Q1 | 2019

PEOPLESCOUT NEXT

FROM ADVICE TO ADVANTAGE

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PEOPLESCOUT NEXT

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PeopleScout, a TrueBlue company, is the world's largest RPO provider managing talent solutions that span the global economy, with end-to-end MSP and talent advisory capabilities supporting total workforce needs. PeopleScout boasts 98 percent client retention managing the most complex programs in the industry. The company's thousands of forward-looking talent professionals provide clients with the edge in the people business by consistently delivering now while anticipating what's next. Affinix™, PeopleScout's proprietary talent acquisition platform, empowers faster engagement with the best talent through an artificial intelligence (AI)-driven, consumer-like candidate experience with one-point applicant tracking system (ATS) and vendor management system (VMS) integration and single-sign-on. Leveraging the power of data gleaned from engaging millions of candidates and contingent associates every year, PeopleScout enhances talent intelligence for clients across more than 70 countries with headquarters in Chicago, Sydney and London and global delivery centers in Toronto, Ontario; Montreal, Quebec; Charlotte, North Carolina; Bristol, England; Krakow, Poland and Gurgaon and Bangalore, India. For more information, please visit www.peoplescout.com.

WELCOME

Welcome to PeopleScout NEXT!

In this issue, we are thrilled to feature David Wilkinson, Global Infrastructure & Operations Director, Talent Acquisition at Boeing. David's insights on Boeing's mission to become global talent champions and embrace an intentional use of talent technology are incredibly relevant in today's competitive talent environment. I know that these initiatives will resonate with talent acquisition leaders.

Linda Brenner from Talent Growth Advisors digs into why the future of Human Resources requires a focus on more strategic outcomes, and our own David Ludolph shares insights on the growing interest in total workforce solutions. We also explore key talent trends like ghosting in the workplace, how AI relates to bias in the hiring process and factors impacting the way employers interact with candidates.

As we finalized this issue of NEXT, it was a time to reflect on 2018 and to look to the future. I am pleased with the progress that we made this year with Affinix™ and the additional value that Affinix enables PeopleScout to provide to our clients. As the pace of change in talent technology continues to accelerate, having the flexibility to tap into new technology through our single Affinix integration is becoming increasingly relevant.

Our acquisition of TMP Holdings LTD (TMP UK) in June has been a huge success in every way, and the depth of intellectual capital and leadership talent that the TMP UK team has brought to PeopleScout is truly remarkable. Be sure to check out our Q&A with Andrew Wilkinson, our leader for Europe and Asia Pacific and former TMP UK CEO, about his first six months with PeopleScout and the insight-driven work happening in talent advisory.

As we look forward to 2019, we are focused on meeting your talent needs across worker types, skill shortages and geographies with a compelling cross-channel branded approach and market-leading technology. Whether through human expertise, technology, talent insights, total workforce solutions or compelling storytelling, PeopleScout stands committed to helping you elevate your talent strategy.

WHAT'S NEXT FOR PEOPLESCOUT

- **Total Workforce:** Maintain our market leadership in RPO and MSP and deliver end-to-end total workforce solutions to support client requirements for any worker type, anywhere in the world.
- **Talent Advisory:** Expand our talent advisory practice to our global client base to help position our clients more effectively to attract, engage, assess and retain top talent.
- **Specialized Talent:** Enhance sourcing capabilities to meet emerging talent and future skills needs in verticals and job categories with current or projected skills shortages.
- **Global Growth:** Broaden our global capabilities in the locations where our clients have the greatest needs and in large, high-growth markets through a combined organic and acquisition-driven growth strategy.
- **Affinix:** Invest in and enhance Affinix to maintain a market-leading talent tech stack that provides our clients with a seamless experience for their candidates and a competitive advantage in the marketplace.

We wish you the very best in the new year and look forward to additional opportunities to collaborate and innovate together.

Thank you again for being a part of our community!

Warm regards,

Taryn Owen
President, PeopleScout

YOUR GLOBAL TALENT PARTNER FROM
NOW TO NEXT

TALENT TRENDS

As organizations reimagine the future of work, they must understand the trends that are changing the workforce. From millennials stepping up to become leaders to the opportunities and challenges presented by increased globalization, organizations need to be more agile and flexible when it comes to acquiring and managing talent.

IN THIS SECTION:

TALKING TALENT LEADERSHIP PROFILE

A Q&A with **DAVID WILKINSON** of Boeing
Global Infrastructure & Operations Director, Talent Acquisition at Boeing

By **NICOLE FUQUA**
Trend Writer

David Wilkinson spends a lot of time in airplanes, and that's not just because he works for Boeing. In global talent acquisition at the aerospace giant, he has lived and worked in London and Dubai and now leads his team from Mesa, Arizona in the U.S. While a lot of people talk about globalizing talent acquisition, David actually lives it.

Regardless of whether he is looking towards the future of Boeing in the deserts of the U.S., the drizzle of the UK or the heat of the UAE, he is a talent champion. He's also a member of the PeopleScout community. For this issue of PeopleScout NEXT, we caught up with David on an early morning call to learn about his insights on the future of talent acquisition.

WHAT IS THE MISSION OF BOEING GLOBAL TALENT ACQUISITION?

Our journey is to become global talent champions. To us, that means delivering best-in-class solutions that unleash the full potential of Boeing's people, products and services.

I'm really excited by that mission because it requires us to celebrate and champion talent at every opportunity. It also acknowledges the fact that it is a competition for talent, and we're here to win.

WHAT ARE SOME OF YOUR PRIORITIES AS YOUR TEAM LOOKS TO THE FUTURE?

The two things that I really think are the needle movers for us are operating globally and embracing an intentional use of talent technology. We are excited to work with PeopleScout and other valued partners in pursuit of those goals.

One of our main priorities is evolving our approach to talent technology. We're working towards a holistic end-to-end technology strategy that will use data-driven insights to inform our experience and activities. I'm hoping that strategy will enable our teams to deliver the best experience every time, at every touch point.

WHAT TOOLS, METHODS AND STRATEGIES ARE YOU EXPLORING TO ACHIEVE YOUR APPROACH TO TALENT TECHNOLOGY?

For me, the single greatest opportunity is technology. It's also our single greatest dependency.

We're adopting Workday globally. Given our scale, this is a significant endeavor. It's been a two-year project, and we're going to implement in 2019. So, our focus is on maximizing every opportunity that this change offers.

I see great potential for more intentional tools usage. When you implement a brand-new technology, you can be more intentional about that technology and the way you use your tools, processes and systems. What does that entail for Boeing talent acquisition? It means looking at artificial intelligence, business automation, access to real-time data and more.

We also see opportunities in technology to enable our global journey. Working in talent acquisition in London for eight years, Dubai for 10 years and now the U.S., I've learned that there are very, very few truly global tools. What's big in the U.S. might not be big in Europe and may not be used at all in Asia, for example. This is an important opportunity for us and one that I believe will truly impact the candidate experience.

WHAT ARE YOU MOST PROUD OF IN YOUR ROLE AT BOEING?

I have been really lucky to lead some great teams globally, and specifically, I've been really lucky with Boeing to lead teams in London, Manchester, Delhi, Bangalore, Dubai, Riyadh, Nepal, Beijing, Tokyo, Mesa, Chicago and Seattle. Each of these experiences has influenced my personal development.

When I look at Boeing's mission to Connect, Protect, Explore and Inspire Our World Through Aerospace Innovation, I embrace the global nature of that mission and the power of connectivity. We want to connect, protect, explore and inspire the world.

My experience and my career journey across the globe demonstrate the power of connectivity. I'm proud to be learning and developing alongside teammates in Mesa and nationwide. So, I'm most proud of the global nature of my role and the journey I have been on – and how I have personally and professionally developed throughout that process.

WHAT ARE YOU EXCITED ABOUT FOR THE FUTURE OF TALENT ACQUISITION?

It's a similar theme – the opportunities provided by global technology and the opportunity to operate as a team that is globally efficient, locally relevant and resolutely focused on the candidate and user experience.

The opportunities that come with a global talent approach are long established. We know that, for example, there are a million graduates in India. There are also 200,000 Chinese nationals who pursue further education in the U.S., but they have yet to truly be embraced because it is difficult for employers to hire them.

We need to make it easier for talent to move around the globe, and even if you just look on a local scale, we need to make it easier for talent to move around the country. Then we need to make it possible for workers who have been influenced and enriched by an experience in a new location to return home with a more global perspective and stronger than when they left. That's huge.

I'm energized daily by our mission to become global talent champions and to embrace an intentional use of talent technology. As I look to the future, that is what I'm most excited about as we evolve our partnership with PeopleScout and other valued partners.

THE NEW "HUMAN CAPITALIST": WHO THEY ARE, WHY YOUR BUSINESS DEPENDS ON THEM AND HOW TO WIN THEM

Op-Ed Contributor, **TOM MCGUIRE**
Founder, Managing Partner, Talent Growth Advisors

THE HUMAN CAPITALIST: WHO THEY ARE

"Human Capitalist" is essentially a state of mind – it is how critical talent in our knowledge economy identify with employment opportunities. You know who they are. Top candidates with skills that are in scarce supply. These are experienced, savvy candidates for roles like software engineer, data scientist, specialized RN and more. They are often sought after across multiple industries and geographies. The Human Capitalists for your most important roles take longer, cost more money and bear higher risks – and rewards – to recruit than talent for other roles.

The competition for talent – and the limited supply of candidates who can perform well in your most critical roles – marks one of the most rapid changes in the talent landscape over the last five years. We're living in the most difficult hiring environment that most of us have experienced in our lifetime. And it's not only a function of supply and demand. The mindset of talent has completely changed in this environment. As you will see in this article, top talent view themselves much more as investors than as employees.

What's common about these people is their critical importance to their companies. They are responsible for building and maintaining the intellectual capital that now represents the most valuable assets in the world: proprietary technology and databases, strategic customer relationships, patents, etc.

THE HUMAN CAPITALIST: WHY YOUR BUSINESS DEPENDS ON THEM

Human Capitalists are very different from most workers; Human Capitalists generate the intellectual capital that represents nearly 90 percent of the value of many modern companies. Human Capitalists bring the most essential human capital to their companies. In our second annual study of the Dow Jones Industrial Average, on average 20 percent of the roles in a company contribute to 80 percent of the value of the business. That 20 percent of roles are those for which winning the Human Capitalists, on their terms, is essential to a company's sustainable success.

To further define the work of Human Capitalists, these individuals don't need a leader to define how they should achieve their goals (as in, "here's how I want you to build a new advertising campaign that goes viral"). Instead, the focus of their work is on solving for and achieving the desired result (later assessing: did that new ad campaign go viral?).

Human Capitalists who can consistently achieve the results that will help grow the enterprise value of the business are literally worth their weight in gold.

THE HUMAN CAPITALIST: HOW TO WIN THEM

1. Figure out which roles in your organization are truly critical and demand hiring of top notch Human Capitalists

The first step is to identify those critical roles in your organization which actually end up driving a hugely disproportionate amount of intellectual capital. To do this, involve a cross-functional team of business leaders who can discuss the organization's growth plan, the talent implications of that plan, and from there, the two to three roles which are most important to its success.

2. Understand how Human Capitalists think

These elite candidates treat their careers the same way that investors treat their stock portfolio decisions. Here's why: for Human Capitalists, employment decisions are investments – they cannot afford to spend months or years in a job that does not add to their future potential and personal wealth.

As with financial investors, they expect a mix of "capital growth and dividend payout" consistent with their investment goals and risk tolerance. "Capital growth" for these candidates is the means to increase their capacity for generating future personal returns. It means their ability to acquire certain experiences, knowledge and skills as a result of this investment (their employment) decision. A track record of successfully "investing" in reputable companies adds fuel to their growth potential.

"Dividend payout" for the Human Capitalist means rewards in all forms such as salary, short- and long-term incentives, perks and benefits. Clearly this type of compensation is baseline and must be competitive; it won't sell the job on its own. Why? The potential for acquiring new knowledge, unique experiences and innovative skills – the "capital growth" opportunity – far outweighs the day-to-day compensation for these candidates.

Want to get actual data about what the candidates you most desire for your most critical roles really want? Then it's time to treat these critical roles like a new product launch.

3. Design and implement a completely different talent acquisition approach

Think of an in-house executive search strategy that goes much "lower" than your typical executive search services. This requires passive candidate sourcing and candidate management techniques like no other – regardless of the job's "level." It requires a defined, thoughtful, step-by-step approach to attracting and winning such talent, highly credible, informed and competent (and compensated) recruiters and a deeply collaborative relationship with hiring managers and interviewers.

Speaking of compensation, the total comp package for the sought after Human Capitalist roles must be carefully considered. These are not the roles by which to achieve a company-wide compensation goal of being "75 percent of market pay," for example. In fact, these roles might require paying 200 percent of market for the right talent – and recruiters must have the ability and flexibility to work intelligently within this concept.

4. Don't take your eye off the retention ball

Human Capitalists routinely reassess their situations, because they can (consistent with their goals). They make a personal and private assessment of where they stand versus where they expected to be when they initially started the job (i.e. initially made their investment). This typically takes place at the two to three year mark, when Human Capitalists either quit by choosing another, better "investment" – or "reinvest" by committing to another two to three year period of time. This cycle is really no different from that of a financial investor, but much less visible.

Every two years or so, the Human Capitalist will quietly decide to either resign or re-sign.

