

you're not as
attractive as you
think you are



in

focus

Harrier
HUMAN CAPITAL

a strategic sourcing approach to identifying, engaging and hiring, in a skills and talent short market.

Setting the Scene

IN SIMPLE TERMS, TALENT PIPELINING IS A PROACTIVE APPROACH TO RECRUITMENT. ALIGNED WITH THE CORPORATE STRATEGY, EMPLOYER VALUE PROPOSITION (EVP) AND BRAND, IT TAKES A LONGER TERM VIEW OF AN ORGANISATION'S CRITICAL HIRING REQUIREMENTS AND BUILDS A PIPELINE OF PRE-QUALIFIED PROSPECTIVE EMPLOYEES.

Talent pipelining requires effort. Developing a talent pipeline demands a shift from reactive – or the 'post and pray' approach – to proactive recruiting. It requires a robust knowledge of the talent landscape for your industry and specifically identifying and connecting with individuals, regardless of whether or not they are seeking to make a career change.

It also means understanding your EVP and brand. Contrary to popular belief, most organisations are not as attractive to candidates as they think they are. At any point in time, 80% of total available 'talent' is not active in the job market – in other words, not looking for your organisation.

How do you then get noticed? How do you effectively, consistently and authentically communicate your brand and value proposition? How do you keep them engaged until the right vacancy arises?¹

This paper explores important elements to successful talent pipelining - identifying the critical roles, understanding your EVP and brand, getting the message right, defining recruitment team roles, and implementing complementary technology.

facts and figures

2% Only two percent of organisations engage in talent pipelining²

TOP 5 'Talent pipelining' and 'improving sourcing techniques' are two of the top five future priorities for global organisations³

 Worldwide, 35% of over 38,000 employers report they are experiencing difficulty filling jobs due to lack of available talent⁴

54% 54% of employers say talent shortages impact their client-facing abilities to a high or medium degree⁵

1 IN 4 One out of four employers blame the inability to fill positions with increased employee turnover⁶

A lack of candidates with technical competencies such as professional qualifications and skilled trades experience are the most common explanations for talent shortages in both EMEA and the Americas. However, Asia Pacific employers cite a simple lack of available candidates as the most pressing challenge⁷

Australia in the Global Landscape

THE GLOBAL ECONOMIC LANDSCAPE IS A MIXED BAG. WHILST MUCH OF THE ASIA PACIFIC REGION HAS LOW UNEMPLOYMENT, THE LABOUR MARKET CONDITIONS OF THE UNITED STATES, AFRICA AND THE EUROPEAN UNION SHOWED LITTLE TO NO SIGN OF IMPROVEMENT DURING 2013 TO NOW.⁸

Typically, low unemployment would signal skill and talent shortages in certain areas, sparking the need for a more concentrated effort in sourcing. Conversely, high unemployment normally triggers redundancies and a more relaxed anticipation of skill and talent availability.

High or low unemployment rates, however, do not mean that the talent is there when you need it.

This talent paradox is raising the stakes in the competition for critical skills, with organisations trying to outbid each other for a select group of critical employees and the skills they need to succeed. Poaching competitors' top performers is becoming commonplace. This competition is fuelling rising salaries as well as prospective employees' expectations, making it difficult to meet skill needs while keeping labour and hiring costs at desired levels.⁹

Of the 38,618 employers who participated in a global skills and talent survey, more than one in three reported difficulty filling positions as a result of a lack of suitable candidates; the 35% who report shortages represents the highest proportion since 2007, just prior to the global recession.

According to the 2013 survey results—and for the second consecutive year—the most acute talent shortages are reported in Japan (85%) and Brazil (68%). The problem is widespread in Asia Pacific, with more than half the employers surveyed in India (61%), Hong Kong (57%) and New Zealand (51%) saying that talent shortages prevent them from hiring people with needed skills. 45% of Australian employers say they have trouble filling job vacancies.¹⁰

Worldwide, the most difficult-to-fill vacancies in 2013 are for skilled trade workers. This skills category has topped the rankings in five of the past six years, the one exception being 2011, when it was placed third.

