

The Talent Forecast

Part 2: Improving talent acquisition through alignment, strategy, technology, and partnerships.

A global study to uncover what today's talent acquisition leaders can tell us about tomorrow's workplace.



Forward

Any good talent strategy is intrinsically intertwined with a company's business strategy.

The types of employees and leaders needed of course varies depending on that strategy, such as M&A, organic growth, geographic expansion or the creation of new goods or services.

Unfortunately, too often, recruiting is viewed as a transactional activity that is not mapped to the overall strategy, objectives and goals of the organization. Company leaders might increasingly expect their talent function to play a bigger role in the growth of their organizations, but if the business and talent strategies aren't aligned, this could prove futile.

It's critical for organizational and talent management leaders to step back and analyze the types of talent they need, what talent they have, and how to fill the gaps. Many would say that's easier said than done. However, according to new research by Korn Ferry Futurestep, many talent acquisition professionals would have greater success by making use of key planning and execution tools that can help them achieve their goals.

The good news is that there are now sophisticated software tools and third-party recruitment process outsourcing (RPO) providers that can improve talent acquisition performance and assist talent acquirers in forming stronger relationships with top leaders in their organizations. While many organizations are using these tools and resources, the adoption level is spotty, at best, and represents a missed opportunity.

To explore these issues, Korn Ferry Futurestep commissioned a global survey on talent acquisition (TA). The survey revealed that talent acquisition professionals are often operating on a bit of an island, disconnected from the business units they serve and failing to leverage tools that would enhance their performance and help them to partner more effectively with their organization's senior leaders.

To address these issues, organizations should align talent acquisition with their business units and develop a long-term talent acquisition plan that is integrated with the organization's goals and strategies. For their part, talent acquisition professionals should employ tools and resources to improve their effectiveness and to become more valued partners to their business colleagues.

Byrne Mulrooney
CEO, Korn Ferry Futurestep

Key findings include:

- Nearly one-third of talent acquisition teams do not have a strategic workforce plan.
- Only 39% report that their recruitment team is aligned to their organization's business objectives for the next one to three years.
- Less than 50% are taking advantage of recruitment technologies such as applicant tracking systems, video interviewing, or online assessment tools.
- Organizations that use recruitment process outsourcing providers use them largely for sourcing and screening candidates; less than 50% utilize RPOs for employer branding or compiling metrics for reporting and decision making.

A lack of strategic planning.

Talent acquisition teams are frequently without a strategic workforce plan, and those that do, rarely have a plan that extends beyond more than one year.

Twenty nine percent of survey respondents report they have no workforce plan at all. Forty percent said they have a plan that extends for 12 months and 17 percent report they have a plan for the next six months.



“Globally, many talent acquisition people do not have a seat at the table when it comes to the business strategy. They don’t know what the organization is planning in any detailed manner. Therefore, they become reactive and transactional.”

Sue Campbell, managing director, Asia, Korn Ferry Futurestep

In many organizations, the estimates of the number and types of people to be hired in the coming year are based

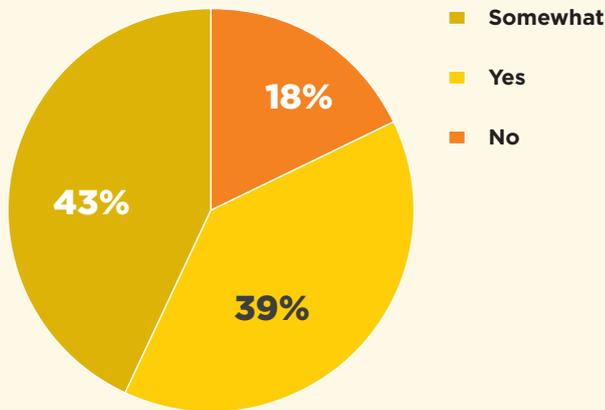
largely on the number of hires and skills in the previous year, with some adjustment for the anticipated growth of the business. Little thought is given to strategic needs and initiatives or how the company needs to evolve their skills base to innovate.

