

TalenTrust

Solve the People Puzzle



2019 Hiring Guide

It's a Great Year to Be a Candidate
—and a Hard One to Win Top Talent



By now everyone is hyper-aware that the talent war is real. At 3.7% and declining, we're at our lowest unemployment rate since 1969. We've moved from a tough talent market to a tipping point, according to Jobvite. Essentially, that means recruiters and candidates have switched roles: **You don't pick them; they pick you.** It's becoming increasingly hard, time-consuming, and expensive to find the right people—just when you need them most.

*There are now more job openings than people to hire:
July 2018 6.2 million unemployed; 6.9 million open jobs.
—Bureau of Labor Statistics*

What could be called “talent scarcity” is leading to fundamental change in recruiting and virtually every other business function. In 2018 we awakened to the fact that the old rules no longer apply and nothing can be taken for granted. We've seen recruiters become marketers. Teams replace hierarchy. Technology become pervasive. Cultures embrace diversity. And flexibility in everything but values. So what's ahead in 2019? Trends are showing that this year we'll see the rise of the individual. In the TalenTrust 2019 Hiring Guide, we share what that might mean for your company, and how to manage it so that top talent chooses you.

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Introduction

Until now, many organizations have been able to keep one foot in the past while they dip a toe into the future. That's no longer an option. You must adapt to today's workforce if you want to attract and retain great employees. There's no longer a place to hide from the inevitable.

Get ready for a radical change of mindset.

Major Trends and Stats to Track in 2019:

- Recruiting and retention are top and equal priorities.
- The current job market is 90% candidate driven.
- The individual becomes paramount; organizations customize work experience.
- Organizations are judged on their societal impact as well as financial performance and quality of products and services.
- The gig economy has accelerated to widespread adoption.
- Corporate brand includes a work environment where employees live and work in a healthy and sustainable way.
- “Recruitment marketing” (using marketing tactics to recruit) and “inbound recruiting,” (proactively and continually attracting candidates) become top trends.
- 75% of job seekers now research a company's reputation and employment brand before applying.
- Companies will move from simply monitoring how they're represented online to guiding and influencing the employment brand.
- Candidates are treated like customers, and CRM/ATS is a way to manage and improve relationships with them.
- Applicants get more transparency and technology allows a consumer-like experience.
- Companies are accelerating their efforts to identify and train the next generation of leaders for the digital age.
- Employees increasingly expect a seamless digital experience at work, like they have at home.
- Performance and rewards will be realigned by counting value through technologies, from wearables to robotics.
- Workspace will continue to shrink as companies look at office space as a value generator versus cost center.
- **2019 will see a long-predicted revolution in HR finally coming to fruition.** Companies will begin to see the fruits of the last few years of labor—moving through the growing pains of technology updates and getting used to broad and complex operational changes.

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Companies aren't companies anymore. They're a collection of individuals. The organization of the future thrives when it recognizes the power of individuals in the workplace.

—Josh Bersin

Sources: EY, Bersin, Deloitte, MRINetwork, TalenLyft, Fast Company

Six Key Areas of Focus

Since everything related to business changes continuously, it's hard to know where to start in evaluating where you stand now and what you need to do to ensure your place in the future. Since finding and keeping the right talent is cornerstone, we've focused on the six areas that seem most relevant to recruitment and retention in 2019:



- 1 Strategic HR
- 2 Culture & Brand
- 3 Engagement
- 4 Technology
- 5 Recruiting Imperatives
- 6 Social Enterprise

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We are now in the "Talent Era."

—Josh Bersin

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46% of U.S. employers can't find the skills they need, a 12-year high for talent shortages globally. Large corporations have the bigger problem, at 58%, so mid-market is in a somewhat better position. Use it, use it!

— ManpowerGroup

An Awesome Time for the Middle Market

Many of the newest trends and issues, especially those relating to technology, may seem to apply only to large, global organizations. Middle market companies may think they don't need to elevate talent to a strategic imperative, build a larger and more positive employment brand, or focus much on candidate experience and employee engagement. This can be a dangerous mindset.

Every company—regardless of size—is fighting in the same talent war, competing for the same increasingly scarce resource: good people.

Because TalenTrust is focused on the middle market, in this report we've emphasized solutions that apply to companies across the spectrum, large and small. Your size can be a strength or a weakness. It's up to you to determine which it will be.



