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Recruiting Strategies:

DECIPHERING THE RECESSION CYCLE: WHAT RECRUITERS NEED TO BE DOING

Ryan Leary, Kenexa, Interviewing Bill Boorman

MR. LEARY: Welcome back to another edition of recruiting strategies. Today I'll be expanding on the series, talking about social recruiting and leveraging social media to better attract quality talent. Today I'll be speaking with Bill Boorman. Bill is an industry veteran, with more than 25 years of experience in recruiting and recruitment strategy. Bill is actually based in the UK, holds his own consultancy and we were actually introduced via Twitter. I wanted to invite Bill on the show today to really focus on four key areas. Bill talks about recession cycles. We're also going to speak about the parallels between the UK and the US recruitment strategies as well as what recruiters should be doing today really in preparation for that recession cycle and social media and its effect on the modern-day recruiter. So without further adieu, welcome Mr. Bill Boorman. How are you, Bill?

MR. BOORMAN: I'm very good Ryan. Good to talk to you.

MR. LEARY: Good, I'm glad you could take a few moments out of your very busy day to speak with us. Now you've actually been doing a lot of traveling recently. And most recently you were over here in the states visiting the guys down in Dallas at TalentNet.

MR. BOORMAN: TalentNet live, yeah, we had an excellent conference. I picked quite a lot up about what's going on in the states. And also I think one of the things in particular I picked up was how well some of you guys are doing on the social media. I knew from my own experience that you did it fairly well, but I picked up some good ways in terms of strategic use of Twitter which I think you were perhaps a lot more strategic than we are in terms of how you are using it. So it was a great show for that.

MR. LEARY: And now you're back in the UK, but you are actually coming back in two weeks for the Recruitfest.

MR. BOORMAN: Nine days from today we're live at Recruitfest '09 which is going to be a great event in Toronto. I think one of the big things that came from me out of Dallas is how much things have changed as a result of social media like Twitter because normally if you go to a conference and it's a one-day conference, probably 90% of the day is spent really in the kind of getting-to-know-you stage with people. Whereas what we found is meeting people for the first time, and remember I'm traveling halfway round the world to do this, meeting people for the first time. You already know 90% of what you need to know to build a relationship and know who you want to talk to. So it was something that was actually quite striking how quickly I make conversations with probably 40% of delegates I already knew something about them and they already knew me and we already have that trust there.

MR. LEARY: You and I actually met off of Twitter and for the first time we will be meeting in person in Toronto at Recruitfest so I'm excited about that as well. Now your trip over here to the states you gave a presentation at TalentNet Live and you and I had the chance to speak a short while ago regarding the recession cycle. And you

had some very interesting views on that. So why don't you kind of, if you could, take us into the world of your views on recession cycle.

MR. BOORMAN: OK, well in my experience and I haven't worked in recruitment for 27 years; I've worked through three recessions. The recruitment market always tends to follow the same cycle which kind of leads what the economy is doing and what the papers are saying by a few months. And what the first thing that happens is the temp or contracts or entry market, obviously depending what sector you're in, that rises significantly, whereas the permanent and executive and search market tends to slow down and falter. In the UK, that was happening between really August and November of last year. So what would happen is that anyone involved in temp or contract business was really saying what recession? That's happening a long way away. Whereas the permanent business was slowing down, but we all still felt it would be over by Christmas, things were going to get better.

Now when the temp business rose, that kind of rang early alarm bells for me. That's what I was talking to people about, that maybe it was time to batten down the hatches and look at what we were spending and get very focused on taking care of our clients and winning some more clients. If I give you an idea of the size of the shrink. Twelve months ago the average contractors with the businesses that I worked with was 20. They would have 20 at every company level working with. That actually shrunk down after November, which was the second phase of recession, down to five. So you needed to have at least four times as many clients just to do the same amount of business. So effectively what happened in the second phase, which was started in November in the UK was if someone pulled a switch and the economy just collapsed. There was no temp or contract business going on that shrunk almost overnight and no permanent hires going on. It was quite a dull place to be for a lot of recruiters; a lot of people exited the industry. We saw firms cut to the wall and disappearing. We were reading in the newspapers all the time of mass redundancy, companies closing, companies moving.

