



The Future of Strategic Talent Acquisition

Introduction

Talent acquisition (TA) is finally being recognized as one of most strategic aspects of HR. Surprised? There's an overwhelming consensus that attracting and retaining experienced talent is one of the most critical challenges companies face today. Multiple surveys point to the fact that the availability of talent is having a major impact on growth. In fact, a PwC survey of CEOs found that 80 percent of CEOs see the availability of key skills as the biggest threat to their business. And, a study by the Conference Board found that the top concern of not only CEOs, but also CHROs and CFOs, is attracting and retaining talent. Concern about the availability of skills has never been higher.

Competition for talent is intense. One of the biggest threats to business growth today is the difficulty of finding the right talent. Companies that are on a strategic journey to transform productivity or continue sustainable growth understand that the strategy behind acquiring great talent is fundamental to business success. In today's competitive business world, growth is largely dependent on the talent in your organization.

The Workforce is Evolving

The workforce as we know it is changing, moving toward a hybrid blended model where remote workers and contingent labor continue to increase. In this shift to hiring on-demand to solve key problems, organizations are rethinking the structure of their future workforces. According to findings from the Conference Board C-Suite Challenge™ 2018, fewer than half (41 percent) of CHROs think their workforces in the next three to five years will be comprised predominantly of traditional, full-time employees and nearly 80 percent of CHRO respondents foresee greater use of contingent, non-traditional employees. According to the CEO of Intuit, gig workers already make up 34 percent of the American workforce, a number that is expected to rise to 43 percent by 2020.

We've gone through a 20-year period of enormous change. As the pace of technology and innovation continues to increase and the demographics of the workforce shift from baby boomers to millennials to Gen Z, successful organizations will be those who can move quickly and adapt to the changes while focusing on the demands of the changing workforce.

What Does This Mean for HR

The impact on HR is extensive, escalating the transition from a process and administrative support function to one of a strategic partner working alongside business leaders to deliver business value. The traditional admin function of HR is long gone, replaced with a continued movement to align with the business and with a focus on analytics and business strategy. Human Resources should lead the way in developing the strategies and initiatives to have the best talent mix in their organizations and build the workforce of the future.

Rebalancing and Reskilling

As technology increases and the workplace continues to evolve, jobs will be redefined and reclassified. Some roles will change, others will disappear; upskilling and new career paths will be needed. Different skills will come to the forefront, with a focus on digital and technological capabilities and innovation. Soft skills such as problem solving, leadership, creativity, and adaptability have become more important and sought after. Availability of these skills is a concern not only in the general workforce, but also in the leadership team as well.¹

Focus on Talent Acquisition

Align Business Strategy with Talent Strategy

Talent acquisition is about delivering business value. In order to deliver value, HR must understand the business and financial model and what drives success for the business, and how TA can help drive attainment of goals. Talk with the executive team and business leaders

so that you have a clear picture of the direction planned and timing for this to occur. For example, if your company is planning to expand the technology function, what roles/skills will be the critical priority – digital, automation, developers, software engineers? Are the growth plans immediate or longer term? Will the expansion be in the current location? Are there growth plans for other markets? Understanding the company’s strategic direction will enable you to outline the HR support needed to bring that to fruition.

Conduct a Recruitment Optimization

One particular strategy that can result in the most immediate return on investment involves revamping the recruitment function itself to be sure that the team is operating at maximum strength. Recruiting talent today requires broader and more sophisticated talent acquisition strategies. Think about it in terms of having the right sourcing strategy, the right number and mix of recruiters and sourcers to support the business, an employment brand (not product brand), up-to-date technologies and assessments, making sure your career site is optimized for mobile, you are onboarding candidates in a way that fits today’s market, what happens when you go through hiring spikes – and the list goes on. For many organizations, this assessment often reveals that the internal function simply can’t keep up with current needs – much less fully anticipate or handle increases in future needs. You can do this evaluation yourself if you have the internal expertise and bandwidth. However, many organizations hire consultants to conduct the assessment to get an unbiased view. Whichever approach you determine is best, it is important that this evaluation is completed.

The way recruitment was done in the past won’t work in today’s environment. If you don’t have enough experienced recruiters, your team is not skilled in sourcing, or you’re still doing “post and pray,” you need to re-evaluate your strategy.