All this is to say that the old-school approach to talent acquisition and talent management simply isn't going to work with today's Human Capitalists. Our advice? Start with identifying your organization's most critical business goals and the roles that are most important to achieving them. From there, the way you engage and attract these individuals is markedly different from the way hiring might work in other parts of the business. Evaluating the success of these efforts is essential too – indicators such as passive candidate pipeline health, quality of hire and source effectiveness – become essential KPIs.

TALENT GROWTH ADVISORS

Talent Growth Advisors (www.teamtga.com) is a professional services firm with the singular mission of connecting investments in talent to business value for our clients. We design measurable talent strategies and improve talent acquisition results and capabilities. Contact us at **info@teamtga.com** to learn more.

Interested in hosting a Talent Think Tank on a topic of importance to you, at your location? Contact linda@teamtga.com for more information.

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GHOSTING IN THE WORKPLACE

By **ERIC DYSON**
Trend Writer

Employers are concerned about the growing trend of candidates who don't show up to scheduled interviews, don't arrive on the first day of work or even quit without giving notice. This trend is also known as "ghosting" in the workplace.

> **"As labor markets tighten, recruiters and hiring managers say they're experiencing a surge of workers no-showing at interviews or accepting a job only to never appear for the first day of work without explanation. Some employees are even quitting by walking out and saying nothing,"**
>
> Source: Chip Cutter, The Wall Street Journal

What's more, an article published by USA Today reports that 20 to 50 percent of job applicants and workers are pulling no-shows or ghosting in some form or fashion.

The ghosting phenomenon is global. "I thought it could only be in pockets of a country like the U.S., where the unemployment rate has sunk to an 18-year low," wrote Pilita Clark in an article in the Financial Times. "When I asked around in the UK, where unemployment is at its lowest in over 40 years, I found a surprising number of victims of what is known in the online dating world as 'ghosting.'"

To further explain what ghosting is, why it's occurring and what your organization can do to minimize its effects on your talent acquisition program, we explore the phenomenon and its effects on employers.

WHAT IS GHOSTING IN THE WORKPLACE?

In the dating world, "ghosting" is the practice of ending a relationship by stopping all contact and communication with a partner without apparent warning or explanation.

The discourteous act of ghosting is no longer confined to romance; it has now entered the world of work.

Ghosting in the workplace is similar to ghosting in dating. Essentially, candidates or employees avoid having potentially unpleasant conversations with recruiters or their employers by going radio silent instead.

Instead of telling employers, "I am quitting," or "I have accepted another job offer," some workers are thinking: "If I ignore you long enough, eventually you will take the hint and leave me alone."

Simply put, many job seekers do not want to have an uncomfortable conversation with a recruiter or manager, so they take the easy way out by ghosting them. Ghosting in the workplace comes in many forms including:

- **No-Showing for an Interview:** This occurs when candidates do not show up to scheduled interviews. This can happen for initial interviews, or interviews further along in the hiring process.
- **No-Showing on the First Day:** This occurs when candidates accept a job offer but don't show up on their start date.

- **Quitting Without Notice:** This occurs when an employee leaves for the day and is never heard from again.

While job candidates and employees have ghosted in the past, what's unique is that the practice has now become more prevalent. According to a survey conducted by Washington-based research firm Clutch, 71 percent of workers admitted to ghosting at some point in the application process. What's more, 55 percent of the respondents said they abandon one to five applications during a job search.

WHY ARE WORKERS GHOSTING?

Change in Candidate Attitudes

In an interview with the New York Post, Rob Bralow, owner of BLVD Wine Bar in Long Island says he schedules interviews back to back because the majority of applicants simply ghost the interview. "If I have 10 people who have confirmed interviews in a day, and three people show up, I'm happy," Bralow says. "And we're talking about all pay grades and positions. It doesn't matter what the pay scale is. I've had ghosts [no-shows] for $50,000 to $70,000 jobs, and I've had ghosts for minimum wage jobs."

> **41 percent of workers found it acceptable to ghost employers, while 35 percent found it unreasonable for an organization to ghost an applicant.**
>
> **Source: Clutch**

Clutch also reports that of the workers that found ghosting acceptable, the most common reasons include accepting another job offer (30 percent) or deciding the role was not a good match (19 percent).

Improved Economy and Opportunities

Ghosting is not just a symptom of shifting attitudes in the workforce. It can also be the result of low unemployment.

At the height of the Great Recession, the unemployment rate reached 10 percent in the U.S. During this time, many organizations were inundated by a deluge of applications from job seekers and could not respond to every applicant.

As the economy and job market surge, the tables have turned. Employees are at an advantage because it's a candidate's job market, and they have more employment options than they have in recent years.

In November 2018, the unemployment rate reached 3.7 percent. There were more job openings than unemployed workers for just the second month in two decades, according to the United States Department of Labor.

Low unemployment is not confined to the U.S. The unemployment rate in the EU has dropped to 7.1 percent and has dropped to 4.2 percent in the APAC region.

This means that employees have more options for employment and can move quickly from one job to the next, ignore employment offers they choose not to accept or accept multiple offers at once with little perceived negative consequences.

HOW TO SURVIVE GHOSTING IN THE WORKPLACE

Ghosting is not only frustrating for employers and recruiters, it's also expensive. Ghosting causes lost productivity, as hard-to-fill jobs stay open longer than anticipated.

> **The average cost-per-hire for companies is $4,129 and the average time to fill a position is 42 days.**
>
> **Source: SHRM**

To combat ghosting, employers can implement the following strategies:

Develop a Talent Community

With ghosting becoming the new normal, it's essential to be more strategic and build long-term relationships with candidates. One method of building long-term relationships is with talent communities.

Talent communities are ideal for establishing long-term professional relationships with passive talent for future opportunities. This means getting to know candidates regardless of whether or not they are looking to make a career change immediately.

Developing a talent community requires organizations to shift from reactive recruiting to a more proactive approach. Your organization's mindset should switch from recruiting to fill an open position to thinking about who your organization should hire in the future.

By sourcing candidates earlier in the hiring process, you have ample time to engage them and develop closer and more personal relationships, reducing their likelihood of ghosting.

Tips for building a talent community include:

- Determine what roles you want to target for your talent community (usually roles with high turnover or roles that are hard to fill).
- Look to past candidates, former employees and interns to build your talent community.
- Source passive candidates by combining various sourcing techniques (e.g. social media, networking events, etc.).
- Engage candidates through recruitment marketing until you have an open role for them.

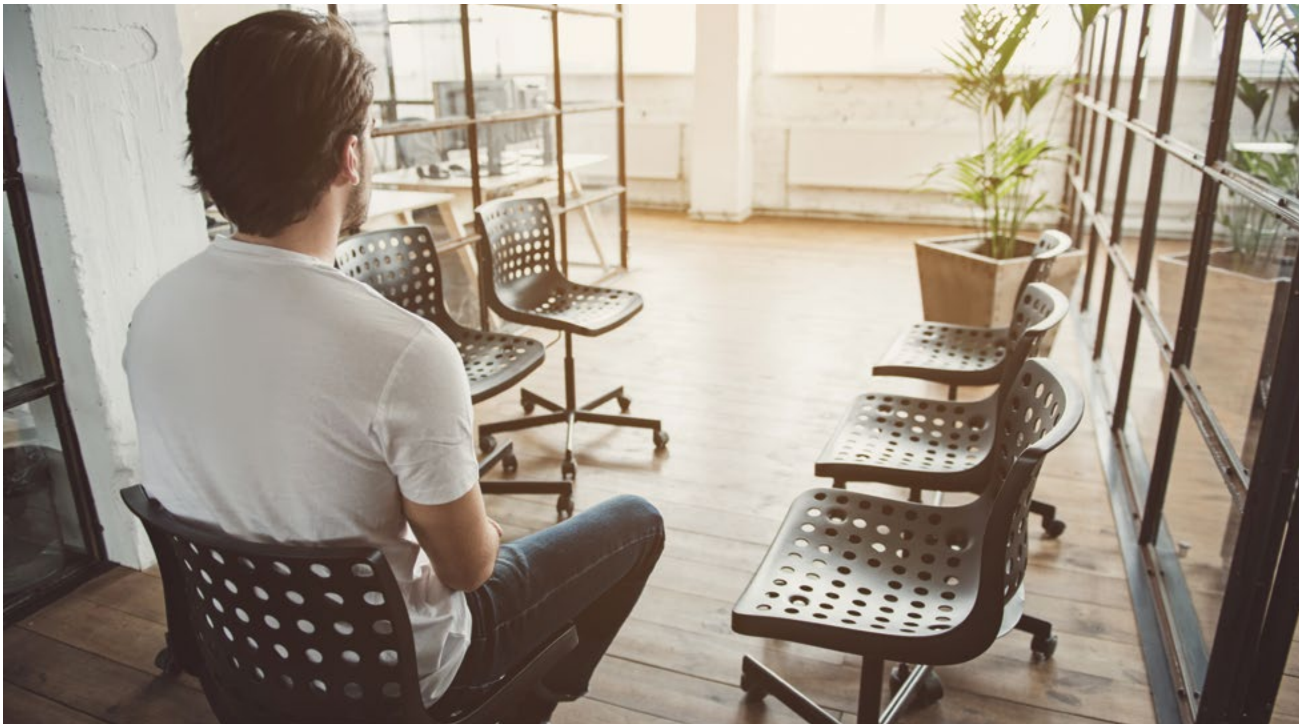
Building a talent community isn't a short-term strategy and takes time to develop and nurture, but in the long term, the benefits are worth the investment and can help offset ghosting in the workplace.

Evaluate Your Onboarding Process

While candidates ghosting job interviews can be a challenge, candidates who ghost on the first day or who resign their position without notice can wreak havoc on an organization. To curb and deter this behavior, organizations should start the onboarding process early to build an emotional connection with new hires.

Despite the fact that it can take a year or longer for a new employee to reach full productivity, only 15 percent of organizations extend their onboarding past six months, according to SHRM. If employers want to keep their new hires from ghosting, they should consider extending their onboarding processes through the first year of employment. Here are some ideas for successful onboarding techniques at different key points throughout an employee's first year.

- **Before start date:** Prior to a candidate's first day, reach out with friendly messages welcoming the new employee or sharing an introduction to some of the benefits your organization has to offer.
- **On the first day:** When the new hire arrives for their first day, be sure they are personally introduced to their coworkers and designate a point of contact who will be readily available to answer questions.
- **The first six months:** Now that the new hire has learned the ropes, continuous feedback is what is going to help them hone their skills, catch mistakes and take corrective action when needed. This is also a great way to establish rapport and trust with the rest of the team.



- **After the first year:** After the first year, managers should start having conversations about a new hire's future within the organization and their career development as a way to show the employee that the organization is invested in their continued success.

CONCLUSION

No one can say for certain if ghosting in the workplace is a trend that is here to stay. But one thing is certain: candidates' attitudes have changed, so organizations need to take steps to adjust.

By building strong talent communities and engaging new hires early and often, you can better position yourself to reduce the likelihood of candidates and employees ghosting you.

KEY TAKEAWAYS

- Job seekers increasingly say it's very unreasonable for a company to ghost a candidate, yet feel it is very reasonable for a candidate to ghost a company.
- Building long-term relationships can help improve the candidate experience and reduce the risk of candidates ghosting.
- Engaging new hires early and often reduces the chances of ghosting within their first year of employment.

EXPANDING THE TALENT LANDSCAPE BY RECRUITING VIRTUAL EMPLOYEES

By **DAVID BAROL**
Research Director

With very low unemployment in many of the world's major economies, those seeking to attract talent should explore the benefits of recruiting employees that work from home. Since a number of these countries, such as the United States and the United Kingdom, are considered to be at "full employment," where nearly everyone who wants a job has a job, the traditional formula of recruiting in the market where a company is located may no longer be as effective as it has been in the past. And since the top reason for quitting a current job is to increase wages, employers face the challenge of meeting candidate expectations for higher pay based on local salary ranges.

While remote work may not be viable for some positions, expanding the pool of candidates outside a specific geographic area allows employers to take advantage of the growing trend in telecommuting as well as potentially reduce attrition, decrease cost-per-hire and even improve productivity.

THE VIRTUAL WORKFORCE IS SUBSTANTIAL (AND GROWING)

3.9 million U.S. employees, or 2.9% of the total U.S. workforce, currently work from home at least half of the time. This number is up from 1.8 million in 2005, an increase of 115%.

Source: Global Workplace Analytics and FlexJobs

Growth in remote work is not limited to the U.S. In the UK, one in seven people work from home, according to the Office for National Statistics. In Canada, nearly half (47 percent) of employees work from outside one of their employer's main offices for half the week or more. And in Australia, the number of people who work from home has risen to 30 percent. The significant percentages of telecommuters is not the case for all economies. Eurostat reported earlier this year that working from home was slightly more common in the Eurozone than in the EU as a whole. And some non-Eurozone countries have a negligible virtual workforce. Bulgaria has only 0.3 and Romania just 0.4 percent of its workers working from home, as an example.

A Deloitte study on Global Human Capital Trends reported that 70 percent of employees value telecommuting, but only 27 percent of employers offer this option. Therefore, companies that provide opportunities for telecommuting may have a competitive advantage in attracting talent.

REDUCING EMPLOYEE TURNOVER AND INCREASING PRODUCTIVITY

While study results vary, there is evidence being offered that working from home can increase employee retention. One study by OwlLabs found that companies that support remote work have 25 percent lower employee turnover than those that don't.

A study conducted by Stanford University set up a control group between office-based workers and those allowed to work from home.

