

Core-Talent Recruitment - A Unique Talent Segment
Requiring a Different Recruiting Approach



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VOLUMES have been written and discussed regarding how companies differentiate and achieve exceptional performance. Leveraging financial assets and information technology, utilizing marketing creativity, orchestrating strategic planning, ensuring customer satisfaction and engaging in clearly defined and energetic sales efforts: all are important aspects in the success profile of most high performing growth companies on the planet.

Senior executive leadership will recognize that for any and all of the aforementioned items, the key to their success lies with the capabilities of the management team and key contributors who are tasked with designing and executing strategic plans and initiatives. In effect when we talk about what is “Core” to an organization, not only are we talking about how they differentiate themselves as an organization, but also the people who are responsible for ownership and management of the most critical aspect of the organization. These are the people who create competitive advantage for the firm, can be clearly defined as the future leadership, and in effect, represent the inherent value of a company.

It follows that the care and motivation of these individuals is essential for the continued health and growth of an organization. Equally important is an understanding of the importance of strategic talent acquisition and appropriate execution models in identifying, engaging and hiring these future leaders and innovators. These strategic hires are not only important in supplementing and complementing the current talent engine of an organization, but in many cases they are the key drivers of growth and financial success.

It is important to differentiate solutions and strategies that are responsible for adding individuals to an organization that are in effect “Core” to achieving both short and intermediate term strategic objectives, vs. those individuals that would be considered “Sustaining” from a strategic perspective. The idea of Core vs. Sustaining would be likened to another characterization, Mission Critical vs. Supporting. This framework drives home the distinction and linkage of hiring activity that is in effect driving these “Core” individuals into an organization. This activity is so highly critical to an organization, and unique in its approach, that

it warrants its own categorization: Core-Talent Recruitment.

Today – A Dual Track Model for Finding Talent

Current execution and categorizations of recruiting activity has for the most part been defined as a dual track model. One grouping would be “Executive Search” the other would be “Talent Acquisition Management.” At companies like Freddie Mac the differentiation is explicit; their recruiting departments are actually identified as “Executive Search” and “Talent Acquisition Management.” The latter categorization is labeled differently from company to company; the former is fairly standard across all industries and companies.

Executive Search activity is clearly defined as targeting “Core” contributors to an organization (C level and other Executive roles). This is a high-touch recruiting model, which is fairly labor intensive and time consuming for each job opening, with an exceptional level of detail about each candidate ascertained and documented before being presented to a client company and/or hiring manager for consideration. Search fees are typically based on a retainer, with the majority of the fee to be paid whether a candidate is placed by the recruiting firm or not.

At the other end of the spectrum are Talent Acquisition Management companies. These companies comprise Recruitment Process Outsourcing (RPO) companies (and divisions of larger BPO and HRO firms that offer this service), Managed Staffing organizations, and Contingent Fee Staffing companies. They are, for the most part, focused on the corporation’s talent needs that are driven by

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volume and scale. The competency of these recruiting organizations aligns with what would most often be considered “Sustaining” hires, or those hires that are in support of strategic initiatives of an organization. This is where high volume direct hire and contingent workforce acquisition is accomplished.

Execution Models

Recruiting organizations that focus on these segments have different recruiting methodologies and capabilities. For Talent Acquisition Management efforts, recruiting focuses on a higher volume of like type positions. Here job boards and company career portals are effective given the large number of individuals that are included in this “Sustaining or “Supporting” skill segment. The efforts here are focused on a candidate filtering process, where the numbers of semi-qualified candidates are large, and the most appropriate individuals can be identified through a rigorous, automated pre-screening process and/or basic resume screening by administrative recruiting support or junior level recruiters.

Often high volume recruitment “centers” are created by recruiting organizations to handle the coordination of these high volume hiring initiatives. These centers are a focal point for many RPO organizations, where new employees can be trained as junior recruiters. Here they gain an understanding of the basics of resume screening, candidate interaction and resume mining in a controlled environment where

the transaction processing aspects of high volume recruitment can be better managed.

For Executive Search efforts, the highly critical nature of these positions requires focused research effort in finding the appropriate candidates. Candidates here are mostly categorized as “inactive” candidates, meaning that they are not looking for a new job and require extensive interaction with senior search/recruiting individuals to present a new job opportunity and discern the fit between candidate and role/organization.