The job categories in second, third and fourth places—engineers, sales representatives and technicians, respectively—are unchanged year-over-year.¹¹

In Australia, 188 occupations remain on the Skilled Occupation List, with another three added in June 2014. According to the government announcement, Australia needs more chefs, bricklayers and tilers to meet a shortfall due to growth in the hospitality, tourism and construction sectors and there are not enough qualified skilled workers in Australia.¹² In May 2014, Australia created 105,000 new jobs.

WHAT DOES THIS MEAN?

TALENT CLEARLY HAS CHOICE AND ECONOMIC CONDITIONS NO LONGER DICTATE THE AVAILABILITY OF SKILLS.

KEY TO BEING NOTICED IS YOUR EMPLOYER BRAND. HOW ARE YOU KNOWN? WHAT IS THE MARKET – INTERNAL AND EXTERNAL - SAYING ABOUT YOU, IF ANYTHING AT ALL? IS DISCUSSION POSITIVE OR NEGATIVE? HOW DO YOU PARTICIPATE AND SHAPE THE DISCUSSION? AND IMPORTANTLY, WHO ARE YOU TALKING TO AND HOW?

Worldwide, 35% of over 38,000 employers report they are experiencing difficulty filling jobs due to lack of available talent



Towards Talent Pipelining

Understanding your 'critical roles'

Not all roles are created equal.

Talent pipelining should ideally focus only on those roles that require a specialised skill or knowledge and are critical to driving long-term competitive advantage.¹³

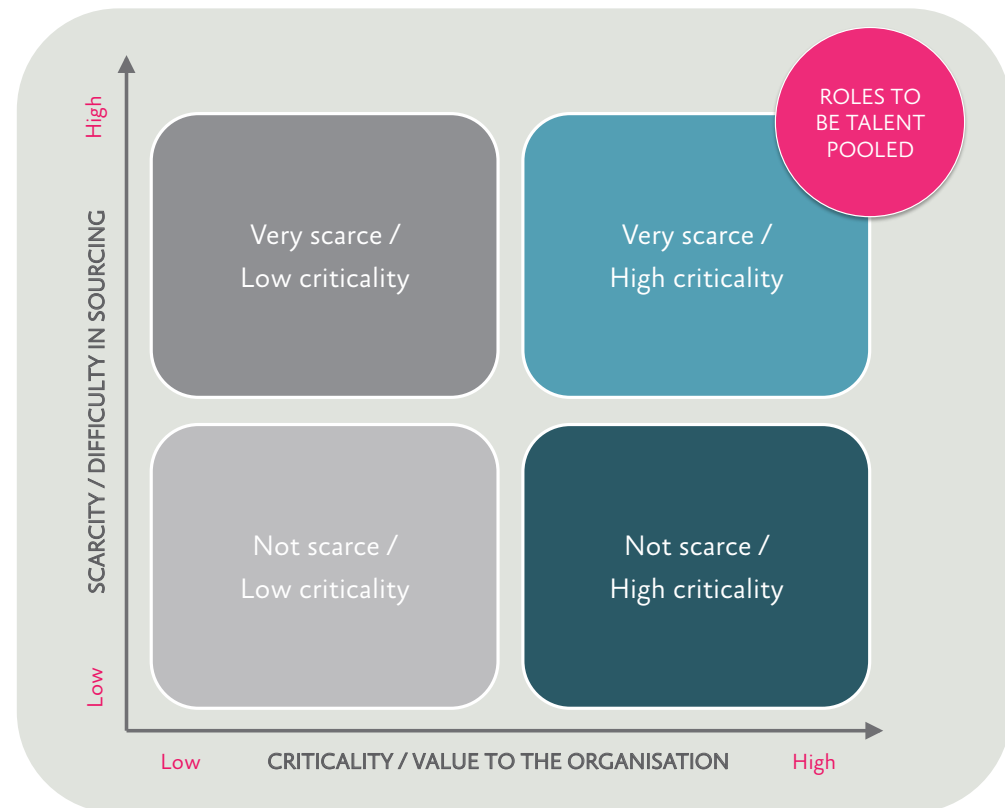
In the oil and gas sector for example, these might include Geophysicists, Reservoir and Petroleum Engineers, in the mining industry, it is likely to be Mining, Mechanical and Project Engineers and in the finance sector, Treasury, Legal, Risk, Compliance and Actuary.