> **"Half the volunteers were allowed to telecommute; the rest remained in the office as a control group. Survey responses and performance data collected at the conclusion of the study revealed that, in comparison with the employees who came into the office, the at-home workers were not only happier and less likely to quit but also more productive."**
>
> Source: Harvard Business Review

Stanford University research noted in the study that "The results we saw at Ctrip, (the company studied, which is the largest online travel agency in China and the owner of other travel sites worldwide including Trip.com) blew me away. Ctrip was thinking that it could save money on space and furniture if people worked from home and that the savings would outweigh the productivity hit it would take when employees left the discipline of the office environment. Instead, we found that…Ctrip got almost an extra workday a week out of them. They also quit at half the rate of people in the office—way beyond what we anticipated. And predictably, at-home workers reported much higher job satisfaction."

Providing the option of working virtually can be a crucial factor in retaining valuable talent. If an employee needs to relocate temporarily for family reasons, such as caring for an older parent, or permanently due to a spouse's job transfer, the employee can remain with the company by working remotely. Having this option available allows the employee to remain with the organization while the employer retains experienced talent, and saves the costs of hiring and training a new worker.

COST SAVINGS FOR EMPLOYERS AND EMPLOYEES

This same Stanford study showed that the company saved $1,900 per employee working from home over nine months. Remote workers allow employers to save money on furniture, parking, office space, insurance costs and other expenses.

> **Research shows that a typical employer can save more than $11,000 per year for each half-time telecommuter, the result of a combination of increased productivity and reduced real estate, turnover and absenteeism.**
>
> Source: Global Workplace Analytics

The cost benefits of remote work also extend to employees. Those working remotely save on commuting expenses, depreciation on their vehicles if they drive and gain the time back that would normally be spent going to and from work.

CAN REMOTE WORK BE A SOLUTION FOR YOUR BUSINESS?

The difficulties of recruiting locally and the potential returns of developing a remote workforce may be attractive, but it is also uncharted territory for many companies. As you begin to consider implementing a virtual workforce, consider the following questions: How would you source candidates throughout the nation and even beyond? Can you develop recruiting processes that are effective using video and other tools if you have only relied on face-to-face meetings until now? And once a candidate is hired, how will you manage the onboarding process remotely?

KEY TAKEAWAYS

- The virtual workforce is growing. Organizations that offer remote work can maintain and expand their competitive advantage in the talent market.
- Employers that provide the option of working virtually can significantly increase the likelihood of retaining employees that need to relocate for family or other reasons.
- While a virtual workforce may not be the definitive solution to all of the challenges caused by today's labor market, for many employers it can be a valuable way to expand the pool of candidates, provide cost savings for clients and function as an incentive to attract and retain talent.

THROUGH THE GRAPEVINE: EMPLOYEE REFERRAL PROGRAMS

By **ERIC DYSON**
Trend Writer

A well-managed employee referral program may be the single most powerful weapon in an organization's recruitment arsenal. In fact, according to Silkroad's Sources of Hire Report, employee referrals continue to be a top source for hires.

By encouraging employees to refer contacts in their professional networks for open positions, you can reduce recruiting costs, improve candidate quality and increase employee engagement.

In this article, we explore the case for employee referral programs, some of the top considerations organizations should be mindful of and how to properly manage a referral program.

THE CASE FOR EMPLOYEE REFERRAL PROGRAMS

Intuitively, developing a formal employee referral program makes sense. After all, who better to refer great candidates and sell those candidates on why they should join your organization than your own employees?

Employee referral programs also make good business sense. Some of the benefits your organization may reap from an employee referral program include:

- **Faster time-to-hire:** A LinkedIn study uncovered that it takes an average of 29 days to hire a referred candidate compared to 39 days to hire a candidate through a job board.
- **Less impact on your talent acquisition budget:** An employee referral program is an inexpensive sourcing strategy that relies primarily on word-of-mouth and internal communication. Due to the faster time-to-hire, organizations can cut internal costs as well, since recruiters won't be spending as much time sourcing and interviewing candidates for open positions.
- **Top talent begets top talent:** Another LinkedIn survey revealed that star employees tend to refer other star employees. Tapping into your top talent can help organizations source and hire high performers more effectively.
- **Better employee retention:** Not only are candidates hired via an employee referral typically of higher quality, they also tend to stay at their jobs longer, with 46 percent remaining in their position for at least three years.

Employee Referral Programs as an Extension of Employee Engagement

With employee referral programs, saving time and money is just the beginning. Employee referrals also add value through improved employee engagement. Using employee referrals to hire candidates builds a more robust corporate culture by intersecting performance and engagement to drive business success.

Employees who recommend a new hire have a vested interest in onboarding and retaining that person, as many referral programs include a requirement that the referred employee must be with the organization for a specific period of time before the referring employee can get a referral bonus. What's more, employees who refer candidates will feel a sense of commitment to ensure their referral's success because they recommended the position.

Employees who are involved in the recruitment process may feel better aligned with the future of your company. By encouraging employees to submit referrals, you are letting them know you value their input and contribution.

WHAT TO CONSIDER BEFORE IMPLEMENTING AN EMPLOYEE REFERRAL PROGRAM

Set Program Objectives

Before implementing an employee referral program, organizations should outline objectives in order to set a clear goal. Defining objectives early on in the process helps ensure your team is on the same page and knows exactly what is expected and when.

Setting objectives can be achieved by holding planning sessions with key stakeholders where you share the vision for the program, develop strategies to achieve success and find solutions that are mutually agreed upon.

Objectives for an employee referral program might include:

- Improving quality-of-hire
- Increasing new hire retention
- Boosting employee morale and recognition
- Lowering overall recruiting costs
- Increasing diversity within the organization
- Sourcing candidates with a specific skill set
- Reducing the time-to-hire for external candidates
- Better targeting and sourcing of passive job seekers
- Deepening the pipeline of potential applicants

Leverage Technology

Technology can help make the employee referral process better for both employers, employees and referrals. Using technology tools can streamline processes and minimize inefficiencies and missed opportunities in the referral program.

In an article with SHRM, Jennifer Newbill, Senior Manager, Global Candidate Attraction, Engagement and Experience, at Dell explains that Dell uses a combination of "white glove" and automated communications to manage its more than 40,000 annual employee referrals, making the process more manageable for the organization's talent acquisition teams.

Social Media Referrals: Recruitment marketing technology can allow you to post jobs on your organization's social channels in seconds. You can also leverage your existing employees' social media networks – if your employees are willing to post on your behalf – to expand your reach.

Auto-Posting Open Roles: In order to get your employees more engaged in your employee referral program, you should consider sharing job openings on a regular basis. Instead of sending out emails manually every time a position opens, you can automate this process through your recruitment email marketing tools.

For example, gig-economy start-up Fiverr leverages employee referral software that gamifies the referral process by adding a competitive element to referring candidates. The software assigns points to employees and credit for all the actions they take. The software also keeps employees up-to-date on the status of their referrals.

Make Jobs Shareable Through Employee Portals: Make it easier for employees to share job opportunities through their social media accounts and email. Adding social links on job posts will allow employees to automatically share job openings with just a few clicks. The quicker and easier jobs are to share, the more likely your employees will participate.

Referral Tracking: Tracking and appropriately attributing a referral is crucial to the program's success. To make tracking easier, a referral field should be added to applications. The referral field on the job application can be filled in with information about the referring employee, making referral tracking easier.

MANAGING AN EMPLOYEE REFERRAL PROGRAM

When it comes to managing a successful employee referral program, there are a few elements to keep in mind. Ideally, every program includes the following:

- Incentives
- A simple process
- Feedback

Below, we explain how your organization can manage each of these three elements within your employee referral program.

Employee Referral Incentives

According to a survey conducted by LinkedIn, 40 percent of respondents were motivated to refer candidates for a monetary reward. Sixty-eight percent stated they submitted a referral because they wanted to help their organization. If you want to get the most impact out of your organization's employee referral program, you should offer a combination of monetary and creative, non-monetary incentives for referrals.

- **Experiment with monetary reward amounts because there is no magic number that will motivate all employees. Periodically testing different amounts can allow you to optimize your financial incentives.**
- **Employees who are more altruistic in nature may prefer the option of donating their referral bonus to a charity or cause close to their hearts.**
- **An alternative to offering individual monetary incentives is to hold a quarterly prize drawing where every employee who has made a successful referral during the period is eligible to win.**
- **While prizes and cash incentives can be great motivators, other perks can be just as effective. Non-monetary rewards can include reserved parking spots, extra time off or first choice of shifts and schedules.**

For a PeopleScout client and multinational auto parts and accessories manufacturer, we encourage their store managers, area managers and team members to refer quality candidates, including friends and family, to current job openings.

Once the employee's referral applies to a position, our client lets a member of our recruiting team know that a referral has applied. Our team then schedules an interview with the referral and if qualified, proceeds to extend a verbal offer.

To assist our client in tracking the referrals coming in, our recruiters maintain a digital log of the number of referrals that were phone screened and referrals that were hired. When a referral is screened, the recruiter will ensure that the source code of "referral" has been accurately recorded in the ATS so that we can provide accurate program data. Our client values this referral program because it yields quality candidates and results in a faster time-to-hire for critical positions.

Program highlights include:

- When we onboard and train our client's new managers, PeopleScout emphasizes the employee referral program and its importance to the recruiting process
- PeopleScout's team has specific SLAs to ensure referrals are expedited
- PeopleScout tracks time-in-status and conversion rates specifically for referrals
- More than 25 percent of hires for our client come from referrals
- More than 50 percent of referrals submitted are ultimately hired
- PeopleScout hires between 9,000 and 11,000 people for this client annually

Simplify the Employee Referral Process

According to a survey conducted by RolePoint, 95 percent of HR professionals believe their employees fully understand how to submit referrals. However, 63 percent say they "very often or frequently" receive feedback that employees find it too complicated to refer someone.

> When evaluating your program, ask yourself these questions:
>
> - Do employees know about your referral program?
> - Is it clear with whom or where an employee should submit a referral?
> - Is the technology used to submit referrals user-friendly?
> - Is it easy to track if the referring employee was given credit?
> - Is it easy to track the incentives that were earned?

If the program makes your employees jump through hoops to place a referral, you can be sure that it won't attract many participants.

To simplify your program, start with the following steps:

Explain your employee referral program: Employees need to understand exactly how your referral program works to make it successful. How you teach employees about the program depends on your size and how the workforce is dispersed geographically. You might gather your employees together and give a brief presentation or create an online training course. Or, you might do something as simple as sending an informational email or flyer for employees to review.

Set your requirements up front: If you want your employees to refer quality candidates, they need to know what traits and skills you are looking for. Share the open positions you are hiring for and provide employees with the job descriptions, so they get a feel for the types of candidates that would be a good fit.

Provide regular reminders: You should periodically remind employees about the referral program. If you don't, they may quickly forget about it.

InMobi, an India-based mobile technology company, offered a motorbike—a very popular vehicle in India—to any employee who referred a successful engineering manager candidate. To keep the referral program top of mind, InMobi parked a motorbike right in front of their corporate headquarters so employees were reminded of the referral incentive every day while entering the building.

When you have an influx of open positions, send a reminder to your employees that explains how they can refer candidates and what the reward is for hired candidates.

You can also promote the referral program when you aren't actively hiring. An employee might refer a candidate you do not want to miss out on. You should add those candidates to your talent pool.

Collect and Provide Feedback

Measure Program Results: Measuring results is critical to evaluating the success of the program and to finding improvement opportunities. While metrics can vary depending on the goals you've set for the program, here are some good metrics to track:

- On-the-job performance of referral hires
- Retention/turnover rate of referral hires
- Program ROI or the cost/benefit ratio
- Employee satisfaction with the overall process

Provide notifications after a referral is made: Referring employees may be nervous about whether their referrals were any good. The best practice is to notify employees immediately when their referral is accepted/rejected, if the candidate is invited for an interview and when the candidate is finally hired or not.

THE GIST

Employee referral programs remain one of the top sources for candidates because they are a cost-effective, engaging talent acquisition strategy.
To get the most out of your referral program, understand what motivates your employees to refer candidates, make the process as easy as possible and maintain good communication with both the referrer and referee.

KEY TAKEAWAYS

- Make sure your employee referral process is easy to understand and clearly communicate the rewards, types of candidates you are seeking and how to submit a referral.
- Think beyond monetary compensation when it comes to incentivizing employees to refer candidates.

EMPLOYEE RETENTION: COMBATING TURNOVER

By JENN KNIPPENBERG
Global Leader, Client Strategy

More than half of organizations worldwide have expressed difficulty in retaining some of their most valued employee groups, according to a Willis Towers Watson study.

As hiring has increased in recent years, turnover and attrition rates have also increased globally across all industries by more than 3 percent since 2013.

Turnover is not just an inconvenience for organizations, it can be expensive. Research from the Work Institute's 2017 Retention Report uncovered that it currently costs 33 percent of a worker's annual salary to replace them, with the major costs being recruiting a replacement, reduced productivity, cost of onboarding a new hire and training expenses.

This means for mid- to enterprise-sized employers, turnover can cost hundreds of thousands to millions of dollars a year. With turnover costs this high, it is important for organizations to improve employee retention.

EMPLOYEE TURNOVER AND WHAT TO DO ABOUT IT

The strong economy and historically low unemployment rates have made workers more confident, and as a result, they are more comfortable exploring the job market.

