

The Talent Acquisition Lifecycle

From Sourcing to Onboarding

September 2011

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Executive Summary

Hiring is an exercise in risk - did we find the right person, the right skills, the right fit? Talent acquisition is more than just posting a requisition and making an offer. It is a series of sourcing activities, branding efforts, assessment processes, applicant tracking technologies, onboarding activities and more - all designed to help an organization answer those key questions and find top talent. Between January and August 2011, Aberdeen surveyed 506 organizations to better understand the top performing talent acquisition strategies, and uncover the mix of tools, strategies and best practices to efficiently and effectively deliver top quality candidates to the business.

Best-in-Class Performance

Aberdeen used the following three key performance criteria to distinguish Best-in-Class companies:

- 95% of first-year employees were retained
- 82% of employees hired in the last 12 months met first performance milestones on time
- 16% year-over-year improvement in hiring manager satisfaction

Competitive Maturity Assessment

Organizations achieving Best-in-Class performance in hiring efforts shared several common characteristics, including:

- The ability to define the talent required by business needs in terms of skills, behaviors and attributes
- A culture of talent acquisition, where everyone views finding great talent as part of their job
- A focus on building relationships and talent pools around critical roles that have the greatest impact on organizational performance

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Know the important roles to their business, and put in place strategies to build relationships with future generations of talent to fill those roles
- Make talent acquisition - from sourcing to interviewing to onboarding - a part of the culture, to make sure the right talent joins, stays and performs in the organization
- Integrate data between hiring and other talent processes leveraging that information to continually improve hiring practices

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment

Receive Your Free Scorecard

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Chapter One: Benchmarking the Best-in-Class

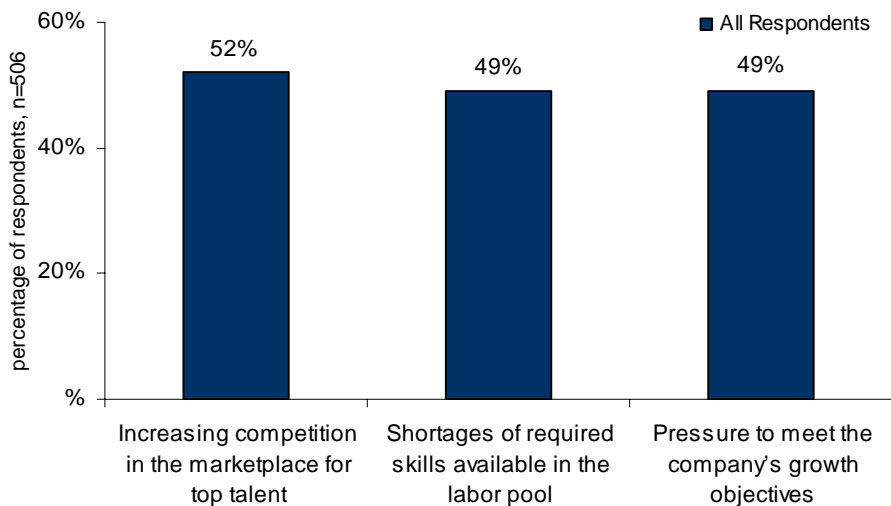
Business Context

No matter how big or small an organization is, hiring a new employee is an important inflection point. Most hiring decisions are not made lightly, and involve a significant investment in time and resources, from money spent on job advertising, time spent by recruiters and hiring managers, investments in assessments, screening, and onboarding - in addition to the energy spent by the candidate in the process. But the investment is justified when you look at this new employee and see them contributing to the organization, watch them interacting with and inspiring colleagues, and helping the company grow. Of course, not all hiring decisions are made equal, but what elements make the difference between cultivating the ability to hire rock star contributors and a string of expectation mismatches? As the data in this report will show, it all comes down to one concept - knowing. Knowing where the organization is headed, knowing the skills and behaviors required to get there, knowing the culture, knowing what success in each job role looks like, knowing where to find individuals who meet those needs, and knowing how to build relationships with them. The following chapters will explore the strategies, tools and capabilities organizations are utilizing to help them fine tune their recruiting processes to deliver more top performing candidates.

The War Rages On

The phrase "war for talent" was coined in the mid 1990's by McKinsey & Company, but the latest data shows that the war goes on (Figure 1).

Figure 1: Talent Acquisition Pressures



Respondents indicated top three
Source: Aberdeen Group, August 2011

Fast Facts

Best-in-Class organizations achieve

- ✓ **Twice** as many of their organizational goals over the course of the year as all others
- ✓ **Five-times** the improvement in customer satisfaction as compared to all others
- ✓ **9%** reduction in cost-per-hire, vs. no change among all others

If anything, the battle lines are more entrenched, with about half of all organizations citing the same top three pressures influencing talent acquisition efforts - competition for talent, shortages of talent, and the growing need for talent. The companies that align themselves - that know themselves well enough - to better find and attract the talent they need, will be in position to win this war. But it's not about a general ability to find talent, or woo candidates. It's about the specific ability to tap into the pipeline of people with the right skills, right cultural fit, and right experience to be successful in a particular organization. It's not about everyone needing a pretty careers website, or a high-touch candidate experience, or a battery of general assessment questions. It's about connecting on the right websites or social media outlets, having a candidate experience that reflects the culture, and asking the right questions and using the right assessments to help determine fit.

The Maturity Class Framework

Aberdeen used three key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- **First year retention** - measured as the percentage of hires that stay with the organization through the first year, used as a measure of fit. Whether voluntary or involuntary, churn in the first year usually indicates some sort of mismatch.
- **Time to performance** - measured as the percentage of new employees that meet their first performance milestone on time, used as a measure of how good the selection process is at matching candidates to business needs.
- **Hiring manager satisfaction** - measured as the year-over-year change in hiring manager satisfaction with the employees that have come into the firm, used as a measure of hiring process quality in terms of stakeholder experience and outcomes.

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 95% of first-year employees were retained ▪ 82% of employees hired in the last 12 months met first performance milestones on time ▪ 16% year-over-year improvement in hiring manager satisfaction
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 57% of first-year employees were retained ▪ 33% of employees hired in the last 12 months met first performance milestones on time ▪ 3% year-over-year improvement in hiring manager satisfaction

Definition of Maturity Class	Mean Class Performance
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 28% of first-year employees were retained ▪ 20% of employees hired in the last 12 months met first performance milestones on time ▪ 1% year-over-year <u>decrease</u> in hiring manager satisfaction

Source: Aberdeen Group, August 2011

The Best-in-Class PACE Model

Achieving the kind of excellence demonstrated by Best-in-Class organization is a combination of tools and capabilities that help define what top performance looks like, filter against that success profile, and support candidates through the hiring and onboarding process. These characteristics are summarized in Table 2.

Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> ▪ Increasing competition in the marketplace for top talent 	<ul style="list-style-type: none"> ▪ Strengthen ability to identify best fit talent ▪ Proactively build candidate pipeline ▪ Create a better candidate experience ▪ Building a talent acquisition culture 	<ul style="list-style-type: none"> ▪ Hiring managers have visibility into candidate status the recruitment process ▪ Core competencies (skills, knowledge, and attributes) are defined ▪ Clear accountability given to all stakeholders involved in onboarding process to ensure employee is ready to go on day one ▪ Job roles deemed most critical to organizational success (i.e. the roles that have the greatest impact on revenue / profit) have been identified ▪ Localization of recruitment practices / forms / technologies 	<ul style="list-style-type: none"> ▪ External online job / career portal ▪ Employee / candidate background checking ▪ Internal online job / career portal ▪ Employee eligibility / verification solutions ▪ Hiring management system ▪ Applicant tracking system (ATS) ▪ Employee referral tracking tools ▪ Pre-hire assessments

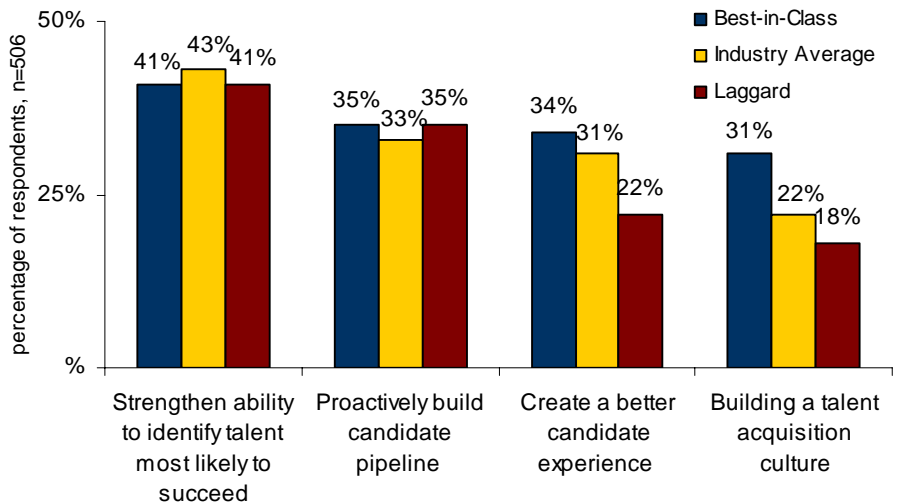
Source: Aberdeen Group, August 2011

Best-in-Class Strategies

When it comes to the strategies for achieving hiring excellence, finding ways to understand which talent is "best fit" and most likely to succeed tops the list (Figure 2). It is such an important element that it has risen to the top of the list, up from second place in 2010. There are many elements to this kind of fit, and Aberdeen's *2010 Talent Acquisition* study found that the most prevalent criteria by which organizations determine the fit of candidates were:

- Team fit - feedback from immediate team on how well they believe the candidate will fit in with the team's culture
- Assessment for demonstrated skills or competencies
- Behavioral or attitude assessments

Figure 2: Top Strategic Actions

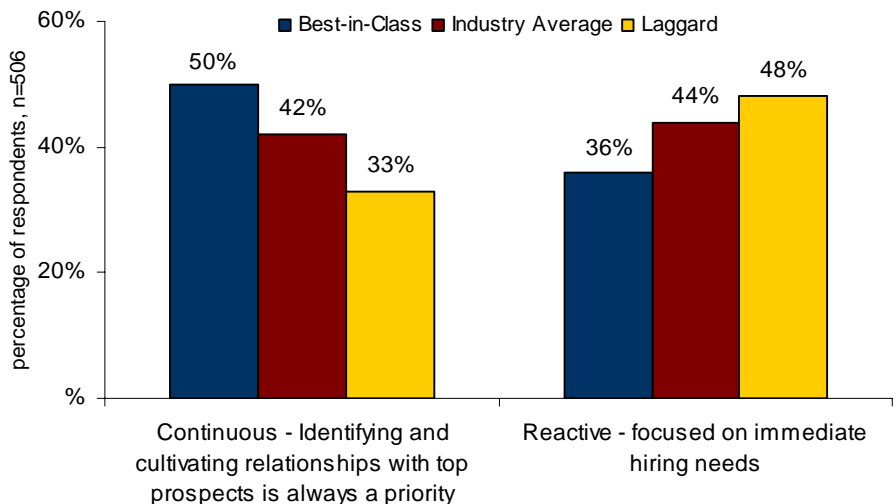


Source: Aberdeen Group, August 2011

Hiring decisions, like all talent decisions, are increasingly looking to support gut feel with data to drive better outcomes. In Aberdeen's recent report on [Assessments](#), published in May 2011, the number one goal for assessment use, cited by 70% of respondents, was to "improve business results through better quality candidates." Assessments can play an important role in the hiring process, and impact key metrics as well. According to the findings from the May study, organizations using assessments saw 64% greater improvement in hiring manager satisfaction (7.2% vs. 4.4%), were 10% more likely to have new hires hit their first performance goals on time (44% vs. 40%) and saw 28% greater employee engagement (41% vs. 32%). These top performing organizations also have capabilities in place, as we will see in Chapter Two, to support the tools and strategies used to identify top talent, but clearly, when fit is a top priority the results are significant.

The next most common strategy is to proactively build a candidate pipeline, regardless of current hiring needs. In the past several talent acquisition reports from Aberdeen we have quoted Lou Manzi, the former Vice President, Global Talent Solutions, at GlaxoSmithKlein, when he stated at Aberdeen's inaugural Human Capital Management summit that "hiring may slow or stop, but talent acquisition never does." This statement rings as true today as it ever has, and indeed, the Best-in-Class are 32% more likely than all other companies (the Industry Average and Laggard companies combined) to indicate that their hiring practices are continuous, as opposed to reactive (Figure 3).

Figure 3: Nature of Talent Acquisition Strategy



Source: Aberdeen Group, August 2011

This continuous focus is highly aligned with the last two strategies in Figure 2, which are also the most differentiated - improving the candidate experience and creating a talent acquisition culture. When it comes to improving candidate experience, Aberdeen's [2010 Talent Acquisition](#) report stated that:

Candidate relationship management is a critical piece, if not the critical piece, of talent acquisition going forward. And while this may seem like a bold claim, the evidence is more than abundant. And the pressures listed in this study make it clear that organizations can't simply go out into the world and pick up quality talent on a whim; skills are in short supply, and the competition is becoming increasingly resourceful in attracting the people with those skills.

