Talent Acquisition is Dead: Talent Attraction Takes Root

Appcast™

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Executive Summary

Over the last fifty years, talent acquisition has become an important function in nearly every organization. Unfortunately, as a discipline, talent acquisition has not kept up with what organizations now require in the hunt for talent. As a result, many of today's most innovative and successful organizations are moving away from the acquisition mindset in favor of building strategies that work to attract talent. Understanding what prompted this shift, as well as what talent attraction means in practice, can help companies become magnets for today's top talent.

Introduction

The evolution of talent acquisition is fascinating. For roughly fifty years, those working in a talent acquisition, recruiting or personnel role were lucky enough to have sat on the throne, the gateway to every organization.

Talent acquisition's role in the organization was to both find and procure talent. Acquiring talent gives the impression that by letting it be known what is needed, organizations can just go out and pick up the right talent. As a result, candidates became seen as a commodity, much like any other resource within an organization. Over the past decade, the recruiting industry tried to change this perception and it would be difficult to find a CEO who hasn't uttered the phrase, "Our employees are our most valued asset." While meant as a compliment, this statement shows the acquisition of assets mentality has become well-ingrained.

Over time, candidates grew savvy to the acquisition mindset, and let it be known that the last thing they want to be is acquired. The organizations that fail to recognize this shift and adopt accordingly have started to become second and third choices for top talent, losing out to the organizations that moved from prove your worth to a more candidate-centric approach. In flipping the script, the traditional idea of acquiring talent is being laid to rest, giving rise a new game in town: talent attraction.

According to the United States Federal Reserve, a normal run rate of unemployment ranges between 4.5 and 5.0 percent, with a median value of 4.8.[1] As of July 2016, the Bureau of Labor Statistics showed that 67 major metropolitan markets had unemployment rates of 4.0 percent or lower.[2] Earlier this year, the leading source for external hires,[3] Indeed reported roughly 16 million open positions.[4] So what do these numbers mean when most organizations have a labor shortage on their hands?

Prior to the Recession of 2008, some employers began to use marketing techniques to attract tech talent. At the time attraction was a new idea and concepts like employment branding and candidate experience were just a whisper. However, as the recession took hold, the dwindling economy set talent acquisition back almost a decade. Overnight, organizations stopped investing in talent acquisition technology. The development of sourcing and recruiting teams was virtually nonexistent. Organizations downsized talent acquisition teams to the point of having just enough staff to keep the lights on for emergency hiring. Why pay recruiters when there's no hiring happening?

Fast-forward to a few years later as the recession receded and hiring started to pick back up, organizations had a new hurdle to face as the so-called Gray Wave became a reality. The idea behind the Gray Wave was that millions of Baby Boomers were going to leave the workforce at once, like a tsunami, leaving employers with huge holes to fill. While the recession initially helped slow this tsunami, once it ended organizations across industries began to feel the impact of the Gray Wave hitting their shores.[5]

Like the perfect storm, years of pent-up hiring needs combined with a lack of recruiting skill and outdated technology converged with a massive amount of experienced talent leaving the workforce in a short window of time. This, on top of a pre-conceived notion that candidates should be bowing down in order to prove why an organization should make them the "lucky" choice. And just like that, traditional talent acquisition was washed away, leaving a clean slate for talent attraction to take root.

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[1] https://www.federalreserve.gov/faqs/money_12848.htm

[2] http://www.bls.gov/web/metro/laummtrk.htm

[3] http://press.indeed.com/press/indeed-is-leading-source-of-external-hires-for-fifth-consecutive-year/

[4] http://press.indeed.com/press/indeed-hits-record-200-million-unique-visitors-expands-to-8-additional-countries/

[5] http://econweb.umd.edu/~haltiwan/Recruiting_Intensity_Great_Recession_AER_2012.pdf

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New Growth through Talent Attraction

At its core, talent attraction is the need to make an organization inviting to target talent within a market. Put otherwise, it means an effective recruitment strategy.[6] Where talent attraction differs from acquisition is that attraction is not about window dressing and a new coat of paint. Talent attraction starts by transforming the organization's philosophy about how it views talent. Though a relatively simple concept, there are various moving parts to talent attraction strategy. However, like most products, with the right brand, messaging and motivation, it is possible to become the most desirable organization on the market.

Like attracts like, and the best talent wants to work for an organization that not only values their contribution to the organization but also one that will help develop their skills beyond what they bring. An organization that focuses on making employees more valuable. This type of strategy goes beyond the talent acquisition team; talent attraction is a leadership vision that moves from the top down. It requires getting hiring managers and supervisors to believe they are talent agents. That they are the Jerry Maguire of their team.[7] It is their job, as a supervisor of talent, to make that talent better, to help that talent achieve their goals.

True talent attraction becomes an organizational priority, not a project that a few people in HR are responsible for undertaking.

How do we attract talent to our organization?

The first rule of attracting talent is to forget about acquisition and start to think differently. Think like a candidate. Think like a marketer.

