

STATE OF TALENT ACQUISITION

20
21

INSIGHTS INTO THE STRATEGY,
PLANNING, AND NEED FOR
CREATIVE THINKING IN THE
YEAR AHEAD



INTRODUCTION

A PERFECT STORM FOR TALENT

If there was a perfect storm in the world of talent, it would be one that promises high demand, low supply, precarious market conditions, challenging new health and regulatory requirements, and a wave of resignations. Some talent functions are facing the storm in a warship with a well-defined battle strategy and others in a sailboat, underequipped and unprepared.

Talent teams are feeling much of this burden already and the outlook heading into 2022 appears to contain similar levels of volatility, uncertainty, complexity, and ambiguity.

The ATC Events & Media *2021 State of Talent Acquisition Survey* launched in September 2021 in partnership with Globalization Partners and received responses from 144 talent teams of all shapes and sizes from all over Australia and New Zealand.

These responses have not only provided us with insights into the performance of Talent Acquisition (TA) functions including key rankings in delivery, strategy, and future pipeline but they also offer an understanding of the range of service offerings, where the talent function is situated in the business, how well funded it is, and if the C-Suite proclamations on the importance of people and talent are translating to funding and authority levels.

This report has been designed as a resource to help you understand the possible challenges ahead, how other talent teams are responding, and provide benchmark data against which to review your own function.

We hope you find it of value.



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This report was published by ATC Events & Media in partnership with Globalization Partners.



We bring together the leading talent thinkers, makers, and trailblazers to propel talent capability and practices and connect the community to each other. Whether you're looking for live events, online discussions, or in-depth insights, we make it easy for talent professionals to connect and collaborate and drive the talent agenda forward. Find out more at atcevent.com.



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All information in this report is correct and true as of 1st December 2021.

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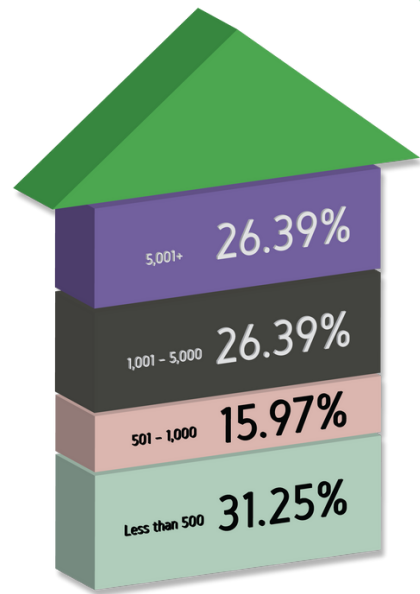
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DEMOGRAPHICS

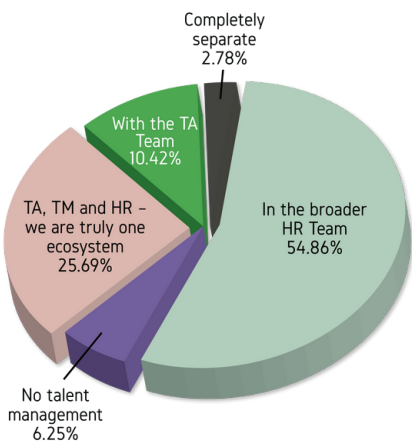
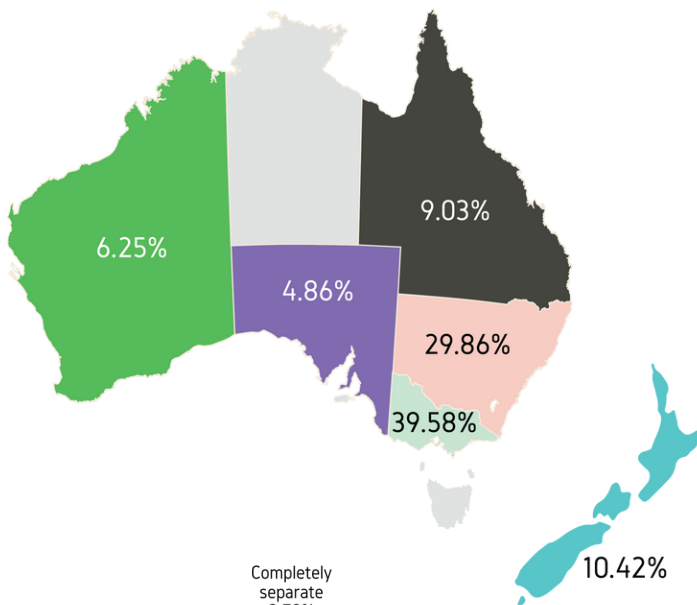
INSIGHTS FROM 144 TALENT TEAMS

