

WHAT KEEPS talent managers AWAKE AT NIGHT?



As the talent acquisition landscape undergoes dramatic change and the lines between the disciplines of recruiting and marketing continue to blur, how can talent leaders stay ahead of their game?

By Hari Krishnan

The talent agenda remains a top priority for business leaders in an increasingly competitive business environment—even for employers not facing an immediate talent crunch. The Asia Pacific region, one of the world’s key growth engines, is no exception and leaders are under greater pressure to hire the best talent as a strategic competitive differentiator.

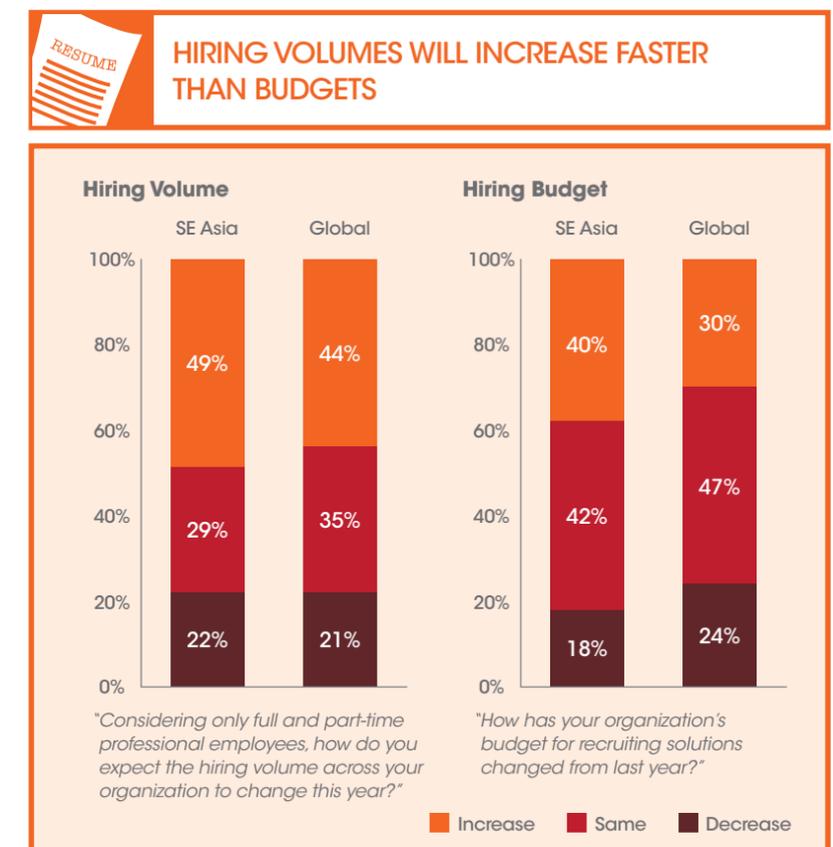
LinkedIn recently surveyed over 3,300 senior recruitment professionals worldwide, including 141 in Southeast Asia, to better understand the global talent landscape and the challenges in store for these senior executives. Specifically, the survey sought to gain insights based on answers to two key questions: “What keeps you up at night?” and “What are you doing to attract and retain the best talent?” The results of LinkedIn’s Global Recruitment Trends 2013 survey point to a talent acquisition landscape currently undergoing dramatic change and offers five key insights that are set to shape the future of recruiting.

Like their peers in other disciplines, recruitment professionals are being challenged to achieve better results with fewer resources. Close to half of the executives surveyed in Southeast Asia expect hiring volumes in their companies to increase, while 60 percent expect budgets to stay the same or decrease. This challenge

is by no means new or unique, but it does underscore the need to be even more focused on getting the basics of talent recruitment right: ensuring talent sourcing, pipelining and hiring are executed in the most efficient manner, without compromising quality.

In line with global trends, it should come as no surprise that sourcing and

recruiting the right talent for Southeast Asia’s talent leaders remains the top priority. However with so many companies—from established multi-nationals to enterprising start-ups—all going after the best talent, a key question is how can companies differentiate themselves if they are to win the battle for the best talent?