1. STRATEGIC HR: Give Your CHRO a Seat at the Table

No one would argue that sales and marketing are strategic business functions. They get strong executive support and the big budgets because they feature data-driven decision-making, market segmentation, powerful branding, and customer focus. Recruiting, on the other hand, has long been known as “just sales with a crummy budget,” as HR thought-leader John Sullivan puts it.

That perception is rapidly changing as recruiting takes its rightful place as a strategic priority. It usually begins with the results of a gap analysis—followed by elevating the head of HR to the C-suite.

No matter the size of your company, if you don't already have an outstanding CHRO, you should immediately begin to seek one. Having a strategic HR leader on your team will ensure that you have a competitive edge in both finding and keeping the best people. You can't grow your business without one.

Trends for CHRO focus in 2019 include:

- Refining new HR strategies and philosophies that have grown up over the past few years to ensure they are working for your business operations and culture.
- Understanding how to better use technology to make more data-driven decisions.
- Increasing the level of data mastery and helping executives gain a deeper level of understanding on how to apply the data.
- Working with the C-suite to align goals and create a learning culture where values, processes, and practices enhance competencies and increase performance.
- Developing personalized training programs that incorporate cutting-edge technology, support professional growth, and prepare for performance in a highly competitive environment.
- Focusing equally on strategies that ensure exceptional recruiting and retention experiences for candidates and employees.
- Switching roles from service provider to functional expert with a focus on strategy.



Strategic recruiting is an approach to winning the best talent based on three components: employer branding, recruitment-directed marketing, and skilled selling. Combined, these components create effective responses to dynamic market conditions in support of an organization's strategic objectives.

—John Sullivan

2. CULTURE & BRAND:

Realize You are in the People Business

Culture and brand intertwine to define how people experience your company, whether candidate, employee, vendor, or customer. It's more important than ever that you strategically and thoughtfully manage every step of that experience. At any point on any day, a single individual can use social media to share a bad experience that upends your brand or questions your culture.

Both candidates and employees can afford to be choosy in today's job market. Make sure you align their experience of your organization to your purpose, values, brand, and culture. What you aspire to may sound great on paper, but it's your day-to-day cultural reality that will be experienced inside your organization and evaluated externally by the market.

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Most companies are dangerously behind when it comes to establishing HR strategies and building a positive employment brand. My advice? Do a gap analysis to understand your strengths and weaknesses and then embrace the necessary change. Brand and culture are where David can crush Goliath.

—Kathleen Quinn Votaw, TalenTrust CEO

Brand—Got One?

Your “employment brand” is based on your reputation in the marketplace. Brands have always been with us, but used to be primarily associated with large corporations: Think IBM (integrity and white button-down shirts) and Google (fun and creativity). With the rise of social media, companies of every size are beginning to exercise more control over how they are viewed online and in the market. This year we’ll see companies creatively market their brand and make their values the central focus.

The risk is that you promote how you want to be seen rather than your reality. And, frankly, isn’t it easier and more exciting to talk about who you hope to be? Glassdoor, social media, and the internet in general mean that there’s no longer a company anywhere that can hide behind its established brand name or past reputation. People have easy access to information about who you are right now. And in 2019, that’s what matters. Make sure who you are is not only who you aspire to be, but who you say you are. Prove it by keeping your promises to candidates and employees.

The first step in designing and delivering a compelling and authentic employment brand is to identify what your purpose and values are. Why does your organization exist and how will your values guide you in accomplishing your goals? After you’ve clearly articulated your core values, make sure they are practiced at every stage of the employee life cycle, beginning with candidates and ending with departing employees. People are looking to join an organization where the culture and values match the pre-hire promises.

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Only 27% of U.S. workers strongly agree that they believe in their organization's values.

—Gallup



Candidates (and customers!) see your brand in the marketplace. But never forget that it’s your employees who build your brand through living it. They won’t hesitate to tell the world if it’s not authentic. Your brand needs to ring true in the experience of both candidates and employees—recruiting and retaining.

Culture is hard to quantify, but it has been a hot topic for many years now, and remains a major factor in your ability to attract, engage, and retain people. If you have sat back and let your culture evolve as it will, this is a great time to evaluate what's working for you and what's not. Over the past few years you've: accommodated a historical six generations in the workplace; incorporated untold advances in technology; and replaced traditional policies and practices with flexibility on every level. What's the impact on your culture? What changes do you need to make to better meet today's workforce expectations and needs? It's time to take a look.

