

3 Recruiting during the great resignation



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Edition Three: Recruiting through the great resignation

TEAR SHEET

- In order to succeed create and continuously evolve your people strategy, use talent optimization insights based on people data to hire top talent and build cohesive teams.
- According to 2021 research conducted by the Predictive Index, 73% of companies surveyed are hiring and 68% of those companies plan to move forward with a hybrid workforce.
- The same research states that 1 in 2 employees are considering changing careers soon, with a gallop poll finding that 48% of America's working population is actively searching or watching opportunities.
- The three "E's" for solving the great resignation. Excite, create an authentic atmosphere that inspires and excites. Explore, search deeper and explore non-traditional candidates and talent pools. Engage, when you find the right candidate fast and simple communication is crucial, don't waste time.
- According to Glassdoor the average company spends about \$4,000 hiring a new employee, this does not include lost revenue from open, unfilled positions.
- Talent acquisition can no longer stand on an island, for it to succeed a
 collaborative approach with more traditional HR functions like succession
 planning, performance, mobility and organizational design needs to exist.
- Recruiters have become "Human Experience Consultants" they are now brand ambassadors and evangelists, diversity and inclusion experts, negotiators and facilitators.
- Great talent is more than someone with the right technical skills or experience.
- Virtual interviews are the new standard.
- Adjusting the definition of a "qualified and experienced candidate" is essential.
- The role of social media in job applications and promotions has become more essential than ever. 90% of job seekers are searching for jobs on their mobile devices.
- Go blind for the resume review, level the playing field by ensuring you are focused on the candidate's specific qualifications and talents, not surface demographic characteristics.
- Rework job descriptions, subtle word choices can have a strong impact on the application pool.
- Standardize interviews, unstructured interviews which lack defined questions and whereby a candidate's experience and expertise are meant to unfold organically through the conversation are often unreliable for predicting job success.
- Ask candidates to take a work sample test, it's useful in comparing applicants.
- Control your personal feelings about a particular candidate by giving likeability a numerical score.
- If you interview a candidate, leave them waiting on your decision for weeks, and then send them an email offer, will they be motivated to accept?
- A constant struggle when using AI recruiting software is balancing the search for active and passive candidates.

TALENT OPTIMIZATION

Taking an intentional and data-driven approach to getting the people part right.

As a business leader, part of your job is to make sure your company puts your talent into the optimal position to produce your desired business results and beat the competition. The essence of leadership is aligning employees with business strategy—and that begins with taking an intentional and data-driven approach to getting the people part right.

Too often, when executives hear the term "people strategy," they shrug off the responsibility and pass it to human resources. But when it comes to designing and optimizing your most important (and most costly) business asset—your people—passing the buck is also passing up your biggest opportunity to create a truly great organization.

So how do you assemble world-class teams? That's were having an objective methodology and system for optimizing talent comes in. Talent optimization utilizes quantitative data and analytics so you can comprehend job requirements, identify the best candidates, understand the team dynamics needed to accomplish business goals, and manage employees in a way that pushes everyone to the top of their game. Bottom line: you need to roll up your sleeves and get good at understanding and capitalizing on your people data. It's the best path to maximizing productivity— and winning with talent.

TALENT OPTIMIZATION IS THE DISCIPLINE OF ALIGNING BUSINESS STRATEGY AND TALENT STRATEGY. IT'S A STRATEGIC PROCESS BY WHICH ORGANIZATIONS OPTIMIZE EMPLOYEE PERFORMANCE AND EXPERIENCE TO ACHIEVE THEIR ASPIRATIONS AND MAXIMIZE THEIR RESULTS.

Talent optimization is a four-part discipline detailing what's required for aligning your business strategy and your people strategy so you can achieve your desired business results. At its core, is the collection, analysis, and application of people data.

Here are the four aptitudes to master to practice talent optimization successfully:

- 1. Design: Create and continuously evolve your people strategy.
- 2. Hire: Use talent optimization insights based on people data to hire top talent and build cohesive teams.
- 3. Inspire: Use data to drive important employee-oriented activities such as career pathing, maintaining organizational culture, and managing people and teams.
- **4. Diagnose**: Measure critical people data, analyze that data in the context of your business, and prescribe remedies as needed.



THE GREAT RESIGNATION IS VERY REAL AND HERE FOR A WHILE

Workers are quitting their jobs at record rates, for a range of reasons.

We have all heard about "The Great Resignation," and maybe you've wondered whether the term is a little hyperbolic —catchy and cute at the cost of representing what's really happening in the employment world. However, The Great Resignation is very real. Workers are quitting their jobs at record rates, for a range of reasons, across almost every industry.

THE NUMBERS TELL A STORY.

According to 2021 research conducted by the Predictive Index:

- 73% of companies surveyed in people management report are hiring.
- 68% of these companies plan to move forward with a hybrid workforce.
- 1 in 2 employees are considering changing careers right now. With a Gallup Poll finding that 48% of America's working population is actively job searching or watching for opportunities, this historical trend is likely to continue.

ALL THAT MAKES FOR A PERFECT STORM. Opportunity abounds as the economy improves and more companies broaden their hiring searches by embracing remote work. The data tells us that almost half of the workforce is ready to make moves. A record four million Americans quit their jobs in May 2021, and that figure didn't exactly fall off in the months that followed. June saw 3.9 million people quit—and 5.6 million "separate" from their jobs in some form or another.

In short, the sample size may still be small, but the rate of turnover has been startlingly consistent. It all begs one very simple question: Why? The answers are a lot more nuanced. Numerous reports from organizations like Deloitte, the Predictive Index and Gartner show that common themes are surfacing.

The data underscores another problematic trend:

- More than one-third (36%) of respondents said their manager "seems burned out at work."
- That figure only increased when asked whether they felt burned out themselves (40%), and if most of their team seemed burdened by burnout (45%).
- Meanwhile 73% of employees with burned out managers say team members also feel burned out, versus just 22% of those whose managers didn't seem to have burnout. not too hard to connect these dots: Burnout is highly contagious.

IT'S MORE COMPLICATED THAN JUST COVID.