Analytics – Use Data to Tell a Story

Data is now at the forefront of talent acquisition – interpreting the data, studying the trends and analyzing the data. This can be used to answer a variety of talent questions and predict hiring outcomes. But many times, we have a lot of data and no information – the

translation of that data into the story of what it means is critical. It is important to be able to interpret the data, but also create the story, and turn it into actionable information and recommendations. According to the LI report *Global Recruiting Trends 2018*, the top three ways companies are using TA data is to increase retention, evaluate skills gaps and build better offers.

A few examples of how data can be used:

- **Improve retention** – One of Nielsen’s businesses wanted to better understand reasons why they were losing talent. Through analysis of people data over five years, they were able to identify that employees with a change in job responsibilities due to promotion or lateral movement with the past two years were much less likely to resign. These findings allowed them to develop a plan to improve the internal application process and proactively target high performers with opportunities
- **Improve quality of hire** – JetBlue had been evaluating applicants against eight traits supplied by its hiring team and wanted to determine the accuracy of these traits. Through analysis of its customer feedback data, it was determined that one of the traits was not as important as one that was not included. Based on this data, JetBlue tweaked its target profile, which resulted in stronger employee engagement and higher customer satisfaction.
- **Identify talent location** – Supply and demand data can be used to pinpoint where large pools of talent reside and focus on recruiting from these areas. This data can also be used to determine the opening of new locations or relocation of a business. If the talent pool in that area is not large enough to support the need, consideration of a different location may be in order.
- **Recruitment process** – Analyze the data from job postings and other sourcing channels to understand the effectiveness of these resources. Analysis of the outcomes of your recruitment activities can be used to make improvements in your sourcing strategies and align dollars spent to where you can make the biggest impact.

Workforce Planning

Talent acquisition leaders need to take the lead to conduct workforce planning, division-by-division and function-by-function with their internal clients, the line managers. To put it simply, you need to understand what type of talent you will need, where to find it, and how many hires to make for the near term as well as long term. Then, you'll need to look to external sources to understand the depth of the talent pool in various locations for the types of jobs you need to fill. If there are only 300 engineers within a 100-mile radius of your operation, and you need to hire 50 in three years, then you need to rethink your strategy.

Why TA Matters More Now Than Ever

The far-reaching impact of TA

It's more important than ever to be strategic with TA. Why does it matter and what happens if you're not? The case studies below provide some insight.

A professional services firm identified consultant talent as a gap in their recruiting function. The firm relied heavily on staff consultants for project work with clients and these roles constituted the majority of revenue-generating positions. Their lack of ability to attract and retain talent was seen as a major impediment to growth. Talent acquisition had become incredibly challenging and frustrating for both hiring managers and candidates, and threatened the company's ability to compete in their market. A large new project came in and the firm needed to hire a number of specialized consultants for upcoming projects but had no consistent process to do so. They lacked a sourcing strategy, and did not have the appropriate tools to support the recruiting process. Unable to hire the consultants in the time frame needed, they lost the project.

An equipment manufacturer suffered from an inefficient hiring process resulting in a very long hiring cycle. There were not enough recruiters to support the hiring demand and the fact that some of the recruiters were inexperienced added to the issue. The company also

experienced sudden hiring freezes and sharp hiring spikes, which added more pressure to the existing problems. Low success rates from the TA group led to an overreliance on agencies and disengaged/disenchanted hiring managers.

A growing healthcare organization was having difficulty supporting their continuing growth and ambitious hiring goals. The recruitment structure was a traditional hospital and healthcare recruiting model where HR business partners managed both employee relations and recruiting. Requisition loads were very high, resulting in reactive recruiting versus proactive recruitment of the talent needed. The model would not support achievement of their business goals. But this one had a happy ending! Talent acquisition leadership recognized this was not a sustainable model and that changes needed to be made. A recruitment optimization was conducted and changes to the recruitment department structure, process, and technology were recommended. After implementation of the changes, outcomes showed a positive impact on candidate quality as well as time to fill and hiring manager satisfaction. Additionally, there was significant improvement in requisition close rate, decrease in vacancy rate, and a reduction in 90-day turnover along with significant savings in external search costs.

As you can see, being strategic with TA is critical now and moving forward. The way we hire is changing. We are moving away from the transactional view to one where hiring is increasingly being viewed as a strategic initiative. To stay competitive it is necessary to understand and embrace these strategies.

The art and science of recruitment has become much more about strategy and relationships. In order to execute strategically you must have the right people. Use artificial intelligence to automate the tasks and let the recruiters focus on what they do best – finding the right candidates and building relationships.

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