Identifying and agreeing on the organisation's critical roles is not an isolated activity; it must be done in partnership with business leaders and key stakeholders, and in line with business objectives. It must also consider the current supply and demand of skills – within your organisation, Australia and globally.

An 'ideal employee' profile for each role or job family is required; what are the key skills, experience, attributes, characteristics, motivations, competencies and abilities needed? Identify and agree the other businesses, industries, companies and locations where these people be found.

Increasingly, Australian employers are seeking talent from alternative sources – other industries, locations, training institutions and/or those showing potential for future development.¹⁴

FIGURE 1: HOW TO DETERMINE WHICH ROLES ARE PIPELINED



Towards Talent Pipelining

A Sourcer is not a Recruiter and vice versa

Proactive sourcing is a very different skill set to reactive recruitment.

Sourcers need to be creative, research focused and able to build rapport with passive candidates of all levels. Essentially, a sourcer is a marketer – focused on research, relationship building and selling the EVP of the organisation. They are your front-line brand advocates.

Sourcers are likely to be more driven by relationship building and longer term goals than short term metrics. For this reason, sourcing and recruiting roles should be separated, rather than simply adding sourcing responsibilities to an existing recruiter's role.

To better align the recruitment team's activities with the organisation's strategic objectives, portfolios can be distributed to reflect the company's structure and/or business units. This supports internal relationship building and promotes a deeper understanding of role responsibilities and potential candidate profiles.

The flow of information and communication across the recruitment team/function needs to be clearly determined in order to deliver a seamless and positive candidate experience. Where team members have separate and distinct responsibilities of recruiting and sourcing, decide when and how the candidates transition between the two. When do passive become active? When does the use of talent pools dovetail in with more conventional recruitment methods? Mapping these processes are imperative to the successful implementation of talent pipelining initiatives.

SOURCER

- Focuses on the pre-requestion phase and sourcing in line with business strategy.
- Partners with internal recruiters to source qualified applicants who meet role technical requirements, utilising internal and external database tools, internet research, industry and personal networks to identify potential applicants.
- Engages with prospective candidates, representing the organisation as an employer of choice.
- Prepares candidates for interviewing with the hiring manager by providing detailed information on the company, department, background and expectation-setting.
- Builds and maintains a network of potential candidates through proactive research, company messaging and ongoing relationship management.
- Tracks and provides sourcing metrics to ensure effective hiring; and evaluate and report trends.

VS

RECRUITER

- Focuses on the process once a requisition is received.
- Determines applicant requirements by studying job description and job qualifications. Takes specific job brief.
- Attracts applicants by placing job advertisements; contacting recruiters, using newspapers and job sites and/or via the sourcing team.
- Determines applicant qualifications by interviewing applicants; analysing responses; verifying references; comparing qualifications to job requirements.
- Arranges management interviews by coordinating schedules, arranging travel, escorting applicant to interviews and organising tours.
- Evaluates applicants by discussing job requirements and applicant qualifications with managers; interviewing applicants on consistent set of qualifications.