The Gig Economy: Mounting to Mainstream

The accelerating “gig economy” is a workplace environment that incorporates temporary, contract, and short-term workers. It's the opposite of the historic “job-for-life” model. Gig workers give companies the opportunity to save money by bringing in skilled talent on an as-needed basis for projects or meet workflow peaks and valleys. “Giggers” can also serve as a bridge to integrating new technologies and change initiatives. Contingent workers have long been used by blue-chip corporations and now the practice is common everywhere.

This trend toward the gig economy appears to be driven by changing worker attitudes as much as changing employer needs. Both employer and employee benefit from increased flexibility. But there are cultural issues to consider as well. In addition to freedom, control, and a pay check, gig workers want to feel part of the team. Companies need to figure out how they can fit seamlessly into their culture. What motivates them? Who manages them? How do you make them accountable? Will they be accepted by full-time employees as equal team members? Do they share your values? These and many other questions need to be addressed to minimize risk of disruption and maximize potential.

Culture: by Design Not Default



Strategy is what you do, but culture is how you do it—success is dependent on your company's values and behaviors.

—Ana White, TINYcon

Culture Trends to Watch in 2019:

Well Being

Everyone is overloaded with the dizzying pace of workplace change, working more and sleeping less. People want more time to think and care for their overall health. Companies will explore creative ways to advance well-being through workspace concepts and design, technologies, stress management, and wellness programs.

Rise of the Individual

People are no longer treated as “resources.” New organization models will develop to better respond in a more personal way to the diverse needs of today's multi-generation workforce.

Reskilling and Upskilling

Companies will do more to prepare employees for the “future of work” through systematically reskilling and upskilling. Employees will have more say in defining their individual development plans, with employers providing guidance and support.

Internet of Things (IoT)

IoT (a networked world of connected devices, objects, and people) is creating highly connected and collaborative workplaces that build trust and enable people to make better decisions. Privacy and respect are issues to watch as IoT grows.

Innovation

High-performance teams and virtual networks become the dominant sources of innovation.

Leadership

Empathy becomes one of the most desired leadership traits.



As much as 40% to 50% of the workforce could be in non-permanent employment by 2020.

—EY

3. ENGAGEMENT:

Use Re-recruitment & Stay Interviews

Companies put a lot of time and money into recruiting, but those efforts are worthless and even harmful if you are a revolving door for employees. Once hired, you can't afford to take your people for granted. Engaging and keeping the talent you have earns a great ROI.

Although engagement levels will continue to improve with the economy in 2019, Gallup finds that 53% of workers are currently “not engaged.” This means more than half of workers will typically show up for work and do the minimum required, but leave the minute something better comes along. This doesn't add up to a high-performing company. But you have options, like adding re-recruitment and stay interviews to your retention practices. Both offer a highly personalized way to stay connected with employees and meet their needs. Take a look:



Re-recruitment involves applying your external recruiting strategies to current employees, especially your top talent, showing them they have an exciting future ahead with you. Share news about new opportunities that might interest them; make sure they're happy with the level of recognition and reward they get for their accomplishments; offer them new perks like more flexibility in working from home. Above all, listen to what they say about their current satisfaction as well as additional needs. Re-recruitment should be an ongoing point of connection. Don't wait to have these conversations until the people you most want to keep have another offer in front of them.



Stay interviews help managers understand why employees stay and what kinds of things might cause them to leave. These short, casual conversations consist of a set of standard questions and last about half an hour. More valuable than an exit interview, these questions provide insights that managers can use to motivate and retain both valued individual employees and groups.



Stay interviews are the absolute best trust-building activity ... and therefore the best retention tool.

—Richard Finnegan, author of The Stay Interview

The “Nudge Engine” is Coming

The \$1B engagement industry is moving beyond surveys to “employee experience.” Bersin and many others are reporting that “nudge engines,” developed by a former Google executive, are using data and AI to give personalized feedback and coaching to employees, managers, and leaders in order to change behavior at work. These nudges, (or suggestions) are designed to improve focus, well-being, teamwork, and other values. Although just out of stealth mode, results have been exciting and make nudges worth watching as a possible new trend.

Support Engagement with Good Benefits

Let’s be honest, you can’t create a positive employee experience if you skimp on benefits. One way to communicate that you care about your employees’ well-being is to offer a comprehensive set of benefits. Here’s a look ahead to 2019 benefit trends.