Reports show that data indicates people aren't necessarily quitting because of COVID's most obvious effects on the workplace. In fact, 79% of respondents said they "feel comfortable" working in-person at this stage of the pandemic. So, public health concerns and social distancing protocols are not the chief drivers of the ongoing exodus.

Psychological safety is often just as important as physical safety. But definitive answers as to what's driving the attrition are tough to nail down. We know that for the first time in the history of McKinsey's Women in the Workplace study, women are leaving the workforce at a significantly greater rate than men.

The effects of the Great Resignation are making it nearly impossible for already-struggling businesses to strengthen their foundation, let alone grow. Some are feeling the financial effects of offering higher salaries and additional benefits to attract employees. Others are feeling the mental toll of burnout. According to Glassdoor, the average company spends about \$4,000 hiring a new employee. With 10.1 million job openings reported on the last day of June, businesses are about to pay a massive price for the Great Resignation.

Introducing the 3 Easy E's for Solving The Great Resignation Recruiting Challenges.

Curtailing The Great Resignation's smothering effects requires a combination of retaining current employees and hiring great new employees. Try the 3E's approach explained below:

- 1. **EXCITE** Create an authentic atmosphere that inspires and excites. Your first goal should be to boost internal morale. Then focus on how to present your work environment as an added benefit to prospective hires.
- 2. EXPLORE Do you ever look inside an empty refrigerator over and over, hoping to discover a miraculously materialized snack? Many recruiters use the same approach to finding applicants. Look more broadly and explore non-traditional talent pools and candidates
- **3** . **ENGAGE** When you come across a candidate that could be the perfect addition to your team, fast and simple communication is crucial.

WHY ARE SO MANY EMPLOYERS REJECTING MILLIONS OF QUALIFIED CANDIDATES?

Problematic hiring software and bad job descriptions deserve a big chunk of the blame. A report by Accenture and Harvard Business School titled "Hidden Workers: Untapped Talent," digs into why the process of matching job seekers to available openings has been going so slowly. While the research turns up several issues, the lion's share of the blame falls on companies' recruiting practices, particularly due to specific job descriptions and automated hiring software unnecessarily screening out many qualified candidates.

Instead of thinking critically about the handful of competencies crucial to perform the role, they often adapt existing descriptions, or throw every "nice to have" item they can think of into their job ads. The real problem occurs when these bloated lists of requirements are fed into automated hiring software. Thanks to these systems, millions of resumes are tossed because of gaps in employment history, or other "problems" that aren't really problems at all.

WHAT CAN SMALL AGENCIES DO TO WIN IN THIS MARKET?

How can a smaller independent agency have a competitive edge in this hot market?

Large agencies often fan the flames of a hot job market with additional cash, but when it comes to small agency recruitment, having to muster up additional resources to attract and retain talent can be taxing and unsustainable. This is especially true if you're already short-handed. According to the U.S. Department of Labor, a bad hire can cost 30 percent of the employee's potential annual earnings. Having to start the small business hiring process all over again can drain resources and lower morale. To add insult to injury, current employees may be tempted to test the waters with a competitor or even a new industry in a competitive job market. The good news is that you don't need a huge team or monstrous budget to compete in a hot job market. Here are three tips to give your small business a competitive advantage.

THREE TIPS FOR MASTERING INDEPENDENT AGENCY TALENT ACQUISITION.

- 1. BRAND YOUR AD: It takes more than your logo to brand a job advertisement. Just like your website and social media posts, the content you put out to attract talent should represent your business. Use a tone that best conveys your culture, making it easy for potential candidates to get a feel for your company's mission and working environment. If a larger competitor's job ad is cookie cutter and a bit dry, you've found an easy way to stand out.
- 2. RESEARCH YOUR COMPETITORS: Speaking of competitors, what are they up to? In a hot job market, they may be offering higher salaries to attract talent. But we'll let you in on a little secret: not all applicants will take the financial bait. Small businesses can compete with larger payrolls through a unique combination of non-monetary perks. With fewer employees, you can get a bit more creative with your benefits package. Can you pay for a free employee lunch day once a month? Have you considered becoming a pet-friendly office? Are you comfortable with offering employees more freedom over their schedule?
- 3. UTILIZE TECH: Tech is your best friend when hiring employees for your small business. With the right recruiting tools, time-consuming tasks can be whittled down to just a few clicks. If your business isn't very tech-savvy, consider starting with a project management program. These allow you to build a pipeline that makes it easy to monitor different projects and processes, like onboarding new hires. When it comes to training, consider online training options. The data-driven AI tools identify and adapt to your specific needs, allowing access to the same resources as larger organizations.



FROM TALENT ACQUISITION TO HUMAN EXEPERIENCE CONSULTING

Talent acquisition can no longer stand on an island.

What does it mean to be a recruiter or talent acquisition specialist in the agency environment today? Many would agree that the world of recruiting has changed. The role and function has and still is undergoing a transformational shift. It is now the role of brand ambassador and evangelist, diversity and inclusion expert, negotiator and facilitator. The role has now morphed into that of Human Experience Consultant.

FOR TALENT ACQUISITION TO SUCCEED... it is dependent on a collaborative approach with more traditional HR functions like succession planning, performance, mobility and organizational design. All are intrinsically intertwined creating a picture and path for what great talent looks like, the journey that talent takes and in planning the future talent needs of the organization. Our industry touts the mantra, "our greatest asset is our people", and the reality is that is true. But how often do organizations manage their business with that mantra? Do we best serve our talent, create long term meaningful career paths with purpose?

Savvy talent in today's market are seeking opportunities where they believe they can achieve their goals and make an impact; one where their values and beliefs are matched by the organization. The candidate is interviewing the employee as much as that person is interviewing them. It falls on recruiters to ensure they fully understand the business and prepare hiring managers and candidates for a meaningful and relatable experience.

As clients look more and more to create brand experiences through effective marketing communication, job seekers are looking for opportunities that create similar brand experiences within the companies they chose to join. A job is not simply a job anymore, it has become a lifestyle choice, an experience that candidates and employees feel connected too.