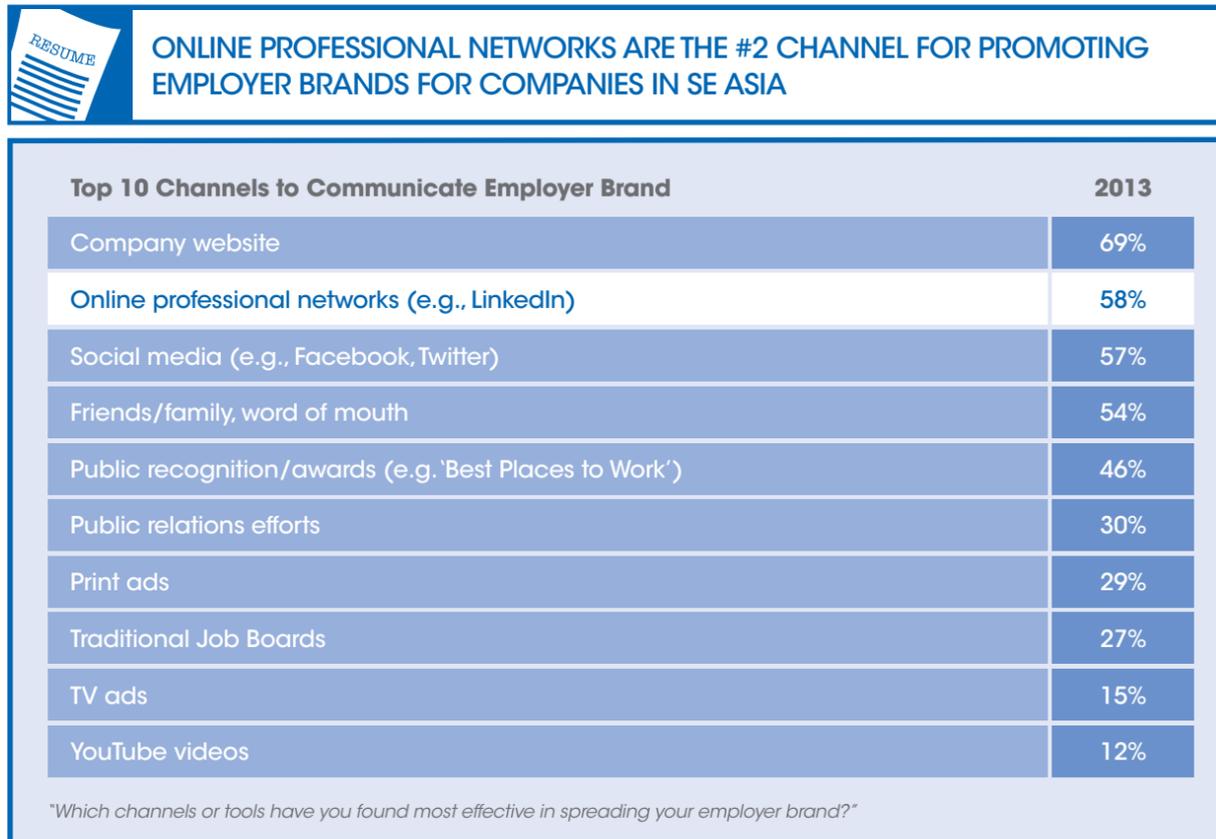
Leveraging social professional networks

The survey shows that social professional networks as a category, is currently the number two source of quality hires in Southeast Asia, right behind recruitment agencies. Moreover, the survey indicates that recruitment professionals expect to rely more and more on social professional networks to source and engage top talent in future.

To understand why the world's talent leaders believe social professional networks will play an expanded role in shaping the dynamics of recruiting in the long run, one need only look at one potent combination: social networks and "passive talent". Recruitment, the search for attracting and retaining the best people, is being transformed by the advent of online professional networks and the rising awareness of passive talent. Passive talent comprises professionals who are not actively looking for a new position, but are open to new opportunities. According to LinkedIn research, this group makes up approximately 80 percent of the fully-employed workforce. If anything, passive talent is happy where they are and continue to create value for their current employers. In Singapore, passive talent makes up about 73 percent of the workforce, which is not noticeably different compared to the rest of the world. Companies thus must find ways to engage this group, even though it may mean having to expend greater effort to "find" them, compared to simply focusing on talent currently "in the market".

The Adidas Group has already started to change the game and is putting the concept of passive recruiting into practice. Through LinkedIn, its recruiters were able to find and reach out to passive candidates directly, and get them interested about opportunities within the Group. This approach helped reduced the company's average time-to-fill for vacant positions from 70 days in 2011 to 52 days in 2012.

Companies must find ways to engage passive talent, instead of simply focusing on talent currently "in the market".



Source: LinkedIn 2013 Global Recruiting Trends

There is little doubt that passive talent recruitment will gather even more momentum going forward. In Southeast Asia, 62 percent of recruitment professionals surveyed by LinkedIn see it as one of their top hiring tactics, while a savvy minority (28 percent) says it went so far as to maintain a list of potential candidates who have not yet applied for any positions. Essentially, these recruitment professionals are taking a proactive approach to talent sourcing. Rather than responding reactively to fill positions on an ad hoc basis, they are

continue to blur, more recruiting teams are starting to adopt marketing tactics that are more commonly used by their marketing colleagues.

Employer branding is at the core of the marketing tactics used in recruiting. For most companies, investing to boost their respective employer brands can be an effective way to attract and influence top tier talent. While prominent brand names would have an easier time attracting top candidates, recruiters at these companies may still sometimes struggle to recruit for

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taking a forward-looking approach by building strong talent pipelines that will ultimately enable them to better meet their company's future talent needs.

Yet, to be more successful at engaging passive talent, recruiters should seek to better understand the subtle differences between passive and active talent. On the one hand, passive talent seems more likely to want to make an impact, and work within a corporate culture that fits his/her personality. But on the other hand, one could argue, active talent generally wants rapid career advancements, and wants to be recognised for his or her contributions.