But how are these top-performers going about the process of engaging candidates early-on? The top candidate relationship management activities as rated by Best-in-Class organizations show how these companies value on a combination of technology and proactive outreach from key stakeholders:

- *Maintaining an engaging and informative company career portal*
- *Recruiters and hiring managers actively communicate with candidates via phone calls or personal emails*
- *Utilizing software (such as candidate relationship management or an applicant tracking system) to regularly track all candidate communications*

But the most differentiated strategy is around creating a talent acquisition culture as a foundation for all of these strategies. Best-in-Class companies are 55% more likely than all others to indicate that building a corporate culture where everyone views talent acquisition as part of their job is critical to success. This also lays the groundwork for an effective onboarding process, one which involves all relevant stakeholders to ensure a new hire

Fast Facts

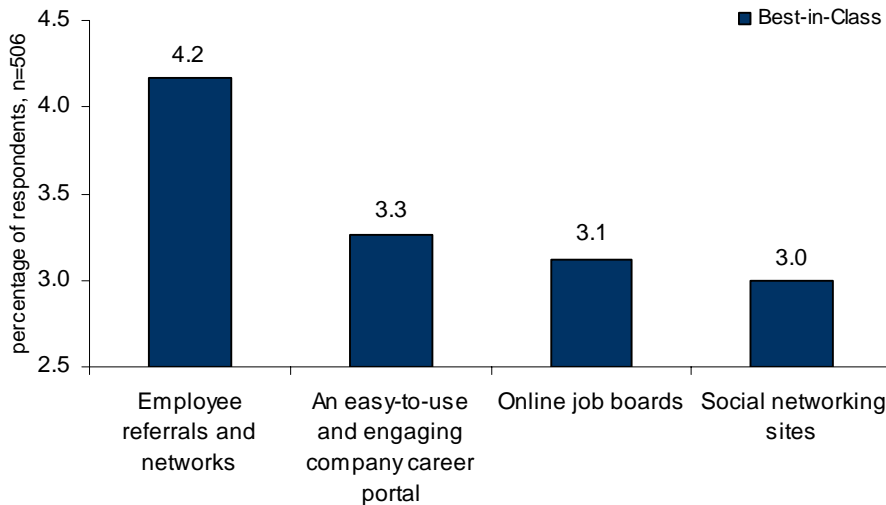
√ Best-in-Class organizations achieve are **32% more likely** than all others to indicate that their hiring practices are continuous, as opposed to reactive

Fast Facts

√ Best-in-Class organizations achieve are **55% more likely** than all others to indicate that building a corporate culture where everyone views talent acquisition as part of their job is critical to success

gets off to a strong start. Visibility into the process, along with a common language with which to describe and evaluate talent, are both keys to enabling this culture, as will be illustrated in Chapter Two. But as the old saying goes, many hands make short work, and when it comes to sourcing top talent, employee referrals still top the list by a wide margin (Figure 4).

Figure 4: Most Effective Sources for Candidates



Source: Aberdeen Group, August 2011

When everyone takes on the role of being a brand ambassador, of working their networks to identify top talent, and seizes every conference and trade show as an opportunity to find potential candidates, it dramatically increases the talent pipeline. But it is also important to continue to tune the hiring process for success, and as the strategy insight at the end of this chapter will discuss, feeding data on candidate sources back into the process will help organizations to work that pipeline more effectively.

Measuring Success

It can be easy to look inward when evaluating talent acquisition efforts. How long does it take, what are the direct costs, how many people do we need to interview to find someone we want to make an offer to? These are important considerations, and do need to be managed to create an efficient talent acquisition process. But those are table stakes, and baseline upon which to build an effective recruiting strategy. The measures by which hiring needs to be evaluated are all about the business. According to Best-in-Class companies in this study, the top success evaluation criteria also include customer impact, near- and long-term employee performance, and the achievement of overall business goals (Table 3).

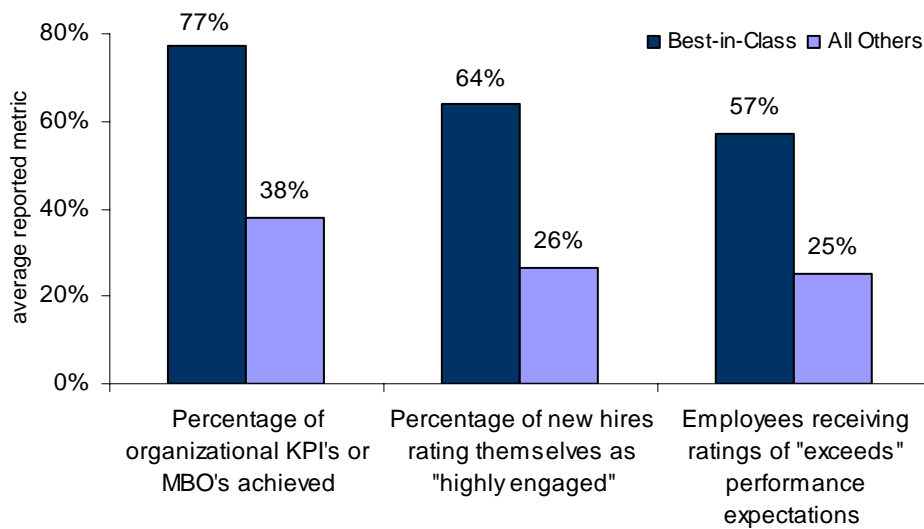
Table 3: Most Valuable Measures of Talent Acquisition Success

Most Important Metric (Scale of 1 - 5: "1" is least valuable and "5" is most valuable)	Best-in-Class Rating
Quality of hire	4.18
Customer satisfaction	4.07
Ongoing employee performance (i.e. long-term performance following the employee's first review)	4.07
Hiring manager satisfaction	4.06
Employee engagement	4.04
Achievement of organizational objectives (MBO's or KPI's)	4.03

Source: Aberdeen Group, August 2011

The good news is that process efficiency metrics and business impact metrics are not mutually exclusive. In fact, outside of those criteria used to determine the Best-in-Class, top performing companies are impacting all of these key areas and more. Figure 5 and Figure 6 show that the right strategies and capabilities result in both an efficient and effective recruiting process and far exceed all other organizations in performance on the most important measures.

Figure 5: Performance on Key Metrics



Source: Aberdeen Group, August 2011

Hiring the right people, individuals that stay with the organization, get up to speed quickly, and that meet the needs of the hiring managers that run your business - the criteria by which Aberdeen has defined its talent acquisition Best-in-Class - has long term and significant impact on the organization and the individual. Not only do you improve by nearly two-to-one overall organizational and individual performance, but the new employee is also

more likely to feel engaged, and aligned with company culture, values and priorities - a true win-win.