From *Human Resources Today*:

- Voluntary benefit options (paid for by employees)
- Student loan assistance
- Multi-faceted wellness programs
- Flexibility in scheduling, telecommuting, fully remote positions, open-ended time off
- Technology perks like personal iPads and at-home workstations
- More generous parental perks (which can also extend to elder care)

And sample perks from *Inc Magazine* “Best Workplaces,” where time away from the office tops the list for employees of all ages:

- 6 paid weeks off + \$6,000 stipend for every 5 years of employment
- 2nd Friday of 2nd month every quarter off + birthdays and all extra “holidays”
- 2 paid volunteer days
- \$2,000 family stipend for vacation annually
- Free housing for two weeks in company-owned apartments
- Annual company paid trip to the Caribbean + 1 guest

As HR becomes more tech savvy and tries to strike the right balance between human and machine, we're seeing disruptive solutions to optimize recruitment, productivity, and performance. Innovation is bringing the benefits of: cost efficiencies, simplified processes, decision support, increased transparency, reduced risk, and growing collaboration to organizations of every size. Specific to recruiting, the use of smart systems significantly cuts the time-to-hire while increasing hiring accuracy; and algorithms and data-driven insights help focus on skills, reducing bias in the hiring process.

4. TECHNOLOGY: Enter Another New Era

New technologies not only apply to large corporations. Middle market companies are no longer playing catch-up in embracing emerging tech solutions as a key element of their business growth strategy. Growth strategy inescapably involves recruitment and retention. According to a recent Deloitte survey, nearly 90% of responding mid-market companies already use some form of virtual or augmented reality and almost all said they are investigating how to implement the Internet of Things (IoT).



Now that HR has acclimated to cloud-based human capital management (HCM) over the past few years, companies are investing in enhancements and new tools for recruitment, performance management, training, engagement, well-being, and virtually everything related to people in organizations. Even the experts can find all of this innovation confusing. Below are brief descriptions of a few HR technologies moving from trends to wide use that you may want to consider:



Artificial Intelligence (AI) is not necessarily replacing jobs as many believe, but is improving many aspects of HCM. AI data provides insight about workforce metrics, aids in data-based decision making, enhances both candidate and employee experience, and offers real-time solutions for a variety of issues. There's even AI-based coaching and development planning available for employees. New capabilities are coming at us continually.



Analytics is widely applied to the data you collect from employees, enabling you to combine, compare, and aggregate it with other information. It can help you understand things like: how survey data correlates against productivity, turnover levels and causes, potential performance levels, or flight risk. What's different today is that the information can be used to go one step further, not just to identify issues, but prevent them. Watch for coming analytical benchmarking tools that will allow you to make comparisons with competitors. According to Bersin research, organizations that embrace analytics are more than 2X more likely to outperform their peers



Virtual Reality is increasingly used in recruiting and onboarding, and is changing the face of training and development. With VR, you can easily assess job skills that can't be seen in traditional interviews; enable candidates to show rather than just tell; and allow people to actually experience what their potential job would be like. Although VR has been used pretty widely since 2017, with Gen Z now entering the workforce and expecting to have the latest technologies at their fingertips, tools like VR will be essential in finding and keeping talent.

Companies are turning to new technologies to help inform hiring decisions. It's like matching candidates to your company like Netflix or Spotify matching you with exactly what content you're looking for.

—Fast Company



Natural Language Processing (NLP) is a form of AI that goes beyond translating language to enable us to distinguish emotions. It can take the information you get from feedback surveys, for example, and gain a deeper look at how your employees feel about your workplace or how content they are. With this unbiased information, managers can take action to improve the employee experience or improve business performance.

5. RECRUITING IMPERATIVES: Shift the Paradigms

74 percent of candidates make “I do / I don’t want this position” decisions in the first five minutes of their first interview. 20 percent of prospects know if they are interested in the first communication with the recruiter.

—John Sullivan

5 Minutes. That’s the bandwidth recruiters are dealing with today. Attracting and retaining talent is the #1 concern for the C-suite and yet recruiting systems are still hiring people who fail 50% of the time. This is fundamentally not working for companies, candidates—or recruiters. And it’s why there is now a major shift going on in the recruiting paradigm. The focus has moved to treating candidates like customers and using technology to get insight into the things that don’t fit neatly on a resume. This is how you get to the best talent in 2019. Companies can no longer afford to use outdated strategies to recruit top talent.

The talent shortage is putting pressure on HR to become smarter, faster, and more strategic. That’s a tough environment to manage. And with more jobs to fill than people to fill them, we’re reaching a tipping point in recruiting imperatives. Recruiters must show more creativity in discovering candidates and prioritize the candidate experience every step of the way.