In the U.S., the unemployment rate reached 3.7 percent in November. Low unemployment is not confined to the U.S. The unemployment rate has also dropped to 4 percent in the UK and 5.3 percent in Australia.

In LinkedIn's Why and How People Change Jobs study, the top three reasons employees leave a position are to advance their careers, dissatisfaction with their workplace culture and dissatisfaction with management.

Moreover, the study found that once employees resigned, 42 percent said they might have stayed if their employer had done something to show they valued them.

Below, we address some of the main causes of employee turnover and provide insights into how to improve employee retention.

CREATE A POSITIVE WORKPLACE CULTURE

Stressful, negative and inhospitable workplaces are a recipe for high employee turnover. Research bears this out, as the American Institute of Stress reports that workplace stress can lead to an increase of nearly 50 percent in voluntary employee turnover.

How we feel about our work often depends on the relationships we have with coworkers, managers and the overall company culture. According to a study conducted by the University of Michigan, there are six essential qualities of a positive workplace culture:

1. Caring for, being interested in and maintaining responsibility for colleagues as friends.
2. Providing support for one another, including offering kindness and compassion when others are struggling.
3. Avoiding blame and forgiving mistakes.
4. Inspiring one another at work.
5. Emphasizing the meaningfulness of the work.
6. Treating one another with respect, gratitude, trust and integrity.

As an organization, you should work to foster these qualities in your workplace. The University of Michigan research points to two key strategies:

Encourage Trusting Safe Relationships

Employees who trust that their coworkers and managers have their best interests at heart feel safe, as research by Amy Edmondson of Harvard demonstrates. Workplace cultures where leaders are inclusive, humble and encourage their staff to communicate and ask for help lead to better learning and performance outcomes for all employees.

Be Empathic

A brain-imaging study found that when employees recollected instances when a manager had been harsh or lacked empathy, they showed increased activation in areas of the brain associated with avoidance and negative emotion, while the opposite was true when they recalled an empathic manager.

Jane Dutton and her team at the CompassionLab suggest that leaders who demonstrate compassion toward employees foster individual and collective resilience in challenging times. Thus, creating a workplace environment more conducive for overcoming challenges and obstacles.

Key Action: Develop a workplace environment that meets employee needs whenever possible to drive positive organizational outcomes and increase employee retention.

Professional Development

In an article published by HR Dive, Laurie Bienstock of Willis Tower Watson states that "We know from our research and consulting that career management continues to be a top driver of attraction, retention and sustainable engagement for most employees…Effective career management at many organizations remains elusive. That's one of the main reasons so many of today's employees feel they need to leave to advance their careers."

Well-thought-out professional development programs can provide your employees with opportunities and clear direction on how to increase their skills and advance their careers within your organization.

With an expanded skill set, not only will employees feel more empowered, they will also have more tools to help your organization, a win-win for your organization and staff.

When starting a professional development program, you can leverage the expertise you have within your organization. Senior employees, for example, can serve as mentors and help mentees sharpen both their soft skills and technical skills, gain practical knowledge, institutional insights and hands-on guidance, and can help mentees become more valuable and versatile employees.

At PeopleScout, for example, we sponsor a program where employees are paired with mentors at different levels within the organization to provide mentorship and career guidance. During the first three cycles of our program, 10 percent of participants received promotions after completion.

Key Action: Invest in your employees' career development, and tie their career success to the success of your organization.

Management and Leadership

It's often stated that "employees don't leave organizations, they leave managers." This is not a mere business platitude; there is evidence to back it up.

In a study conducted by Gallup, half of employees said they left a job to get away from their manager to improve their overall life at some point in their career.

What's more, according to an article by SHRM, "Employees who trust their managers appear to have more pride in the organization and are more likely to feel they are applying their individual talents for their own success and that of the organization."

To curb employee turnover that stems from mismanagement, organizations should train managers on how to constructively engage, develop and motivate their teams to improve employee retention.

One challenge managers may face lies in the fact that what motivates employees is often unique to the individual. To uncover the diverse factors that drive their team members, emotional intelligence is required.

Support for managers should involve teaching them how to build better relationships, communicate more effectively, notice the early signs of employee burnout, delegate work and shift their mindset from

being "the boss" to becoming a leader who empowers their team for success.

Managers should not have to wait for HR to step in with retention initiatives. Instead, managers should feel empowered to provide incentives and rewards, as well as the ability to develop their staff and offer meaningful opportunities to their team.

Managers should also be aware that meaningful recognition and praise can be powerful. Employee awards, recognition programs and praise might be the single most cost-effective way to maintain a happy, productive workforce.

Managers can send positive emails at the completion of a project or monthly memos outlining the achievements of their team, and organizations can develop peer-recognition programs to provide positive feedback to individuals as well as their teams as a whole.

Organizations can also create formal employee recognition programs. These programs let employees know that their work is valued and provides employees with a sense of ownership and belonging within their organization.

Creating a culture of recognition is something any organization can do to improve their employee retention. The key to success is identifying how your employees like to be recognized and then finding ways to show recognition in their preferred method consistently over time.

While recognition programs can help improve employee retention, you still need to make sure managers are provided with coaching and training programs as well as supplied with the resources they need to become more empowered.

Key Action: Enable employees to have positive social interactions with leadership and a rewarding work environment to increase satisfaction with their role in the organization.

USING PREDICTIVE ANALYTICS TO TRACK TURNOVER

Today, organizations are more data-driven, using AI and predictive analytics to better analyze data and drive business decisions. Predictive analytics can be leveraged by organizations to monitor and manage employee turnover by identifying which employees are at risk of leaving the organization.

Organizations should build their predictive models by gathering data from many sources, including employee data from HRIS and ATS systems. This data contains a wealth of information that can help predict employee turnover. However, these predictions will only be useful if the validity and quality of the data fed into the predictive model is sound.

Some of the most commonly used employee information for turnover-focused predictive modeling includes:

- Tenure or duration of employment
- Compensation level or ratio
- Date of or time since last promotion
- Percent of most recent pay raise
- Job performance score
- Commute distance
- Job satisfaction score
- Number of previous positions held
- Years with current manager
- Engagement score

These points of data can be analyzed to predict the likelihood and rate of turnover across roles within an organization.

For example, a PeopleScout client uses data and predictive models to assess turnover trends. The client uses employee demographic information such as age, tenure and their previous employer to predict when an employee might resign based on historical trends and patterns of similar employees.

Equipped with this data, the client is better positioned to prevent valuable employees from resigning by taking preemptive actions during periods or junctures where the employee is most likely to resign.

LEVERAGING INTERVIEWS TO IMPROVE EMPLOYEE RETENTION

A key to improving employee retention is uncovering the unique issues your employees face day-to-day. Exit and stay interviews can give you a wide variety of perspectives from which to tackle issues that are driving employees away.

Exit Interviews

Exit interviews are designed to gather feedback from departing employees, and they can provide an organization with insights that can be used to make current and future employees less likely to resign.

For example, if your exit interviews uncover that employees feel their duties didn't match their original job expectations, consider changing your job descriptions and your onboarding sessions to better reflect the duties within a specific role.

Recruiters and talent acquisition stakeholders should be educated on the competencies and skills that are needed to be successful in a specific role and be able to communicate them effectively to candidates.

> Tips for conducting effective exit interviews:
>
> - Choose the Right Interviewer: When conducting an exit interview, the interviewer should be someone with little connection to the interviewee or someone they feel comfortable sharing their true feedback and concerns with.
> - Ask the Right Questions: To get the most out of an exit interview, it is important to ask the right questions – e.g. what is the attraction of the new position?; how were relationships with colleagues?; was there an issue with benefits or compensation?; what could be done to make this company a better place to work?
> - Analyze the Interviews: Make sure you analyze the results of each exit interview and aim to find any common issues that are causing your employees to leave.

Exit interviews shouldn't be the only time you solicit feedback from employees. Rather, you should foster a culture of constructive feedback. Employee engagement surveys are a good way to take the pulse of employees throughout their tenure with your organization. That way, you're more likely to get honest, constructive feedback from current employees, as well as when employees leave.

Key Action: During an exit interview, ask about things like the quality of leadership, teamwork across and within departments, opportunities for advancement and internal policies.

Stay Interviews

In some ways, stay interviews are similar to exit interviews. They are both used to identify reasons employees like or dislike their job and can uncover concerns or issues an employer may be unaware of.

However, stay interviews can be more valuable than exit interviews because they provide insights managers can leverage to motivate and retain employees before they make the decision to leave.

Questions to ask during a stay interview:

- What keeps you working here?
- What do you enjoy about your job?
- What would cause you to leave the company?
- What would you like to change about your job, team or department?
- If you could change one thing about the company, what would it be?
- Have you ever thought about leaving the organization?
- What motivates you at work?
- Do you feel appreciated in your role?
- Where do you see yourself in five years?

After conducting a stay interview, be as transparent as possible with the interviewee about what you can or can't do to remedy a particular issue.

Key Action: Aim to conduct your stay interviews at least once per year to augment the more general information about team satisfaction obtained through engagement surveys. Schedule them separately from performance reviews so the goals of each meeting remain distinct.

IN SUMMARY:

Unmanaged employee turnover is costly and disruptive to organizations. Approaches to retaining top talent need go beyond compensation and benefits to include improving employee job satisfaction with meaningful engagement, organizational commitment to managing employees' relationships with their managers and clearly communicating opportunities for growth and advancement with the organization.

KEY TAKEAWAYS

- The relationship between managers and their team members is one of the key factors in reducing employee turnover and improving retention.
- Engage your employees and provide them with the tools and freedom to develop and prosper in their role.
- Exit and stay interviews are an effective way to uncover the sometimes hidden or less obvious issues that individual employees experience and can provide insights on how to improve the workplace.

CANDIDATE EXPERIENCE

The world of hiring is more candidate-driven than ever before. A variety of employment opportunities, coupled with the rising bargaining power of employees, has lifted candidate experience to the top of many organizations' list of talent acquisition and workforce management priorities. Generally, the better the candidate experience, the more likely an organization is to attract the best talent. Top candidates demand compelling experiences during and after the hiring process.

IN THIS SECTION:

TALKING TALENT LEADERSHIP PROFILE

A Q&A with **ANDREW WILKINSON** of PeopleScout
Executive Leader, Group Managing Director, Europe and Asia Pacific

By **CAROLINE SABETTI**
Global Leader of Marketing and Communications

There are a lot of new perspectives and British accents around PeopleScout since our acquisition of TMP Holdings LTD (TMP UK) in June 2018. For Andrew Wilkinson, who was the CEO of TMP UK prior to the acquisition, it's been a whirlwind. He has crisscrossed the globe visiting PeopleScout operations in Chicago, Krakow and Sydney, meeting with PeopleScout clients in the U.S. and Australia, speaking at the Candidate Experience Awards (CandE) Awards in Orlando and HRO Today Forums in Amsterdam and Hong Kong, and attending the PeopleScout NEXT Talent Summits in Chicago and Sydney.

I caught up with Andrew in PeopleScout's Central London office to get the scoop on PeopleScout's UK operations, talent advisory practice and his insights after six months in his new role as Executive Leader, Group Managing Director, Europe and Asia Pacific.

HOW HAS OUR ACQUISITION OF TMP HOLDINGS LTD CHANGED PEOPLESCOUT?

We significantly expanded PeopleScout's on-the-ground capabilities and expertise in the UK with an EMEA HQ in London and a highly effective RPO delivery center in Bristol. Since June, we've begun to have a lot of collaboration as a global leadership team talking with clients that want to expand their program to new geographies as well as starting new conversations with global prospects.

The deal not only established a European PeopleScout footprint, it also significantly enhanced PeopleScout's talent advisory capabilities in employer branding, assessment and recruitment marketing. Our RPO model was built on our 25-year legacy in the UK as an award-winning employer brand and recruitment marketing agency and is a huge differentiator. Whilst underpinning our RPO business, we also offer talent advisory services directly to clients to help them tell a compelling story to their target audiences and create a positive candidate experience.

WHY ARE TALENT ADVISORY SERVICES BECOMING INCREASINGLY RELEVANT IN TODAY'S MARKET?

With talent shortages in virtually every global market, the candidate is in control. For that reason, helping our clients bring their employer brand to life to give them an unfair advantage in attracting critical talent is very timely. Additionally, there is a growing awareness of the positive and negative impact that employer brand experiences can have on your bottom line.

For instance, one of our clients – a telecom company – studied the cost of having a bad candidate experience and found that candidates who had a negative experience were inclined to change providers. Given their candidate volume, this equated to millions of dollars in potential lost revenue annually. Global research from the CandE Awards aligns with this – showing significant positive and negative revenue correlation with candidate experience.

HOW DOES EMPLOYER BRAND RELATE TO CREATING A COMPELLING CANDIDATE EXPERIENCE?

Every company has an employer brand – intentional or not. This brand is based on their reputation, how they communicate, what others say about them and the candidate experience that they deliver. As they say, perception is reality.

To that point, having a managed employer brand is critical. For us, that begins with helping our clients understand what they want to achieve and who they really are through insights gathered from current senior leaders, employees, exit interviews and existing corporate materials.

Starting with those insights we begin to identify the themes that allow them to tell their story, one that allows them to "own" a space in their target talent groups' minds and ultimately draws this talent into their pipeline. This is their employer value proposition (EVP), and we use that as a compass point from which we design their whole employee experience. The EVP defines what you deliver to your employees but also what you expect in return. This last point is critical, in that you don't want to be a magnet for all talent, you want to be a magnet for talent that will thrive in your organization.