Towards Talent Pipelining

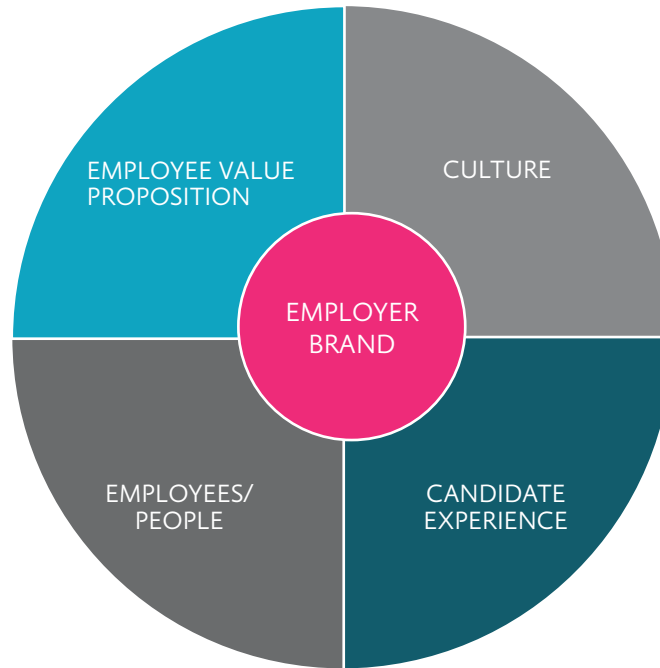
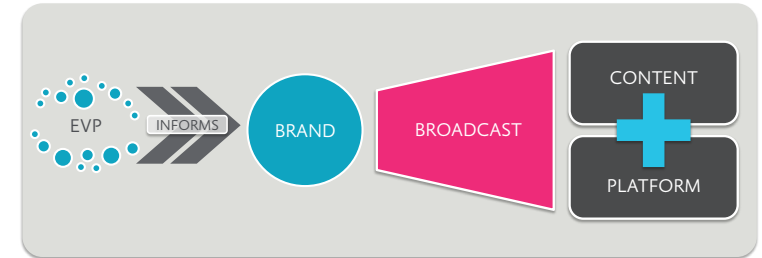
Get the message right

You can't engage talent with your EVP and brand without understanding both – and the difference - first.

Tom Chesterton, Managing Director of Tonic Agency in the US, says “an EVP sits at the core of an Employer

Brand, informing the message. It's what differentiates your offer from that of other employers, making your brand authentic, unique and true to the reality of being an employee. The Brand is how this message is articulated across all your audiences - internal and external – consistently”.

In simple terms, EVP is the cause and Employer Branding is the effect.



At some level, attracting talent is not unlike attracting customers - focusing on needs and expectations. Your employer brand must clearly articulate what employees (current and future) can expect – remuneration, benefits, job experience, culture, development and corporate values. The employer brand a company offers should give employees a sustained reason to want to join, stay and grow—focusing on financial, tangible and intangible benefits including a company's culture. ¹⁵

Your employer brand must be a two way interaction. If you don't have a voice in what everyone else is saying about your organisation, you are essentially mute and are certainly not shaping perception.

You can communicate your EVP in any number of ways. Your content, however, must tell a relevant and timely story of what it is like to work at your company; engage through audio, visual and the written word.

The content norm is typically job postings, a list of company benefits, ASX announcements and community interaction news. And this is a good start; communicating content which is already generated by the organisation is a minimum requirement.

Organisations that take it to the next – and best practice - level however, include employee blogs, news articles, photos and insights of the work environment, project updates, events, podcasts and webinars, pictures of the recruitment team, career advice and tips, and tweet chats. Companies like Google, Zappos and Microsoft are recognised leaders in attracting and engaging talent through their clear understanding and articulation of the EVP and an effective use of printed, employee, social and digital channels. They are creative, targeted, authentic and above all, consistent.

There are few, if any Australian employers yet to replicate this level of engagement with candidates.

THE NUMBERS SPEAK FOR THEMSELVES

83% agree that the employer brand has significant impact on the ability to hire great talent ¹⁶

