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HIRING TOMORROW'S WORKFORCE TODAY: THE TALENT PIPELINE

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Nearing the end of 2017, Best-in-Class companies are still having difficulty attracting and hiring top talent. With the modern leading candidate having more offers than ever due to a shrinking scope of readily available top talent, employers must place the candidate at the center of the effort to build a talent pipeline.

Divergent Talent Pipeline Models

In a recent study, Aberdeen found that 87% of companies have difficulty establishing a talent pipeline. Talent pipelines have changed in about the last ten years resulting in two distinctly different models:

▶ In the first model, a job opening is requisitioned inside the organization resulting in a 'req' for which the company then establishes a pipeline of possible candidates sourced through traditional recruiting efforts.

▶ In the second mode, the company establishes a central and ongoing pipeline of potential candidates that first match the organizational goals, mission, vision, and culture, and that later on match job openings as they become available.

In today's talent market, more than 62% of organizations lead with the first model, which is based on the premise that candidates first seek out job compatibility and then look to verify whether they can tolerate the work environment. In Employee Wellness: Individualizing Productivity (January 2017), Aberdeen found that organizations have transitioned to this model as they have shifted to rely on the total self-relevancy of the employee. In other words, employers expect that employees will take responsibility for ensuring that their skills are relevant to available jobs, and then for ensuring that they will be able to fulfill additional responsibilities with time. In Increasing the Value of Learning Management (May 2017), Aberdeen found that as generations change in the workplace, the incoming workforce is pushing back against employer demands for self-relevancy.

The Aberdeen maturity class framework is comprised of three groups of survey respondents. This data is used to determine overall company performance. Classified by their self-reported performance across several key metrics, each respondent falls into one of three categories:

▶ Best-in-Class: Top 20% of respondents based on performance

▶ Industry Average: Middle 50% of respondents based on performance

▶ Laggard: Bottom 30% of respondents based on performance

Sometimes we refer to a fourth category, All Others, which is Industry Average. Average Laggard combined.

▶ Best-in-Class companies are 2.9 times more likely than All Others to populate more than 50% of their talent pools from the passive workforce.

▶ Best-in-Class companies are 33% more likely to hire one of the top three candidates identified for a role more than 50% of the time.

Table 1: Top Reasons Employees Join and Stay with the Company

	Best-in-Class	All Others
See Relevance of Their Work	**87%**	**59%**
Competitive Growth Opportunities	**75%**	**52%**
Transparency of Corporate Goals	**75%**	**50%**
Career Track Opportunities	**71%**	**51%**
Consistency of Role Definitions	**73%**	**48%**

Source: Aberdeen October 2017 (n = 204)

Table 1 shows the top reasons, as of 2017, that employees chose their employers. While the table shows data for the general distribution of study participants, isolating for employers that attract and hire one of the top three candidates for a role more than 50% of the time returns a similar distribution as that shown in Table 1. At the top of the list, candidates are looking for a sense of relevance to the organization. To achieve that sense of relevance, candidates are also seeking clarity and consistency around corporate goals and objectives as well as consistency in the general definition of their role once they are hired.

Table 1 reinforces that in order to attract and hire top talent, organizations, today, need to invest more heavily in providing exactly what the candidate is seeking in an employer. As mentioned earlier, prospective employees are first looking for how well the company culture aligns with their own goals and ambitions before, or at the same time as, seeking out a potential role with the organization. Once they find a comfortable culture match, they are then looking for development and growth opportunities.

Table one proves that in today's workforce paradigm, shifting all responsibility for work relevancy to the employee really is not a Best-in-Class practice. Today, the Best-in-Class are 50% more likely than All Others (75% vs. 50%) to attract and retain employees because their

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culture is visibly attractive. Furthermore, they are 52% more likely than All Others (73% vs. 48%) to attract top talent because management enforces boundaries around role responsibilities that then force the company to make an investment in employee development and advancement. On the other side of the table, employees at Best-in-Class companies are 44% more likely than those at All Other companies (82% vs. 57%) to join the organization because management makes it easy to find growth opportunities in part by reinforcing the job descriptions.