It was quite a depressing time and it really reached a point after Christmas, January, February time, when we were thinking when is this actually going to end? The recovery actually started in about March of that period, and that's when you go into the third phase of recession. What you see is the temporary contract and interim numbers rising and a little bit more confidence in perm business, so the two things I look at as indicators to track that with the recruitment firms I work with are...number one, the individual numbers of companies that are using temporary interim contract staff. I'm less worried about numbers and more worried about how many companies are using, because the more companies using, the more you can say there's a spread of employer confidence. And that's since about the second week of March, that's risen every week. The other thing that's happened in the permanent market is over the last 2 - 3 months the actual ratio of jobs which get filled has got a lot better. So whereas there were some jobs about or some assignments about, a lot of them weren't actually ending up in hires. There were more people on fishing trips seeing who was in the market. What's happened now is that actually more of those jobs are turning into hires, which again tells me time for us to be comforted in the market place. Now we're finding that there's more hiring going on and more of the recruits I'm talking to say I can see a pipeline now, whereas historically I was very dependent on getting the placements of the odd jobs or the other assignments I had on. Now they're confident in saying I've actually got hires going forward into next month and beyond that I've got interviews going into next month and beyond, and I'm feeling confident in it.

The full recovery is when both the temp, interim, and contract market and the perm market levels out and gets quite high and I see that actually sometime like around May of next year. I'll put a date on it as May 11th because I feel we're probably talking about the middle of May when the market could be back at its height. I don't think it's going to be as high as it was 18 months ago, but then I think that was the highest the market has ever been, was perhaps a false high because we had a lot of factors, but then we will have a full market back and booming by May of next year and we'll experience rises week on week from now.

MR. LEARY: You had mentioned a little while ago and I thought that was very interesting. You had made a comparison from the UK to the US, saying that the UK is about three months behind.

MR. BOORMAN: The US is about three months behind the UK in terms of coming out of recession. What I'm saying now is that we're really seeing the recovery happening from about March. You're now seeing it started to

recover from June, and I saw a report recently coming about from Spherion in the states that the temp market had bottomed and was recovering. So these are the signs that I actually looked at, that I look for in the market. That would place you at about three months behind where the UK is and I think that's probably because of two things, the size of economy that got massively hit, plus you are more dependent on certain industries like automotive, which is felt at harvest. That's my thinking of it, however I think your recovery now is going to bring you back onto the same path.

MR. LEARY: So now, let's kind of swing the pendulum here and kind of talk about recruiting. So what do recruiters need to be doing now to be ready when the recession does cycle around?

MR. BOORMAN: Well there are two things I think are key. The two things are timing and tactics, which is when is going to be the right time. If I talked to you about a report, we've just been talking about it on the *Ready for Lift Off* show, which is my radio show. One of the things we were talking about is that there is a report from an organization from the UK called the CIPD, which is the *Chartered Institute of Personnel and Development*, which is, if you like, the trade body that looks at Human Resource issues. They conducted a survey that found that 70% of people in work were not happy with their circumstance. However, they were sticking with it because they were unsure about the economy, whether this was the right time for a job move. They accepted a lot of big hits in terms of pay cuts, frozen overtime pay while having to work the overtime and so on. And they've done that to keep the work. And I think this is true across the world, certainly from what I was hearing here in Dallas.

I think the second part of what happened from that is actually as the confidence begins to return, more people come into the market. And they were talking up to 60% of working people will be looking to move over the next 12 months. Now that's going to mean a lot of churn which is going to create a lot of opportunity for recruiters both in terms of candidates being a little bit more willing to make the move and companies actually having opportunities as these people are leaving. So recruiters are going to be ready for that upturn both in candidates and business and that's going to mean getting certain skills in order. Personally I think the engagement or conversation with these potential candidates or passive candidates at the moment is key which is where a lot of social media comes in which is just letting people who know who you are, to really say, when you're ready, we're ready, start to talk to us about what's going on.

