



### **Top 5 Mistakes Made by Companies Hiring During a Recession**

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While hiring during normal economic periods can be difficult at times, hiring during a recession can have its own set of unique challenges. Here are the top five recruiting mistakes made by companies during tough economic times:

1. **Thinking Great Candidates Grow On Trees** – Recruiters I've talked with on RecruitingBlogs.com say they are having a harder time filling open positions. *How can this be?* Unemployment is high! Generally speaking, most of those top tier candidates that clients are asking for are still working and are not so willing to move now with so much uncertainty. Like most things in life, quantity isn't a sure sign that you'll get the quality you need.
2. **Under-Estimating Your Staffing Needs** – One of the classic moves is under-staffing when times are tough. When you are staffing a special project that you forecast five employees and your manager cuts it to three, think about the situation you are putting these new employees in. They'll be doing the work of five employees and that added stress can lead to increased turnover. Turnover can cost a lot of money too.
3. **Hiring Now Only To Later Lay Them Off** – The opposite problem of number two: you hire someone and then lay them off three months later because of something unanticipated. There isn't anything worse than this (especially if they had a job before!) When you make the decision to open a new position, plan worst case scenario and that you have to keep them on board for a year or more.
4. **Under-Compensating Because You Can** – In a depressed market, you may feel the urge to underpay a new employee because you can. but there is a real risk to this strategy. Let's assume that you under-compensate a new employee by 25%. Not a problem now but down the road when the market is back and compensation is on the rise, are you going to be ready to up the pay significantly (by 25% or not)? If you're not, beware. You may be buying a deal on a very short term employee.
5. **Not Replacing A Necessary Employee** – When times are tough and you have a hiring freeze going on, it may be tempting to not replace Bob from accounting who is retiring at the end of the year. Just redistribute the work and hope for the best. If Bob is a necessary puzzle piece though, you must replace him not only because you can (you were paying that salary before) but because it will help the other employees who are in the department (who may have taken over extra work as the down turn began).

In short, hiring in a recession isn't about guessing and it isn't about treating people like sub-humans because they are desperate for a job. **On the contrary it is all about getting your hires right the first time and treating them with respect which is what we try to do during strong economic times. So why not maintain this strategy during different types of economic times?** This strategy will pay dividends once the recession is over.

*Tradewind Solutions partners with clients in identifying staffing solutions to meet their long-term and short-term needs. More than 100 clients across a broad array of industries in the Denver Metro area have utilized the services of Tradewind Solutions, LLC. If you have any questions or comments or for more information about how Tradewind Solutions, LLC can help meet your specific full time or contract hiring needs, please contact us at 303-955-3050 or [info@tradewindsolutions.com](mailto:info@tradewindsolutions.com).*