What these data points reveal is that by abandoning the concept of employee self-relevancy, the Best-in-Class are transitioning to the second model for the talent pipeline. In so doing, they are focusing on the goals of top candidates, and they are strategizing how to reach candidates whose goals and aspirations sync with the organization.

Building the Candidate-Centric Pipeline

Bringing the two divergent pipeline models to light helps to explain why 62% of companies struggle to acquire top talent. Building short-term pipelines for individual positions as they open fails to reach a broad enough segment of the workforce to adequately target all high potential candidates. Consequently, these short-term pipelines end up pitting one organization against another for a small pool of candidates. The good news is that Best-in-Class companies are 2.1 times more likely than All Others (39% vs. 19%) to be renovating their existing talent acquisition structure to centralize the talent pipeline for the organization.

Along these lines, Best-in-Class companies are 9% more likely than All Others (37% vs. 34%) to build a centralized employer brand for the organization. The centralized brand focuses on matching the goals of the general organization to those of the general candidate market. In other words, the centralized employer brand pulls away from the individual job opening available today, and focuses more on appealing to, and attracting, general candidates that align with where the organization is heading. Best-in-Class companies, today, are 14% more likely than All Others (57% vs. 50%) to find that they have developed an engaging talent brand that accounts for the goals of the candidate as they relate to those of the organization.

Despite more than half of companies successfully getting in touch with the culture of their workplace, however, 84% of employers still find it challenging to even recruit high potential candidates. Consequently, 40% of companies are unable to hire one of the top three candidates prioritized

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for a role more than 50% of the time. As companies are taking note of the pressing need to reconstruct their recruitment efforts, more than half are falling short of full recruitment marketing because they stop the promotional strategy once the employer brand has been developed.

Just 38% of companies, today, are going beyond brand development to actively promote the employer brand through an outbound marketing program. In centralizing the pipeline, companies are making the decision to separate recruiting and hiring while making recruiting 'position-agnostic'. Under this model, recruiting relies on stoking the candidate's interest in looking for a job at the company rather than just looking for a job. To successfully stoke the candidate, however, companies need to wisely promote the employer brand rather than leaving it finished in development.

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Table 2: Top Recruitment Marketing Features in Use

	Best-in-Class	All Others
Employee Referrals	90%	75%
Campus Recruiting	68%	51%
Recruiting Events	63%	52%
Social Media Marketing	58%	52%
Career Sites	53%	80%
Talent/Career Branding	38%	34%
Talent Networking	37%	24%
Testimonial Publications	32%	28%

Source: Aberdeen October 2017 (n = 273)

Table 2 shows the functionality and outreach channels that the 38% of companies promoting their employer brand are using. The most used features center on the distribution of the job profile, and by extension the company or workplace profile, to candidates in both the active and passive workforces. Upwards of 68% of companies are engaging in

activities that involve outbound promotion of the company as a good place to work. These companies are focusing on populating their general talent pipeline before distilling the pipeline by positions as they open, and then directing possible matches to any and all candidates relevant for the role.

As Table 2 shows, omni-channel promotion is a significant component of a viable recruitment marketing strategy. As noted earlier, more than half of companies today are still primarily focused on pushing job opportunities out into the talent market without much consideration for identifying how the company profile reaches applicants, and then how the applicant connects to a role at the organization. When companies focus on their employer brand, they are able to reach more than just the active, skilled workforce for a given role. Diving into the numbers, Aberdeen has found that the average active, skilled worker has 4.1 job offers to choose from, pitting the 62% of companies using a job-centric talent pipeline in a war for top talent. The problem facing these organizations is that they are working with too narrow a focus on a small subset of the workforce.