And the other thing is for recruiters to get out and get engaging with people, get face-to-face, talk to their clients about what do you think is going to happen. We use a technique with the businesses I work with which is *good news sale*, which is going to talk to people now and say, now look, things are looking up, we are hearing good news all around. It may not have hit you yet, but where do you think you are going to be having requirements over the next 12 months. Let's talk about that and build up that pool of candidates. Now the other thing that's changed is the way in which candidates are behaving because the decision-making cycle's doubled in length. The average length in the UK for a client to make a decision between giving you the assignment and hiring someone was three weeks. It's now six weeks. In any sector I look at it may be longer if it's a more technical job, it may go to eight weeks from four weeks. Equally, we have more candidates now at the last stage coming back and saying, I'm not quite ready to move; I'm not quite ready to move yet. Or I'm going all the way to the final interview and saying I've decided to stay where I am because I'm not quite as confident. So the actual relationship is going to be more and more important that they have with their individual recruiters. I think that's a real skill recruiters have got to learn again which has been lost over the last six to seven years. And that skill is to understand candidates, to understand job requirements, the basic skills of a job and equally to spend time talking to people on the telephone face-to-face, rather than purely online communication.

MR. LEARY: Yeah, and I think that's a great point, Bill, that you bring up, with the outcry of social recruiting and social media, giving that a lot of us are on this every single day. We use these technologies every single day and we love what we do with them. You still have to have that personal touch. And I'm a very big and firm believer of that you can use Linked In and Twitter and all these great tools among the hundreds of others to track down and communicate and get into the circles of these potential candidates that you're tracking down. But there comes a point where you've got to get offline, pick the phone up and become a recruiter and I think far too often today what I'm seeing is that recruiters are 95%, 98% leveraging or trying to lean on all these neat little tools that are out there, but they miss that personal touch and therefore are losing those placements,

whether it be the candidate goes to the interview process and then backs out of a deal or they accept the offer and then they wind up rejecting the offer and taking a counter offer. And I think a lot of that has to do with the recruiter not having that relationship.

MR. BOORMAN: Exactly right, and if the relationship isn't right, when you're turning to your candidates and saying, "Look, think about this because it's going to be the right move for you." If that trust hasn't been established, that move's not going to happen. And you can't build that up online. You can build up knowledge in relationship and I think that the social media arena is great for building up the candidate pool, although as my friend Alan Whitford would say, you need to become straight on the candidate puddle because the top 10% of your networks, and not make the mistake of thinking that because I have 2,000 people in my network, I have 2,000 candidates or I have 2,000 clients. We don't have that, that's just people who know us. I would describe it when the presentations that I do, we need to make sure that there's dedicated face-mail rather than e-mail. And that's both visiting people in person and meeting people in person, and getting on the telephone. And equally that we have periods of time where we just have dedicated phone time. I don't care in the recruiting businesses I work with whether that phone time is with candidates or clients. I just want conversations to happen. Conversation equals compensation, you know. Getting it right from a recruiter's point of view to make sure we know both our clients and our candidates properly because that's going to become key in the process.

Now what I think that's going to do as the market recovers is it's going to mean there's going to be less time for social media. Now I don't want to see social media disappear because I'm a great advocate of what it can do for us in terms of reach and branding, so what I think we need is dedicated time. I think in some recruiting businesses, we may need to look at either a social media manager or what I call a twin term to come in and deal with the traffic. I think we'd also learn to use the tools in different ways, so we maybe won't be conversing as regularly on some ways in something like Twitter, but we will be using things like Twitter Analyzer, to see when people are online. We'll be going back to have a look at feeds by looking at things like hash tags to see what's being said. We'll be using more listening tools. Maybe we'll be using the social media in a different way because what's important to me is lots of new tools, but old rules, which is conversation and human touch is where we make our money.

MR. LEARY: Absolutely, and I think you raise a very good point there where it's not about having 2,000 or 15,000 or 35,000 contacts on Linked In or FaceBook, or whichever meeting you choose. It's that top 10% and it's about that conversation that they're having and where these people are hanging out at and it's a listening tool. And I think definitely one of the things that I constantly speak about is we're in the information-gathering business as a recruiter. We're researchers, we're recruiters, but once you stop gathering information, to me you've lost and you've lost a candidate, you've lost a deal, you've lost the position you're recruiting for. So I think you raise a very good point there. How would you describe the parallels if you're looking at a UK recruiter and comparing that to a US recruiter? What parallels do you see? What differences do you see?