Here's a breakdown of the team and company size, location, and function to provide deeper understanding into the representational value of the insights provided in this report.

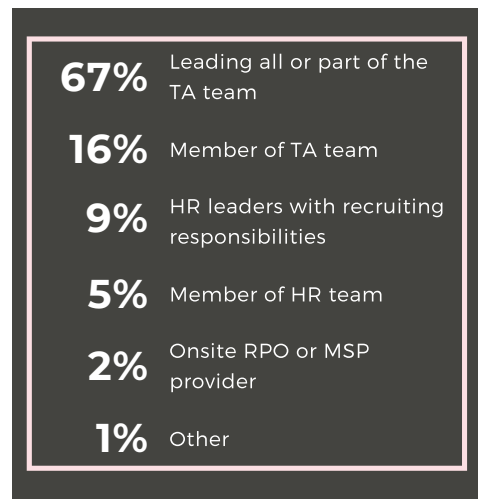


SIZE OF ORGANISATION

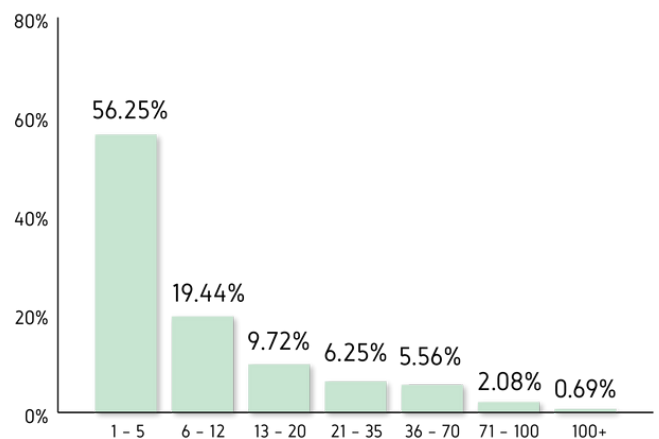
RESPONDENT LOCATION



WHERE TALENT MANAGEMENT SITS



ROLES REPRESENTED



TA TEAM SIZE

2020 INSIGHTS

A LOOK BACK AT 2020

2020 was a year of accelerated tech adoption for talent teams.

At the close of 2020, TA teams were moving from a state of hiring freezes to a demand surge and record numbers of requisition approvals.

There were varied approaches as to how teams planned to meet this hiring demand:

- 33% planned to increase the size of their team
- 31% planned to automate processes via new technologies
- 13% planned to rely on agencies and partners
- 9% admitted that they are totally unprepared to face increases in hiring demand

However, the number one theme that emerged was the plan for talent teams to develop significant talent pools and strengthen their pipelines.

With these plans in mind, the talent sector was confident it was positioned well for market recovery and the hiring demands of 2021 and beyond.

Now let's take a look at how teams are positioned at the close of 2021.