HUMAN EXPERIENCES TAP SQUARELY INTO OUR MOST BASIC NEEDS AND DESIRES AS INDIVIDUALS AND SOCIAL BEINGS AND HELP FOSTER A REAL EMOTIONAL RESPONSE.

As Human Experience Consultants, recruiters are tasked with seeking out candidates that bring with them a tapestry of meaningful and diverse experiences who can work within a connected network delivering a culture where everyone is inspired to grow, be their best and collaborate to ensure the best outcome for the business, coworkers and themselves.

GREAT TALENT IS MORE THAN SOMEONE WITH THE RIGHT TECHNICAL SKILLS OR EXPERIENCE.

Let's be honest, that can be found without too much effort. It is harder finding the candidate who can ideate and innovate, create, problem solve, show empathy and who can synthesize raw knowledge from differing perspectives into real meaning. As more agencies look at ways to grow and differentiate, it will become more challenging to identify and hire the talent needed for success. To truly meet the fast-changing world of talent, recruiters must evolve and become more than just recruiters. Recruiters are Human Experience Consultants - masters in understanding and identifying unique human experiences, tapping into the minds of candidates and hiring managers to marry differences and similarities, understanding the complexities of the organization and workforce, looking for the gaps, advising and consulting, selling and buying and above all creating memorable experiences that build our brands and help define our cultures.

ADAPTING IN A POST-COVID-19 WORLD.

As we think about recruiters as human experience consultants, it is important to understand and appreciate how recruiting has changed in a post-COVID-19 talent market. Among the biggest challenges for recruiters is the current labor market shortage. Some workers now accustomed to home-based work are only considering remote-jobs, while others who lost jobs amid the pandemic are taking their time and looking for new, better, or even different career opportunities. The industry will see the pool of applicants continue to shrink to deficient levels. To maintain similar results to before the pandemic, agencies will need to increase all their recruiting efforts. There are some key themes that have emerged as critical changes:

- VIRTUAL INTERVIEWS ARE THE NEW STANDARD
- ADJUSTING THE DEFINITION OF A "QUALIFIED/EXPERIENCED CANDIDATE"
- THE ROLE OF SOCIAL MEDIA IN JOB APPLICATIONS/PROMOTION

Finding out a candidate's motivation is more critical now than it has ever been. Recruiters need to focus on asking candidates reasons for looking and less on their work history. Managers need to understand that in the current climate there needs to be more flexibility and recognize that you may need to hire someone with less experience and then invest in them and train them to be the best for the department. It's a far better option. Instead of searching high and low for the perfect "fit" or candidate with all the requirements, hiring managers should reevaluate what makes up the credentials for the ideal candidate. Instead of looking to check all the boxes including ideal years of experience in the industry, requisite degree(s) and perfect alignment of skills including strong communication skills and technical prowess, redefine what the "perfect hire" means for the organization to access a wider more diverse talent pool.

THE ROLE OF SOCIAL MEDIA IN JOB APPLICATIONS/PROMOTION

Social Media is playing a larger role today than ever before.

Despite being around for years, social media is only now starting to play a larger role in recruitment. Another significant shift that came from the COVID-19 pandemic is the role of social media in job applications and promotions.

The new generation of candidates and employees is dependent on marketing and social media channels. Social media plays an integral role in developing and maintaining an organization's Employment Value Proposition (EVP). With an estimated <u>81 percent of Americans</u> existing almost entirely online and <u>90% of job seekers looking</u> for jobs on their mobile devices, sharing your organization's job openings, company information, and benefits information on social media platforms guarantees that a broader audience will have the opportunity to see it. Job openings can be shared, companies can be followed, and applications can be easily accessed, all from the ease of a Facebook or LinkedIn page.

Social media is proving to be a great tool in promoting both an organization's EVP and its job openings. It allows recruiters to <u>facilitate communication</u> between them and the interviewee, reach large audiences, and establish and improve business reputations.

WITH PROMOTING JOB OPENINGS AND COMPANY CULTURE VIA SOCIAL MEDIA, ORGANIZATIONS MUST UNDERSTAND HOW TO BALANCE THE PROS AND CONS OF SOCIAL MEDIA.

It's important to monitor the comments, reviews, and salary-shares on websites like Glassdoor and Indeed to ensure that accurate information and data are being shared and doesn't negatively impact your team when it comes to your reputation or negotiating salary.

According to LinkedIn and Glassdoor

- 73% of 18–34-year-olds found their last job through social media
- 59% of recruiters rated candidates sourced through social media as "highest quality"
- 84% of companies are recruiting through social media
- 20% of recruiters report that social recruiting takes less time than traditional hiring methods
- 45% of people say they are more likely to apply for a job if they discovered it through a friend's social feed



SEVEN PRACTICAL WAYS TO REDUCE BIAS IN THE RECRUITING PROCESS

Unconscious racism, ageism, and sexism play a big role in who gets hired.

The good news is there are steps organizations can take to reduce unconscious biases in the hiring process.

- 1. SEEK TO UNDERSTAND When it comes to biases and hiring, managers need to think broadly about ways to simplify and standardize the process. To begin, you'll need to understand what hiring prejudices are and how they operate. Organizations need to start an "organizational conversation" about biases and help spark ideas on "steps the organization can take to minimize them.
- 2. REWORK JOB DESCRIPTIONS Subtle word choices can have a strong impact on the application pool. Research shows that masculine language, including adjectives like "competitive" and "determined," results in women "perceiving that they would likely not belong in the work environment." On the other hand, words like "collaborative" and "cooperative" tend to draw more women than men. Software programs that highlight stereotypically gendered words can help counteract this effect, you can either remove the words and replace them with something more neutral or strive to strike a balance by using the same number of gendered descriptors and verbs. Go back and forth between the words 'build' and 'create, for example. The goal here is to explore and see how these changes affect your pool.
- 3. GO BLIND FOR THE RESUME REVIEW Level the playing field by "ensuring you are focused" on your candidate's specific qualifications and talents, not surface demographic characteristics. The fact is Latisha and Jamal do not get the same number of callbacks as Emily and Greg. You need to look at what each person brings to the organization. Again, software programs that blind the process for you are useful. A blind, systematic process for reviewing applications and resumes will help you improve your chances of including the most relevant candidates in your interview pool, including uncovering some hidden gems. It is easy for bias to trickle in when such a process is not prioritized.
- 4. GIVE A WORK SAMPLE TEST Work sample tests that mimic the kinds of tasks the candidate will be doing in the job are the best indicators of future job performance. Evaluating work sample tests from multiple applicants also helps calibrate your judgment to see how Candidate A compares to Candidate B. Asking candidates to solve work-related problems or partake in a skill test yields important insights. A skill test forces employers to critique the quality of a candidate's work versus unconsciously judging them based on appearance, gender, age, and even personality.