Clearly this is a balancing act between authenticity and aspiration – you've got to deliver from the inside out on your EVP through the entire candidate and employee lifecycle.

HOW DO YOU HELP CREATE POSITIVE EMPLOYER BRAND EXPERIENCES – WHETHER THE CANDIDATE GETS THE JOB OR NOT?

Creating great employment experiences begins long before a candidate joins an organization. The typical candidate journey has upwards of 25 touch points. These touch points inform a candidate's opinion of your organization and ultimately their decision to join.

When you consider a candidate's experience as they explore multiple job opportunities, they are sorting through a lot of messages. To stand out, your employer brand message must be compelling and consistent because candidate attention spans continue to decrease for anything but the most compelling engagement tactics.

Our goal for every interaction is to enhance the candidate's perception of our client's brand. We've done our job when a candidate doesn't get the job but walks away from the experience thinking "that's a great company."

WHAT'S NEXT?

It looks like another exciting year in 2019. We have now completed the key integration project and I believe that the opportunities for PeopleScout next year are huge as we start to unlock our true global potential. We are already having so many different conversations across geographies as we better link our total capabilities to clients' needs. We are bringing to the UK the scale and resources of being part of the PeopleScout team which will benefit our existing RPO customers as well as dramatically change our offer to potential new customers.

In addition, for me, that also means supporting Guy Bryant-Fenn, our new Managing Director for Asia Pacific operations, and strengthening our global ties with each region. I am excited to be working together with some amazing talent on the global team to develop synergies across regions and build on our current success to continue to drive growth in Asia Pacific and around the globe. Traveling is back on the agenda with visits to Chicago, Washington D.C., Sydney and India all on the itinerary but not before a ski break to relax!

THE IMPORTANCE OF AN EMPLOYER VALUE PROPOSITION AND EMPLOYER BRAND STRATEGY

By **SIMON WRIGHT**
Managing Partner, Advisory Services

As employers face increasing competition for the best talent, a well-defined employer value proposition (EVP) and employer brand strategy have become more important than ever. In a candidate-driven market, employers need to stand out to their target talent audiences through a unified EVP and employer brand. High-quality candidates know what they want out of a future employer, and organizations that don't effectively show their value to candidates risk losing them to the competition.

If you Google EVP and employer brand, you're likely to find thousands of definitions. At PeopleScout we define EVP and employer brand as the following:

- Employer Brand: The perception and lived experiences of what it's like to work for your organization.
- Employer Value Proposition: Captures the essence of your uniqueness as an employer and the give and the get between you and your employees.

Both concepts revolve around the qualities that make a company a great place to work, as well as the benefits, career growth opportunities, work-life balance and company culture that attract top talent.

EVPs are particularly important in today's job market, as a majority of candidates heavily evaluate companies before they even consider applying for open positions, and it can be a critical differentiator in a company's ability to attract talent.

KEY ELEMENTS OF A SUCCESSFUL EVP

As HR Technologist explains, "An employee value proposition must be thoughtfully designed since it has a direct impact on behavior. It must look into the tangible and intangible elements of the psychological contracts between the employer and the employee. It must start way before the employee joins, even before the person is a job candidate; it must appeal to the person irrespective of whether the person intends to work with the organization or not."

A successful EVP articulates the value that you offer to your employees. At PeopleScout, we establish three elements to support a successful EVP:

- **Pillars:** Pillars are the core components of your EVP and are informed by insights into your cultural DNA and your audience's motivations. Pillars are used to define the relevance of your EVP and are based on research.
- **Narrative:** The narrative is usually a single, manifesto-style paragraph – it's the emotive "sell" of what you offer. The narrative defines consistency throughout your EVP and employer brand strategies.
- **Strapline:** Finally, the strapline is a concise phrase that summarizes your overall offering – it focuses on being memorable rather than detailed. The strapline defines a point of focus throughout your EVP materials.

By creating pillars, a narrative and a strapline to support your EVP and employer brand strategy, employers will be set up for a successful deployment both internally to current employees and externally to candidates and the broader marketplace.

For example, we recently completed an EVP and employer brand project for a global law firm based in the UK called Linklaters. Here are the pillars, narrative and strapline that we created to bring the project to life.

Pillars:

- Human Experts
- One Team
- Innovation
- Career Platform

Narrative: From a shifting geopolitical landscape to the exponential growth in FinTech, it is a time of unprecedented change. At Linklaters, we're ready. Our people go further to support our clients, with market-leading legal insight and innovation. And we go further for each other, too. We're people you want to work with, generous with our time and ready to help. So no matter what the future holds, with us you'll be one step ahead. Great change is here. Get ready.

Strapline: Great Change is Here

BENEFITS OF A WELL-MANAGED EVP AND EMPLOYER BRAND PLATFORM

Organizations that effectively deliver on their EVP can enjoy a host of benefits, including decreased annual employee turnover and increased new hire commitment, according to Gartner research. Other benefits include improved brand sentiment, increased reach to target audiences, a greater sense of commitment from current employees and cost savings related to compensation.

Improved Brand Sentiment

Organizations with effective EVPs are more attractive to candidates and are considered employers of choice – organizations where candidates want to work. In order to make yourself an employer of choice, you have to be able to appeal to your ideal candidates by differentiating your company from your competitors.

A compelling EVP and employer brand can move your brand sentiment in a positive direction. A clearly defined EVP creates the foundation on which to build your internal and external employer brand messaging, which allows you to have greater influence over what you are known for and how you are perceived.

Increased Reach

A thoroughly researched and tested EVP is designed to speak more effectively to your target talent audiences. When you are able to tailor the core of your message to individual audiences, while keeping your narrative and strapline consistent throughout, more diverse groups of candidates will respond favorably. This has real business impact. According to a Morgan Stanley study in The Atlantic, there is a positive relationship between equity returns and the gender composition of an organization's employee base, as an example.

We work with an organization in the UK that was once an online automobile magazine but is now a digital publication. The organization struggled with brand perception. Many candidates thought the company was old-fashioned, and they struggled to attract women to their open positions. We developed an "adventures in awesomeness" EVP that spoke to the digital transformation that had already happened at the employer. This EVP not only increased brand attractiveness and shifted sentiment, but also increased the number of women visiting the careers site by 300 percent.

Greater Employee Commitment

Organizations with strong EVPs enjoy significantly higher levels of engagement from employees. In one example studied by Cornell University, a beverage bottling and distribution company launched an initiative to develop an integrated employer brand. Around the same time, the company decreased headcount by more than 6 percent and maintained tight control over salary raises. Despite these difficulties, employee engagement grew at the company from 36 percent to 55 percent over a five-year period.

This study suggests that when you clearly articulate your EVP and the behaviors you're looking for from employees, it can be a factor in successfully attracting and retaining employees with the right cultural fit for your organization. This yields more engaged employees and better results.

Compensation Savings

Organizations with effective EVPs are able to reduce the compensation premium required to attract new candidates. Another example highlighted in the Cornell study found that organizations with a well-managed employer brand had a 26 percent economic advantage in terms of labor cost.

KEY CONSIDERATIONS WHEN CREATING AN EVP AND EMPLOYER BRAND PROGRAM

There is ample data that shows that effective EVPs generate real business benefits. To realize those benefits, there is a lot of work that goes into creating a successful EVP and employer brand. Before launching an EVP internally or externally, it's critical that companies spend time researching, defining, developing, optimizing and deploying an EVP that accurately represents the company's value to employees.

If you're thinking about building a global EVP and employer brand or your current brand isn't quite working – join us for the on-demand webinar Across the Seven Seas: How Well Does Your Employer Brand Travel? We will share how to create a global strategy that will increase your employer brand awareness and help drive better response and conversion rates. Visit peoplescout.com to view on-demand.

KEY TAKEAWAYS

- Your employer brand is the perception and lived experiences of what it's like to work for your organization while the EVP captures the essence of your uniqueness as an employer and the give and get between you and your employees.
- A properly managed EVP can generate a host of benefits, including shifting brand sentiment and increasing the attractiveness of your organization, increasing your reach to new audiences, deepening your employee commitment and driving compensation savings.

REDUCING UNCONSCIOUS BIAS WITH AI

By MARGARET CALLARD
Product Marketing Leader

Last winter during a bitterly cold rush hour, a father and son were in a terrible car accident off the Kennedy Expressway in Chicago. Tragically, the man died before help arrived. Paramedics were able to successfully transport the child to the nearest hospital where he was brought into an operating room for surgery. The surgeon entered the room but immediately stopped saying, "I can't operate on this boy, he is my son."

Who was the surgeon? His mother. This slight variation of the surgeon's dilemma story helps illustrate how unconscious bias works. Every day people unknowingly form opinions about others based on minimal input; this is known as unconscious bias. These thoughts are usually based on deeply held beliefs. No one wants to be biased, but it is part of being human. Unconscious bias can be related to race, gender, age, religion, sexual preference, veteran status, disability status, socio-economic status, college attended and many other attributes. In fact, at least 150 different unconscious bias types have been identified and studied.

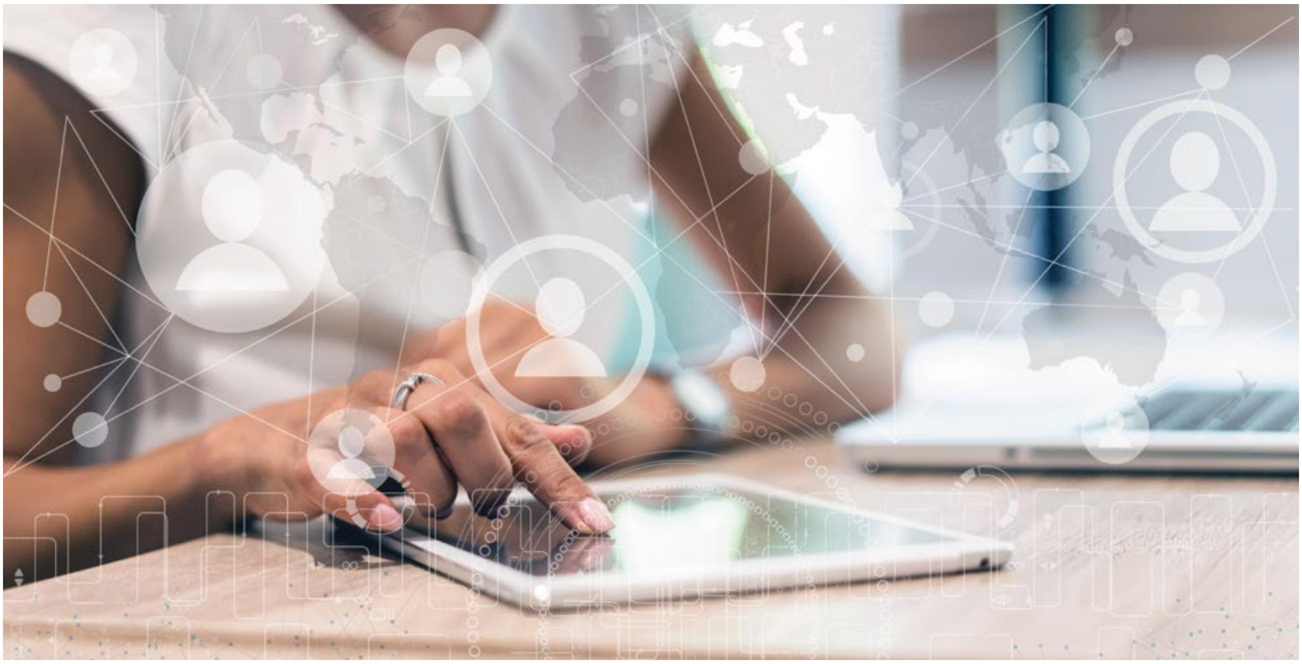
In this article, we'll explore ways that unconscious bias appears in talent acquisition, review how AI can be used to reduce bias in the recruiting process and share tips for how to select an AI partner that can help employers reduce bias.

UNCONSCIOUS BIAS IN TALENT ACQUISITION

While employers strive to uphold legal standards for equal employment opportunities, unconscious bias issues in talent acquisition still exist.

Unconscious bias can occur at many stages throughout the recruiting process. For example, a recruiter may unconsciously write job descriptions that appeal more to a certain group of people. A recruiter looking for an IT developer might advertise a role as a Java Ninja, which could discourage women from applying because the title uses more masculine language.

During the candidate screening process, individuals might also experience affinity bias, a specific type of unconscious bias that occurs when someone with a certain background is favored. An instance of this might include a hiring manager seeking candidates



with an MBA from a particular school. At a company level, bias can even extend to citing a company's culture fit as a reason to hire a certain type of person, i.e., hiring only younger workers.

When unconscious bias spreads across a candidate pool, bigger risks, such as a lack of organizational diversity, may emerge. A Deloitte study found that a diverse workforce is twice as likely to meet or exceed a company's overall financial goals. Another study by Catalyst cited a 34 percent higher return to shareholders for companies with more women in executive positions.

Without a diverse workforce, organizations run the risk of possible legal action. A recent age discrimination lawsuit against three large technology employers claimed millions of older workers were allegedly blocked from seeing Facebook job ads because of their age.

Outside of legal action, companies also face the possibility of accidentally harming their own recruiting efforts. Silicon Valley has long been accused of having a less than diverse workforce. However, 47 percent of millenials say they prefer working for a diverse company.

HOW AI CAN REDUCE BIAS IN THE HIRING PROCESS

Artificial intelligence can decrease unconscious bias in recruiting practices in two key ways.