MR. BOORMAN: I think very little differences in terms of relationships are important. The major difference if you talk about the US market and the UK market is it's a little bit more fragmented in the US. It became even more apparent when I came out to the states in that you have a lot of corporate recruiters who were recruited internally. But who, for all intents and purposes, are recruiters. They speak exactly the same language as we do all be it their client is an internal one. They actually face the same problems from the hiring managers as an external recruiter does at the same time. I think that you then have your search market and then you have your general market, which I think is quite a lot different. It's a lot more, those sectors are a lot more clearly defined compared to the UK. You might have executives, but then you have recruiters. So that's a difference in the market in terms of who you're talking to. However, the process and transaction and finding people and putting people in work doesn't actually matter which sector or whatever you're coming at it from. Once you start talking to corporate recruiters or research consultants, they have exactly the same problems. Time scales might be a bit different and their fees might be a bit higher or a bit smaller, but the actual issues facing people are exactly the same because it's a people business and all and those issues are related around people and relationships.

MR. LEARY: So that brings another question to mind. And so internal here at Kenexa we've got a learning management system where it's an internal system only and recruiters from across the globe within Kenexa can

come to this portal or come to this site, and it's really built off a social foundation where they have the opportunity to chat with other recruiters. I am a on the recruiter list, sort of like a Twitter, like a Yammer-type deal. But then on the back end of that we hold all of our recruiter research and one of the things that I noticed, I'm not sure that it would be a difference, it might be a difference in terminology or maybe you can shed some light on this for us or for me, the term "headhunting." A lot of our recruiters, a lot of our UK-based recruiters or our European-based recruiters speak of headhunting and when they speak of headhunting, the recruiters here say, No, I'm not a headhunter... in the U.S. Seems like a simple difference, maybe just in terminology, but is there an actual difference in the process and theory behind it, that recruitment strategy?

MR. BOORMAN: Not really. What you're talking about being a headhunter, you're a search consultant so you will actively go out to find candidates. In fact I find it's more of a common tactic in the states than it is in the UK, which is a little bit more data-based and advertising. Not in all cases because there's a lot of international businesses here. So I actually think, in my experience, that's just what it's like. When you get into the process, that's about how you find your candidates. Are you selling your candidates out to the market or are you actively going out to find people for a particular role? Now if you're approaching people who haven't approached you, you might be a headhunter, whether you call yourself a search consultant or anything else.

MR. LEARY: OK, and then one last thing for you, Bill. We have thousands of tools we can use under the new umbrella of social media or social recruiting. A lot of questions come up that I hear or that I read out in the recruitment world online around research. We've got Amybeth Hale, a research goddess, and others similar to her that spend a lot of their time on research and researching candidates and researching tools and things like this. For the recruiters that will listen to this that are on the UK side or the European side of the world, what would you suggest or what tool do you suggest from a research standpoint that they can leverage in their daily tactical jobs?

MR. BOORMAN: From a research point of view, I think there are a few things, first of all, Linked In. Everybody has to be able to use Linked In well to find people. One of the benefits you can get is you can build that passive candidate base. You can identify everyone who's actually doing that. I also think Twitter is beginning to develop some very good search tools for identifying those candidates you want to start engaging with. So I would be using those two channels. I would be using Linked In and Twitter in terms of research. The other thing is, the other kind of tools we need to be looking at are things like eGrabber for researching the web as a whole. There's a research site that I use that I'd recommend to anyone, that doesn't get mentioned anywhere near enough, called the Addict-o-Matic. It's not my site; I get no payback from it, but I mention it because if you search it, it will search Twitter, it will search Google, it will search YouTube, it will search every source.

MR. LEARY: What was the name of that site again?

MR. BOORMAN: It's Addict-o-matic. So if you just do it on your cell phone or do it on mail on anyone once you've identified that name. You will find anything on the web on that person or that client you're going after, so you can then look at that blogs, you can look at whether there's any connection through Digg. What comes about them in a Google search. It's a really, really simple research tool once you've found your target. And I think to find your target, use things like Linked In, use things like Twitter, or switch your search to Twitter Grader to identify the person you need to be talking to. A technique I've been taught which is quite useful for researching candidates, is just find people within your network who are either competitors or within the field you want to talk to and just target them. 50% of them also will follow you. So that automatically brings the name to your network. So I'll be using it in that way and then to find out in the simplest way to go to Addict-O-Matic and see what you can find out. But by the end of the day, find the information, but don't spend too long finding out about people till you've talked to them, have a look at it. Most important, get them on the phone and have a conversation. And the easiest way to find a candidate is to ask another candidate.

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