Hudson RPO

PREDICTIVE TALENT POOLING

A faster, efficient and smarter approach to recruitment

Most businesses are in the midst of a workforce redesign to empower newer, more nimble business models. As a consequence, requirements for HR "readiness" have never been greater. The HR team must anticipate and keep pace with ongoing business innovations while driving leading-edge talent solutions to meet changing workforce needs and challenges.

This goes beyond the typical HR struggles of workforce planning, filling seemingly impossible STEM roles and being ready to react to critical vacancies at short notice. HR must develop their workforce with an eye toward meeting diversity goals, creating "networks of teams," pipelining for and filling leadership gaps, and also building a contingent/contract/part-time workforce for the Gig Economy. All while deliberately creating a meaningful culture and hiring to fit within that culture.

What if you could identify and build talent pools to meet each of these different needs? And what if you could predict when these candidates will begin a new job search? The implications for improved hiring efficiency and HR "readiness" are significant.

This is what the practice of predictive talent pooling provides: A hiring approach that blends strategic sourcing, talent pooling and predictive data tools to hire better people in less time and at less expense while meeting many of the newly designed workforce demands.

NEW ORGANIZATION +
NEW REQUIREMENTS =
NEW APPROACH

According to Deloitte's 2016 Global Human Capital Trends Survey, 90 percent of business leaders in North America and 92 percent in Latin America rate "Organizational Design" as their top human capital-related priority. The results are strikingly consistent across industries.

This organizational redesign trend is driven by new business models that require organizational flexibility such as the

- Rise of virtual workers and mobile project teams

- Departure from functional departments to more product- and customer-centered structures

- Need for Gig Economy contingent, contract and part-time workers for special projects

Not surprisingly the talent needs and challenges related to these new business models have also changed. For example, smaller, more mobile project teams require more nimble, globally savvy leaders. Yet while 89 percent of company executives view leadership as an important or very important issue, more than half (56 percent) don't believe their companies are prepared to meet their leadership needs.[1] HR and Talent Acquisition leaders must implement programs to identify and cultivate versatile leaders earlier in their careers, particularly Millennial leaders. This begins by hiring people with the right potential.

Likewise companies are shifting focus to diversity and inclusion, of which the benefits are well documented. Achieving a more gender-balanced workplace creates efficiency savings, enhances employee engagement, boosts productivity, meets the diverse needs of customer and suppliers and improves brand reputation.[2]

For example, according to a study by Dr. Roy Adler of Pepperdine, companies with the strongest record of promoting women to the executive suite outperform overall industry-average profits by 34 percent (when calculated for revenue).[3]

> **Hudson RPO's use of predictive technology has allowed us to map out and monitor our talent pools. We now start a search knowing roughly how many people are qualified and available. It is the first time we have had access to relevant, timely supply-side data, and it has dramatically improved our performance.**

CRISTINE KANE

VICE PRESIDENT,

SOLUTION DESIGN & TECHNOLOGY INNOVATION

HUDSON RPO

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[1] "Global Human Capital Trends 2016: The new organization, different by design," Deloitte University Press

[2] "Food for Thought Fact Sheet -- The Business case for Gender Diversity," Business in the Community, 2012

[3] Roy D. Adler, PhD, "Women in the Executive Suite Correlate to High Profits," Pepperdine University, 2001

THE AGE OF ANALYTICS

More than ¾ of executives state that people analytics are a priority, and more executives are recognizing the influence HR initiatives have on the organization. In fact in 2016, 51 percent of companies correlate business impact to HR programs, a 13 percentage point increase over 2015.[4]

Predictive Talent Pooling incorporates strategic sourcing methods to identify desired talent for specific pools. Candidates within the pools are then tracked to monitor more than 6,000 different data points from publicly available data sources (including social media, public job boards and licensed data sources) that indicate job seeking behavior activity. Candidates' job seeking activity levels are measured, thereby indicating who is more likely to respond to your outreach.

Consider the efficiencies gained with this information. If a company has 500 candidate prospects inside a talent pool and a new critical role becomes vacant, the time and effort saved by the ability to identify and reach out to the most qualified and active job seekers in the pool is substantial.