TOP 5 PRIORITIES FOR THE NEXT 12 MONTHS IDENTIFIED IN 2020



**BUILDING STRONG
TALENT POOLS**



**IMPROVING
EMPLOYER BRAND**



**IMPROVING USE OF
DATA AND REPORTING**



**IMPROVING
CANDIDATE EXPERIENCE**



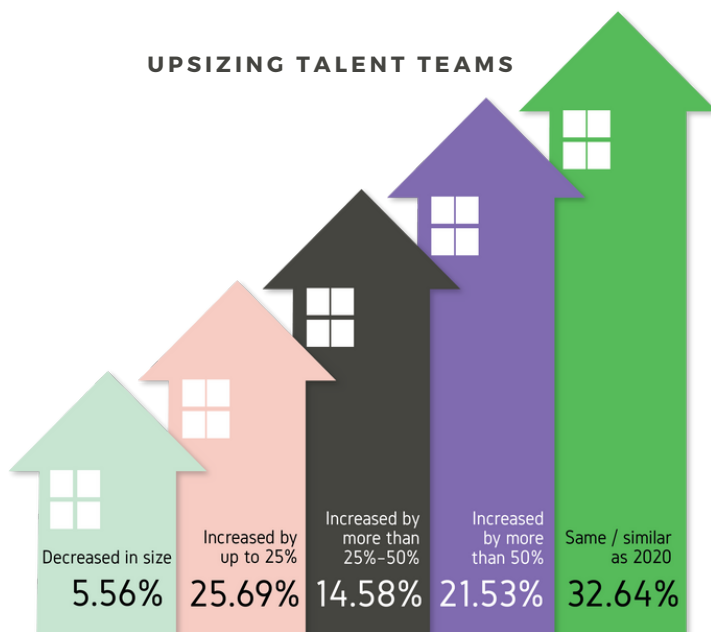
**ENHANCING
CAREER SITE**

TEAM SIZE

TALENT SUPERSIZED

61% of respondents to the 2021 survey told us they had been busy growing the size of their talent team in 2021.

33% reported that their talent teams stayed the same size and only 5% of responding companies reported that they had reduced in size. Of course the 144 companies that responded to the survey all varied in organisation size (see page 5).



MEGA TEAMS

Teams with 71 members or more all grew by up to 25%.

With 61% of talent teams in growth mode, it's clear that many organisations are in preparation mode ready for market recovery. However, some leaders are expecting ongoing volatility in market conditions.

"I'm building out the team but at the same time, the economy could change at any time so not overcapitalising on TA headcount is important. I'm making considered decisions on contract versus permanent additions to the team."

TYPES OF SERVICE PROVIDED

MOVING TOWARDS A FULL ADVISORY SERVICE MODEL

In the survey, we listed an organisation's full advisory service as one that offers:

- Role configuration
- Internal talent/mobility
- External market
- Upskilling/re-skilling
- Outsourcing
- Automation

While talent acquisition may not control all of these aspects, we were interested in this data from two perspectives:

- To understand how talent delivery and outcomes vary based on these extended services at an organisational level.
- To determine whether we are seeing any signals, whether weak or strong, of the rise of "The Talent Office" - a merger of TA and TM as function which would leave HR and related services separate.

34% of responding companies had a full advisory service, all of whom aligned their talent strategy to organisational goals and drivers.

Of the remaining, 46% of TA teams actively included internal talent/mobility into their hiring considerations, which sees many trying to make the move closer to an advisory style of TA. Only 9 of the 67 emerging advisory cohort indicated both an alignment to the organisational business drivers and had access to workforce planning that is operating at desired levels. This left 58 organisations with work to do to lift their advisory offering.

91% of these have a workforce planning team or resource, however less than 50% say that workforce planning and their ability to anticipate future needs is performing well. It's also worth noting that in many large organisations workforce planning is a separate business function providing end data to the talent teams.

RECOMMENDATIONS FOR 2022

- Agree on a detailed definition of talent advisory before implementing or optimising and ensure teams have the associated lead and lag metrics to measure its effectiveness.
- Agree on who is responsible for what with clear linkages and connection points, especially relating to data.

