



TALENT ACQUISITION: WHERE BUSINESS & HR MEET

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LEVERAGING CONNECTIONS FOR GROWTH

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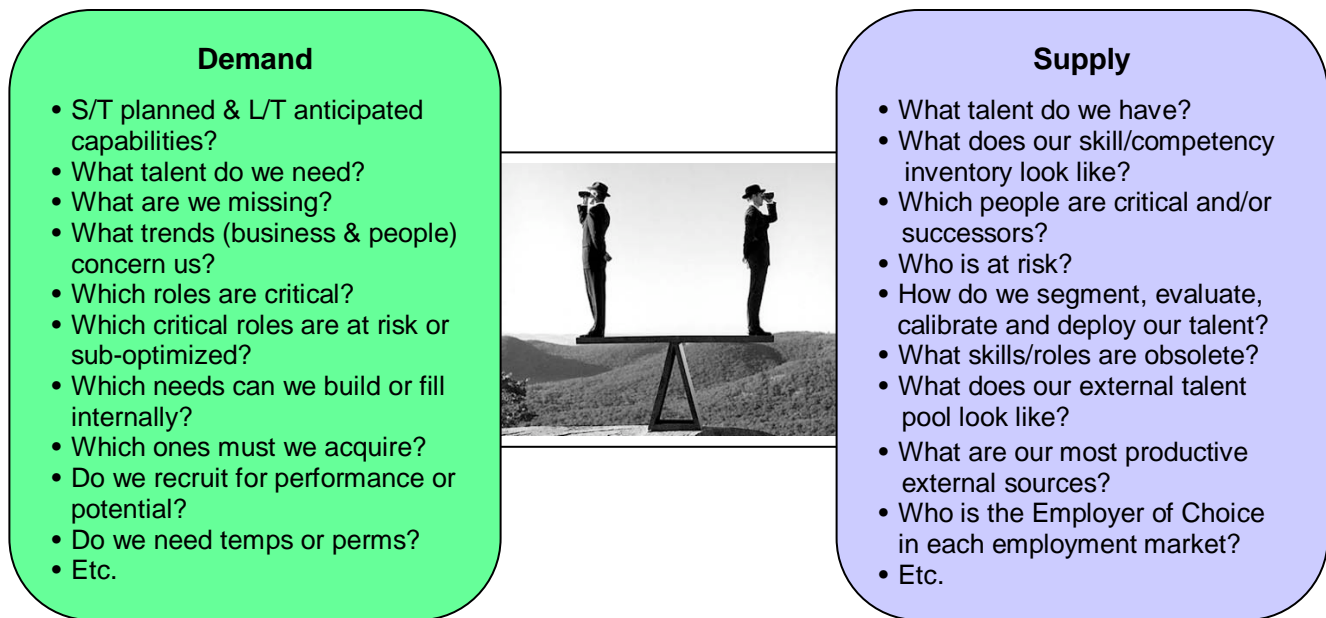
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Talent Acquisition – Where Business & HR Meet

A consistent theme we continue to hear from companies is that the war for talent they experienced before this recent recession began still exists now that we're recovering from it. Despite record high levels of unemployment and low levels of turnover, companies continue to see a talent mis-match between supply (internal and external) and demand. Though the sheer numbers of candidates seem plentiful, the specific skills and talents needed are still hard, if not impossible, to find. This is forcing a more intense and sometimes more urgent focus on talent acquisition and talent management plans and techniques. In fact, according to the Conference Board and other notable sources, talent management has been steadily climbing its way up the list of executive priorities and is now among the top three concerns for 2011-2012.

Particularly interesting in all of that focus is how some organizations are recognizing and leveraging the connections between their approach to talent acquisition and management, and their approach to customer acquisition and management. Some of those key connections are: (1) Forecasting supply and demand; (2) Using a 7 X 24 acquisition process; (3) Leveraging the company's brand; (4) Having a unique value proposition; (5) Supply funnel management; and, (6) Using VOC techniques. This article looks at each of those six areas, describes the related connections or parallels between customer and talent strategies, and discusses how companies are leveraging those connections to out-perform their competitors.