Employer branding, a competitive advantage and a threat

Businesses have long understood the returns from marketing their products and brands to customers to develop customer awareness and capture market share. Attracting talent should not be any different. And as the lines between the disciplines of recruiting and marketing

certain specific functions, business units or geographies. The problem becomes more acute when an employer does not have the luxury of a strong brand, such as a start-up company or one operating in a Business-to-Business context. In some situations, a company's brand could change overnight due to mergers and acquisitions.

A particularly revealing insight from LinkedIn's survey is that employer branding can potentially place a company at a competitive disadvantage. While the majority (88 percent) of recruitment professionals surveyed by LinkedIn see employer branding as a competitive advantage that has a significant impact on their abilities to hire great talent, they are also aware of it as a competitive threat. Globally, recruiters rank the action of competitors investing in employer brands amongst their top three threats.

Notwithstanding its impact on convincing potential candidates to explore career opportunities in an organisation, an employer brand can improve bottom lines and productivity as well. LinkedIn's

research points to the fact that a strong employer brand can halve a company's cost per hire, and that companies with stronger employer brands have a 28 percent lower turnover rate than companies with weaker employer brands. These reasons should be compelling enough to convince any company to start investing in boosting their employer brands if they have not already done so.

Leverage data insights

As the amount of data in business continues to explode, effectively leveraging insights from data will become a strong basis of competition. Some of the most effective and successful employers are already using rich data sets to obtain a more analytical and strategic approach to recruitment. Well ahead of the global average of 23 percent, 37 percent of respondents surveyed in Southeast Asia say they believe their organisations utilise data effectively to make hiring decisions. While this is encouraging, it also means that about two-thirds of companies are missing out on the many opportunities to make strategic, evidence-based talent management decisions.

To complete the picture, employers should also be surveying their new hires regularly to get a qualitative review of their employer brands, which will complement the data that can be mined from online recruitment efforts such as click-through-rates, candidate response times etc.

Investment

A business leader who runs a successful business knows that acquiring a new customer can be more costly compared to keeping existing, satisfied clients. This applies to talent acquisition as well. A good talent strategy is not only about hiring the best external candidates but also about keeping existing top talent from walking out the door to the closest competitor. LinkedIn's survey results support this view, with best-in-class employers saying

internal hiring and internal mobility are their priorities.

A structured internal hiring process and supportive culture helps companies keep their best people engaged and motivated—and it can work out to be one of the smartest things an employer can do, especially with hiring budgets stagnating. This also means that a company that is not investing sufficiently into providing internal career opportunities for its employees will become an easier target for the poaching of existing talent.

In Southeast Asia, nine out of 10 employers surveyed by LinkedIn say they are making at least the same level of investment for internal hiring, with 56 percent saying they expect internal hiring volumes to increase in 2014. These companies are clearly seeing the advantages of internal hiring. While retaining top talent was the number one advantage cited in the survey, the gains from employee productivity due to a reduced ramp-up time as well as the lower cost per hire were amongst the top reasons why companies continue to invest in internal hiring processes and employee engagement.

Mobility

Few people would dispute the fact that smart mobile devices have forever changed the way people live and work. According to Deloitte's latest Technology, Media and Telecommunications study¹, the combined sales of tablets and smartphones have grown from over 350 million units in 2010 to around one billion in 2012. As the web is increasingly accessed via mobile devices, recruiting teams will need strategies that work both on the desktop and on smaller mobile screens. Just like the marketers, recruiters should also be reaching out to engage their target audiences on multiple devices.

It is therefore curious that many organisations are not investing sufficiently to meet candidate demand, especially those



Source: LinkedIn 2013 Global Recruiting Trends

candidates who are “on-the-go”. For candidates who want the flexibility of searching for jobs on mobile devices, there has thus far been limited investment on a global basis by companies and recruiters to

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introduce such mobile-friendly channels that would enable such candidates to discover them.

While some companies have already built mobile websites and apps to reach candidates on their phones, it is unclear how successful these efforts will be in reaching passive talent. By their very nature, passive talent is unlikely to be interested in downloading apps or visiting websites. If a company is intent on reaching out to a broader group, including passive talent, they should look to “fish” in a

professional ecosystem where many are engaging with one another and sharing business content and insights.

The next frontier

Niccolo Machiavelli observed more than 500 years ago “the first method for estimating the intelligence of a ruler is to look at the men he has around him”. This axiom continues to apply today, and given that people make the organisation, one of the keys to a company’s success is having and retaining the best talent. Intelligence begets intelligence, and the only way to win this talent war is to employ smart tactics—reach out to passive candidates, build a compelling employer brand, leverage big data, prioritise talent retention and tap into possibilities of mobile recruitment as the next frontier.

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Reference

¹ Deloitte Touche Tohmatsu Ltd., 2013, “Technology, media and telecommunications predictions 2013”.

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