The practice of basing new-hire projections on the previous year’s totals becomes vastly more evident when other types of financial or business projections are considered. An investment manager who projected the stock market based on last year’s performance or a sales manager who used last year’s totals as the sole barometer for the next year would be considered less than competent, to say the least.

The disconnect between strategy and headcount requirements tends to be more pronounced for non-revenue creating positions. When headcount connects more directly to revenue, such as in manufacturing where the number of workers directly impacts production levels, organizations usually take more care in projecting their needs for new hires.

The absence of a long-term talent acquisition plan in most organizations is symptomatic of the separation between the talent acquisition team and the business leaders who develop and implement strategy. Nearly two thirds say recruitment teams are only somewhat or not aligned with business objectives over the next 1 to 3 years.

Do you feel that your current recruitment team is aligned to meet your business objectives over the next 1-3 years?



The consequences of this disconnect can be particularly harmful when an organization embarks on a major new strategy or enters a new market.

For example, if an organization determines that it will expand into China 18 months from now and the talent acquisition team has a full understanding of the strategy and objectives, they can determine the talent needs, assess the market, and build a strategy for identifying and recruiting candidates well in advance of the opening of the new office. If talent acquisition staff is informed later in the process, they will have to scramble to fill the positions.

“Having a seat at the table is very important. A talent professional can work with business leaders to specify exactly the skills and competencies needed to execute the strategy. That’s immeasurably better than someone telling the talent professional, ‘We’re going to China in three months and we’ll need to hire 300 people there.’” said Jan Mueller, managing director, talent acquisition solutions, EMEA, Korn Ferry Futurestep.

Nearly
**one
third**

of talent acquisition teams say they do not have a strategic workforce plan.

Becoming a better partner with the business.

To forge better links between top leaders and hiring managers, talent acquisition professionals need to develop an in-depth understanding of the underlying business and to provide a broader range of services to their organizations than simply screening and selecting candidates.

“Being a student of the business. Immersing oneself in the external market. Staying out in front. Understanding what’s changing, what’s evolving, and what’s coming down the pipe – that’s how a talent professional can gain credibility with a hiring manager,” said Bill Gilbert, president Korn Ferry Futurestep, North America.

Specifically, talent professionals should be able to provide hiring managers with data on the size of a talent pool, compensation levels, and a competitive analysis of other organizations targeting the same talent pool. Moreover, the talent professional should work with the hiring manager to define and communicate the competitive advantage of the organization to the targeted talent pool and to individual candidates.

For example, a particular organization may be strong on either culture, vision, or employee development. To attract candidates who will be drawn to the organization, the talent professional should amplify the organizations strengths to the external marketplace.

When asked what they would do if they could spend more time with their recruitment teams, the largest percentage of talent acquisition managers chose building a stronger partnership between their teams and the business/hiring managers as their number one response.



To provide value and gain the trust of the organization’s top leaders, it’s important that talent professionals manage and present their function in a business-like manner. “Having clear structures, processes, targets, and measurements allows you to have a conversation among equals. If leadership has an objective they want to achieve, the talent professional should have a framework for making that happen and reporting on progress in a clear manner.” said Mueller

Ultimately, by partnering with hiring managers and top leaders, talent acquisition professionals will be in a much more informed position to forecast talent needs and to devise long-term branding and outreach strategies to specific talent pools.

Underutilizing technology

Many talent acquisition professionals are not fully utilizing available technology to engage and assess candidates and to use information gathered in the hiring process for on-boarding and development purposes.

Only 48% of survey respondents said they use applicant tracking systems for recruitment purposes, a surprisingly low number given that ATS is needed for regulatory compliance in some countries.



While nearly half of respondents said they used an applicant tracking tool, many of them are doing it only

for compliance purposes, not as a way to help manage business. That’s a missed opportunity because an ATS collects key metrics that can help a talent acquisition professional to become more strategic and develop a dialogue with a specific talent pools.

“Some organizations are using a client relationship management system on top of their ATS. This becomes a starting point for developing a talent database that you can continually update and utilize for communication purposes.”