TYPES OF SERVICE PROVIDED

TA AND TM MOVING CLOSER TOGETHER

In a past poll, feelings were mixed on TA identity. Some told us they felt truly part of the overall HR team and eco-system, but many felt that their sense of belonging was uniquely to “Talent” and not HR.

In the *2021 State of Talent Acquisition Survey*, we were interested to know where talent management sat in the business, and whether TA functions were taking on more talent management responsibilities moving towards a total talent office rather than operating a subset of HR.

- 55% of talent management still remains outside of TA and sits in the broader HR team
- 26% told us that talent acquisition, talent management, and human resources were truly one ecosystem in the business
- 10% of respondents have merged talent acquisition and talent management and operate as a combined talent function
- The remaining 9% of businesses had no defined talent management service. This included the full range of company sizes from under 500 staff to over 5000 staff

It is encouraging to see 36% of organisations with talent acquisition and talent management operating together or effectively. These signals appear to support the widely shared view that TA and TM will either come together or be expected to operate incredibly closely as new breed technology can provide teams with visibility of skills and detailed profiles of their workforce and talent pipelines.



INTERNAL MOBILITY

MOBILITY AS A TREND

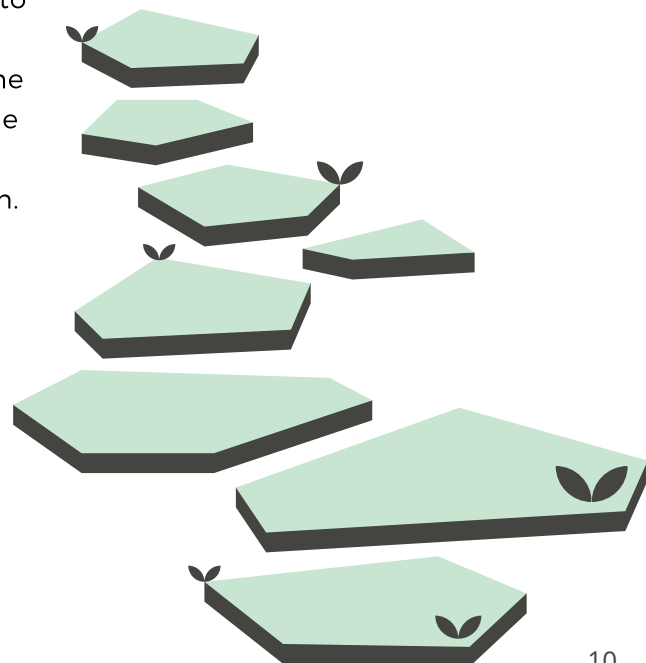
The current supply challenges in the Australian labour market are making it incredibly difficult to hire in-demand talent, particularly in the digital and technical, hospitality, retail, and healthcare sectors.

In response, many progressive companies have initiated strategies to upskill or re-skill their workforce as a strategic priority and are leveraging new-breed workforce AI and workforce mobility solutions to enable this. There is also a drive to uncover and utilise spare worker capacity which can provide new learning and career paths for internal staff.

The technology advances in the past two years have now made this strategy possible and we are starting to see 'talent management' for all and not just the top x% of workers.

The same technology can be used to match internal and external profiles to opportunities within businesses where opportunities can refer to projects, mentoring, on-the-job experience, gig work, secondments, internal moves, and learning opportunities.

This trend has the opportunity to transform existing talent acquisition and talent management functions and is likely to increase the number of companies that merge these functions or seek to have them working closely as part of the talent ecosystem. It will also create a competitive advantage to companies leading this trend which will gain further support from the business/executive to drive this innovation.



TALENT DELIVERY

CURRENT DELIVERY

When respondents were asked to rate themselves on a sliding scale in response to the statement **our TA team delivers the right talent at the right time**, the current average rating across all talent teams was 7.3/10.