- First, as a sophisticated pattern detector, AI can find bias across millions of data points.
- Second, when potential candidates are identified, AI can catalogue profiles based only on certain skill sets. AI can also be programmed to ignore all demographic information, like zip codes, race or gender.

While many vendors today offer AI-enabled capabilities for tasks such as interview scheduling or candidate communications, using AI specifically to reduce the challenges of unconscious bias is still emerging. Montage recently launched Unbiased Candidate Review that helps companies reduce discrimination during the selection and interview process. Unbiased Candidate Review, part of

Montage's on-demand voice and video interviewing solution suite, includes hiding the candidate's identity and voice until a hiring manager enters feedback on the candidate.

Another example of fighting bias through AI includes the story of entrepreneur Iba Masood. As a native of Pakistan who graduated from college in the United Arab Emirates, Masood had a difficult time finding a tech job after graduating. She was not from the traditional pool of young, male, Ivy League candidates that seek developer roles. So she created her own AI solution, TARA, to combat bias in the tech recruiting process. Today, candidates that use TARA's online freelancer marketplace are judged only by the code they produce. Companies looking to find project-based developers bid based on the current skills needed for a project with no knowledge of the candidate's socio-economic or previous professional background.

POTENTIAL AI RISKS

While promising as a solution, AI algorithms need to be built appropriately and monitored frequently to make sure AI does not perpetuate the bias it was programmed to erase. As AI emerges to help reduce unconscious bias, several groups, including federal agencies, are observing AI's impact to make sure risks are appropriately addressed.

Some of these groups include:

- OpenAI, a nonprofit that creates AI systems via open source for the broader AI community to analyze.
- The AI Institute, which reviews AI's ongoing impact on society.
- Explainable AI, which focuses on tracing the reasoning of AI algorithms back to its human creators so links are not lost.

In addition to these formal groups monitoring AI, organizations can take steps to make sure the correct AI processes are in place. Because AI is constantly evolving, errors in an AI platform's logic can quickly grow, making problems hard to trace. This is especially true if errors are made at the beginning of the process causing the common problem of garbage in, garbage out. However, there are strategies teams can put in place to reduce risk:

- Recruiting teams can combine their expertise with data gathered from AI to produce more inclusive job descriptions and candidate pools in the future.
- Bias can also be reduced by setting strategies internally to identify and eliminate bias through training and other programs.
- Organizations should assign diverse teams to build AI algorithms so a wider set of ideas is represented in the AI's output.
- Finally, companies should conduct ongoing audits of AI algorithms to test that efforts related to AI are progressing appropriately.

ASK AN EXPERT

Chad Getchell is a Leader on PeopleScout's Innovations & Implementation Team, with product ownership responsibilities for Affinix™. Chad joined PeopleScout after serving in product leadership roles with Walmart and Automatic Data Processing (ADP), overseeing systems development for their recruiting business.

We talked with Chad for input on this article regarding how talent acquisition can benefit from AI as well as how to select and evaluate an AI provider.

HOW TO SELECT AND EVALUATE AN AI PROVIDER

When assessing enterprise AI partners for your organization, make sure to review the following:

1. Ask questions. If a potential partner isn't willing to explain how its algorithms work, walk away. A good partner is prepared to support your business and will be able to articulate how the solutions work in terms you understand.

2. Understand the vision. Not all partners will be experts in your industry. However, from a technical perspective, ask to see a long-term product roadmap to understand plans for the company's product evolution and what kind of influence you may have on the roadmap features.

3. Agree on the support model. Make sure the partner has a thorough understanding of how you operate and how AI folds into that process. Share what is critical to you and ensure they're ready to commit to supporting those items for you. Without this, your support of your own clients could be affected.

KEY TAKEAWAYS

- While not the only way to solve unconscious bias in talent acquisition, combined with other strategies, AI is emerging as a useful tool.
- AI algorithms need to be built and monitored appropriately to make sure AI does not perpetuate the bias it was programmed to erase.
- AI can analyze large sets of data and separate demographic information, helping recruiters find higher-quality candidates prioritized by skill set.

RETHINKING CANDIDATE GENERATION STRATEGIES

By **LEE GRIFFITHS**
Talent Insight and Attraction Manager, Candidate Generation

In this time of rapid transformation and high competition for talent, employers face the challenge of evolving their talent generation strategies to stay ahead. For years, employers focused on attracting as many candidates as possible with the hypothesis that generating more applications was the best strategy to yield better quality hires. That approach to talent attraction and the metrics used to measure success are changing.

> **The old goal: Attract as many candidates as possible.**
>
> **The new goal: Attract the strongest candidates who are the best motivational fit for your organization.**

In this article, we cover the changing landscape of candidate attraction and why employers should develop a new, data-informed way of looking at job postings. We also present some specific strategies employers can put in place now and explore the benefits of these strategies.

CHANGE IS NOT OPTIONAL

Many organizations remain stuck with outdated candidate generation strategies. Job titles and descriptions can go years without being updated to reflect the reality of the position or the ways that candidates look for jobs. Long, expensive contracts with specific job boards are common, even though the return on investment may be decreasing. There are several reasons why the old way is no longer working.

1. Employers look at the wrong metrics: Many employers assume that a large number of views, clicks and even applications indicate an effective strategy, even when those numbers don't translate to strong hires. At the same time, candidates are left frustrated by applying to jobs that are different than advertised and then facing rejection because they don't align with the true requirements of the position or with an offer or a job that isn't a good fit.

If a job posting yields too many unqualified candidates, it creates the risk of harming an organization's employer brand. This is because when there are too many unqualified candidates, there is the risk of poor communication. Those candidates could become frustrated with a lack of communication and form a negative opinion of the organization which they could share with their own networks.

2. The process is expensive: The practice of attracting large numbers of applicants is expensive. Employers pay to attract and process candidates who aren't good fits. At one UK organization, we found that a dismissal at the CV review stage cost $2.49. This organization hired 6,000 employees for every 67,000 applicants. This means the cost of just the first stage was $152,100. The process of dispositioning an applicant after an interview is even more expensive.

3. Job postings aren't optimized for the changing landscape: The changing role of job boards is also disrupting the traditional process. The rollout of

Google Jobs, for example, has made it easier for candidates to search for job postings the same way they search for everything else on the internet – and candidates have grown to expect this. Because of this, employers need to optimize job postings and use SEO strategies to ensure candidates will see those postings.

STRATEGIES FOR THE FUTURE

Building a Centralized Recruitment Function: By centralizing the recruitment function, employers build a team that can adapt more quickly to change and work more efficiently to put new strategies in place. HR leaders find that a centralized function allows all members of the team better insight into the full hiring process and helps them better understand how each step impacts the broader candidate journey.

It is also easier to test new strategies and deploy successful ideas throughout the entire recruitment function. Because there is no need to get the buy-in of other offices or teams, a centralized function can deploy changes quickly.

A centralized recruitment team also helps maintain consistent metrics and employer branding. When multiple teams are accountable for different parts of the process, aspects of an employer brand or the metrics used to define success can look different from team to team.

When processes are siloed it makes it more difficult for leaders to get a full view of the recruitment team and maintain consistency throughout the process. When the entire recruitment team is accountable to the same leader, the process remains more consistent.

Benefit: An accountable and synchronized recruitment team that can more effectively share your brand message.

Sharing an Honest Employer Brand: An authentic yet aspirational, unique and dynamic employer brand is key for employers looking to stand out in the competitive talent market. This type of employer brand will speak to candidates who fit with the current company culture but can also be an effective way to keep current employees aligned with shifting organizational priorities.

A successful deployment of an employer brand will include the development of media toolkits, with language, images, videos, social media posts, emails and more that the recruiting team can use to disseminate brand communications. Materials like these can be used to make sure your employer brand consistently comes through in job postings and advertisements.

Benefit: A strong employer brand will generate applicants who understand and fit in with your culture and who are excited to work for you.

Swapping Vanity Metrics for Sanity Metrics: As your goal changes from attracting the most candidates to attracting the right candidates, you need to adjust what metrics you monitor to see if you're achieving your goal.

Vanity metrics can include data like the number of clicks or views you have for a job posting and the number of applications. These metrics don't tell you whether the people who are clicking on your job advertisements or the candidates who are applying are good fits for the position or enthusiastic about working for you.

Sanity metrics are numbers like the ratio of clicks-to-hires or applications-to-hires. Sanity metrics can also include data about the performance and tenure of your new hires. These metrics tell you whether or not the right people are finding and applying to your job postings. If you are looking at vanity metrics, you cannot tell if you are attracting the strongest talent.

Benefit: A more clear measure of whether you are meeting your goal of attracting the strongest candidates who are enthusiastic about working for you.

USING DATA TO INFORM DECISION MAKING

Data should be central to the candidate attraction process. Your team should consistently ask these four questions and make alterations to your recruitment process based on the answers the data provides.

1. Are you marketing your job properly for the audience you're looking for?

Sanity metrics will tell you if your tailored approach to candidate attraction is working well. The exact ratios will vary from organization to organization and position to position, but your goal should be to decrease the ratio of clicks-to-hires and applications-to-hires while increasing performance metrics and tenure numbers on those hires. If you aren't already tracking this information, you should gather historical data on the relevant positions and continue tracking performance and tenure data.

If, for example, you spend a significant amount of time and money reviewing applications from unqualified candidates, you can revise your job copy to reflect the more challenging parts of the job. One of our clients had challenges hiring for a door-to-door salesperson. The job posting gave a rosy view of the position, without mentioning the tougher parts.

This led to a high number of applications, but as candidates moved through the process, many realized they didn't want the position. The cost of processing these applicants was high, as was new hire turnover once candidates started in the role.

By making the job posting more transparent about the challenges, applications decreased by 11 percent, despite a 10 percent increase in the salary for the position. The client saved 305 hours of hiring manager time over a three month period, made the same number of hires as before, spent less on candidate attraction, held fewer phone and face-to-face interviews and new hire turnover in the role dropped significantly.

2. Is your job title optimized for your audience?

Often, job titles at individual organizations are informed by organizational culture and tradition. These can lead to titles that haven't changed in years or new and creative titles, like "digital prophet" or "crayon evangelist." While these titles may function well inside an organization, they can't attract candidates who search online for positions like "business analyst" or "design director" because those candidates will never find the positions.

Regardless of the job title you use internally, the job title you use in a posting should be informed by data. Tools like Google Trends and Google Keyword Planner can help develop SEO-friendly job titles that will help put your position at the top of search results. Popular job boards also provide click data, and you can perform A/B testing with your recruiting team to determine which job titles bring in the best candidates fastest.

One client was struggling to hire for a position they called "help desk advisor," although the position was customer service related. Data showed that more people in the client's location searched for jobs like "customer service representative."

By changing the job title in the external job posting, the client received the same number of applications in two weeks that it normally received in six to eight weeks. Because of this, the time-to-offer and time-to-fill both decreased, and the client spent less on attracting candidates.

3. Is the most important information in your job posting laid out in the best way for readers?

If your marketing and optimization efforts are successful at bringing job seekers to your posting, you also need to make sure they get the information they need to decide if the position is the right fit and they want to take the step to apply. According to research by The Ladders, job seekers spend an average of 49.7 seconds deciding that a job isn't right for them and 76.7 seconds deciding that it is a good fit. This only provides a short window of time to provide the information you want them to see.

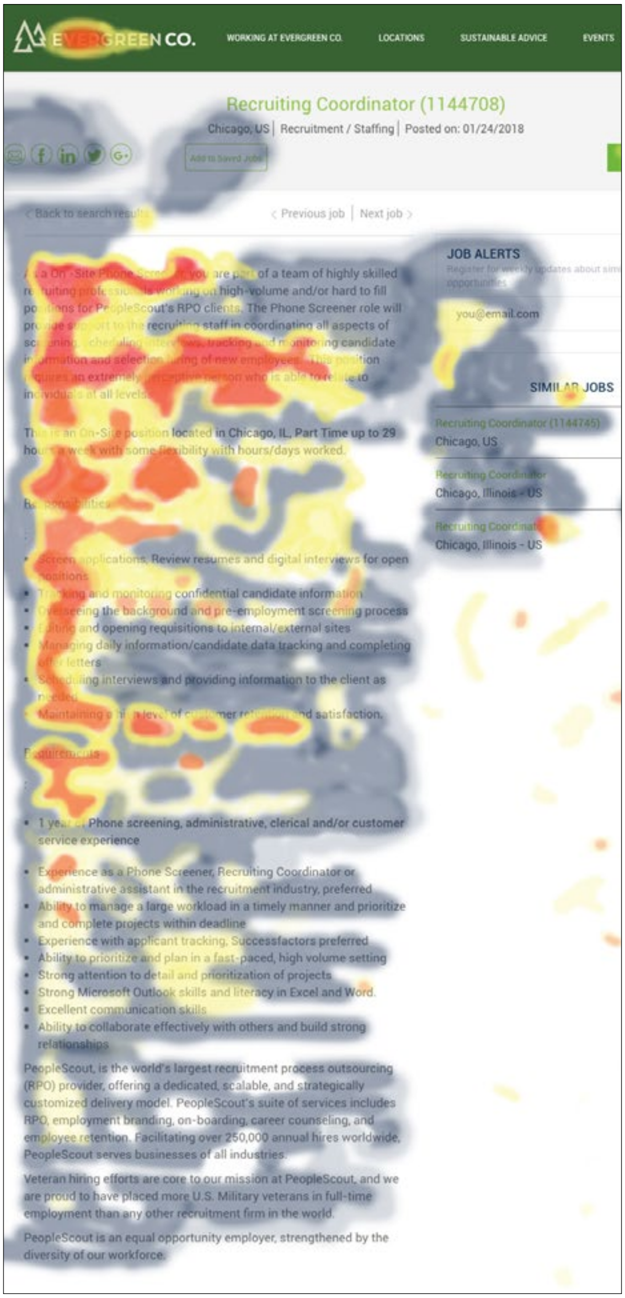
By developing a strong employer brand, marketing the position properly and optimizing your job title, you will be able to provide the type of information the candidate needs to see to decide if your role is the right fit. Your challenge is to make sure they can digest it in less than one minute.