Why not just craft a standard job offer email and blast it out to the 500 candidate prospects? In the era of over-communication, this has simply become less effective. Candidates with in-demand skills are in the driver's seat, and they may not even reply to the inquiry. Organizations need to take a proactive and customized approach to hiring rather than a reactive, form-letter approach for business-critical and hard-to-fill roles. Gone are the days where simply posting a job on a job board or blasting out a basic email will guarantee high quality results.

A low volume of quality candidates coupled with budget and time constraints can undermine hiring. Take for example the highly specialized sales professionals who work in life sciences. They are hard to find, have a direct impact on revenue and without them the company cannot survive.

Reactively filling these kinds of roles for unplanned attrition can be a nail-biting, rushed and expensive process. And it often doesn't result in hiring the best candidate—but rather only the best candidate who applies for the job.

Smart organizations are addressing this with a proactive approach to hiring. The result is faster placements at a lower cost per hire.

HEALTH CHECK

Symptoms of reactive recruiting:
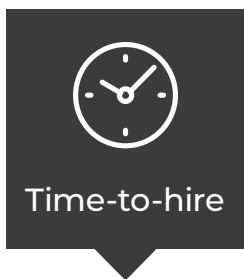
Time-to-hire	Cost-to-hire	The rest, not the best	Limited gene pool	Low morale
Recruitment is taking too long, keeping critical roles vacant for extended periods of time.	Cost of recruitment is too high due to over-reliance on agencies to fill the roles.	Your competitors have better-known employer brands, and the best candidates are choosing them instead of your company.	The majority of hires for key positions come from the active job seeker market, rather than the entire talent market.	Taking up the slack during long vacancies, existing employees experience burnout or disengagement.

[4] "Global Human Capital Trends 2016: The new organization, different by design," Deloitte University Press

TALENT POOLING LINKS TO
BUSINESS STRATEGY

When done well, talent pools enable organizations to quickly grow their employee numbers without having to sacrifice the quality of talent coming through their doors.

But to make it a viable option, businesses need to thoroughly understand the many layers that encompass a successful talent pool and the problems that can arise when it is done haphazardly.

Talent pooling must be inextricably linked to the strategy and growth areas of a business while remaining agile enough to be adapted to ever-changing business requirements. It involves forecasting what skills will be needed to meet business goals, where and when they will be needed, and how many people that will entail.

It is a continuous process, not a stagnant bucket of talent. It demands long-term commitment to an employment marketing program that nurtures and grows candidate engagement.

Superior candidate relationship management is required to truly connect with top candidates whose decisions will depend on the perceptions, interactions and communications they experience over time with your organization.

At its core sits a coherent and compelling employee value proposition that lays out why your organization is the best workplace in the industry.

STAR-PERFORMER PREDICTIVE TALENT POOL

Research shows star performers are 400 percent more productive than average performers.[5]

That's just one highly productive worker. Imagine the effect several additional high performers would have on your business. Enhance your chances of hiring the best by creating a predictive talent pool of your competitors' and industry's star performers so that when they launch into a new job search you can strike while the iron is hot.

TALENT POOL: NOT THE SOLUTION FOR ALL ROLES

Talent pooling involves taking the time to identify key roles and new areas of focus for the business, mapping headcount requirements now and in the foreseeable future and making plans for how those roles will be filled. It is highly advantageous for roles that are regularly recruited and hard to fill, but it isn't suitable for all roles.

Critical roles that are only filled rarely, such as a one-off head of research role, don't have the volume to justify the resources that go into building and communicating with a talent pool. Roles like this, which are critical but unique, are more likely to benefit from a targeted search as they arise.

[5] O'Boyle Jr., Ernest and Aguinis, Herman, "The Best and the Rest: Revisiting the Norm of Normality of Individual Performance," Personnel Psychology, 27 Feb 2012

YOU STILL NEED A
STRONG EMPLOYER BRAND

No matter how powerful your predictive talent pooling is, high quality candidates aren't going to jump ship for just any company. Solutions-driven and ambitious, the best of the bunch want to work with you, not for you. These candidates study an employer's brand on channels like Glassdoor, LinkedIn and other social media before responding to a recruiter. Winning them over involves engaging them over time in a positive way, building an employer brand and value proposition that sets your company apart, and ultimately being on the top of their list when the time is ripe.

As the relentless forces of technology and globalization open up new business models and markets while disrupting others, only your talent will keep you ahead of the curve. Proper talent pooling, candidate engagement and employer brand building takes time and dedication, but the payoff to the business makes it worthwhile.