- 5. STANDARDIZE INTERVIEWS Research shows that unstructured interviews which lack defined questions and whereby a candidate's experience and expertise are meant to unfold organically through conversation are often unreliable for predicting job success. On the other hand, structured interviews, whereby each candidate is asked the same set of defined questions, standardize the interview process and minimize bias by allowing employers to focus on the factors that have a direct impact on performance. Using an interview scorecard that grades candidates' responses to each question on a predetermined scale. Ideally interviewers don't know the specifics about how well each candidate did in terms of the resume review and work sample. The goal is for the interview to become a third independent data point.
- 6. CONSIDER LIKEABILITY It's natural to gravitate toward people with whom you instantly gel. One study found that impressions made in the first 10 seconds of an interview could impact the outcome of the interview. Another suggested that employers hire people that they like the most on a personal level. But this bias toward "natural chemistry or common interests" is another one to watch out for. Likability is perhaps the most challenging question of the hiring process.. Ask yourself, "Does it matter whether you like the person you hire? And how important is it to you?" If you do care about it, then rate candidates as you would on their other skills during the interview, by giving likability a score, you're making it more controllable.

PRINCIPLES TO REMEMBER

DO:

- EXPERIMENT WITH THE WORDING OF JOB LISTINGS BY REMOVING ADJECTIVES CLOSELY ASSOCIATED WITH A PARTICULAR GENDER.
- ASK CANDIDATES TO TAKE A WORK SAMPLE TEST IT'S USEFUL IN COMPARING APPLICANTS AND IT'S AN EFFECTIVE PREDICTOR OF FUTURE JOB PERFORMANCE.
- CONTROL YOUR PERSONAL FEELINGS ABOUT A PARTICULAR CANDIDATE BY GIVING LIKABILITY A NUMERICAL SCORE.

DON'T:

- ENGAGE IN UNSTRUCTURED INTERVIEWS. INSTEAD, STANDARDIZE THE INTERVIEWS PROCESS BY ASKING CANDIDATES THE SAME SET OF DEFINED QUESTIONS.
- ALLOW SURFACE DEMOGRAPHIC CHARACTERISTICS TO PLAY INTO YOUR RESUME REVIEW. USE A SOFTWARE PROGRAM THAT BLINDS THAT INFORMATION AND ENSURES A LEVEL PLAYING FIELD.
- NEGLECT TO SET DIVERSITY GOALS. BE SURE TO TRACK HOW WELL YOU'RE DOING ON THEM.

BAD CANDIDATE COMMUNICATION IS BAD BUSINESS

We all want to be known as an excellent place to work, but too often we get busy and neglect candidate communication.

The candidate who doesn't hear from you about today's job could be the perfect candidate for a job next month. And a candidate who has a good experience, even if they are rejected, could refer a friend for a future job. Every candidate communication – good or bad – defines what people think of you as an employer: your employer brand. Bad candidate communication is bad business. With the stakes so high, most companies need tools or services to help them keep up with candidate communications and land the best talent.

COMMUNICATING WITH CANDIDATES TAKES A LOT OF TIME, ESPECIALLY PERSONALIZED, CUSTOMIZED

COMMUNICATION. Ask any recruiter trying to communicate with many people in a single day! The ability to apply for a job with one click means you may get hundreds of applications, few of whom are qualified. But you still must look through them all and respond to each. Responses could be coming in from emails, phone calls, texts, and it's hard to manage all those communications channels. Just keeping it all straight can be a full-time job.

If you're a small company, look for a solution that helps you communicate by reaching out to your favorite candidates and pre-screening them with questions. That's one task off your list, leaving you more time to engage with applicants. Large companies can look for solutions that consolidate phone, text, and email messages into one place so you can more easily manage them. These solutions typically make it easy to customize and personalize your communications and even automate them through a chatbot interface.

IF YOU INTERVIEW A CANDIDATE, LEAVE THEM WAITING ON YOUR DECISION FOR WEEKS, AND THEN SEND THEM AN EMAIL OFFER, WILL THEY BE AS MOTIVATED TO

ACCEPT IT? An impersonal and disorganized hiring process leaves uncertainty for the future of their time with the company. On the other hand, if you reject someone, add a touch of humanity to that too. All candidates want to hear feedback, even if you aren't going to hire them right away. Let them know how they can improve and give them the resources to improve. Many candidates want to know why they didn't land the job, and feedback is crucial for their growth.

According to Recruitment Buzz, 73% of candidates tell their professional circle about a positive hiring experience, and 82% would share a negative experience. Your employer brand is susceptible to all kinds of social feedback. This means that candidates can share anything anywhere for the world to witness. A bad reputation can essentially starve a company of fresh new talent, and it all starts with the recruitment process.

4-s

ARE PASSIVE CANDIDATES ALWAYS THE BEST HIRE?

A constant struggle when using Al recruiting software is balancing the search for active and passive candidates.

Active candidates are easier to find because they've indicated they're looking for work or are open to a change. But passive candidates are perceived as higher quality because "all the best people already have jobs" That old saying may be statistically true, but a resourceful recruiter doesn't discount active candidates.

WHY IS AN ACTIVE CANDIDATE ACTIVE?