50% of recruiters don't understand their own employer brand ¹⁷

Towards Talent Pipelining

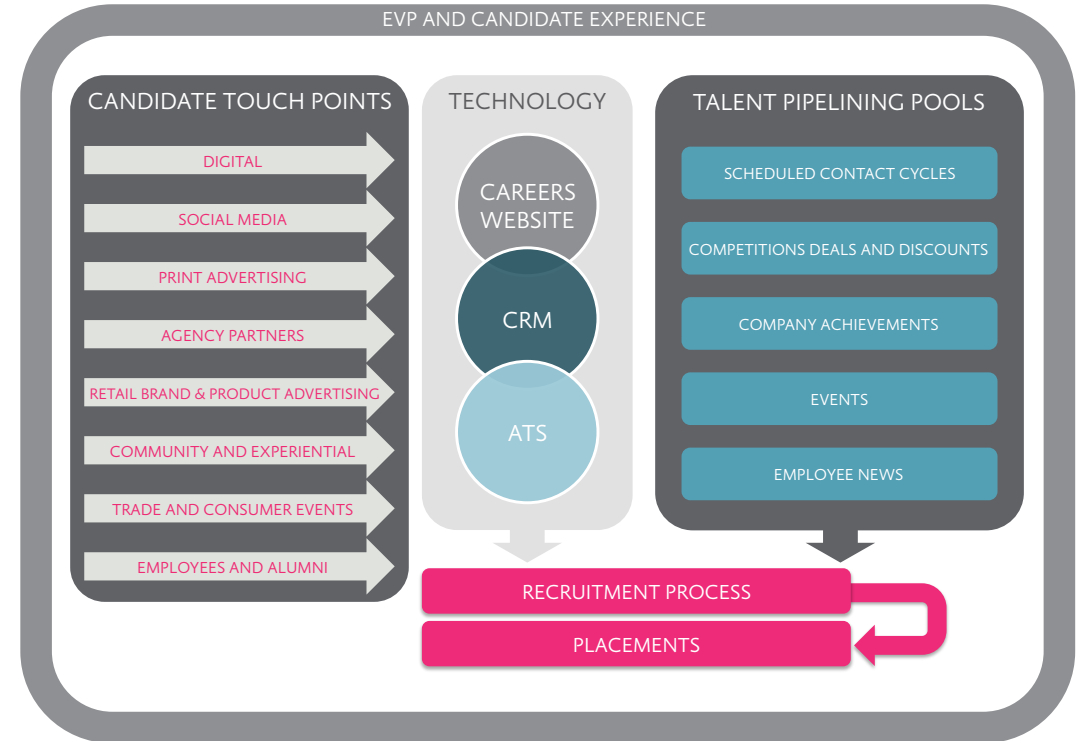
Tools and Technology

Applicant Tracking Systems (ATSs) have traditionally been the tool of choice for organisations to manage job applicants (ie 'active candidates'). But what happens to all those pre-applicant talent leads you spend so long gathering? ATSs were not built to manage contacts before they become actual job candidates. Moreover, ATSs lack the capability to update information in real-time as individuals change roles or expand their experience.¹⁸

A lack of ATS capability is further compounded by the typical reluctance of organisations to add an entirely separate system –or module - for the purpose of pipelining. Instead, organisations often make do with decentralised, adhoc tools and processes. In some cases, the lack of easy-to-use integrated and centralised pipelining tools has seen organisations attempt to repurpose their ATS into something it was not designed to do – track talent leads before they become official candidates.¹⁹

Emerging is a new wave of candidate relationship management programs designed to replace outdated ATSs and significantly enhance the candidate experience.

ATSs by design reflect a reactive approach to sourcing. The right CRM however, can harness social media to source, connect and engage talent, leveraging viral behaviour, multichannel marketing and full branding website pages for high impact passive candidate recruiting. Importantly, a CRM can segment – and be used to communicate with - talent pools based on professional background, work experience,



location and career motivations (or any other desired criteria) across mobile platforms, further aligning with the change in candidate behaviour and expectations.

The right CRM can integrate with, or replace, an existing ATS to provide one source of truth. It ideally sits at the heart of your pipelining efforts, enabling you to connect and engage with passive and active candidates, driving targeted content, expanding your brand across various touch points and allowing your team to maintain an accurate database.

Measuring Success

THE CHALLENGES IN MEASURING TALENT PIPELINING EFFORT OFTEN MEANS RECRUITMENT FUNCTIONS GIVE UP ON THE IDEA BEFORE THEY START. MANY STANDARD RECRUITMENT METRICS SUCH AS TIME-TO-HIRE WON'T NECESSARILY PROVIDE YOU WITH AN ACCURATE PICTURE.

Effective measures can include:

Pipeline health - can be measured by looking at the total number of people in your talent communities, pipelines and/or pools, call cycles, engagement activities, as well as drilling down further to focus on specific diversity groups or criticality of roles within them.