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Talent pooling helps build your brand.

While talent pooling for a large client, we found that despite being a dynamic maker of life-saving drugs, the company was not widely known in the industry. Through our talent pool solution, we've been able to share their story, sell their unique EVP, provide a real world view of what it is like to work there and also explain how the company makes a positive impact in the world. At first the people we contacted weren't interested in leaving their current positions, but after engaging them over time, I witnessed highly desirable professionals become active candidates and ultimately accept positions with our client. By providing a richer perspective for these candidates, they not only learned about the positions, but could envision themselves in the roles. This prompted them to take action and engage in the recruitment process.

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GARY JONES

DIRECTOR, LIFE SCIENCES

HUDSON RPO

STEPS FOR BUILDING A
SUCCESSFUL TALENT POOL

1. Get your team on board
Ensure you have full buy-in from management. This is a long-term project that requires time, consistency and commitment. The investment will be justified and validated over time through reporting and hiring managers experiencing better quality candidate shortlists and quicker turnaround times from your recruitment team.

2. Map your needs
Conduct workforce planning with department and hiring managers about key roles required over the next couple of years. Look at previous patterns of recruitment and agree on which roles would benefit from talent pools. Establish the qualitative criteria candidates need to be added to the talent pool.

3. Develop your sourcing strategy
Determine the sourcing channels, messaging and role positioning. For rare skill sets you will need to be proactive in finding those populations, what media they consume (and therefore how and where to target them), and where they exchange ideas. If you have current employees who move in those circles, ask them.

4. Get the technology
Ensure you have a good Applicant Tracking System (ATS) and Candidate Relationship Management (CRM) system, but above all you'll need the right predictive analytical tools to track job seeking behaviors. Hudson RPO's predicative analytic tools allow you to refine your approach by identifying talent pool size, how quickly the pool expands, how many within the pool are qualified for your position and how many are likely seeking new employment. While the ATS will track candidate source as well as time to fill, the predictive talent pool analytics provides a more complete candidate view. It also furnishes valuable information on trends and behaviors to refine the sourcing process for future similar roles.

5. Separate sourcing from recruiting
In our RPO solutions we recommend having a candidate-facing sourcing specialist who interacts with candidates daily and builds and maintains the active talent pool. In addition, we recommend a client-facing recruiter who interviews and hires under the direction of the hiring manager. This approach improves candidate attraction and engagement and strengthens hiring-manager relationships. Ultimately this improved, proactive focus leads to efficiencies across the sourcing and recruiting spectrum.

6. Source potential candidates
Build a list of potential candidates. Seek out active candidates among online job applicants or those silver medalist candidates who narrowly missed out on previous open positions. Draw on your networks, social media and referrals for passive candidates who may not have considered working for your company.

7. Make the approach
Ensure you are able to articulate your value proposition as an employer and then make the approach. Most candidates expect approaches from recruiters to be tailored to them and their situation. Generic, bulk emails about employment opportunities typically have a low success rate. Set yourself apart by tailoring your message and making it personal. Once you establish contact, articulate the employee value proposition and convince them to continue engaging with you, but don't apply too much pressure or you will scare them off. Ask talent pool candidates how they would like to be kept in the loop and tailor your communication approach accordingly. Assure them their privacy will be protected.

8. Keep them engaged
Treat your talent pool like a paying audience whose reviews could make or break the success of your show. Engage them with a clever candidate relationship management strategy and warm them to your brand over time. Word of your offering will spread beyond these people alone.

CANDIDATE RELATIONSHIP MANAGEMENT

Reaching out to the best professionals in your industry is a great opportunity to build your brand as an employer. But the reality is that in-demand candidates are often in multiple talent pools. Regular, strategic, high-quality content will warm talent to your company.

Hudson RPO takes a structured approach to candidate relationship management that varies depending on the role type. A senior executive earning a high salary will have different expectations, for example, than a young but high potential sales representative earning five figures.

We first ask how they would like us to communicate with them. It could be a phone call, an e-newsletter or, in the case of senior positions, direct contact from a senior executive. For some candidates a quarterly email or half-yearly phone call is enough, plus an annual prompt to update their resume. When seniority is higher or talent is more specialized, it could be a summary of the annual report, a client win or a project update.

