



# **Talent acquisition playbook in recession times**

How business leaders can proactively build a  
flexible and robust talent workforce



**MARCHER MARKHOLT**

WE KNOW TALENT.



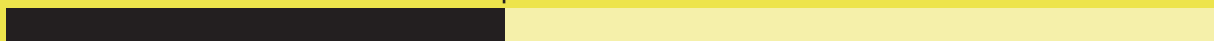
If you have opened a newspaper or watched the news in recent months, you will know that the economic outlook looks gloomy with sky-high inflation impacting our daily lives and an anticipated recession threatening right in front of us. Nobody knows when. Nobody knows how grim it will be, but we know the downturn will hit sooner or later. On top of that, business leaders are facing severe talent shortages that show no signs of stopping.

**58%**



According to Bain & Company, 58% of leaders see lack of talent as the biggest barrier to growth. Here in the Nordics, the talent shortage keeps being a major challenge.

**46%**



Numbers from the Danish Agency for Labour Market and Recruitment suggest that 46% of companies experiencing recruitment challenges saw a reduction in productivity in 2021.

Meanwhile, the talent market is still adapting to a new reality that was unveiled by the pandemic, which heavily impacted the way we work and the way we desire to work, and which led to many people deciding to leave their jobs (what has been coined The Great Resignation). It is no wonder that business leaders are nervously anticipating what's coming and reflecting on what to do in terms of talent acquisition.

## When the going gets tough, the tough get going

If there's anything we can learn from previous recessions, it is that cutting costs heavily in areas such as talent, R&D, and marketing won't work. Such a reactive response will on the other hand put a company at great risk of successfully resurging post-recession.

Instead of making dramatic cost-saving decisions, future-focused leaders proactively address areas where they can trim the organizational fat, where they can strengthen their core and where they can build dynamic organizational capabilities to cope with uncertain times. From a talent perspective, business leaders must understand how to continuously find, attract and hire the best talent and attain/retain the existing workforce to remain competitive. The exact talent needs going into a potential recession are of course hard to predict and thus require a new talent acquisition playbook.



# Now is a critical time to build a flexible and robust organization

Harvard Business School and Boston Consulting Group suggest that a blended workforce with a mix of permanent staff, interim hires and freelancers can yield a competitive advantage for companies. According to the research, there are seven significant benefits of building a flexible workforce:

1. **Increased speed** to market
2. **Increased creativity** and innovation
3. **Better match** between skills and tasks increases productivity
4. **Inspiration** for new ways of working
5. **Up- and downscaling** based on volatile work pressure
6. **Highly skilled experts** are better at fixing temporary challenges
7. **Opportunity to attract** a more diverse talent pool

Business leaders that neglect this growing trend bear the risk of missing out on a critical opportunity to build a more flexible and robust talent organization. Recent M&A activity in the US and European recruitment industries also supports that the blended workforce is a hot topic for recruitment firms. Traditional staffing firm Heidrick & Struggles acquired on-demand talent platform Business Talent Group in 2021, and this year freelancer platform WorkGenius went the opposite way to acquire the recruitment agency JBC.

## How to approach talent acquisition in times of recession

Everyone knows it takes a lot of time and effort to hire the right talent. However, as previously mentioned, not hiring is very likely to impact your company's productivity negatively. Hiring the wrong talent can also be costly, both financially and to the culture of your workforce. The following five practices will help business leaders get ready for a potential recession and build a workforce that is adaptable to busy peaks and dire straits.





1

**Focus on quality over quantity in your core functions.**

Now is not the time to hire ahead of demand. Hold your horses and focus on hiring the talent that is important for core functions. Remember that the best talent can also come from internal pools within the organization. And don't compromise on the quality but be willing to go the extra mile if required as the best talents are likely to have multiple, lucrative offers - including from your competitors.

2

**Bolster your team with interims and freelancers.**

Start activating a network of interim and freelance talent so you are ready to scale up when needed, and quickly scale down again if needed. This type of talent can also back-fill your core functions if you are not successful in finding your permanent hire. Hiring an 80% fit now on a short-term contract and starting looking for your 100% permanent hire may be a great solution to solve the immediate need and avoid losing out on a current opportunity.

3

**Flex your flexible muscle.** Proactively address the need to work more flexibly. Companies cannot go back to pre-pandemic times and the expectation from employees has quickly become more flexible work models, ranging from the hybrid 3-2 models to fully remote models as implemented by the likes of Google and Spotify. Trust your best talent to manage the flexibility responsibly and check in with them often on how it is going.