This means, as you write up and lay out a job posting, you need to put the most important information in the first places a candidate will look. Using headings can also help candidates identify key criteria.

4. Are you using job boards effectively?

For our UK client base, we are already seeing a decreased return on investment from job boards which has decreased our own spending. To ensure you are spending effectively on job boards, you need to constantly evaluate which boards perform better.

Heatmap Example



The Ladders' study used eye-tracking software to determine that most job seekers follow an "F" shape as they scan job postings

To do this, you need to find out which job boards send an appropriate number of the right candidates. Some boards may send a lot of candidates but very few are qualified. Others may send fewer and fewer candidates altogether. By monitoring this data, you can invest your budget into the right job boards to attract the right candidates.

More benefits of data driven methods:

- Increased candidate quality and decreased turnover because you are attracting candidates who are enthusiastic about the position and your organization and who understand the responsibilities and requirements of the role.
- Decreased time-to-fill and cost-of-vacancy because candidates who aren't a good fit self-select out of the process, so you don't waste money evaluating the wrong people.
- Increased ability to attract the candidates of the future because you're speaking to them where they are and in ways they expect as they search for new positions.

KEY TAKEAWAYS

- Rather than attracting as many applicants as possible, employers should focus on decreasing the number of unqualified or uninterested applicants while increasing the number of strong applicants.
- Employers should use a data-informed process to guide their candidate attraction strategies.
- Employers should consistently evaluate their use of job boards to match the quickly changing job board landscape.

EMPLOYMENT & ECONOMIC TRENDS

Employment and economic growth trends remained positive in 2018. As the New York Times reports, "a decade after the world descended into a devastating economic crisis, a key marker of revival has finally been achieved. Every major economy on earth is expanding at once, a synchronous wave of growth that is creating jobs, lifting fortunes and tempering fears of popular discontent."

The following section takes a closer look at the impact and influence labor and economic trends are having on talent acquisition and workforce management.

IN THIS SECTION:

TALKING TALENT LEADERSHIP PROFILE

A Q&A with **DAVID LUDOLPH** of PeopleScout
Executive Leader, the Americas

By **DAVID BAROL**
Research Director

As the talent landscape transforms and the needs of talent acquisition and workforce management leaders shift, David Ludolph has greeted every new development with a keen strategic vision. Having been responsible for RPO service delivery across the Americas since 2017, David recently expanded his role at PeopleScout. He now leads PeopleScout's RPO, MSP and Total Workforce Solutions across the western hemisphere as the Executive Leader of the Americas.

With nearly two decades of industry experience, David has a deep commitment to providing PeopleScout clients with unparalleled service. Adding value and building long-term partnerships continues to be David's focus as he leads talent programs and client strategy across the Americas, building on PeopleScout's record of award-winning service delivery in both RPO and MSP. Now, a few months after he stepped into this newly expanded role, we spoke with David from his home base in Atlanta, GA to get his take on the growing evolution towards Total Workforce Solutions (TWS).

MUCH OF THE WORLD IS EXPERIENCING ECONOMIC GROWTH AND VERY TIGHT JOB MARKETS. HAS THE CURRENT ECONOMIC ENVIRONMENT GENERATED MORE INTEREST IN TOTAL WORKFORCE SOLUTIONS?

Yes, given the challenges of today's labor market, employers have been compelled to explore a more holistic approach to their talent needs. Rather than segment talent acquisition into permanent hires, contingent workers and project fulfillment, companies are becoming increasingly interested in taking a broader view of all the talent in their community enterprise-wide, regardless of worker type.

WHAT ADDITIONAL FACTORS ARE DRIVING INTEREST IN TWS?

Companies are very interested in having common employer branding and a unified experience for all of their employees, candidates and potential candidates. TWS can start to enable a more consistent employer brand message and experience for all worker types.

There is also a growing trend towards additional stakeholder involvement in the talent acquisition process, beyond HR for RPO and procurement for MSP. Marketing leaders, diversity officers, business unit owners and legal teams are now integral players in talent acquisition strategy. A TWS provider can be a valuable partner to help coordinate multiple stakeholders and guide them towards a successful talent strategy.

WHAT ARE A FEW KEY BENEFITS OF TWS?

One clear benefit is that rather than needing to work with multiple vendors for enterprise talent needs, a company can work with a single trusted provider. By doing so, there is an opportunity to reduce redundant processes and streamline communication. Another benefit is the cost savings that can be realized by increased efficiency in the talent acquisition process and more competitive pricing generated by a higher volume of onboarded talent.

WHAT ARE SOME BARRIERS TO ADOPTING TWS?

TWS is a relatively new concept and in many ways can still be considered aspirational because very few companies have adopted a true TWS model. One barrier is that many talent acquisition professionals are not yet familiar with a blended model. Another initial roadblock to adopting TWS is that it requires collaboration from stakeholders that previously focused on individual talent needs – full-time or contingent.

WHAT FUTURE TRENDS ARE YOU SEEING WITH TWS?

As consumers, we have started to expect that more and more aspects of our lives will be available on demand. Online retailers and mobile apps enable us to order items and have them delivered quickly – sometimes within minutes – with just a few clicks. Companies, which are consumers of talent, have come to expect "talent on demand." TWS is a natural environment for that concept to develop and be realized.

Organizations are increasingly motivated to become an "employer of choice" and to have a well-established reputation as a great place to work. Today, many companies attract candidates through sourcing efforts that are not purposefully linked to their employer brand and value proposition. Candidates rely on their experiences with recruiters and what they read about online to form their opinion of a company's culture. But it does not have to be this way. Sharing a well-developed employer value proposition from first interaction and establishing a unified employer brand strategy can help employers reach more potential candidates, even the most passive among them. To achieve this, a harmonized strategy for talent management, marketing, social media and technology is required. A TWS provider could be the ideal partner to coordinate this effort.

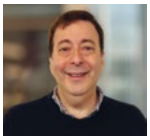
WHAT'S NEXT?

As I look to the future, I am excited about the opportunities that a total workforce approach can provide for our clients. One recent advancement in our total workforce strategy has been Affinix™ analytics which provides clients the ability to access analytics across their entire talent ecosystem with integrations with the leading ATS and VMS systems. Also, with our recent acquisition of TMP Holdings LTD in the UK and our new EMEA headquarters in London and our client delivery center in Bristol, I anticipate a significant opportunity for PeopleScout to support MSP and TWS programs in the UK and throughout EMEA.

I am pleased to share that we have a new member of our PeopleScout leadership team, Jennifer Torres. Jennifer is our MSP client portfolio leader and has extensive experience in TWS and all aspects of talent acquisition and workforce management. I look forward to what she and our other talented team members accomplish with our TWS client partners in the coming year.

For me personally, I'm participating in a Harvard Business School program for leadership development. I'm enjoying the challenge of being back in school and learning from the incredible faculty and program participants. It has been a great opportunity for me to broaden my knowledge and global perspective and strengthen my strategic thinking. I'm looking forward to completing the program in February and bringing fresh insights and ideas to our clients and team.

GLOBAL ECONOMIC SNAPSHOT: NOVEMBER 2018



By **DAVID BAROL**
Research Director

The strong job growth which characterized the first half of 2018 continued in the second half for many of the world's leading economies. Tangible evidence of rising wages spurred by the tight job markets began to appear in the U.S. and the UK. Employers continued to be challenged by the decreasing pool of available talent, which has added to the urgency to successfully recruit and retain talent.

SOLID JOB GROWTH AND LOW UNEMPLOYMENT IN MANY OF THE WORLD'S LARGEST ECONOMIES

In Q3 in the United States, there were more job openings than unemployed workers to fill them, and in September, the unemployment rate plunged to its lowest level since 1969. In the UK, unemployment rates were at their lowest in more than 40 years. The U.S., UK, China, Germany and Japan all posted unemployment rates under 4 percent during the quarter. Unemployment in Australia dropped to 5.3 percent in July, held steady in August and fell to 5.0 percent in September. The euro area (EA19) seasonally-adjusted unemployment rate was 8.1 percent in August. This is the lowest rate recorded in the euro area since November 2008. Individual European economies however, such as France and Italy, continued to post unemployment rates above 9 percent.

For other major economies, the results were more mixed. Canada, which had experienced healthy job growth during much of the last year, had a rise in unemployment in August which was followed by job gains in September driven by part-time employment. Brazil, Latin America's largest economy, had an unemployment rate above 12 percent during the third quarter. While Brazil's unemployment rate is among the highest in the Americas, it is still an improvement over the 13.1 percent rate average during the first quarter of 2018.

U.S. AND THE UK: POSSIBLE SIGNALS OF WAGE GROWTH ARE NOT SHARED WORLDWIDE

In June, the New York Times noted, "The rise in consumer prices over the last year has effectively wiped out any wage increases for nonsupervisory workers…That is odd for an economy with a tight labor market, with unemployment running at a 3.8 percent…the benefits of a hot economy have not yet translated into a significant wage increase for workers."

While this article was specifically referring to the United States, slow wage growth has been the norm for the world's wealthiest countries despite sustained low unemployment.

Wage data released during the third quarter in the U.S. and the UK suggests that real wage growth may have finally arrived. In the U.S., average hourly earnings rose by 0.4 percent in August, pushing the annual rate of increase to 2.9 percent – the fastest pace since June 2009. And in the UK, wage growth accelerated over the summer with the lowest jobless rate in more than four decades. The Office for National Statistics reported that earnings excluding bonuses rose an annual 2.9 percent in May, June and July. In July alone, basic wages rose 3.1 percent, the most since 2015. The wage increases in both the U.S. and the UK outpaced the rate of inflation, which may have a positive impact on their overall economies. Hourly pay rates across Australia rose 0.6 percent in the quarter. Wages increased 2.3 percent over a 12 month period for the highest annual growth rate in three years.

By contrast, Canada actually saw a decrease in year-over-year wage increases during the third quarter. In August the growth rate slid to 2.9 percent after expanding to 3.2 percent in July and 3.5 percent in June.

BREXIT, TARIFFS AND THE END OF NAFTA

While there hasn't been much clarity regarding the details of the UK's exit from the European Union, a number of businesses, including those in the financial sector, have continued planning to move operations and employees out of the UK. The composition of the UK workforce has also started to change in response to Brexit. In August, The Office of National Statistics reported the number of European Union nationals working in the UK fell by 86,000, a record amount. This decrease was the largest annual amount since records began in 1997 and continues a trend seen since the 2016 Brexit vote. This contrasts with a rise in the number of non-EU nationals working in the UK. That number is now 1.27 million, which is 74,000 more than a year earlier. Without determining the status of EU nationals working in Britain after a final Brexit settlement, the composition of the UK workforce in both the near- and long-term remains unclear. The UK entered the final quarter of the year with a pronounced lack of consensus in Parliament over a final Brexit agreement.

The U.S. imposed tariffs on China before and during the third quarter. In the United States, the tariffs have led to some job losses, but when balanced against impressive domestic job gains, the extent of the impact of these tariffs on both countries remains to be seen.

Uncertainty over the future of the North American Free Trade Agreement, or NAFTA, was a challenge for many employers in Canada, the U.S. and Mexico. Changes to NAFTA could have potentially altered the price and availability of many goods and services. After extensive negotiations among the three countries, a new trade agreement known as the U.S.-Mexico-Canada agreement, or USMCA, was announced just after the end of the third quarter. The announced new terms and rules will allow employers to resume planning and hiring forecasts which may have stalled during uncertainty over NAFTA in the 1.2 trillion dollar North American market comprised of Canada, Mexico and the U.S. While implementation of the treaty is still dependent on the approval of all of their legislatures, USMCA was signed by the leaders of all three countries at the G-20 Summit in Buenos Aires on November 30.

KEY TAKEAWAYS

- Strong job growth and low unemployment continues to challenge employers in their quest to retain and attract the best talent.
- Significant wage growth, which has been slow in reaction to tight labor markets, is beginning to appear in the U.S. and U.K. Based on labor market conditions, wage growth can be expected to emerge in other markets as well.

THE FUTURE OF HR: IT ISN'T WHAT YOU THINK

Op-Ed Contributor, **LINDA BRENNER**
Co-Founder, Managing Partner, Talent Growth Advisors

A lot of talk in HR circles lately has centered on the idea that HR needs to find a way to transform itself in an effort to gain a "seat at the table." Pleas from both inside and outside the function have implored HR to step up its game and undergo a transformation in order to deliver more strategic outcomes and business unit-aligned support.

In many organizations, HR transformation has meant taking an elaborate path to drive down costs and streamline people-related administrative work. In these cases, a successful HR transformation simply resulted in cost reductions but not necessarily quality outcomes. Others have attempted to transform HR in different ways, including multiple reorgs, introducing various technology solutions and even outsourcing parts of HR. At the most extreme end, some companies (often high-growth tech companies) have elected to delay the creation of a formal HR function altogether.