Neil Griffiths, Global Practice Leader, Talent Communications & Employer Brand, Korn Ferry Futurestep

Talent acquisition professionals who are not availing themselves of software tools and dashboard analytics to track activity and performance are missing out on an opportunity to raise their level of performance and to work more effectively with their business colleagues.

“To help simplify and make the most out of data, some organizations are moving to integrated platforms for all of their HR needs - from profile design, sourcing, tracking, interviewing, assessment, on-boarding, employee development and benefits. These smarter platforms shift the HR function from a metrics gatherer to an intelligence provider. The technologies assist with improving efficiency, sourcing and tracking ideal talent, reducing time-to-hire and streamlining the on-boarding processes. This single platform will provide a centralized, holistic view of the all aspects of talent acquisition and management.” added Griffiths.

The mobile recruitment revolution.

Twenty eight percent of survey respondents indicated they are using mobile technology to recruit. While that percentage is likely to increase in coming years, it lags the trend today, where many job seekers are using mobile devices for job-searching. In certain countries,

such as China, it is the sole means of accessing the internet for the vast majority of people. Forty-eight percent of talent acquisition professionals in China are utilizing mobile technology to recruit, compared with 33% in the broader APAC region. In a growing number of countries, mobile recruitment is a necessity. “Young people are searching for positions using their phones and they expect to be able to apply via their smartphones, as well,” Campbell said.

Missed opportunity: using assessments for development.

Forty six percent of respondents are using online assessment tools in recruiting. Some of these respondents are also using the data collected from assessments to assist in on-boarding and employee development.

Online assessment tools are used to measure a variety of factors that determine whether a candidate is likely to succeed in an organization, including: technical skills, interpersonal abilities, motivation, behavioral drivers, and ethics.

While traditionally assessments have been administered to candidates under active consideration, some organizations make assessment tools freely available on their websites so that people can determine if they wish to formally apply for a position.

A sophisticated front-end tool that allows a candidate to preview a position and self-test their suitability can dramatically save time and expense. Weaker candidates will self-filter out of the process based on the assessments. The organizations will also have valuable data on those who choose to continue the process — which will aid in screening and selecting candidates to interview.

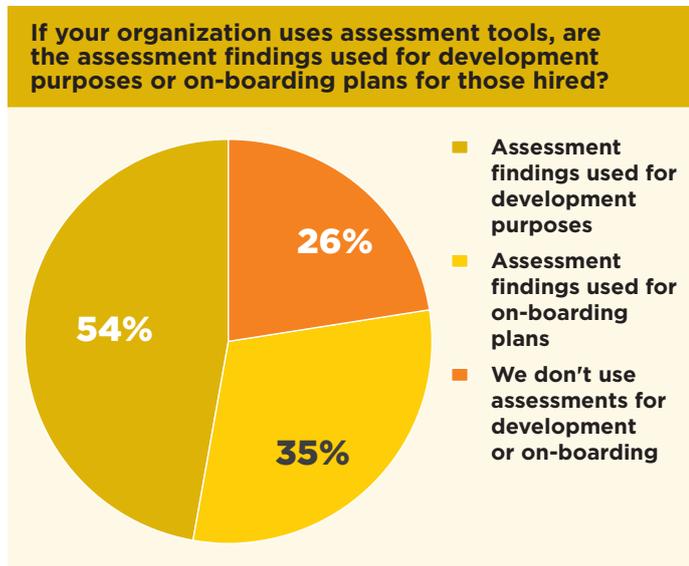
More than one-third of survey respondents say they use the assessment information after a candidate is hired to help onboard the new employee; while 54% report they use the data to create an employee developmental plan.

Utilizing data from online assessments to onboard and create developmental plans may be particularly valuable in fostering organizational commitment among millennial workers.

Millennials typically want an opportunity to advance in an organization fairly quickly, otherwise they will look for another employer. Three-quarters of respondents to a Korn Ferry global survey on millennial work force trends reported that millennials require more feedback than other generations. Moreover, 28 percent of respondents said that “the ability to make an impact on the business” matters most to millennials, the single largest factor cited in the survey.

“Given the unique motivations of millennial workers, providing them with a development plan via their assessment as they transition into employment is a great way to demonstrate the organization wants them to succeed.”