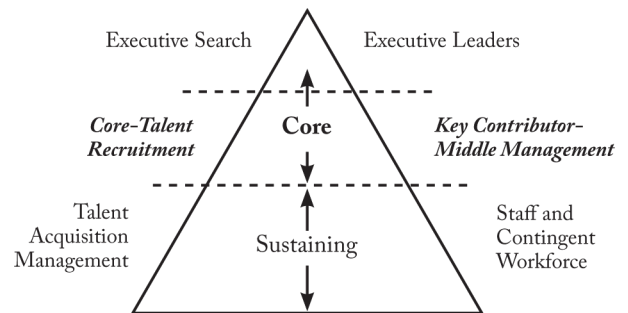
For “Core” or “Mission Critical” positions, the recruiting efforts are categorized as “high touch”, meaning significant exploration and individual interaction needs to occur in every candidate conversation. Additionally, the interaction with the hiring manager community is at the highest levels of an organization, so the search/recruiting leader is always a seasoned executive with the distinct ability to handle the nuances of opportunity presentation, candidate interaction and candidate capability and fit assessment. In addition, these search leaders must act as trusted advisors with the consultative ability to articulate market related issues and make competitive landscape observations relative to geography, industry, company or specific job. They must provide organizations with an important value add which is critical to the overall success of hiring efforts against Executive “Core” positions.

Between Executive Search and Talent Acquisition Management – Core-Talent Recruitment

The gap between Executive Search and Talent Acquisition Management (as outlined below) leaves a whole segment of the talent spectrum that can be simply defined as “Key-Contributor / Middle Management.” Individuals within the “Key-Contributor / Middle Management” grouping are clearly

organization’s health and growth prospects. Ryan states that, “Finding the best people in this segment is incredibly hard, and senior level recruiting capabilities are essential to identifying the difference between the good candidate and the great hire.”

The recruiting execution model for this Core-Talent segment has to date lacked clarity and operational rigor. It has suffered from



defined as “Core” to an organization’s strategy and execution, due to the criticality of the roles these individuals play and the essential nature of the deliverables produced. Additionally, these positions make up the “bench” of future leaders within an organization, and are thus important not only for achieving shorter term strategic milestones, but also to ensure continuity in thought leadership and management muscle for the future of an organization. For E-Commerce leader Kevin Ryan, (former CEO of DoubleClick and former board member at HotJobs and TheLadders), focus and execution on this segment is critical to an

its “in between” positioning relative to executive search and talent acquisition management recruiting organizations. The best recruiting companies in the executive search segment are usually not interested in “lower level” positions relative to their normal assignments, and “going downstream” into to this segment presents problems for senior search/recruiters who’s natural direction is towards the highest level positions of its client organizations. In addition, the rigidity of fee structures for retained search companies often does not allow for creative pricing structures, thus companies are presented with executive search

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“Companies are looking for best of breed partners that understand the unique nature of each talent segment. Vendors whose primary competency and market thrust being RPO or Managed Service recruitment are built for being successful in that segment. At the next level of skill set, above high volume recruitment delivery, a different model and different organizational competencies and leadership are required.”

Tony Steadman, *senior executive with Booz and Company*

pricing frameworks for positions that should not be considered in that talent segment.

For Alister Wellesley, Chief Executive at the executive search firm Wellesley and Partners, differentiation can be viewed as an opportunity for companies to choose partner recruiting organizations they feel are most appropriate for the market segment they excel at. “Retained search leaders love to work at the senior executive level and bring their market knowledge and contacts to each individual search. However the idea and importance of “Core” talent certainly extends to middle management and key contributor roles where the recruiting execution model is different from traditional executive search, but maintains some of the characteristics of a more rigorous search effort.” Also, since senior search/recruiters in the segment define themselves by the level of search they have successfully completed, their work in this middle segment creates what some in the executive search business consider brand degradation. Companies and individuals who are, in effect, branding themselves as having experience delivering “Executive” level search assignments, but who are willing to take on “Key Contributor” level engagements often have problems repositioning themselves to clients.