Let's not think of active candidates as potentially tainted just because they're looking for a job. All of us have been in the market for a job, and that was no reflection on us. Don't assume that they're damaged goods! Until you interview an active candidate, you don't know the story. Consider the possibilities:

- The active candidate has been caught up in downsizing or a reorganization.
- They are relocating with a spouse or for family reasons.
- They're looking for a corporate culture more like yours and less like their previous employer.
- They made the proactive decision to make a career change.
- They could be just the candidate you're looking for. But if you reject every active candidate, you'll never find out.

IS THE ACTIVE CANDIDATE REALLY LESS QUALIFIED?

You may come across active candidates who have many but not all the skills and experience you require. Before you reject them, give the situation some thought.

- Could you quickly train this person on the missing skills? By the time you find the perfect candidate, the active candidate could be on the job and already trained.
- What's the cost of keeping the job open while you find and onboard a passive candidate?
- Could you hire that active candidate for less money? Conventional wisdom always says hire the best candidate. But take a longer-term view, and consider whether getting someone to start earlier, take less salary, and receive some training might make better business sense.

GREAT CANDIDATES FIND THEMSELVES LOOKING FOR JOBS ALL THE TIME, BUT THEY DON'T HAVE TO LOOK FOR LONG. SOMEBODY IS BOUND TO REACH OUT SOON, AND IT MIGHT AS WELL BE YOU. WHEN YOU SPOT A QUALIFIED ACTIVE CANDIDATE, ENGAGE THEM RIGHT AWAY AND COMPETE WITH THE COUNTLESS OTHER COMPANIES WHO'LL BE REACHING OUT.



TAPPING INTO HIDDEN WORKERS

Leaders can improve hiring practices to uncover untapped talent & find "hidden talent".

By improving the process, leaders can uncover more diverse talent, close skills gaps and identify talent pools that may have been overlooked. A recent Accenture & Harvard Business School survey, Managing the Future of Work, surveyed over 8,000 hidden workers and more than 2,000 leaders uncovering some interesting findings.

A SINGLE DATA POINT MADE THE INTRACTABILITY OF THE PROBLEM APPARENT. The survey found that long-standing and widespread management practices contribute significantly to constraining the candidates that organizations will consider, leading to the creation of a diverse population of aspiring workers who are screened out of consideration - or "hidden"

The survey showed that organizations that purposefully hire "hidden" workers realize an attractive return on investment. Reporting that they are 36% less likely to face talent and skills shortages compared to those who do not hire "hidden" candidates. The survey also showed that the "hidden" workers outperform their peers materially on six key evaluative criteria: attitude and work ethic, productivity, quality of work, engagement, attendance, and innovation.

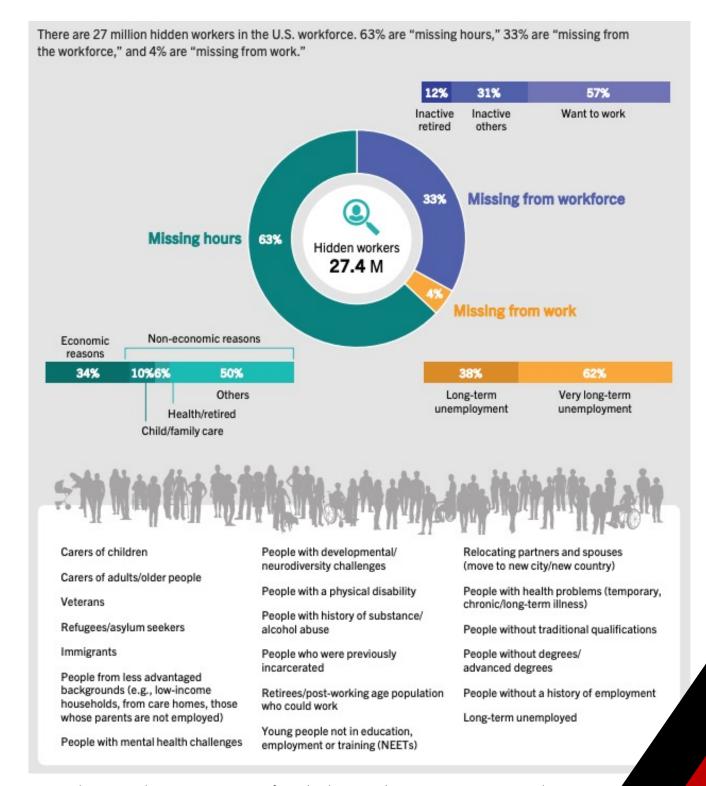
WHO ARE HIDDEN WORKERS? In coining the term "hidden workers," Accenture wanted to home in on language that reflected the effects that companies' policies, practices, and deployment of technology have on their capacity to identify and access various pools of talent. The term "hidden worker" is not intended to suggest in any way that workers are hiding and wish to or actively seek to remain excluded from consideration for employment. These workers experience distress and discouragement when their regular efforts to seek employment consistently fail due to hiring processes that focus on what they don't have (such as credentials) rather than the value they can bring (such as capabilities).

ULTIMATELY, WE FOUND THAT HIDDEN WORKERS FALL INTO THREE BROAD CATEGORIES:

- 1. "MISSING HOURS" (WORKING ONE OR MORE PART-TIME JOBS BUT WILLING AND ABLE TO WORK FULL-TIME).
- 2. "MISSING FROM WORK" (UNEMPLOYED FOR A LONG TIME BUT SEEKING EMPLOYMENT).
- "MISSING FROM THE WORKFORCE" (NOT WORKING AND NOT SEEKING EMPLOYMENT BUT WILLING AND ABLE TO WORK UNDER THE RIGHT CIRCUMSTANCES).

Critically, they do not represent a homogeneous group. They include veterans, those with physical disabilities, people with mental health or developmental and/or neurodiversity challenges, those from less-advantaged populations, people who were previously incarcerated, and those without traditional qualifications.