Figure 6: Performance Improvement on Key Metrics

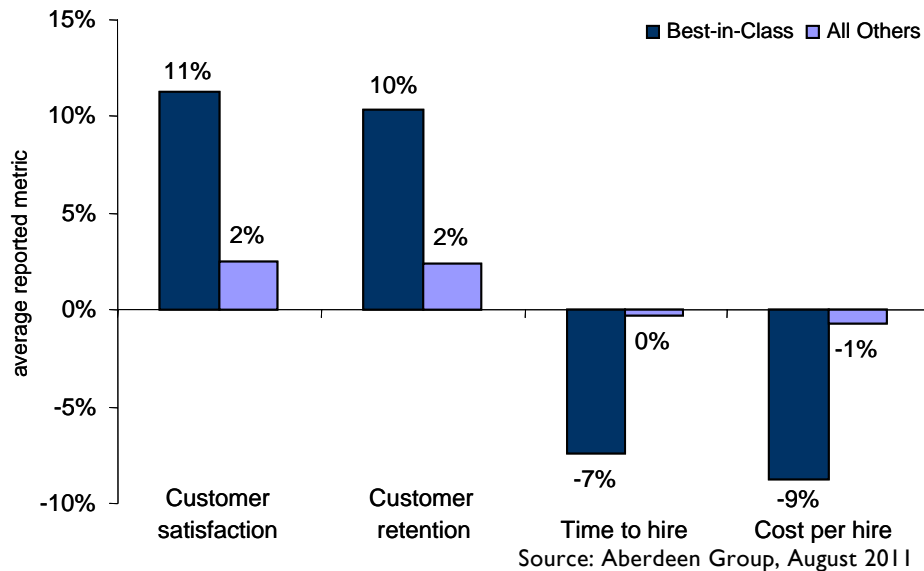


Figure 6 represents the case for hiring efficiency and effectiveness in a nutshell. Getting the right people on the team, and cultivating an ongoing, proactive talent acquisition culture not only saves time and money, but it correlates to the ability to keep customers coming back. While a hiring process alone won't retain customers, a good process minimizes disruption to your clients. When you have a deep talent pool to pull from, projects aren't delayed while you search to fill for a sudden departure. When you have a strong process to assess for skills and fit, it is seamless to a customer who is new on the job and who's been there longer. An organization's ability to see into the pool of available talent, know who to look for, and how to evaluate the prospect of success will hire faster, hire better, and be able to ramp up for growth more quickly.

Aberdeen Insights — Strategy

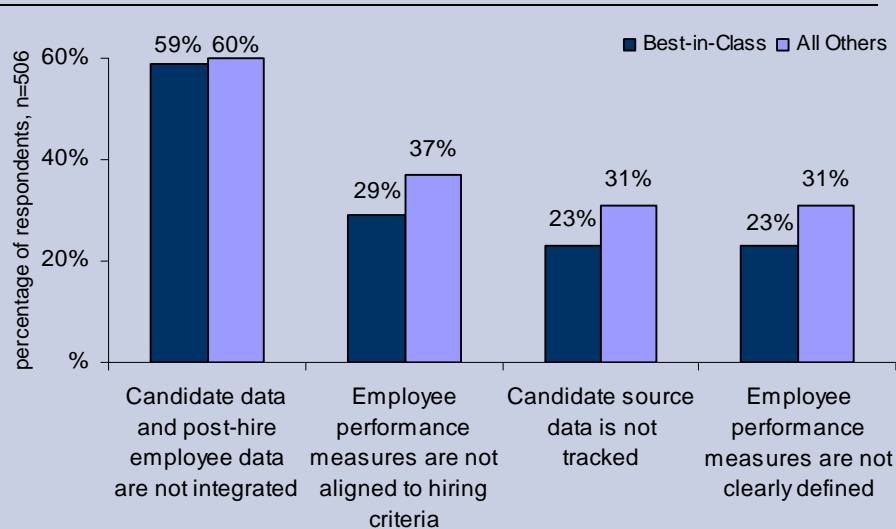
Just as talent acquisition needs to be a continuous process, the work of improving and fine tuning that process must be continuous as well. Particularly when it comes to how and where to source, and the talent needed to power evolving business strategy, companies must evolve and innovate. One area many recruiters keep a close eye on is the source of hire. When you have top performers in an organization and want to find more talent with similar skills, experience or outlook, knowing where that individual came from can be very helpful. This information can help shape a recruiting strategy, build a talent pool, or set the tone for ongoing candidate relationship management outreach.

continued

Aberdeen Insights — Strategy

And while Figure 4 highlighted the sources companies view as most effective, the truth is that many organizations struggle with actually tracking the source of a hire and linking it to ongoing performance. Just 20% of respondents indicate that they have the ability to tie the source of a candidate to their performance as an employee. The Best-in-Class are twice as likely to link the two, but still just 34% cite this capability, as compared to 16% of all others. So what is standing in the way of this critical information that companies need to help them continue to improve talent acquisition? Overwhelmingly it comes down to a lack of data integration.

Figure 7: Barriers to Linking Hiring Source to Performance



Source: Aberdeen Group, August 2011

Solving this integration issue will be critical to help organizations shape their ongoing talent acquisition strategy, and is really the ultimate success metric for sourcing efforts. Until companies can know where their top talent comes from and can create ways to build relationships with those talent pools, they will not be as efficient or effective at hiring as they aim to be.

In the next chapter, we will see what the top performers are doing to achieve the kinds of hiring success enjoyed by Best-in-Class organizations.

Chapter Two: Benchmarking Requirements for Success

Talent acquisition has many facets. Bringing them together in support of achieving organizational goals is the goal of an effective and efficient hiring strategy.

Case Study — West Penn Allegheny Health System

West Penn Allegheny Health System (WPAHS) is comprised of five hospitals and multiple outpatient care centers in Western Pennsylvania. The system serves Pittsburgh and the surrounding area. To fill the talent pipeline for such a vast array of job types and locations, the organization relies on a very proactive, direct sourcing approach that emphasizes building networks and cultivating talent pools. “We know we have to do more than post and pray,” said Irv Naar, Vice President, HR Operations & Talent Acquisition at WPAHS. “And for evergreen positions like nurses, we are always on the lookout for the best talent.” The organization is using several key strategies to help them meet their ongoing hiring needs.