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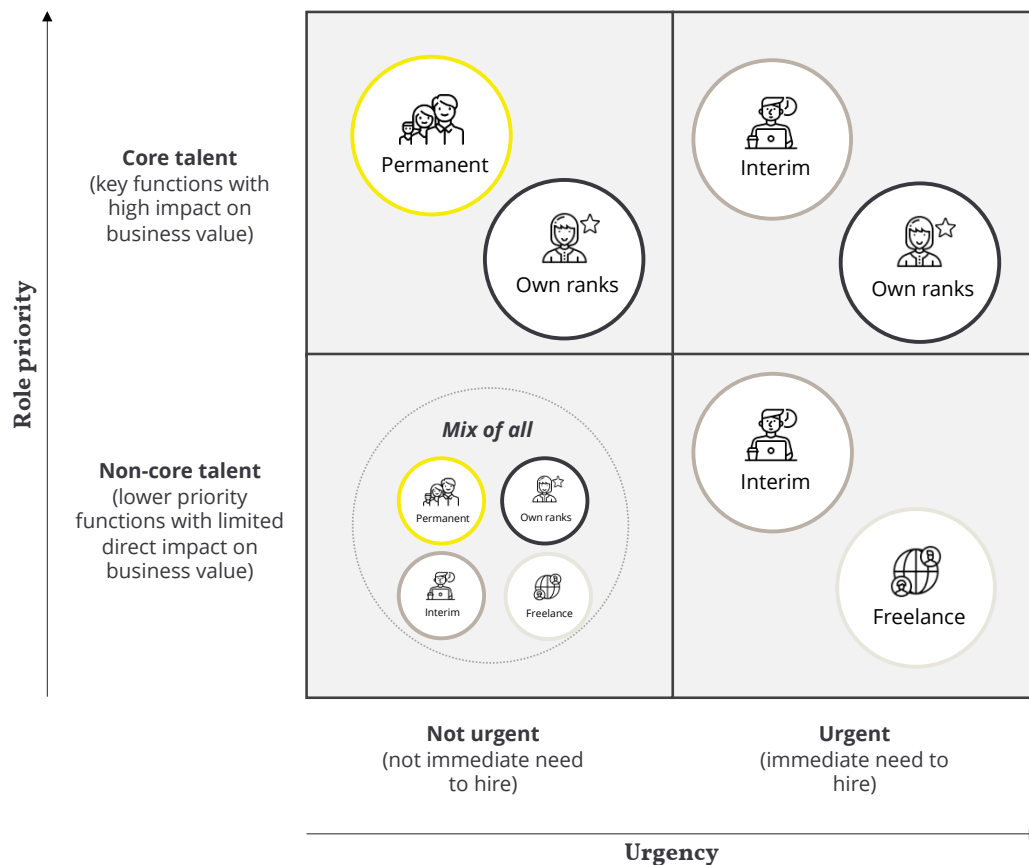
**Build a winning culture.** When things get tough, it's easy for leaders to keep quiet about the finances and general welfare of the company. That is the wrong approach. Be transparent about the situation and where you need help, and the best employees will raise to the challenge and do what they can to help turn the ship around. Recognize extra effort and "can do" attitudes - if not financially, then verbally.

5

**Partner up with experts.** When you can't fix your toilet yourself, you call the plumber. In the same way when you can't find the right talent, you go to an experienced recruiter. Skilled recruiters know the market, have the network and hold the keys to finding, attracting and convincing the best talent to join exactly your company. Whether you decide to turn to your internal HR department or to an external recruitment agency, remember that the best talent in the market often interviews you, not the other way around.



Model: Matrix to determine talent acquisition strategy for the blended workforce



Breaking down the 4 types of roles:



**Own ranks:**

Promoting an individual within your organization who will already be familiar with your company's workflows, tools, teams and processes.



**Freelancers:**

Independent contractors who provide on-demand competences that bolster your team for ad hoc projects or short-term peaks.



**Interim:**

The temporary supply of a manager or specialist with specific expertise or skills, supporting your teams for specific, time-limited projects.



**Permanent employee:**

A traditional hire of a permanent, fixed salary employee to join your team full time.

In the model above, we have summarized the different talent acquisition strategies and when they apply in relation to the role priority in your organization and the urgency of filling that role.

It is impossible to foresee how companies will be impacted by an upcoming recession. But acquiring the right talent (models) will without a doubt be a cornerstone in getting successfully through a downturn.

**Sources:**

Forbes, Bain & Company, Styrelsen for Arbejdsmarked og Rekruttering, McKinsey, Boston Consulting Group