(1) Forecasting Supply and Demand. In every company, some effort is made to forecast or estimate the commercial demand for its products and services in order to estimate the supply (production and inventory) needed to meet those demands. A similar process applies to talent management. We first need to understand what the company's strategy requires in terms of capabilities and skill sets to execute that strategy. This isn't just about headcount and vacancies. It includes asking tough questions about where the organization is going and what it will need to get there and beyond. Some talent forecasting efforts are largely qualitative, while others are more quantitative using statistical modeling and predictive analytics. But in most cases, similar questions are asked and vetted.

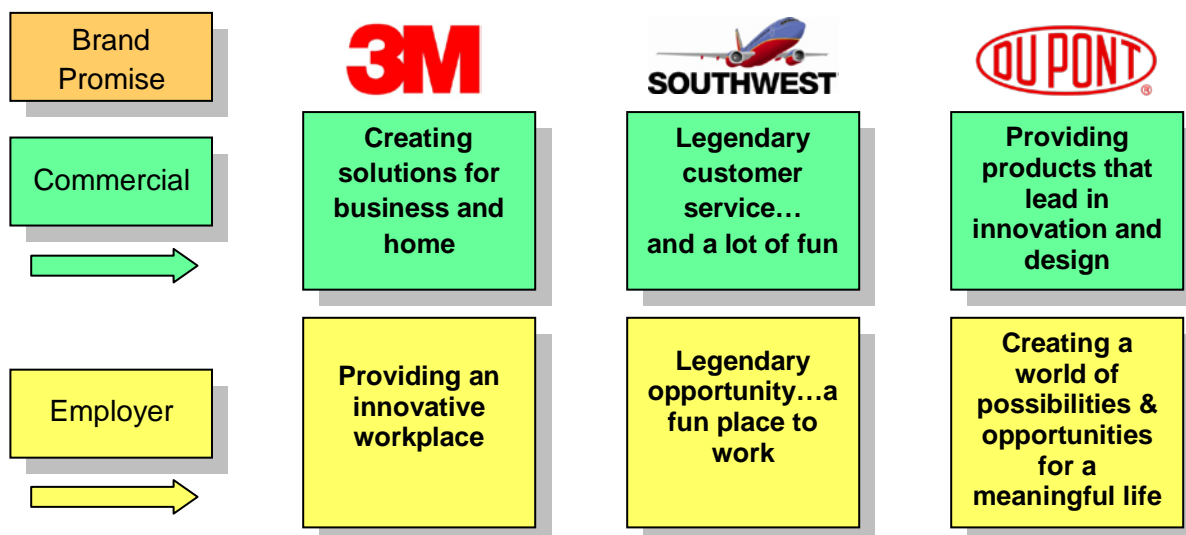


Far too many organizations take an ad-hoc or casual approach to forecasting talent supply and demand. And oftentimes, the process is out of sync with the strategy and budgeting process. Good forecasting requires a deliberate approach that follows the sequence of: Strategy → Resource Needs → Budget. So often, the starting point is the budget when it actually should be the last step.

(2) Talent Acquisition – a 7 X 24 Process. Companies typically don't wait to lose a customer before they go out to find another one. Even companies that have a finite capacity and can only accept or support a maximum number of customers, need the flexibility to chase and win that plum customer should they come across one. So the prudent company segments their customers and makes a conscious decision to jettison a non-profitable or marginally-profitable customer to make room for a more attractive one.

Unfortunately, most companies wait for a vacancy before going out to recruit. That makes recruiting a game of chance or timing. You're taking a chance that the best candidate out there for a given position is available and looking at the same time you're in the market recruiting to fill that position. To make matters worse, since you're in a vacancy-driven mode – there's an urgency to get the vacancy filled. The net result oftentimes is that you're not finding the best candidate out there. You're finding the best candidate relative to others you're seeing at that moment, or the candidate who can fill your immediate need even if they're not the "A" player you had hoped for. Companies need to always be recruiting regardless of their "vacancies" because you never know when you'll come across a great talent that you want to capitalize on. If you don't seize them when you see them, some competitor will.