One of the strategies WPAHS has used for nurses in particular is to find new ways to connect with experienced nurses and reaching out to new nursing school grads. Most organizations only have a limited number of spots for new grads, as they require a different level of supervision and an up-front investment from the employer in time and training. As a result, new nurses may struggle to find jobs, and most organizations are inundated with nursing grad applications – so many that often hospitals don’t bother to even get back in touch with applicants. But WPAHS knows that these nurses won’t be new forever, and uses this first interaction to start building relationships. “I can’t always offer them a job, but I can offer them communication,” said Naar. “We really believe that they will remember who reached out at a time when others may have ignored them.” Once communication has been established, venues like social media, domain-specific websites and emails keep them in the talent pool. And even if an applicant themselves isn’t the right fit, they may be part of the network reaching others who are. This philosophy has helped produce a steady supply of nurses and kept nurse vacancy rates low.

WPAHS also believes in the power of its entire workforce to help them find new talent. Referrals are hugely important in all job roles, and technology is helping them make the most of it. Through a recent investment in a social recruitment platform the organization has given its workforce tools that allow them to easily tap into their own personal networks. “We don’t have to know what venues to visit or pools to tap into. Our people already know where other talented individuals like them reside so these tools make it easy for them to share postings and information with their online networks,” said Naar. Building relationships, through traditional means and new technology is a critical component of talent acquisition success for WPAHS, and forms the heart of their recruiting philosophy.

Fast Facts

- √ **81%** of Best-in-Class organizations indicate that hiring managers are given visibility into the status of candidates in the recruitment process, vs. just 59% of Laggards
- √ **77%** of Best-in-Class organizations hold key stakeholders accountable for new-hire onboarding, vs. just 50% of Laggards

Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 4) serve as a guideline for best practices, and correlate with Best-in-Class performance.

Table 4: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Hiring managers are given visibility into the status of candidates in the recruitment process		
	81%	69%	59%
Process	Stakeholder accountability is established for the onboarding process to ensure employee is ready to go on day one		
	77%	57%	50%
Organization	Job roles deemed most critical to organizational success (i.e. the roles that have the greatest impact on revenue / profit) have been identified		
	72%	53%	46%
Knowledge	Core competencies (skills, knowledge, and attributes) are defined at the start of the hiring process		
	79%	69%	59%
Technology	Talent acquisition technologies currently in use:		
	<ul style="list-style-type: none"> ▪ 83% External online job / career portal ▪ 76% Employee / candidate background checking ▪ 59% Applicant tracking system (ATS) ▪ 58% Employee referral tracking tools ▪ 49% Social networking tools or blogs 	<ul style="list-style-type: none"> ▪ 81% External online job / career portal ▪ 73% Employee / candidate background checking ▪ 60% Applicant tracking system (ATS) ▪ 54% Employee referral tracking tools ▪ 41% Social networking tools or blogs 	<ul style="list-style-type: none"> ▪ 65% External online job / career portal ▪ 67% Employee / candidate background checking ▪ 42% Applicant tracking system (ATS) ▪ 50% Employee referral tracking tools ▪ 35% Social networking tools or blogs
Performance	Data from the recruiting process is integrated with the company's performance management process		
	33%	17%	13%

Source: Aberdeen Group, August 2011

Capabilities and Enablers

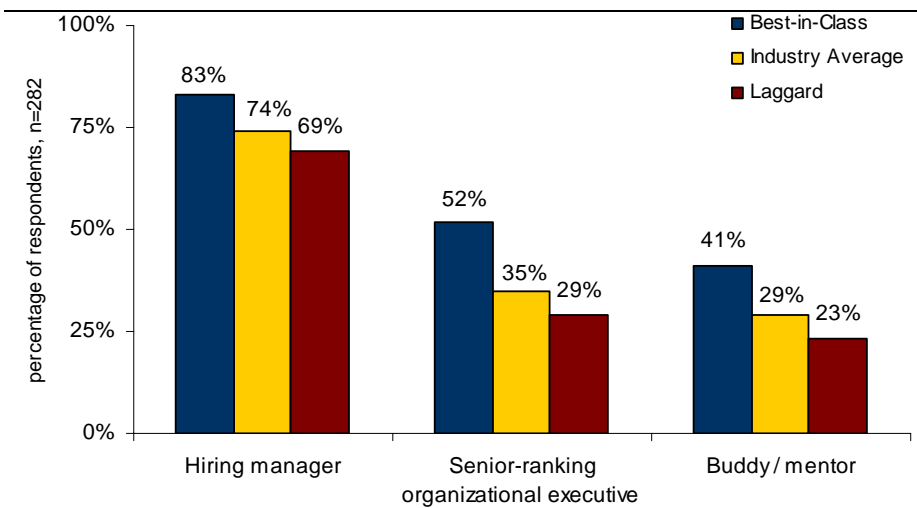
Building and sustaining the types of strategies laid out in Chapter One requires a wide range of capabilities, tools and technologies. At the core, all of these enablers are about deepening knowledge and building relationships to help organizations see what they have, what they need, and where to find it, when it comes to the talent to run their business.

Process

Establishing a process is all about knowing who does what when, and optimizing a workflow so individuals know what is expected, know the status of the process, and can work toward the desired outcome. So it is not surprising that the top capability among Best-in-Class organizations is around providing visibility into the status of candidates in the recruiting process. Anyone who has sat in the chair of a recruiter or a hiring manager knows what an anxious time it can be. Hiring managers want to see how many resumes are coming in, who's on deck for an interview, and who may be considered for an offer. Finding ways to share this information, whether through manual updates or by utilizing technology to manage and report on the workflow, visibility is an essential part of collaborating on finding a new hire.

One of the other key differentiators is ensuring collaboration around onboarding, which is an important part of the talent acquisition lifecycle. Aberdeen's March 2011 study [*Onboarding 2011: The Path to Productivity*](#) found that 83% of Best-in-Class organizations started onboarding prior to day one nearly half of those (46%) indicated onboarding started upon offer extension, prior even to acceptance. Clearly the lines between the hiring process and the onboarding process are blurred, which is a good thing. It is one individual going through the process of being a candidate and then a new employee. But it's important to keep in mind that a collaborative process involving the right stakeholders is critical to not only finding, but keeping top talent. That same onboarding study also found that the most prevalent onboarding strategies cited by Best-in-Class organizations is to better involve hiring managers and other line of business stakeholders in the onboarding process. And indeed, those top performing companies are outpacing the rest in terms of this involvement (Figure 8).