ROI can be measured by analysing reduction in advertising costs, agency spend and attrition over time.

Pipeline Placements/Progress: report the progress of pipeline candidates against current vacancies under selection - how far did they get through the process? How many placements? Are the talent pooled candidates consistently making the final stages of recruitment?

Quality of hire: Hiring manager surveys and interview-to-hire ratios can be good initial indicators. Over time, performance scores and retention of pipeline placements will provide a more robust reflection of the quality of hires.

Net promoter scores can show the propensity for advocacy in your target market, illustrating how likely someone is to recommend your brand or promote you as an employer. Brand awareness surveys, social media traffic and engagement can be monitored and reported. LinkedIn, for example, offers a Talent Brand Index which measures the overall reach and engagement of your brand:



Reap the Benefits

BUILDING A PROACTIVE PIPELINE OF TALENT CAN PAY BIG DIVIDENDS – FINANCIAL, PERFORMANCE AND STRATEGIC.

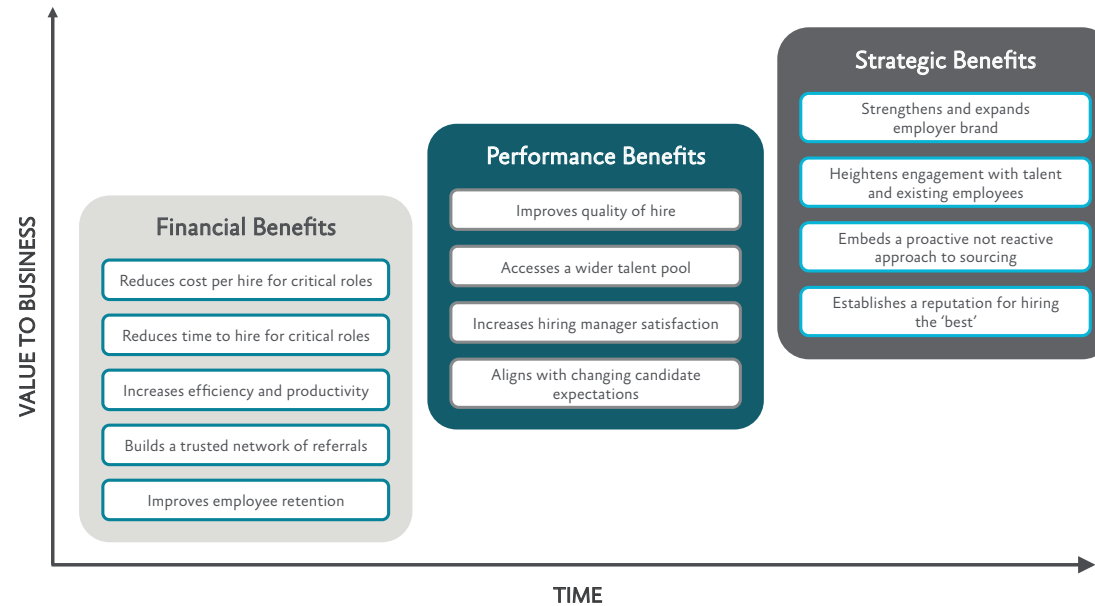
Of the 38,618 employers who participated in a recent survey, 39% say that talent shortages reduced competitiveness and productivity in general. According to 25% of employers, talent shortages actually resulted in increased staff turnover (25%), while 22% believe talent shortages can reduce creativity and innovation. More than one in five employers say talent shortages lead

to increased compensation costs (21%) and also had a detrimental effect on employee engagement/morale (21%).²⁰

Companies can no longer assume they can easily acquire the critical talent and skills they need or that talent will stay put in their organisations simply because of economic conditions. Given the growth aspirations of

many companies and the scarcity of critical skills and talent, no matter the economic state, it is increasingly important to proactively focus on giving employees a reason to join and stay with the organisation.²¹

Australian companies need to work from the assumption that they are simply not as attractive to talent as they may think they are and build a robust, integrated approach to identifying, engaging and retaining talent.



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