(3) Leveraging Your Employer Brand. You've no doubt heard your CEO or CMO talk about your brand promise and how your products or services must be differentiated in the customer marketplace. Many companies are similarly working hard to define and exploit their employer brand promise – what is it that differentiates you as an employer from other employers a candidate might chose? Some question the ROI of employer branding efforts, but the pay-off can be significant when it drives the following outcomes: (1) your employees are your best recruiters and ambassadors; (2) candidates you reject and employees you fire are still your advocates; and (3) your line managers treat the employment market like it's a customer market. Here are just a couple examples of companies forging a link between their commercial and employer brands.

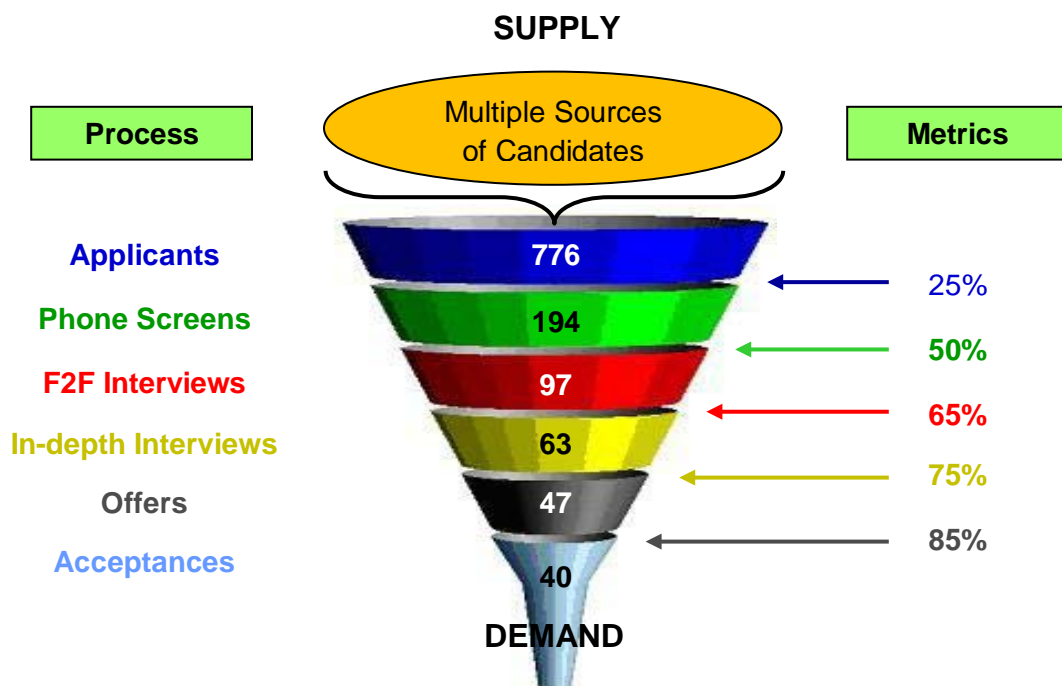


Of course, these are just the written or spoken brand promises. It's the actual steps these companies take to deliver on these promises that create their differentiation in the marketplace.

(4) Employee Value Propositions. A Unique Value Proposition (UVP) is the core of your company's sales and marketing efforts, and its success in the commercial marketplace. The UVP describes what it is about your company's offerings that the customer views as important (valuable), and, that they can only get from you and not from your competitors (unique). Similarly, an Employer Value Proposition (EVP) is that set of attributes the labor market and employees perceive as the value they gain through employment in your company. Slightly different from UVP's though, an EVP usually also sets forth what the employer expects in return. So it's typically a two-way pledge – here's what you'll gain from working here, and here's what we expect of you while you're working here. Most EVP's describe their pledge or promise to employees in terms of: rewards and recognition; opportunity for growth; work challenge and contribution; organization and culture; and/or, people and relationships.

Having a meaningful EVP is particularly useful in today's economic climate for two reasons. First, it can reinforce the idea that both sides need to benefit and grow from this relationship. This isn't just about making the employee happy. It's also about making the company successful. This can be an important message given the sense of entitlement we still see in so many of today's employees. Secondly, an effective EVP can help screen out candidates who don't fit the company's culture or expectations, or help candidates opt out if they don't think there's a match between what they seek and what the company expects.