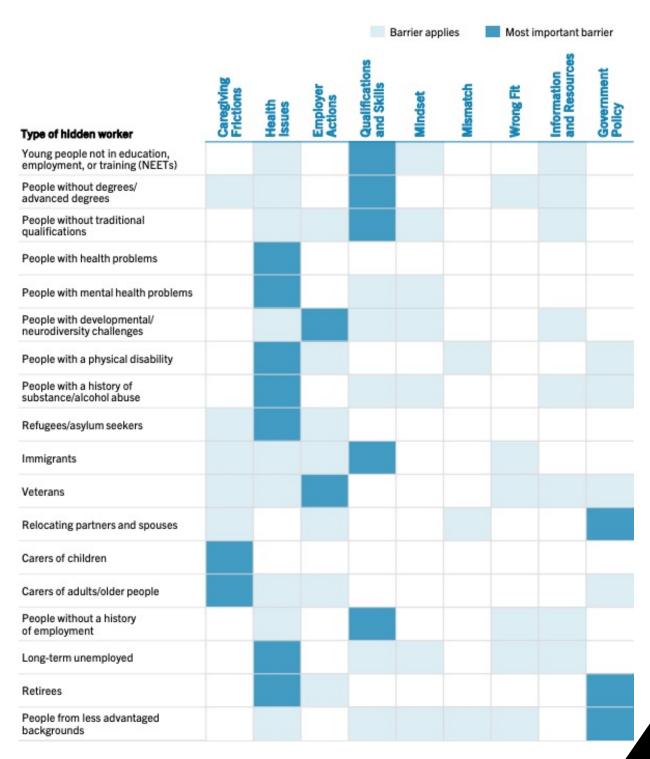
COMPOSITION OF THE U.S HIDDEN WORKFORCE, MARCH 2020



Note: The "missing hours" group consists of people who are working one or more part-time jobs but could or would like to work full-time; the "missing from work" group consists of those who have been unemployed for a long time but are still seeking employment; the "missing from the workforce" group consists of those who are currently not working and are not actively seeking employment, but who could be working under the right circumstances.

Source: Accenture Research based on IPUMS CPS data from March 2020 combined with economic modeling results (based on data for 2015–2020).

BARRIERS THAT IMPACT EACH TYPE OF HIDDEN WORKER, MARCH 2020

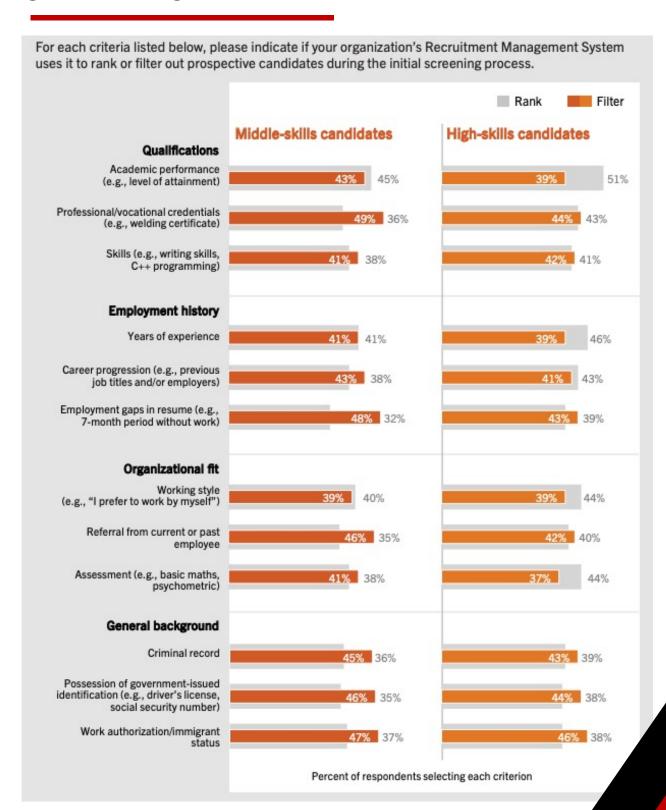


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EXTENSIVE USE OF CRITERIA BY EMPLOYERS TO RANK & FILTER JOB SEEKERS

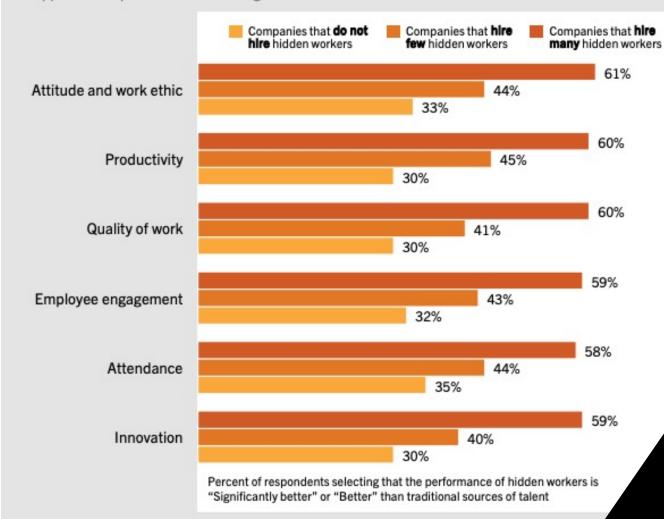


Note: Only those who indicated that their organization uses a Recruitment Management System to initially rank, or filter middle-skills or high skills candidates were shown this question. Source: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January/February 2020.

EMPLOYERS RATE HIDDEN WORKER PERFORMANCE HIGHER THAN TRADITIONAL TALENT

Companies that don't hire hidden workers foresee only problems, while companies that do hire hidden workers recognize the risks, but also see the gains. Executives from companies that did hire a substantial number of hidden workers reported these same beliefs about the risks of hiring hidden workers, but at the same time, they acknowledged the benefits that come with hiring these employees. Nearly two-thirds of all such business leaders reported that, once hired, previously hidden workers performed "better or significantly better" in six key areas that matter most to employers: attitude and work ethic, productivity, quality of work, employee engagement, attendance, and innovation.

Relative to traditional sources of talent, how would you compare the performance of workers from untapped talent pools on the following factors?



Note: "Companies that do not hire hidden workers" are companies who reported that they hired 0 hidden workers over the past year. "Companies that hire few hidden workers" are companies who reported that they hired between 1 and 10 hidden workers over the past year. "Companies that hire many hidden workers" are companies who reported that they hired more than 40 hidden workers over the past year.

Source: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January/February 2020.