Figure 8: Leadership Involvement in Onboarding



Source: Aberdeen Group, February 2011

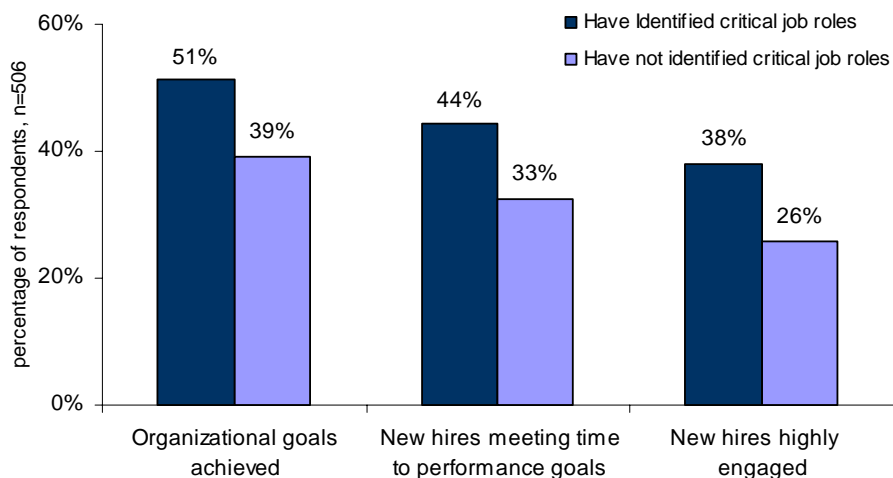
Organization

When it comes to building a sustainable talent pipeline, a good mantra to keep in mind is "no business plan without a talent plan." This means that staffing, HR and talent leaders must be joined at the hip with the operational units and use the business goals and strategy to guide their efforts. Best-in-Class organizations are 57% more likely than Laggards (72% vs. 46%) to indicate that the job roles deemed most critical to organizational success, those roles that have the greatest impact on revenue / profit, have been identified. It is critical to know what roles drive the most value for the organization because those roles are the ones where the deepest talent pool must be developed. If you rely on a strong sales force, a particular professional expertise, or a specific trade, building that pipeline of ongoing relationships with potential candidates for those roles will help manage business risk. Any day vacant in a critical role, or spent ramping up a new hire that isn't an ideal match to the job, can cost an organization. Knowing where the points of vulnerability are helps to mitigate risk as well as create a plan to support growth. Companies with this capability saw three times the improvement in customer retention (6% vs. 2%) and two times the improvement in customer satisfaction (6% vs. 3%) over those without it, in addition to allowing for greater achievement of overall goals, and improved new hire performance and engagement (Figure 9).

Fast Facts

- √ Best-in-Class organizations are **57% more likely** than Laggards to indicate that the job roles deemed most critical to organizational success, have been identified

Figure 9: Impact of Identifying Critical Roles



Source: Aberdeen Group, August 2011

Knowledge Management

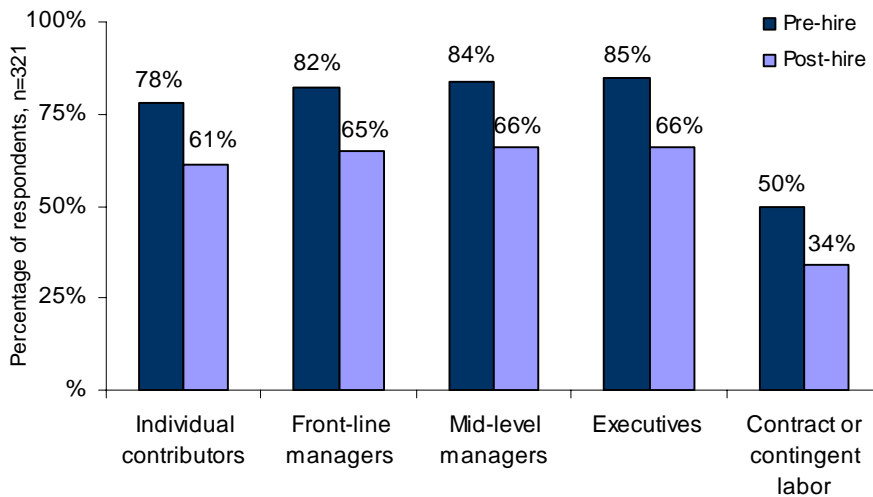
Defining the core competencies required for a role was second only to improving visibility into candidate status in the hiring process among Best-in-Class organizations (81% vs. 79%). Competencies and competency frameworks are a common and effective way for organizations to gain a clearer understanding of a role and to provide a way to screen for the skills, behaviors and attributes required by a role. Well over half (56%) of organizations indicate the use of some sort of pre-hire assessment within the hiring process, and in Aberdeen's April 2011 study on [Assessments](#), building a competency framework against which the organization can make better selection, placement and promotion decisions was the number one strategy among all organizations. By combining the skills and attributes of current top performers in a role, organizational values and culture, and the skills that are required by forward-looking business strategy, organizations can begin to paint a picture of success to guide hiring efforts.

Technology

Talent acquisition truly is a lifecycle, which runs from earliest awareness of an organization as an employer to an employee successfully meeting their first performance milestones. As a result, a wide range of tools, technologies and enablers show up as part of recruiting efforts - some to help manage the whole process, and some to solve for very specific slices of it. Two that speak to the overall management are job portals and the use of an Applicant Tracking System (ATS). Having a forum to share job and employment information is the top enabler, but well over half (59%) of top performers also use some sort of technology to track candidates through that process. Given the importance of visibility into candidate status as pointed out in the Process section above, these tools can be helpful to guide individuals into the process and manage them through it.

Employee screening and background checking solutions are also widely used. Risk management is a key consideration in talent acquisition, and mitigating the risk of hiring someone with a questionable work history, criminal record, or eligibility to work is hugely important, as called out in the August 2011 report [Employee Screening Strategies](#). These kinds of missteps can be costly in terms of the time and money that must be spent to resolve such situations, as well as the liability it may leave the employer open to. The majority of organizations that currently use screening solutions to perform background checks are not only using them for employee groups at all levels of the organization, they're continuing to use them post-hire as part of ongoing compliance efforts (Figure 10).

Figure 10: Employee Groups Screened Pre- and Post-Hire



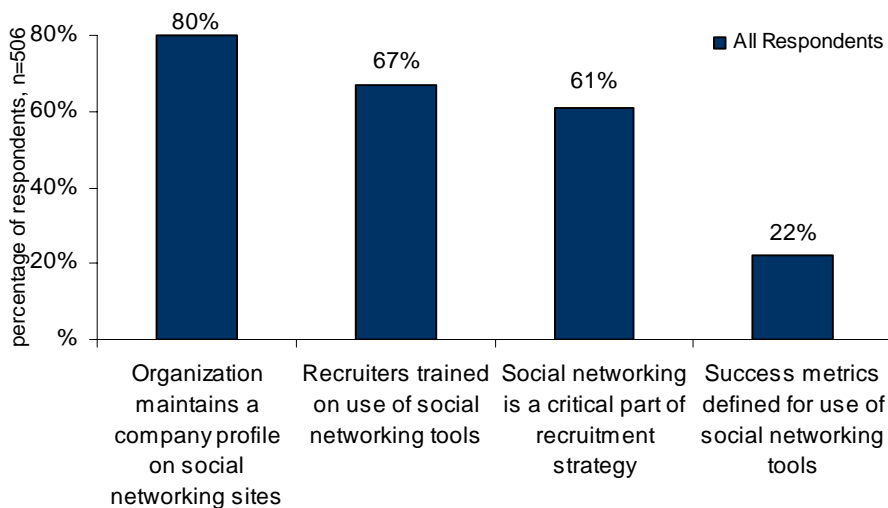
Source: Aberdeen Group, [Employee Screening Strategies](#), July 2011

