



The Upside of a Downturn

How Smart “Investors”
in Talent Markets
Find Bargains During
a Business Slowdown

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THE ENGAGEMENT CYCLE

A slowing economy has tangible burdens, as employers become cautious in hiring (or even lay off workers). More subtle and insidious is the way even a gentle slowdown in consumption can trigger a well known vicious cycle: Lower corporate revenues lead to job insecurity, which causes consumers to tighten spending, which hurts revenues, which causes more corporate belt-tightening, and so forth until something (government spending, easier credit, unforeseen demand) halts the cycle.

This cycle offers a break in the fevered efforts to attract and acquire the most talented employees, a chronic problem that has beset booming economies for the past decade. To take advantage of a temporary lull in the chronic shortage of top talent, managers in HR and executives leading companies must adopt the longer-term practice we call **the Engagement Cycle**.

The Engagement Cycle is a long-term practice combining employer branding, relationship management, and communication. It recognizes that an employer must continually attract, acquire and advance talent just as brands attract, acquire and gain loyalty with customers over time. The Engagement Cycle creates strong bonds between employers and potential candidates before, during and after the brief period we call “recruiting.” Its practices ensure that when the economy strengthens—and talent once again becomes scarce—an employer has built a strong “bench” of talented individuals who are interested, open to discussion, and even grateful for the attention.

The Engagement Cycle helps employers take advantage of candidate psychology during a slowdown to attract top talent for the long term.

As companies move from the hiring-as-transaction view to the marketing view, we see that employer and candidate follow a clear three-phase cycle in the course of their working relationship. The three phases of the Engagement Cycle determine the level and quality of engagement between employee and employer.

1 | **Attract.** The Attract phase is a long-term “dance” between you and the candidate. It includes every activity meant to position the organization as a potential employer in the mind of a candidate. You project a carefully crafted, authentic image as an employer; they become aware of your organization’s specific attributes. Your employees spread your reputation as an employer; the candidate listens and assesses you as a potential workplace. It’s a similar dance to the way consumers are drawn to brands in the marketplace.

2 | **Acquire.** This phase involves all the interactions between you and candidates from the moment they reach out to you. You advertise a position and they apply. You treat their application a certain way, and they react. You find their résumé and approach them, and they judge you by your image and your behavior. Your interview process is a series of interactions with different parts of your organization. Both candidate and employer set expectations throughout this process that will be critical in making a good hire and later in holding onto the best talent. The Acquire stage also includes the honeymoon period right after an employee starts working, in which expectations will be tested against reality. In terms of consumer branding, this is the purchase of a product and its aftermath: Does the product perform as advertised? Is the customer so satisfied that he would recommend the product?

3 | **Advance.** Keep critical talent moving, not necessarily up, but growing in experience, responsibility, money, or other tangible and intangible ways. Advancing talent in your organization is a key to retaining good people and vital to your company’s ability to change as opportunity or necessity require. Retention is the “hold” part of hire and hold; in consumer branding terms, it’s the equivalent of customers becoming loyal to a brand and identifying with the brand’s attributes.

The Engagement Cycle is the long-term flow of activities that attract, acquire, and advance talent, and it is the interplay of the full cycle—both the employer’s three activities and the candidate’s responses—that creates a strong relationship.

The first stage—Attract—consist of getting the word out, and the consumer-minded candidates’ activities in a job search (including checking you out). The middle stage—Acquire—is transactional and relatively brief. In the third phase—Advance—both sides try to maximize the value of the relationship.

This last phase might repeat over the time that an employee works at your company. A poised worker is always judging the employer against other potential employers. When talent is in demand, you have to re-earn its engagement constantly or risk losing it to someone else.

The Engagement Cycle requires more attention than transactions because it is multidimensional and depends on the ongoing interaction. For example, it’s not enough for your outreach to be good; how you receive the candidate’s response is also important.