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REFORMING THE APPROACH TO RECRUITING

How do organizations reform and change their approach to recruiting in a fast-paced world?

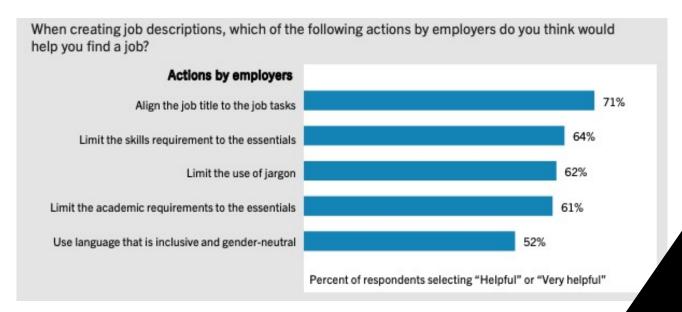
Organizations can take several steps to include "hidden workers" and improve their talent pipelines in various ways. Doing this will require effort, customization and an understanding that speed often hampers success. While thinking about talent acquisition, organizations need a comprehensive retention and development strategy to limit attrition and churn.

- 1. REFRESHING JOB DESCRIPTIONS. Instead of just adding new skills and experience preferences to existing job descriptions re-evaluate those descriptions from scratch. If you don't start from scratch, you will end up with a candidate profile that is larded with legacy requirements and "nice to have" attributes rather than a focus on a limited list of "must-have" skills and experiences that correlate to performance in the role.
- 2. SHIFTING FROM "NEGATIVE" TO "AFFIRMATIVE".

 FILTERS IN ATS An Applicant Tracking System (ATS) largely relies on "negative" logic to winnow the applicant pool. Workers are excluded from consideration due to variables such as the lack of a college degree or a gap in their employment history. While employers may infer that applicants who have those attributes are undeserving of consideration, applying an "affirmative" logic would seem a more logical approach for seeking talent. Configuring systems to identify applicants with the specific skills and experiences associated with fulfilling the core requirements of the role would promise to be more efficient and inclusive.
- 3. ESTABLISHING NEW METRICS FOR EVALUATING RECRUITING. The current system emphasizes and rewards expense minimization. It should emphasize human asset maximization. Recruiters and the talent acquisition processes ought to be evaluated on metrics such as the time it takes for a new employee to achieve expected levels of productivity, attrition rates, and rates of advancement.
- 4. SHIFTING THE JUSTIFICATION FOR HIRING DIVERSITY FROM CSR TO ROI. An organization that relegates a group of workers to a special recruiting status is not only acknowledging that its routine recruiting processes are failing to access that population, but also that the ordinary metrics by which candidates are being assessed are being waived. That undermines the legitimacy of the hidden workers' employment in the eyes of colleagues and could undermine the ability and confidence of those workers to perform to their full potential. It also ignores the experience of the many employers that have found employing hidden workers to be a means of alleviating skills shortages.

- 5. A WIDENING TRAINING GAP. The rapid pace of change, driven in large part by advancing technologies, has made it extremely difficult for workers to obtain relevant skills. The evolution in job content has outstripped the capacity of traditional skills providers, such as education systems and other workforce intermediaries, to adapt. The perverse consequence is that developing the capabilities employers seek increasingly requires the candidate to be employed. The employer often does not step in and provide the relevant training and time for employees to upskill.
- 6. TARGETING SPECIFIC SUB-GROUPS. By focusing on specific sub-populations of workers, organizations can customize investment in training and accommodations to maximize the rate at which newly hired workers become productive. It also allows recruiters, human resources professionals, supervisors, and coworkers to become familiar with these workers' needs. Additionally, by concentrating on a few segments, organizations can more easily invest in developing relationships with skills providers, educators, social entrepreneurs, and other social agencies with knowledge and supportive programming tailored to those groups. They will also be better positioned to address any legal, administrative, or regulatory issues related to employing individuals from that category of workers.
- 7. ADOPTING A CUSTOMER-EXPERIENCE. Organizations should apply a user experience (UX) lens to the application process to ensure that the skills and credentials requirements are accessible at the beginning of the process and that the timetable and criteria for decision making is clear. Organizations should also broaden their selection of skills providers to include more diverse channels.

EMPLOYER ACTIONS THAT CANDIDATES CITE AS HELPFUL IN FINDING WORK.



Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

RE-ONBOARDING EMPLOYEES TO SUPPORT THEIR RETURN TO THE WORKPLACE

HR leaders must use this transition of employees back to the workplace as an opportunity to re-onboard them as though they are joining a new organization.

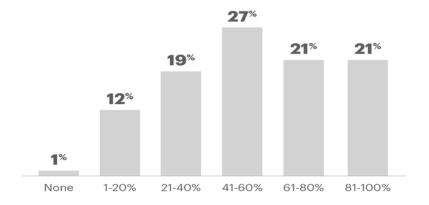
While at the same time, looking at the on-boarding process and rebuilding it to be more inclusive, ensuring that the new process allows for diversity and belonging and better preparing employees for long-term success. According to Gartner, there are a couple of key ingredients to drive successful talent engagement.

DEVELOP A PHILOSOPHY ON FLEXIBILITY. Rather than creating a generic flexible work policy, HR and talent teams need to determine what the organization's philosophy on flexibility is and ensure this is communicated across the organization. Also, ensuring that managers at all levels are trained on how to manage through flexibility and the hybrid work model.

COMMUNICATE THE PURPOSE OF THE OFFICE. Prior to the pandemic, organizations simply described their office as a place where their employees worked and convened. Now, leaders must determine the role of their physical workplace - a team or company meeting place, a collaborative environment, a secure workspace, a social gathering space to support the community - and communicate that to employees.

Large Segments of Workers Will Be in Hybrid Model

Expected percentage of employees working remotely sometimes postpandemic



gartner.com

n = 227 HR leaders Q. What percentage of your workforce do you expect will work remotely SOMETIMES after the COVID-19 outbreak ends? (select one) Source: Gartner Workplace Reopening Amid Vaccine Rollout Webinar

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HOW DATA REGULATION AFFECTS CANDIDATE MANAGEMENT

Like anything of value, data's true worth is only realized when it's adequately protected.