And of course, organizations are looking to tools like social networking and mobile devices to help with sourcing, as well as improving efficiency and outcomes in the hiring process. Currently just 41% of all organizations indicate the use of social networking tools as part of recruitment efforts, but another 28% plan to start using them in the coming year, making social media the number one growth area among talent acquisition enablers. Companies not yet thinking about how to integrate social media and social sourcing tools should consider this option. Future generations of talent will look to interact with colleagues and employers in new ways and companies need to adapt to attract the talent they need. Figure 11 illustrates current usage and strategies in social recruiting.

Fast Facts

- √ Currently **41%** of all organizations indicate the use of social networking tools as part of recruitment efforts, but another **28%** plan to start using them in the coming year

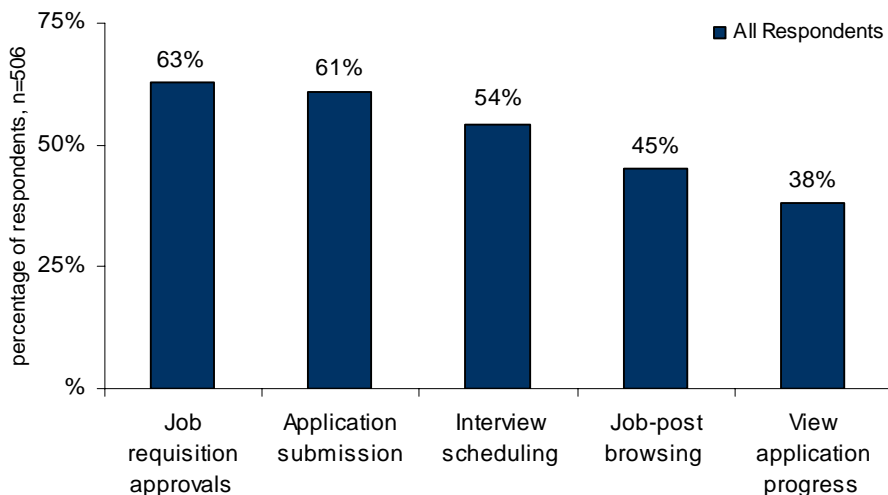
Figure 11: Social Talent Acquisition Strategies



Source: Aberdeen Group, August 2011

And surely as night follows day, mobile follows social into the realm of talent acquisition. As people have become more reliant on social networks for news, information and relationship building, they have taken that interaction to mobile platforms, accessing people, information and processes on phones, via tablets, and through mobile apps. Just 16% of respondents currently use mobile solutions in talent acquisition, but these organizations are using them in several ways. Activities that can accelerate the process, such as requesting and granting approvals show up along with tools to improve the experience by letting individuals look at postings, start the application process, and receive status updates on their preferred device (Figure 12).

Figure 12: Most Common Mobile Recruiting Activities



Source: Aberdeen Group, August 2011

Performance Management

Talent acquisition is not a one time activity. It is an ongoing process that must evolve with the organization's needs and strategy. In order to continually tune the hiring process to deliver strong employees that can execute on business strategies, information on how those former applicants and candidates, now turned employees, are actually doing should be gathered. But currently, just 33% of even Best-in-Class companies integrate data from the sourcing and hiring processes with the performance management process. So when looking at performance, there is no way to tie it back and understand what hiring sources are yielding top performers, which assessment outcomes are predicting success, or how efficient the hiring process is at finding individuals for key roles. This area is one where there is the greatest room for improvement among all organizations - feeding information and data back and forth between recruiting, employee performance, and business performance in order to continually improve the process. When asked if talent acquisition activities can be linked to businesses results, 57% indicate they could, but just 32% of those indicate that there is data to back up the correlation. Companies can still gain a lot in terms of process efficiency and hiring outcomes by measuring more and linking hiring data to the business going forward.

Aberdeen Insights — Technology

The Buggles tried to predict the future of music back in 1981 when the video of their song "Video Killed the Radio Star" became the first ever to be aired on the brand new MTV network in the US. Despite that prediction, most of us still manage to listen to music without pictures today, and MTV has become better known as a source of guilty-pleasure reality TV. But video has indeed changed our world. We video chat with our friends, put our kids on webcam to say hello to grandma, and think nothing of conducting a business meeting across oceans while still seeing our colleagues faces. The hiring process is no exception when it comes to taking advantage of online video technology.

For the past three years Aberdeen has studied video enabled talent acquisition, which it defines broadly as the practice of utilizing web-based video applications to conduct and / or record both two-way interviews in real time or asynchronous interview question responses to pre-recorded interview questions. The use of video has been growing, and this year 42% of respondents indicated some form of video use within the talent acquisition process. Predominantly organizations are using two-way, synchronous capabilities (86%) but some are also using video solutions to enable hiring decision collaboration (26%) and to record asynchronous interview responses. In early October 2011 Aberdeen will publish its latest full report on the use of video interviewing, which will further detail the impact of this enabler on the hiring process.

Chapter Three: Required Actions

Whether a company is trying to move its performance in talent acquisition from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

Laggard Steps to Success

- **Define competencies.** Just over half (59%) of Laggard organizations indicate that they define job role competencies at the start of the hiring process, and they are 25% less likely than Best-in-Class organizations to do so (79%). Competencies are critical to communicating business needs to the recruiter and serve as a foundation for assessing talent. Defining the characteristics of top performers is a good first step in laying the foundation for talent acquisition success.
- **Ensure talent acquisition never stops.** Currently nearly half (48%) of Laggards define their talent acquisition efforts as reactive, waiting for a requisition to come in and filling it. And these organizations are 33% more likely than Best-in-Class companies to take this position. But given the critical shortages of key skills many fields are feeling today or anticipate in the near future, and given the highly competitive nature of the talent marketplace, hoping top talent will be there when you have an open requisition is not an optimal strategy. At least for key roles, make hiring a more ongoing process.
- **Use assessments to filter.** Companies need to improve both efficiency and effectiveness of hiring efforts. Assessments provide data to help with this, and are used by 59% of the Best-in-Class for hiring. Aberdeen's previous research has shown proven increases in hiring manager satisfaction, time to performance and new hire engagement as a result of pre-hire assessment use. Efficient tools to ensure better fit talent make a real business impact.