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The Attract phase can last for years. For the career-minded worker, employment is not a single event but a sequence of encounters: a candidate hears about an employer, maybe years before applying for a job there (but from the moment the candidate hears, he starts to form an impression). In the language of marketing, that's a touch point. Sometime later the candidate hears about the company from a friend who works there. That's another touch point. Perhaps he then uses one of the company's products, or shops in its store; that's another touch point. Then the candidate connects in a very specific way to an opportunity—a job advertisement, a network contact, a call from a recruiter who dug up his résumé. More touch points. Then the candidate applies for the job and goes through the process of getting the job. More touch points. Then he starts working as an employee, and he's now in a daily relationship with the employer until he leaves the company—retires, quits, is let go, or dies!

The Engagement Cycle is a multidimensional, long-term approach to hiring and holding skilled employees.

POOR HIRING IS LIKE POOR INVESTING

Economic slowdown means top talent, usually rare and expensive, is briefly abundant and more affordable. Typical hiring techniques, however, won't attract these talented individuals for the simple reason that they, as individuals, have become more risk-averse, and those who are employed are less likely to switch employers.

A slowdown exaggerates fears of scarcity: scarce money, scarce security, and scarce jobs. Typically, hiring managers and executives hunker in the bunker, cautiously cutting budgets and limiting new initiatives. Corporate leadership which chased valuable talent with increasing salaries just a few quarters prior to the slowdown turns 180 degrees, and treats talent as an asset to be stretched. Hiring budgets decline, and employer branding efforts stall until corporate profits return to robust health.

This corporate behavior is reminiscent of the amateur investor who sells his stock holdings into a bear market, then tries desperately to catch up when the market turns north. Successful investors, on the other hand, view market corrections as opportunities to acquire high-quality stock at a bargain price.

Similarly, a "bear market" in talent (e.g. higher unemployment) is an opportunity for managers and investors to gain the attention of top talent. Even when employers can't load up their workforce during a slowdown, they can build up their portfolio of relationships with the best potential employees by reaching out to the best.

RELATIONSHIP TRUMPS TRANSACTION

Say things get really bad, and the unemployment rate reaches 10%. Barring catastrophe, the most valuable talent stays employed. 90% hold onto their jobs. But the attitude of those people changes, as they become a little less secure and more receptive to a long-term recruiting message. (Significantly, Monster research shows that 70% of employed people are open to new offers at any time in the business cycle. We call them “poised” employees.)

It is this long-term relationship to talent that counts when the time comes to hire again.

For the companies who believe that a talented workforce drives success (and that’s almost all companies), the current slowdown offers a rare opportunity to improve their positioning in the marketplace. Inexpensive actions taken today will make a firm more attractive in the long run to top candidates, and boost retention of the best employees.

Mediocre hiring is transactional, as a position comes open and recruiters scramble to locate candidates in a short-term burst of advertising. Whether the transaction takes place on a sophisticated Internet recruiting service or with a sign in the window, it’s based on simple supply and demand—get the best person available today. Transactional hiring takes place in a narrow window of time, limiting by its very nature the pool of available candidates.

Inexpensive actions taken today will make a firm more attractive in the long run to top candidates, and boost retention of the best employees.

Finding Keepers: The Monster Guide to Hiring and Holding the World's Best Employees will show you how to break this transactional cycle by laying out the practice of the Engagement Cycle. Employers who follow its straightforward advice can leverage the current slowdown into long-term advantage when the business cycle turns and talent is once again scarce.

Now is the time to break free of transactional hiring and improve a company's ability to attract, acquire and advance the top talent that means success in good times and bad. Employers who change their practices—whatever their current level of spending—to the techniques found in FINDING KEEPERS will reap the benefit in lower hiring costs and a higher level of talent in the years to come. 📖

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ABOUT THE AUTHOR

Jesse Harriott, Ph.D. is Vice President of Global Monster Insights and pioneered the Monster Employment Index (MEI), the first measure of online recruitment activity now tracked in the United States and Europe. Steve Pogorzelski, formerly Monster's EVP of Global Sales & Customer Development, was responsible for Monster sales and customer development in more than 40 countries worldwide. Doug Hardy runs Monster's publishing program for employers and job seekers, and is the co-author (with Monster founder Jeff Taylor) of three books in the Monster Careers series and *Fastweb College Gold*, a guide to student financial aid. For more information, visit findingkeepers.monster.com.

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