Content should be a mix of articles, photos and videos—particularly if you are targeting younger generations.

Clever candidate relationship management technology can monitor how engaged candidates interact with the content you distribute. This can help you gauge their level of interest in your company and the effectiveness of your content. It can also allow you to automatically tailor the frequency of communication to each candidate's level of interest.

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A lesson in groundwork

Prior to building and engaging talent pools, it's imperative to include key stakeholders in the process. You need to be aware of any policies, restrictions, brand guidelines or strategic marketing initiatives before launching your talent pool communication program. Be sure to secure input and necessary approvals from HR, Legal, Finance, Marketing, Communications and other key leaders so the program runs smoothly.

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KASEY BUTLER

DIRECTOR OF DELIVERY

HUDSON RPO

TALENT POOLING:
10 TIPS FOR **GETTING IT RIGHT**

1 Be realistic

A talent pool will rarely cover all roles in an organization. Keep it to key roles and sectors that are hard-to-fill and crucial to the organization's daily operations. Don't spread your resources too thin.

2 Know what you need

Have a reasonable idea of when you will need the talent, where you will need them and how many you will need—otherwise you risk wasting time talent pooling candidates in areas where jobs will never materialize.

3 Aim high

Set the bar high and ensure your recruiters fill the talent pool with the best. Don't fill it with poor quality or irrelevant candidates. This can cause the data you garner to become unusable and ultimately jeopardize the whole program. Be clear on entry criteria and also exit criteria.

4 Shore up your EVP

Your Employee Value Proposition is your currency in the war for talent. Be clear on why your organization is the best workplace in your industry and how to articulate that. This will help you retain and motivate current employees as well.

5 Be authentic

The information that you present to your audience has to be authentic or you risk people joining your organization and being immediately disillusioned by the gap between what was promised and the reality. Being authentic ensures your new hires have the right level of expectation when joining your organization.

6 Monitor its effectiveness

Is the talent pool justifying the resources that are going into it? Have a list of clear KPIs and report on them monthly, quarterly and annually. What is the placement rate of candidates in your talent pool? Is your cost-per-hire and time-to-fill decreasing?

7 Talk the talk

Sourcing specialists with deep experience in their representative industries are usually more effective at building rapport with the candidates in those industries, although there are exceptions and strong generalists do exist. Remember Sourcers are the first interaction the candidate has with your company, which is crucial in establishing the relationship.

8 Line up your ducks

Few organizations use talent pooling and even fewer use predictive talent pooling. Explain the business-wide cost savings and efficiency dividends to the hiring manager and make sure he or she embraces the change. If approaching candidates on social media, make sure the marketing team is on board, and that your team follows the firm's social media policy.

9 Manage candidate expectations

Be careful with your wording when accepting candidates into the pool. Avoid stating or suggesting that it will lead to guaranteed employment.

10 Don't drop off the radar

Putting candidates into a talent pool and never contacting them again leaves a negative impression. And don't forget former silver medalist candidates. They might be perfect for those open roles!

ARE YOU **READY**?

Partner with an RPO specialist experienced in talent pooling who can:

Offer a consistent, accountable and reportable approach to assessing and acquiring talent across your organization.

Partner long-term to understand your organization's strategic hiring needs.

Provide the necessary predictive tools and also engage active and passive candidates in your area of specialization.

Ensure candidates not only have the skills, but also the right motivational and cultural fit to stay engaged long-term.

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While there is no silver bullet in recruiting, predictive analytics provides an advantage in candidate-outreach timing, which will improve response and engagement rates. Predictive Talent Pooling also uncovers candidate pool trends specific to a skill, geography or competitor for very strategic targeting. Of course anytime you can predict the opportune time to reach out to top talent in your industry it will give your talent acquisition function, and ultimately your company, a competitive edge.
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LORI HOCK

CHIEF EXECUTIVE OFFICER,

AMERICAS, HUDSON RPO

ABOUT **HUDSON RPO**

Hudson Global, Inc. is a leading total talent solutions provider operating under the brand name Hudson RPO. We deliver innovative, customized recruitment outsourcing and total talent solutions to organizations worldwide. Through our consultative approach, we design tailored solutions to meet our clients' strategic growth initiatives. As a trusted advisor, we meet our commitments, deliver quality and value, and always aim to exceed expectations. For more information, visit hudsonrpo.com

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