(5) Supply Funnel Management. If you've spent any time at all with members of your sales, business development or commercial teams, you will have likely heard them talk about the "sales funnel." Most high-performing sales organizations have their sales cycle or selling process defined in discreet steps, and have metrics to track and forecast results of each sales lead as it progresses through the steps of that process. Similarly, many staffing functions use a resource funnel to forecast total applicant flow needed for a given recruiting goal, and estimate and track the success rate of the relevant candidate pool at each step of the process. Here's a basic example.



The benefits of using a resource supply funnel approach in your recruiting process management are several. It helps you estimate the total applicant pool you'll need to generate your target number of hires. This can help you estimate the time needed for the process, determine the type of sourcing required, and the amount of internal resources you might need involved in the process. It helps you track the yield of the process by measuring the candidates you have at each step and how many are or should be progressing from one step to the next. This helps you identify and correct for bottlenecks or voids in the process. Lastly, tracking such metrics over time, by position type or by hiring department/manager, can give you valuable insights into where internal people might need additional training or support to improve the effectiveness of the process.

(6) Voice of the Candidate. This technique is fashioned after the well-known Voice of the Customer (VOC) initiatives that companies continue to create and turn into significant revenue, market share, margin and loyalty growth. Essentially, VOC efforts break the entire customer experience down into specific touch points and solicit customer feedback and input at each touch point. The purpose is to identify, measure and improve the differentiation and satisfaction drivers that impact the customer's entire experience with your company.

Similarly, Voice of the Candidate efforts are intended to identify, capture and improve candidate reactions to each stage of your recruiting process. From a candidate's initial awareness about your company (branding and outreach), to the speed and diplomacy of your screening process, to the effectiveness of the final decision making and related communications – even to and including on-boarding activities. Companies seeking to leverage VOC steps solicit, evaluate and respond to candidate feedback at each step (or at multiple steps) of the entire candidate experience. This can provide invaluable information about what's working well and what's not working well when it comes to attracting candidates to your company, and keeping them engaged and interested throughout the recruiting process.

Customer loyalty research shows that an unsatisfied customer will go out of their way to tell 5 – 8 others about their bad experience. And a loyal customer will go out of their way to tell 3 – 4 others about their good experience. I'm not sure what the comparable numbers are for employment candidates – but suspect they are directionally similar. What are your employment candidates (successful and unsuccessful) saying about your company and its recruiting process?

To sum it all up, the following is a quote from an unsuccessful candidate in a recent recruiting search for an area company.

“...While I am disappointed that I was not among your final candidates, I wanted to let you know how impressed I was with your professionalism throughout the recruiting process. Rarely, do I find those managing these processes to be so prompt and responsive in letting applicants know what's happening and where things stand. It is usually a much more guarded and non-communicative process. If this is how you treat people on the outside trying to get in, I can only imagine how great it must be to be on the inside working as part of your company...”

Now that's branding! This particular company might not win the war for talent, but I bet they are winning far more battles than they lose.

In conclusion, the war for talent is still on as is the competition for customers and revenue growth. And there are some interesting parallels in both of those battles that management teams can benefit from understanding and leveraging. Hopefully, this article shared a few of them with you.

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About the author: *Bill Thomas is an HR and Business executive with over 30 years of experience in HR/OD, Customer Loyalty strategies, TQM and Operations management. Prior to joining Centric, Bill held national and global management roles with PricewaterhouseCoopers and Dell Computers, respectively. His work has been featured in CEO magazine, Human Resource Executive magazine, Quality Progress, HR Advisory and others. He can be reached at 866.302.9099 or via email at bill@centricperformance.com.*

About the company: *Centric Performance works with small to medium sized public, private and non-profit organizations to help them achieve their operating goals and growth plans. We do this by identifying, evaluating and improving their efforts and results in four areas proven to create stakeholder value:*

- *Strategy, Leadership and Organization Effectiveness*
 - *Optimizing the Customer Experience*
 - *Human Resource Practices and Processes*
 - *Business Transition Planning and Implementation*

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