Mainly using forms of recruitment marketing and inbound recruiting, recruiters are doing innovative things to manage the talent shortage conundrum:

- **Becoming** adept marketers: developing a strong employment brand and career webpage; using social media to reach out and advertise (in order of importance—LinkedIn, Facebook, Instagram); as well as texting, addressing Glassdoor reviews; and doing some social sleuthing on candidates.
- **Investing** in learning platforms and development tools to build their talent pipeline (and, coincidentally, training and development is a priority for young people in the workforce).
- **Looking** beyond traditional full-time employment and cultivating communities of talent outside the organization to complement existing skills of employees on projects or in the short term.
- **Tapping** into boomerang retirees, returning parents, and part-time employees.
- **Outsourcing** projects to other companies or working with partners specializing in technologies they don’t have in house.
- **Helping** people whose skills no longer fit into the current role transition smoothly to new roles or jobs outside the company.
- **Updating** to recruiting technology that optimizes, targets, and streamlines the hiring process.
- **Reaching** out to community colleges and governments to develop vocational training programs, attract local talent, and address skills gaps.
- **Leveraging** artificial intelligence for hiring and talent management.
- **Exploring** whether technology can help deal with a labor shortage by automating tasks or improving efficiencies.
- **Applying** a talent-planning framework that: aligns talent strategy and business strategy; incorporates effective processes and engages employees in developing them; and involves leadership.

Two Trends That Worry Us



1. While culture fit is still important, recruiters aren't as picky as they once were. The need for things like strong conversational skills, enthusiasm, and sense of humor has decreased over the last year. ***We believe that you can train for most skills, but character and attitude are difficult if not impossible to change.***
2. Recruiters are less likely to disqualify candidates for rude behavior. Things like abruptness with a receptionist or looking at a phone during the interview are not cause for elimination, especially in the minds of younger recruiters. ***These are red-flag behaviors that can be costly down the road.***

Veterans: the Often Overlooked Category for Top Talent

Many recruiters don't realize that veterans have all or most of the skills and character traits that companies are looking for. Most have served in non-combat administrative roles like engineers and technology developers, with highly transferable skills. They are lifelong learners who are adaptable, flexible, inclusive, used to change, and many are experienced leaders. Additionally, hiring vets offers your company potential tax advantages, savings in healthcare, funded education costs, and other benefits. It should be part of your talent acquisition strategy. Find information and resources at www.vetcorservices.com/helpfulconnections.

6. SOCIAL ENTERPRISE:

Expect a Seismic Shift in How Companies Are Viewed

We can't overlook the rise of social enterprise, one of the major trends that has developed over the past few years and become a wake-up call for organizations, based on Deloitte's latest *Global Human Capital Trends* report. The term "social enterprise" can be difficult to define, but in terms of traditional businesses, the concept refers to integrating social impact into business operations and prioritizing social goals alongside financial returns. Examples include Ben and Jerry's, Chobani, Tom's Shoes, and Warby Parker.

With the rise of the social enterprise concept, organizations are no longer assessed based only on traditional metrics like financial performance or the quality of products or services. They're also judged on their relationships with their workers, customers, and communities—and on their impact on society at large. Building these relationships means business leaders must listen; be transparent; replace silos with collaboration; and build trust, credibility, and consistency through their actions. This is not altruism. It's fast becoming the way to maintain your reputation; attract, retain, and engage critical workers; and foster customer loyalty.

The focus on social enterprise gives companies the opportunity to become more engaged and responsible corporate citizens. But from our perspective, it's important because purpose has become a magnet for attracting and retaining young talent. "At stake," says Deloitte, "is nothing less than an organization's reputation, relationships, and—ultimately—success or failure.



Conclusion



In the future of work, the human resource will increasingly become the ultimate resource. The future employee may not be internal or even a person.

—Bersin

It may seem counterintuitive, but it's technology that's driving the rise of the individual. As innovative new tools are integrated into our work environment, it's becoming natural to work side-by-side with them as they feed us information in so many forms and make our work easier. Companies benefit from cost and time savings, deeper insight, and better decisions, among other things. But the primary benefit goes to individual employees who can now make their unique combination of needs heard and fulfilled as never before.

Companies and people are learning that they both perform better when they are understood. This is creating an ideal platform to recruit and retain top talent in 2019. We at TalenTrust hope that our *2019 Hiring Guide* serves a key resource in helping you achieve your talent goals. And we are available at any time to support you with more information, advice, and tools.

