiff up our employer brand now?"

Is there anything employers should be doing differently, or better, than they did just three years ago to recruit and hire the best people?

"In most cases it's their attitude that has to change," says McClure. "It used to be that employees were expected to stay with employers for life. And employers will lay off employees if they want to, but expect the employees to stay for life. But career loyalty doesn't exist anymore. The employer needs to figure out how to manage this mobile talent, figure out how people can move into and out of positions. And figure out for key people how to advance them in their careers."

McClure adds, "The age of looking at a resume and seeing a lot of previous jobs and calling someone a job-hopper, you can't do that anymore. People move around today for better opportunities."

And just repeating the hiring approaches of the past most likely won't get employers the best applicants. Relying on newspaper advertising and recruiting through current employees alone probably won't bring in the best people. Says McClure, "Today, the good people are being picked off by recruiters or by their own networking."