At the other end of the spectrum, Talent Acquisition Management companies are challenged with jobs above their target market segment, both from a financial and execution perspective. In typical RPO and

Managed Service engagements, significant emphasis is put on executing against Service level Agreement (SLA) benchmarks which must adhere to short term “time to fill” hurdles. Recruiting teams that are built to handle volume recruiting run into execution challenges when the degree of difficulty for positions are high, specifically when jobs that are part of a larger talent acquisition engagement include key contributor and middle management positions. For recruiters managing requisition loads that are typically north of fifteen (15) and that cover numerous hiring managers, challenges arise when they need to deliver volume recruiting targets while at the same time handling positions that need a more thorough and candidate focused recruiting approach. It’s a “between a rock and a hard place” problem for recruiters who need to focus on volume recruiting, while needing to keep their hiring managers satisfied with the most important jobs they are covering.

There is also the issue of recruiter experience. Junior recruiters that are the muscle behind volume recruiting organizations may not be experienced enough to handle recruiting the critical “Core” jobs that companies need to fill. “Cutting teeth” on these higher level roles may be good for the recruiters to gain experience, but offers clients a mixed bag relative to customer satisfaction and overall engagement success.

Core-Talent Recruitment – The Segment and the Execution Model

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Companies' efforts to address their hiring requirements for this "Core" segment defined as "Key Contributor – Middle Management" have been challenging due to the specific nature of the prevalent "dualtrack" recruiting model in existence today. Tony Steadman, a senior executive with Booz and Company, has seen the issue surface with numerous companies focused on large scale RPO engagements. Steadman states that "companies are looking for best of breed partners that understand the unique nature of each talent segment. Vendors whose primary competency and market thrust being RPO or Managed Service recruitment are built for being successful in that segment. At the next level of skill set, above high volume recruitment delivery, a different model and different organizational competencies and leadership are required."

This different model is a Core-Talent Recruitment model. It can best be defined as hybrid retained search model, the characteristics of which pull from the high touch approach of retained search delivery as well as having the operational rigor, attention to metrics, and ability to scale associated with talent acquisition management efforts. Since the issues related to this "Core" talent segment revolve around the criticality of the positions needing to be filled, the key aspect of delivery here is the capability and seniority of recruiters assigned to these posi-

tions. In effect this talent segment requires a "senior level recruiters only" delivery team composition. The consultative and nuanced nature of discerning candidate capability and culture fit, and the expertise to be considered a trusted advisor to the hiring manager, creates the major difference between success in this segment, and delivery challenges. Candidate sourcing capabilities need to be closer to a retained search model as well. Most often, research capabilities are required in order to identify people who may be interested in new job opportunities, but are currently inactive in the job market. These job types require recruiters, or researcher-recruitment teams, who are not only highly capable with cutting edge online sourcing techniques, but also are adept at using retained search methodologies to identify and engage high caliber candidates directly.

The ability of recruiting organizations to work effectively in this talent segment also requires the experience and capability of effectively handling dozens to hundreds of open positions annually. This requires an operational framework and leadership competency that closely approximates larger talent acquisition models. Attention to cycle times and services level goals, reporting requirements, and ability to expand and contract a senior level recruiting team to meet hiring needs is required from organizations that focus on this segment, as well.

Conclusion

The criticality of the "Core" talent segment (defined as middle management and key contributors), and its impact on the health and future success of an organization, requires that leaders in talent management think critically about their true consultative in-house recruiting capabilities. They should also take a close look at their current vendor mix to ascertain whether they have included a recruiting partner that understand (and has a track record) of executing and managing towards these roles, and presents a best of breed recruiting and operational approach for this talent segment. The talent required for each segment of an organization is clearly unique in nature. It stands to reason that it is equally important for an organization to have talent acquisition strategies and partners that are very knowledgeable about each segment as well.

Additional Information:

An estimate of the size of this market can be derived from a recent Staffing Industry Analyst (SIA) report on the direct hire market. SIA states that the overall spend for the Retained Search segment of the direct hire US market to be 6.3 billion, and the Contingent Search segment to be 8.4 billion. An estimate of the spend for the "Key Contributor – Middle Management" segment can be derived from these two segments as roughly 2.31 billion (10% of Ex-

ecutive Search spend and 20% of the Contingent spend).

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