According to an Insight222 study, privacy and ethics concerns threaten <u>81% of people analytics projects</u>. Data privacy laws are designed to address these privacy concerns, and governments are making sure they're enforced. For HR and talent departments, hiring mangers, and recruiters, the greater emphasis on privacy and consent with regards to personal data means a lot more red tape for the candidate engagement process. The trick for recruiters will be navigating current data regulations while preparing for the ones still to come.

THE IMPACT OF DATA REGULATIONS ON HR AND

RECRUITMENT. Consent has always been necessary before a company can hold employee data. What privacy laws now mandate is that consent be "specific, informed, and unambiguous," as well as revokable. Essentially, this means the current way of doing things is likely obsolete. GDPR as an example isn't the endgame of data regulation — it's the first step toward a future that's more protected and compliant. Here are a few data privacy HR implications that recruiters should expect to encounter going forward:

- 1. CANDIDATE DATA WILL NO LONGER BE FREE. In our current environment, data is easy to access for free. People are beginning to wake up to this fact and are putting real value on their personal information. The definition of personal data, the value people put on their information will only become more critical. For recruiters, this likely means they will have to consider each candidate's data an asset they must pay for before hiring managers will be able to see it.
- 2. THE WAY HR ACCESSES THIRD-PARTY DATA WILL CHANGE. HR tech vendors currently pay to access third-party data. But now that Europe-based platforms must <u>comply with GDPR</u>, many of those partnerships could change or dissolve altogether. In the U.S. many organizations comply with GDPR but privacy laws will have an impact on HR and will force vendors to take new approaches to third-party data collection. This also means that recruiters and hiring managers will need to make sure vendors have a backup plan.
- 3. THERE WILL BE A NEW AVENUE FOR LAWSUITS. Privacy laws and HR compliance is going to be a common subject of lawsuits in the future. Whether it's a failure to get permission before contacting a candidate or an instance of someone viewing personal data through an unsecured browser, there are plenty of ways companies can get sued for violating these laws. As more global companies comply with GDPR and data privacy laws expand in the U.S., the frequency of these data breaches will only increase.



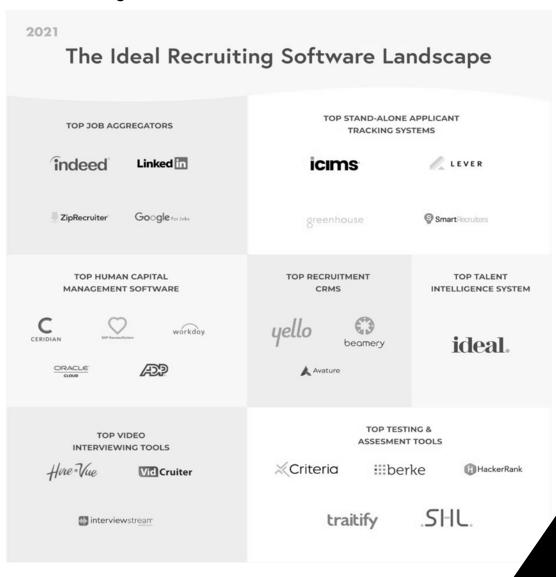
EQUITY IN HIRING PRACTICES

Recruiting - like every other function in a modern organization - needs to be equitable and fair.

- 1. BE TRANSPARENT ABOUT SALARY. There are several good reasons to explicitly list a salary or salary ranges for position openings. Chief among them: listing salaries makes better use of your time, and that of applicants, by letting people filter for jobs that meet their financial need and helps reduce potential gender and racial discrimination in salary negotiations.
- 2. DO NOT ASK FOR SALARY HISTORY. By perpetuating historical inequities, basing compensation on salary history can contribute to the wage gap that disadvantages women, people of color, and people with disabilities. Instead, base your salary offer on a study of comparable positions. You may also want to check the <u>living</u> wage in your area.
- 3. INSTITUTE FAIR CHANCE PRACTICES. Do not ask applicants about criminal histories until a conditional offer of employment is made. At least 32 states and 150 cities and counties have passed laws mandating this practice. Fair Chance Hiring is one tool to prevent employers from treating all criminal convictions as a pre-emptive disqualification that effectively discriminates against minority applicants.
- 4. ATTRACTION. Should be fair and balanced; selection should be equitable.
- **5** . **EQUALITY**. There should be equality of opportunity in all recruitment processes based on objective criteria that are impartial.
- **6.OPEN COMPETITION.** The process is one of open competition that should attract a diverse range of candidates. Candidates should have access to information about the job and the process.
- 7. DECLARATIONS OF INTEREST. Declarations must be made at the appropriate stages of the recruitment process.
- **8** . **BEST PRACTICE** . All staff involved in the recruitment process should complete appropriate training, specifically in DEI principles and be confident in delivering best practices at all stages of the process.
- **9. POSITIVE EXPERIENCE.** All candidates should have a positive experience, whether they are successful or not.

MOST FREQUENTLY USED RECRUITING METRICS & SOFTWARE

- Time to fill
- Time to hire
- Source of hire
- First-year attrition
- Quality of hire
- · Hiring manager satisfaction
- Applicants per opening
- Selection ratio
- Cost per hire
- Candidate experience
- Offer acceptance rate
- · % Of open positions
- Application completion rate
- Recruitment funnel effectiveness
- · Sourcing channel effectiveness
- Sourcing channel cost



GLOSSARY & RESOURCES

Predictive Index

The State of Talent Optimization

The 2021 People Management Report

Gallup

The Great Resignation

Gartner

workforce of the future

Wired

Google's secrets to hiring the best people

Glassdoor

Calculate cost-per-hire

Accenture & Harvard Business School

Hidden Workers Untapped Talent

Harvard Business Review

Outsmart your own bias

Three ways to make less biased decisions

When hiring first test, then review, then interview

National Employment Law Project

Fair chance hiring state and local guide

Arya

How technology keeps people at the heart of recruiting

Togglehire

Cost of hiring an employee