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The 38% of companies actively engaging in a candidate-centric pipeline are targeting the passive workforce in a much stronger way than the 62% placing the job requisition at the center of the process. Today, the Best-in-Class are able to target the active and passive workforce at a ratio of 2.5 to 1 as compared to All Other companies that reach both at a ratio of 9.7 to 1. Placing the job at the center of the pipeline effort means that a talent pipeline does not get built until the job opening is generated. In a recent study, Aberdeen found that the average company limits their desired time to fill a position from the point of requisition to fewer than three weeks. With the job at the center of the process, 31% of companies failed to hit the ideal target for time to hire in the last year.

In Recruitment Marketing Trends: Getting to the Inbound Candidate (November 2017), Aberdeen found that organizations are also severely limiting their definition of top talent to fill highly differentiated skills requirements that do not package up and transfer easily from one organization to another. For example, a business analyst at one organization, today, may need a completely different set of skills to fill the same titled role at another organization. Aberdeen has found that there can be lower than 50% skills alignment between two companies in the same industry for what, on the surface, appears to be the same role. Narrowing the definition of top talent has severely shrunk the amount of talent available to pull from the active, skilled workforce.

By separating the employer brand promotion from the promotion of the job opening, the Best-in-Class are able to spread the recruitment effort across the entire workforce. In this way, the recruitment effort is ongoing – candidates are drawn to the brand, submitting their resumes, sometimes before they even know if there is a role for them at the company. Candidates progress into the hiring cycle once the internal applicant tracking system identifies a top-quality match for their submitted credentials based on criteria submitted through the position requisition. Once a candidate match is identified from the talent reserves in the central pipeline, recruiters can instantly vet the identified match into the talent pipeline for the role before moving them into the interview process.

In the req-centric model, recruiters lack the initial bevy of available, culture-matched talent, lengthening the time-to-hire as the position requires targeted recruiting from the general talent market. In fact, with the second model constituting a Best-in-Class model, Aberdeen has found that companies using the candidate-centric model are 30% more likely than those using the req-centric model (74% vs. 57%) to have hired more than 50% of their new hires on time per expectation.

Beyond the benefit of creating an initial, central cache of available talent sourced for potential positions, the centralized candidate pipeline can be taken one step further. By optimizing the omni-channel promotional efforts for the employer brand, the Best-in-Class can identify and target an exact candidate type, appealing directly to a desired candidate persona based on past channel recruitment performance. In this way, employers can take information from other performance elements, such as hot/cold employee analyses, to balance the likelihood of a job opening against the marketing channels in which to invest. Doing so, recruiters and managers can build up a reserve of candidates who may be able to step into a given department, role, or management level.

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Justifying a Candidate-Centric Pipeline

The candidate-centric pipeline has enabled Best-in-Class companies to expand their reach into formerly untapped regions of the workforce. It has also enabled them to more smartly and nimbly target desired employees while building up a bevy of potential candidates for when roles may open. In this way, the Best-in-Class have been able to target the passive workforce more successfully than All Other companies.

Improving in these recruitment performance areas has also helped the Best-in-Class to be 33% more likely than All Others (76% vs. 57%) to hire

one of the top three candidates identified for a role more than 50% of the time.