While someone in talent acquisition might think about recruiting like this:
  • How can we find talent quickly without using too many resources?
  • How do we ensure that the talent has all the skills needed for the position?
  • How do we pay a market rate without impacting the rates of our other employees?
  • How do we make sure the hiring manager is happy?

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[6] https://books.google.com/books?id=tX2QDAAAQBAJ&printsec=frontcover#v=onepage&q&f=false (page 23)

[7] http://www.imdb.com/title/tt0116695/

Someone in talent attraction would approach recruiting like this:
- Why would a candidate want to work here?
- What can this organization offer candidates that our competitors cannot?
- How can we ensure the candidate will love working here and be developed?
- What skills do we need to give our hiring managers?

This subtle shift in thinking makes an obvious difference. One feels self-serving while the one is focused on serving the greater good. Choosing to embrace this second philosophy is the first step toward attracting talent to an organization. It is often the most difficult change to make but luckily the motivation and reasoning is there.

Once an organization decides to embrace an attraction mentality, it is time to adopt and implement this as a talent strategy. Here are five ways to make the move to talent attraction:

#1 - Develop a consistent vision of the organization

Everyone within an organization, not just the recruiters, need to be able to effectively explain who the organization is, which requires defining the brand. An organization's brand is their reputation in the market, it does not need to be more complicated than that.

Though most organizations will never be at the level of Google or Facebook, their brand should be equally as compelling. The brand needs to be an effective yet simple story about the organization.

Kris Dunn, CHRO for Kinetix and author of the blog HR Capitalist, believes miscalculation in this area can be attributed to three areas – brand, money and fit.

> *A big part of successful recruiting is to know who you are, and positioning yourself as a great option for candidates who would perceive you as a great place to work given that mix.*
>
> *My favorite strategy – find a pack of companies that exist underneath your company related to brand and money, then go get their stars – they're more than capable of succeeding at your company, and they'll be thrilled at what you can provide.*

Brand doesn't have to be 'everything' the organization is, but it should not be fictitious either. Be authentic by being the most real, most positive version possible. Organizations want to hire people who love working there, not those who just show up. Just as every existing employee is different, every new hire will be unique from the last. Being as transparent as possible can help close the gap and ensure that one unified vision persists across the market.

#2 - Give permission and get referrals

Despite the power of employee referrals, these programs often falter. Organizations spend months structuring the program, crafting workforce communications, planning an awesome launch and two weeks later – nada.

Research by Jobvite shows that on average it takes 29 days to hire a referred candidate, compared to 39 days to hire a candidate through a job posting or 55 days to hire a candidate through a career site.[8] Recruiters in this study also found that 46 percent of referred hires stuck around for at least one year after they were hired, far above the 33 percent of people hired through career sites and 22 percent hired through job boards.[9] It is well-established that employee referral programs offer faster time to fill, longer tenure and are less expensive than traditional talent attraction strategies. So what is the problem?

Key to building an effective employee referral program is giving employees permission to refer. It might sound funny but the reality is most of employees do not share openings because they are not sure if they should. Technology that automates employee referral programs does just that, while making it super easy for employees to share open positions with their networks. As new openings become available, these technologies provide employees with email or text message directly from HR asking for help and reinforcing their permission to share the job to keep the program running.

A well-oiled, automated employee referral program will continue to attract new talent without hassle and ensure that the organization's brand is consistently communicated time after time.

#3 – Leverage a modern approach to job advertising

Since the advent of newspapers, employers have been advertising jobs in basically the same manner.[10] The organizations decides where potential candidates are likely see the job and then pays to have a job posted to that location. The days of this post and pray method are gone. Today, recruitment, or job advertising uses job boards (think LinkedIn, Indeed, CareerBuilder), specialized industry websites, association websites, social sites and the like. And yet, the process of deciding how, when and where to advertise hasn't changed much – prompting a big problem from organizations looking to move the needle and attract new talent.

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[8] http://www.jobvite.com/wp-content/uploads/2015/09/jobvite_recruiter_nation_2015.pdf

[9] http://www.jobvite.com/wp-content/uploads/2015/09/jobvite_recruiter_nation_2015.pdf

[10] https://www.smartrecruiters.com/blog/the-history-of-job-ads/

At the same time, while going online to advertise can provide decent demographics and traffic numbers, without the right strategy in place, this method has limitations akin to the newspaper. Organizations will not know if the source they are choosing is good or not, making the process for buying job advertising labor intensive and notoriously inefficient.[11] Without strategy, recruiters will have to research the best spaces to place a job ad, engage in an administrative-heavy process of discovering pricing and availability, place orders and manually load copy into the ad server. All of this before the job ad even begins to run. Rather than waste time or take a shot in the dark, organizations should consider a programmatic approach.

Much like programmatic consumer advertising, programmatic job advertising uses technology to automate buying and placing job openings through networks of job-related websites using either a pay-per-click or pay-per-application basis. A programmatic strategy gathers browsing data and uses complex algorithms to show potential candidates the right job ads, at the right time, in the right place, based on their likelihood to engage, or in this case, apply.