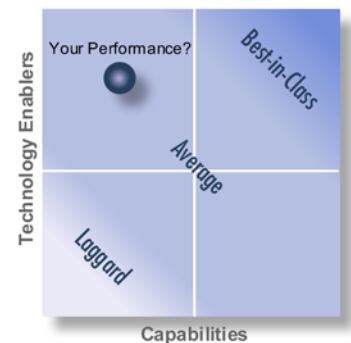
Industry Average Steps to Success

- **Don't think talent acquisition is over on day one.** Just as previous Aberdeen research has shown that effective onboarding starts before day one, a true talent acquisition lifecycle doesn't stop there. How a former candidate, now employee, interacts with the organization during the first days and weeks of employment has a huge impact on retention, engagement, and ultimately the return on hiring investment. Just 57% of Industry Average organizations have clear roles and accountability in place to ensure individuals have everything they need to hit the ground running, a number that jumps to 77% among the Best-in-Class.

Fast Facts

- √ Laggard organizations are 25% less likely than Best-in-Class organizations to indicate that they define job role competencies at the start of the hiring process

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- Compare your processes
- Receive a free, personal PDF scorecard
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- **Build a talent acquisition culture.** The research shows the importance of making talent acquisition an ongoing process, as opposed to a purely reactive one. But to help make this a reality, top performing companies don't put this burden on HR or the staffing function alone - they adopt a culture where everyone sees it as their responsibility to find talent and introduce that talent to the organization. Industry Average organizations are 29% less likely to adopt this as a top hiring strategy than the Best-in-Class (31% vs. 22%).
- **Use tools to increase referrals.** By far employee referrals continue to be viewed as the top sources for new hires, and as noted in the bullet above, making finding talent a piece of everyone's job is an important strategy. But providing tools to help individuals in this quest is also important. Just over half (54%) of Industry Average organizations use such tools now, but an additional 16% plan to add them into the arsenal in the coming year.

Best-in-Class Steps to Success

- **Build talent pools to fill critical roles.** Competition for top performers and key skills is stiff, so knowing where to find it when you need it is the most important weapon organizations have in the war for talent. Currently 72% of Best-in-Class organizations have identified the roles with the greatest impact on revenue and business outcomes, and are 44% more likely than all others to do so. This must continue, but companies must also use that information to make sure they can build a pipeline and build relationships to draw upon when the time comes to fill those critical positions.
- **Continue to explore social and mobile recruiting.** Innovative companies must have innovative recruiting solutions. Using social and mobile recruiting isn't about doing it for its own sake; it's about using all the options to find who you need. But as more and more job seekers look to new platforms to connect with peers, colleagues and potential employers, hiring organizations have to be in the game. Best-in-Class organizations are 26% more likely than all others to indicate the use of these tools, and another 28% plan to use them in the future.
- **Integrate recruiting data into other talent processes.** A lack of data integration is the number one barrier to identifying the source of hire for top performers, an issue that will prevent companies from effectively repeating past successes. Without the information to continue to link hiring to other talent and business metrics, companies will optimize their talent acquisition processes without necessarily optimizing their business outcomes.

Aberdeen Insights — Summary

Talent Acquisition isn't just about a warm body to fill a job. At it's best, it's a launching pad for new insights, energy, and ongoing performance for the organization. When a new hire is the right fit for a role, a team and a culture it can make a vast difference in an organizations ability to retain, develop and engage that individual. Hiring is hard, but companies with a strong process – one that has clearly defined the needs, has relationships with the right candidates, and tools to help support decision making – not only make it easier, but make it better for the candidate, the hiring manager and for the business.

Appendix A: Research Methodology

Between January and August 2011, Aberdeen examined the use, the experiences, and the intentions of more than 500 enterprises in regards to talent acquisition.

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on talent acquisition strategies, experiences, and results.

Responding enterprises included the following:

- *Job title:* The research sample included respondents with the following job titles: CEO / President (16%); EVP / SVP / VP (18%); Director (25%); Manager (27%); Consultant (6%); Staff (7%); and other (1%).
- *Department / function:* The research sample included respondents from the following departments or functions: HR / talent management (53%); corporate management (13%); business development, sales and marketing (11%); operations (6%); IT (4%) and other (13%).
- *Industry:* The research sample included respondents from a wide variety of industries. Some of the larger industries represented were IT consulting / services (11%); software (8%); financial services (6%); government (8%); medical / healthcare (5%).
- *Geography:* The majority of respondents (73%) were from North America. Remaining respondents were from Europe (10%); the Asia-Pacific region (11%); Middle East / Africa (4%); and South America (2%).
- *Company size:* Twenty-four percent (28%) of respondents were from large enterprises (annual revenues above US \$1 billion); 28% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 44% of respondents were from small businesses (annual revenues of \$50 million or less).
- *Headcount:* Forty-five percent (45%) of respondents were from large enterprises (headcount greater than 1,000 employees); 24% were from midsize enterprises (headcount between 100 and 999 employees); and 31% of respondents were from small businesses (headcount between 1 and 99 employees).

Study Focus

Responding organizations completed an online survey that included questions designed to determine the following:

- √ The degree to which talent acquisition software is implemented and its impact on hiring
- √ The effect of social networking on identifying and sourcing talent
- √ Current processes that are the focus of talent acquisition efforts and derive the most benefit

The study aimed to identify emerging best practices in the talent acquisition lifecycle, and to provide a framework by which readers could assess their own management capabilities.

Table 5: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, September 2011

Table 6: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, September 2011

Table 7: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, September 2011

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [*Employee Screening Strategies*](#); August 2011
- [*The Engagement / Performance Equation*](#); July 2011
- [*Assessments 2011: Selecting and Developing for the Future*](#); May 2011
- [*Onboarding 2011: The Path to Productivity*](#); February 2011
- [*The 2011 HR Executives Agenda: Automation, Innovation and Growth*](#); December 2010
- [*Learning & Development 2010: Bridging the Gap Between Strategy and Execution*](#); October 2010
- [*Talent Acquisition Strategies: Candidate Experience and Relationship Management Come of Age!*](#); August 2010
- [*Succession Management: Sustainable Leadership for the Future*](#); July 2010
- [*Effective Talent Management Drives Profitable Business Growth*](#); July 2010

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

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For more than two decades, Aberdeen's research has been helping corporations worldwide become Best-in-Class. Having benchmarked the performance of more than 644,000 companies, Aberdeen is uniquely positioned to provide organizations with the facts that matter — the facts that enable companies to get ahead and drive results. That's why our research is relied on by more than 2.5 million readers in over 40 countries, 90% of the Fortune 1,000, and 93% of the Technology 500.

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