Figure 1: Hiring Reach into the Active and Passive Workforce
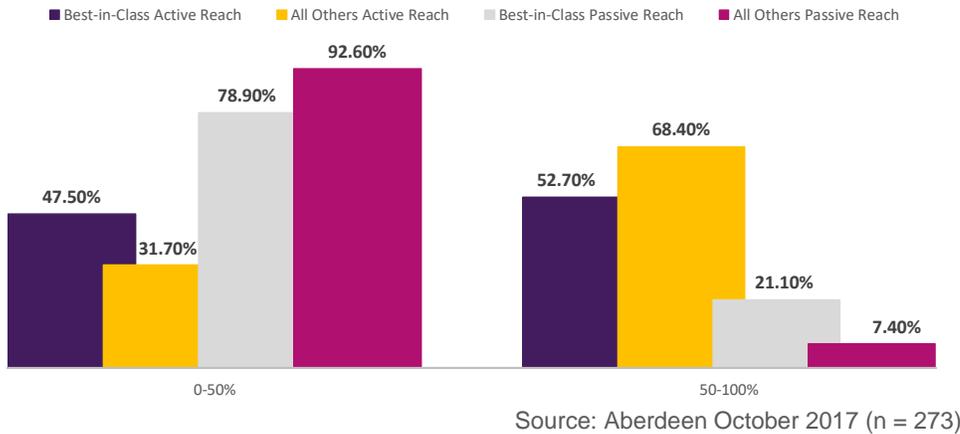

Source: Aberdeen October 2017 (n = 273)

Figure 1 shows the likelihood that Best-in-Class companies and All Others could hire from the active and passive workforces in 2017. Breaking down the data, the table indicates the likelihood that more than, or less than, 50% of candidates came from the active and passive workforces. For each category shown, the data shows the likelihood for both the Best-in-Class and for All Other companies.

In the past year, Best-in-Class companies showed a stronger balance than for All Other companies in hiring from both candidate segments. Furthermore, the Best-in-Class had almost just as likely a chance that less than 50% of their workforce came from the active workforce as they did for more than 50% to come from candidates actively looking for a job. Accounting for the aggregated data, these percentages mean that just more than half of candidates in Best-in-Class talent pipelines were sourced from the active workforce. Where the Best-in-Class take top honors over All Other companies is that they are 3 times more likely than All Others (21% vs. 7%) to populate more than 50% of their talent pools from the passive workforce. Just by practice alone in the construction of a candidate-centric talent branding effort leading to a candidate-centric pipeline, the Best-in-Class are succeeding at reaching more of the source-able workforce in the hunt for top talent.

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Connecting the Dots

To serve the modern effort to attract and retain top-quality talent, employers need to be more nimble, decisive, direct, and attractive. What this means is that they cannot be wasting time, putting the squeeze on recruiters when it comes to sourcing top talent, or throwing money at recruitment cycles that return mediocre talent. For employers, this means that they drastically have to reduce the time-to-hire, but not from the standpoint of increasing the speed at which a candidate is nurtured through the talent acquisition process. In Candidate Engagement and Applicant Tracking: A Winning Formula (June 2017), Aberdeen found it necessary to properly nurture and engage candidates once they enter the actual hiring process.

Instead of focusing on the hiring process, employers need to rework the talent pipeline to more effectively support sourcing efforts in the recruitment channel. To do this, they need to rebuild an employer brand that successfully resonates with the goals of the candidate type they wish to hire. With the brand in hand, organizations need to promote it on a multitude of marketing channels that become distilled with time to more accurately promote the channels that target the audiences they wish to attract. The brand needs to remain in the market even during times when the company is not hiring so as to create a continuous draw for both active and passive candidates to want to work for the organization. In this way, human resources can build a reserve of vetted talent for when a position opens and the applicant tracking system determines a match. Through this combination of branding and application acquisition, companies can empower their recruiters to act smarter, swifter, and savvier when it comes time to pass vetted candidates on to the hiring team.

The results of using this candidate-centric talent pipeline model speak for themselves. In 2017 alone, companies adopting this model realized shorter times to hire, broader reach into all areas of the workforce when it came to candidate sourcing, higher rates of inbound candidate applications submissions, and lower costs-per-hire.

Related Research

*Recruitment Marketing Trends: Getting to the Inbound Candidate;
November 2017*

*Candidate Engagement and Applicant Tracking: A Winning Formula;
June 2017*

*Total Performance Management: Mapping Performance to Equitable
Talent Selection; February 2017*

Increasing the Value of Learning Management; May 2017

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