What is Programmatic Job Advertising?

Already revolutionizing the way recruitment marketing decisions are made, programmatic job advertising is the automated buying, placement, and optimization of ads performed by software, rather than people.
It reaches potential candidates not on one site, but all sites.
It works like this: the buyer (in this case the hiring organization) plugs into an automated system for buying ad space, similar to a stock exchange. The buyer enters a budget and details, known as rules, about their ideal employee and how many of potential candidates they wish to reach. From here, the software takes over.[12]

#4 – Manage candidate relationships

CRM technology is another strategy that high-functioning organizations are using to source and engage potential candidates. Historically, CRM stood for Customer Relationship Management,[13] but recruiting now refers to CRM as Candidate Relationship Management.[14] Regardless of the name, CRM does the same thing for recruiting as it has for sales and marketing departments, allowing organizations to engage and contact candidates in a database on an ongoing basis, automatically, without recruiters having to lift a finger.

Maybe a young engineer applied for a job some time ago, but there was already another candidate under consideration. Fast forward to a few months later and a new open position. Organizations using CRM would have the ability to continue contact with the young engineer candidate and could easily reach out and re-engage.

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[11] http://www.eremedia.com/sourcecon/programmatic-job-advertising-powering-the-next-wave-of-recruitment/

[12] https://www.recruiter.com/i/programmatic-advertising-a-better-way-to-place-job-ads/

[13] http://searchcrm.techtarget.com/definition/CRM

[14] http://searchfinancialapplications.techtarget.com/definition/candidate-relationship-management

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At the same time, CRM technology also helps organizations capture the candidates that never apply but constantly lurk the brand. In the past, there was no way to know who these potential candidates were, that they stopped by or what information they received. Today's CRM technology recognizes these individuals through their IP addresses, remembers what each potential candidate looked at and allows organizations to connect with them in real-time.

One of the tenets of talent attraction is the ability to communicate with candidates when and where they want to be communicated with and CRM technology works to round out the strategy.

#5 - Let employees tell the story

Right now, employment branding is all the rage and organizations are spending millions of dollars developing and building highly specific employment brands. However, the dirty little secret in employment branding is that organizations can spend zero dollars and easily come up with a powerful employment brand easily on their own. And Daxko, a software company based in Birmingham, Alabama did exactly that.

To help define who Daxko is as an employer, Dawn Burke, vice president of People, looked at leveraging every level of the organization. Burke explained how Daxko defined who they were in stages:

> *Stage one was at some point making deliberate choices about how our team members behave and who Daxko served. Even if there wasn't a clear definition there had to be a deliberate behaviors that were embraced. Our team members had to tell us what these behaviors were and what they looked like in our environment. After some years of practicing these behaviors, growth propelled the next 'defining' stage which was driving clarity.*
>
> *There could be no way to deliver on our mission to 'provide team members with rewarding careers' without having clarity in a very real, articulated sense of our culture, our beliefs and what we would consider our success factors. To finalize this effort, input was driven from the bottom-up, defined clearly by Senior Leaders and then modeled by our CEO. Every level played a part. And yes, it took time.*

Burke wanted to make clear that definitions and mantras do not define who Daxko is as an organization. Rather the culture and brand is defined by team members and Daxko hardwires the brand by rewarding behaviors that reflect the culture. In turn, Daxko's employment brand leads their talent attraction, as Burke shares:

> *I can't even imagine beginning to attract the right talent without this...Our stories are our brand. Our culture is our brand. Our people are our brand. Since we've defined the brand and live the brand we can promote the brand. We are able to share an authentic, clear message through all of our stories.*

The worst employment brands are those made in a vacuum of marketing and HR. The end result is something that feels and sounds fake. Manufactured like a commercial. Whereas, the best employment brands are the ones where the employees share their own stories about why they love their job and the organization.

Similar to finding a consistent vision and the other factors of talent attraction, there are technologies available that help build and package employee stories in a way that allows the organization to share the content socially, on a career site and in various other formats. Depending on the technology, the organization can ask questions of their employees that will direct them in developing a story that is most beneficial for the brand while maintaining transparency.

In talent attraction, a successful employment brand encourages talent to seek out the organization. This happens when employees are invested in the brand itself. When employers are excited and want to share their stories, the employment brand will work to attract the right people for the organization.

The Rise of Talent Attraction - Conclusion

As talent attraction continues to take root, more traditional talent acquisition and HR departments are starting to re-evaluate their talent strategy. The job no longer requires that these professionals just filter through the talent pool. The function needs to be proactive, with the purpose of ensuring that top talent finds the organization as an attractive employment option and the technology to support this mission.

With so much history attached to the talent acquisition process, this new reality can be difficult for organizations to process. Take things systematically: emphasize a consistent vision, encourage referrals, improve job advertising, manage candidate relationships and promote the employment brand to find the talent needed. It is time to wash away the old and embrace the new, starting with the law of attraction: like will attract like.