Since Fast Company magazine first published the article, "Why We Hate HR," in 2005, HR has been faulted, blamed and "transformed" in an effort to make the function more relevant. More recently, several Harvard Business Review articles have attempted to define what HR needs to do to get back on track. Everything from splitting the strategic part of HR from the more administrative part to taking a more holistic approach to help the middle 60 percent of performers has been proposed as a means for fixing HR. A 2015 HBR article by Peter Capelli, "Why We Love to Hate HR... And What HR Can Do About It," outlined steps for what HR should be doing now. And a 2018 McKinsey article suggests that leading with a "G-3" (CEO, CFO and CHRO) is the key to talent success because it puts "talent and finance on equal footing." But these approaches all miss the mark.

The ultimate problem with these recommendations is that they are operating outside of the context of business value. The "transformed" HR function lacks a clear definition of and objective evidence to signify its success. That's why we consider the movement toward HR transformation merely

iterative and do not believe that it will ultimately be transformational. Until HR can solve the missing connection between value creation and critical human capital, it will continue to fall short.

WHO MOVED MY TABLE?

The issue is not a seat at the table. The issue is the table moved. After all, even in the most "transformed" HR environment, HR is still overly fixated on the role of people as it existed in the industrial age – in service of a company's value drivers, which at the time were primarily manufacturing assets. In our new economy, intellectual capital (IC) is the new value driver and, as a result, the talent that produces it rules.

Intellectual capital drives the market values of companies across all industries – one just needs to look to the intellectual capital value at companies like Facebook, LinkedIn or Google. IC makes up nearly their entire market values. Even for more traditional, non-tech companies like Walmart and John Deere, IC comprises more than half their value. Knowledge workers have become the most valuable asset for today's organizations and HR's challenges are a supply shortage and much higher portability than the manufacturing assets of old.

Yet, in spite of the many attempts at structural transformation, HR has not been able to adjust to this new reality. Our own experience and research have led us to assert three primary reasons as to why HR has been limited in its ability to achieve measurable progress toward its own "transformation."

1. HR is untethered from business value.

Unconnected to the consequences of the business's performance, either positive or negative, HR operates in the absence of the same accountability framework within which other business leaders operate. The model that HR operates in hasn't

changed since the industrial era – there is virtually no differentiation of HR deliverables among all of an organization's roles. At its core, HR does essentially the same thing for all roles, whether it is filling requisitions, compensating employees, planning for succession or managing performance. By failing to link HR strategies to business strategy and value creation for companies in a real, measurable way, HR is hindering its ability to play a genuine role in the success of the organization.

2. HR is operating under the misguided and dated idea that parity equals fairness.

While this philosophy might have worked in a manufacturing-centric era, when talent was not the most important asset, this mindset today can have devastating consequences for a company over time. For companies in high intellectual capital industries like pharmaceuticals or technology especially, when resources are limited, they simply cannot be spread as evenly and thinly as possible but rather must be invested wisely and judiciously. The fact is, some individuals are more critical to a business because of the roles they play and the value the company derives from those functions. Historically, HR has been unable or unwilling to shift its mindset to make talent decisions based on this new context.

3. HR is unable to help senior leaders identify and prioritize the roles which are most critical to delivering on the company's vision for the future.

HR lacks the leadership and analytical skills to gain a clear understanding of value creation and its consequences for the hiring, development and retention of individuals in critical roles. Without a data-based mentality for decision making and forecasting, HR cannot facilitate the discussions that are necessary to drive significant changes or overinvestment in areas that are critical to the company's talent strategy. Part of this challenge is that HR professionals themselves tend to be more humanistic than capitalistic. According to findings from The New Talent Management Network, most HR incumbents are in the function because they want to help people. Quite simply, their love for and interest in people typically outweighs their love for and interest in the business.

The bottom line: HR's most urgent challenge for the future is to transform itself by gaining an entirely new skillset. The administrative skills and humanistic attributes of the industrial age are now obsolete. Attention must be paid to learning how to define and lead change that is guided by a deep understanding of the value creation for an organization. If HR is unable to accomplish this, then it is destined to become obsolete as well.

A NEW HR MODEL

Our belief is that it's not actually a question of HR transforming itself so much as it is the emergence of a new function that will blend two critical business competencies – HR and finance. The fact is, many business leaders, especially entrepreneurs and start-up CEOs, have an almost visceral reaction to the notion of "human resources." They will do almost anything to avoid hiring HR people because they equate them with bureaucratic minutiae and administrivia. Netflix, which has been credited with "reinventing" HR by doing away with many traditional HR practices like paid time-off policies and formal performance reviews, is a prime example of a company that has taken this tack.

Yet, these same business leaders clearly recognize the importance of talent to their success. Their resistance to HR is due to the perceived administrative burden, rather than the ultimate value they place on taking care of their top talent.

At some point in an organization's growth, however, it becomes necessary to assemble some type of HR team. It seems evident that a new breed of human capital professionals is required to ensure that a measurable talent strategy can be developed that truly reflects a deep understanding of the connection between talent and the company's value creation.

In a manufacturing-based economy where tangible capital was the primary means of value creation and the largest expenditure, a close connection between operations and finance was required in order to fund and execute economically sound business decisions. Today, Finance and HR need to build an equivalent relationship since human capital is now the primary means of value creation as well as the largest expenditure in our new economy. This relationship will enable companies to maximize people-related financial outcomes and measure the results of these efforts.

In order to be successful, the role of CFO and the role of CHRO must evolve. These two roles must champion a new way forward that is rooted in an understanding of the impact of intellectual capital on market valuations. The demand for human capital as a method for increasing the value of IC, along with a scarcity of talent, all underscore the need for a new model for talent management that will maximize a company's relevant intellectual capital.

KEY REQUIREMENTS: STRATEGY, LEADERSHIP, PROCESS

As a first step in establishing this new model, companies should hone their focus on human capital by establishing a strategy that:

1. Facilitates agreement among senior leaders about how intellectual capital (IC) is produced and then designs a strategy that will maximize its production.
2. Determines where IC exists within the organization and estimates the relative value of each IC component.

3. Compares where the organization currently is to where it needs to be in order to understand the talent implications of the most valuable IC components.
4. Agrees to overinvest in talent for critical roles in an effort to avoid gaps.
5. Defines organizational goals that are related to the IC needs of the future.

More than a fine-tuning of the current HR or finance roles, this approach reflects a completely new model that can break through the outdated frameworks and perceptions of ineffective HR roles and functions. While we refer to this new model as the IC Strategy Team in order to illustrate our point, it is less important to focus on having a different organizational structure or a new title and more critical to ensure that this function has an understanding of value creation and an ability to master it.

The new IC Strategy Team that we recommend is truly a hybrid of traditional HR and finance professionals and skills. In addition to focusing on analytics and measurement, this team also will have a deep understanding of the way in which assets are allocated in order to power the business, as well as expertise in how to attract, select and retain a high-performing workforce. A melding of the capabilities of both HR and finance is necessary to produce the appropriate business solution.

After the strategy has been developed and agreed upon by following the steps above, the process that will deliver the targeted results must be defined and clarity about activities, technology, people and measures must be achieved. As discussions around process design progress, organizations must ensure that the effort is focused on three guiding principles: increasing business value, overinvesting in critical roles and measuring efforts and results.

OVERINVESTING IN CRITICAL TALENT

Talent processes that are led by an IC Strategy Team will look vastly different than the ones managed by a traditional HR team. Under the new model, there is a laser-sharp focus on differentiating between critical and non-critical roles to guide talent investments.

For instance, under the IC Strategy Team approach, talent acquisition processes would look more like this:

- For critical roles, a team of highly skilled and compensated researchers and recruiters would work closely with hiring managers to find, screen and close the most qualified candidates. This team would rival the strongest search firms in its ability to surgically find and remove talent from other occupations or companies when business needs dictate.
- For harder-to-fill, non-critical roles, a team of highly skilled recruiters would leverage tools and technology to research, target and sell passive candidates.
- The non-critical positions that are considered easy to fill would be supported by junior recruiters who use technology and assessment tools to screen candidates before passing along the most qualified to hiring managers.

To be successful, this differentiated approach must carry over into all talent processes to continuously ensure talent is available for critical roles. Every step that HR takes must support this new philosophy. As a result, a whole host of commonplace HR processes and practices must change since they make little sense in an intellectual capital-driven world.

Take the typical onboarding approach at most organizations. Usually, the formal new hire orientation program is required for everyone and unvaried for anyone. Often led by junior HR or administrative team members, these programs typically focus on the completion of necessary paperwork and lectures related to complying with workplace rules. For a company that has just invested untold resources to entice a top performer to join its ranks, this can be a potentially disastrous first introduction to the organization.

From management training to succession planning and from compensation policies to standard employee engagement surveys, the typical HR approach of parity and equity is undoubtedly antiquated. Although it may be a bitter pill for HR to swallow, the overinvestment in critical talent is an essential strategy for sustaining the creation of business value. Surely the employees working in accounts payable or legal at organizations like Google or Facebook recognize that the product designers and software engineers are more critical to the success of the overall business. If a rising tide lifts all boats, then in fact, the logic behind overinvesting in those key roles rather than the non-critical accounts payable positions becomes crystal clear.

HR's historical attempt to make things "fair" for employees and mitigate exposure to risk often comes at the expense of successful business outcomes and can have a detrimental impact on the business in the long term. By first charting a path that narrowly targets the best talent approaches for a defined group of critical employees, companies can eventually roll out those practices more broadly across the organization. But the first step must begin with overinvesting in the most critical parts of the business and then moving outward.

WHO WILL LEAD THE NEW MODEL?

We won't pretend that this change to a differentiated, IC-focused approach will be simple. In fact, it will be a huge challenge for businesses and especially difficult for the traditional HR function. But it is absolutely necessary in order to drive sustainable growth via intellectual capital for the future.

What remains to be seen is which organizational function will take charge of this opportunity. Will HR be able to truly transform itself and gain the skills and attributes needed to add real, measurable business value? Or will finance hijack HR's functions and continue to enjoy its comfortable seat at the executive table? If HR cannot find a way to chart its own course and deliver innovative approaches to business challenges, then it must come to terms with being overtaken by faster, better competition. So, the question is – is HR capable of leading a true transformation?

An earlier version of this article originally appeared in Employment Relations Today magazine.

OUR CONTRIBUTORS

MEET OUR CONTRIBUTORS

Linda Brenner

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Linda leads client success efforts for Talent Growth Advisors – and gets personally involved in talent strategy design, talent acquisition/talent management process improvement work, and skills assessment and development. She's passionate about defining what "good" looks like and taking concrete, measurable and staged steps to get there. Linda spent the early part of her career in a variety of operations and talent management roles. She worked in a variety of positions at The Gap, Pepsi and Home Depot before starting her first business – an earlier iteration of Talent Growth Advisors – in 2003. Linda holds an MA in Labor and Employment Relations and a BA in Judaic Studies, both from the University of Cincinnati.

Chad Getchell

Leader of Innovation

Chad Getchell is a Leader on PeopleScout's Innovations & Implementation Team, with product ownership responsibilities for Affinix™. Chad joined PeopleScout in January of 2018 after serving in a product leadership role with Automatic Data Processing (ADP), overseeing systems development for their recruiting business. Chad is a graduate of St. Lawrence University in Canton, NY with a bachelor's degree in Economics, and holds an MBA from Clarkson University, with a focus on Operations Management.

Lee Griffiths

Talent Insight and Attraction Manager, Candidate Generation

Lee Griffiths joined the PeopleScout team from Nationwide Building Society where he spent five years heading up the Brand and Attraction team. He now manages our marketing, insight and social media teams helping to shape the strategy for attraction for all of our UK resourcing clients. Lee works across all clients in the UK making sure that we make the best of truly multi-channel attraction methods to find the right talent for your brand at the right time, and at the right price.

Jenn Knippenberg
Global Leader, Client Strategy

Jenn Knippenberg is the Global Leader, Client Strategy for PeopleScout, where she is focused on optimizing our client delivery operations by evaluating and creating strategies that focus on people, process and technology. Jenn has over 17 years of direct talent acquisition expertise specializing in strategic recruitment, account delivery and integrated solutions serving in a variety of roles within RPO, MSP, staffing and corporate recruiting. Jenn began her recruiting career in the corporate environment and later recruited, implemented and managed a variety of accounts, which enabled her to build and deliver customized solutions based on individual client needs.

Tom McGuire
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Tom clarifies the links among business value, intellectual capital and talent, like few others can. His rare breadth of experience across multiple fields and industries lends a unique depth of insight to his role. Upon graduating from college with a degree in accounting, Tom volunteered with the Peace Corps in El Salvador, advising agricultural co-ops. He went on to earn his CPA license and gain more than 30 years of executive business experience at companies including Coopers & Lybrand, The Coca-Cola Company, Revlon and Zyman Marketing Group.

Simon Wright
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Simon Wright, Managing Partner, Advisory Services at PeopleScout, brings together PeopleScout's broad capabilities around employer branding, assessment, insight and diversity. Simon and his team design and execute strategies and programs that make a tangible contribution to improved organizational performance. Simon joined PeopleScout through the acquisition of TMP Holdings LTD, an independent UK RPO, resourcing and employer branding company. Prior to working with PeopleScout, Simon spent time in both agency and in-house roles in the UK and Australia spanning a variety of sectors.

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