Neil Griffiths, Global Practice Leader, Talent Communications & Employer Brand, Korn Ferry Futurestep



The untapped promise of RPOs.

Recruitment process outsourcing providers (RPOs) have become a significant part of the HR services marketplace in recent years. Organizations discovered that talent was harder to find in the post-recession economy and RPOs provided an efficient means to help fill specific roles and job categories.

The Everest Group, a consulting and research firm, reported that the global RPO market grew by 17% in 2015 from the prior year, with the majority of the growth attributed to new deal activity between employers and RPOs.

Survey respondents report they are using RPOs largely to recruit and screen candidates. Relatively few organizations are availing themselves of other services that RPOs offer, such as employer branding, building talent communities, or creating metrics for reporting and decision making.

"RPOs can be particularly valuable in bringing technology and innovation to bear on the recruitment process. However, many organizations are using them strictly as 'tactical recruiting machines,' so they are missing out on most of the value they could get."

Jan Mueller, managing director, talent acquisition solutions, EMEA, Korn Ferry Futurestep

RPO firms can provide quantitative information about the target talent pool, compensation, and social channel behaviors. At the back end, they can produce data on conversion rates, time-to-hire, qualified candidates per hire, and interviews per hire — all of which is helpful in developing a more professional talent acquisition process. Increasingly, RPO firms are seeking to evolve from a talent sourcing resource to a strategic partner to organizations.



Employer branding is another area where RPOs can offer organizations a different perspective and an expertise in reaching out to disparate talent pools.

For example, many traditional organizations in manufacturing, retail, or services find it challenging to recruit top talent in technology because the best people in those areas often want to work for high-tech companies.

Internally, these organizations usually don't have the expertise to brand themselves in the technology talent market. An RPO can help organizations to define and manage that messaging.

Organizations that use Recruitment Process Outsourcing (RPO) providers use them largely for sourcing and screening candidates.

Less than...

50%

...utilize RPOs for employer branding or compiling metrics for reporting and decision making.

Conclusion

The need to identify, recruit, and develop top talent is vital for organizations to compete in today's sophisticated and rapidly evolving global economy.

Talent acquisition professionals are on the front lines in the war for talent. To better serve their organizations, talent acquisition professionals should take it upon themselves to build stronger partnerships with hiring managers and strategic business leaders. They should embrace tools, technologies, and services that raise the level of their performance and provide their business colleagues with better information on talent pools and talent trends.

The stakes are high. Like so many other things in today's economy, talent acquisition is changing. The future will belong to talent professionals who stay ahead of the curve, work in a more strategic manner, and win the trust and confidence of their colleagues.

**Employ tools
& resources
to improve
effectiveness.**



**And become more
valued partners.**

For their part, Talent acquisition professionals should employ tools and resources to improve their effectiveness and to become more valued partners to their business colleagues.

References

Everest Group, 2016, Recruitment Process Outsourcing (RPO) Annual Report 2016, Dallas, TX

##

Methodology

In late 2016, Futurestep ran an online survey to uncover the issues and trends influencing the talent acquisition leader role. The survey was designed for talent acquisition and human resources leaders across all geographies (NA, APAC, EMEA and LATAM) and conducted in the most appropriate language for each market. More than 1,100 respondents spanning VP/SVP/EVP, C suite, director, manager and individual contributor levels completed the survey. Six major markets: technology, industrial, life sciences and pharmaceutical, financial, professional services and consumer were represented.

Contributors



Byrne Mulrooney
Chief Executive Officer



Bill Gilbert
President, North America



Sue Campbell
Managing Director, Asia



Jan Mueller
Managing Director, Talent
Acquisition Solutions, EMEA



Neil Griffiths
Global Practice Leader, Talent
Communications & Employer
Brand

ABOUT KORN FERRY

Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our nearly 7,000 colleagues deliver services through our Executive Search, Hay Group and Futurestep divisions. Visit kornferry.com for more information.

ABOUT THE KORN FERRY INSTITUTE

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books, and a quarterly magazine, *Briefings*, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth, and success.