TA TEAM DELIVERS THE RIGHT TALENT AT THE RIGHT TIME

7.3
AVG RATING



The size of the organisation had little bearing on this result, with each of the company size categories ranging in supply performance from between 7.04 to 7.42 out of 10.

The strongest link between delivering the right talent at the right time was workforce planning and anticipating needs. Companies that did this saw their delivery score soar to 8.2

3 responding talent teams rated themselves as 4 or lower for delivery, all of whom listed funding and resources as an issue.

Of the teams with a 4/10 delivery score, all had a TA team size of 5 or less, one of them servicing a business of over 5000 staff. This group all also agreed that TA was not aligned to organisational goals and business drivers, and none had any access to workforce planning or ways of anticipating needs. They all rated their talent strategy 3/10 or less.

This would indicate that the sustainability of small TA teams may be in question with extra pressure on delivery and advisory expectations. For now, the majority of talent teams have risen to the supply challenge but are experiencing greater degrees of difficulty in doing so.



TALENT DELIVERY

DEGREES OF DIFFICULTY

Of the 144 responding talent functions, a whopping 92% said that they are finding it “somewhat or significantly harder” to hire talent compared to pre-pandemic.

While increased demand is clear from many organisations (60% of respondents said their workforce will grow in 2022), there is no one source that is challenging talent teams, and as such, no ‘one solution’ will suffice. Instead there are varying degrees of difficulty and multitude of responses required.

WHAT IS DRIVING INCREASED WORKLOADS FOR TALENT TEAMS?

- Increased hiring demand due to end of lockdown and market recovery
- Increased hiring demand due to growth, particularly professional services, digital, and e-commerce
- Reduced participation due to people removing themselves from the workforce during lockdown and not yet returning
- Increased resignation rates
- Implementation of vaccination hiring policies
- Insufficient or ineffective talent technology
- Too much change and transformation at one time
- Lack of budget and investment in TA
- Complex and slow approval processes
- Re-educating hiring managers on the new talent landscape and how they need to adapt
- Reactionary service offering
- Not allowing TA to hire anywhere but locally
- The re-work required when new hires decline offers late in the process due to higher salary offers elsewhere
- Lack of effective talent pools or dedicated sourcing function
- Some workforces returning to home of origin and no new talent entering Australia
- Traditional outreach sourcing initiatives are less effective in this market

“The ATS we're required to use is extremely unhelpful. The team is 40% less efficient than with their previous ATS. If we can't change our ATS then more recruiters are needed to manage the volumes we're experiencing.”

“Currently 1 in 3 hires sign their contact and begin the pre-boarding process only to email days before their start date and say they've had on offer \$40 to \$70k higher elsewhere.”



TALENT DELIVERY

FUTURE SUPPLY

Five percent of talent teams rated themselves a 9 or 10 for past and current delivery but their confidence quickly dropped when asked about the strength of their future pipeline. This high performing group reported an average future pipeline strength of 5.6 out of 10 signalling that even those in the best possible position are starting to struggle.

Only nine percent of all responding talent teams rated their future pipeline as a 7/10 or higher.

Four organisations claimed a magic combination of their workforce planning, labour market knowledge, sourcing, and talent pools and pipelines all rated as performing well. Their average delivery was 8.75 and their future pipelines scored an 8. All four were finding hiring significantly harder compared to pre-pandemic.

ADEQUATE TALENT PIPELINES FOR ALL POSITIONS

4.4
AVG RATING



INFLEXIBLE THINKING HOLDING US BACK

Despite 92% of talent teams finding it significantly or somewhat harder to find talent compared to pre-pandemic, only 50% of those talent teams were open to considering a part-timer with the right skills and only 25% of businesses were open to hiring remote off-shore talent. Many talent teams are not capitalising on opportunities to solve their problems.

"It's no longer a Talent Pool, it's a Talent Puddle."

"It's difficult to pipeline anyone at the moment. Everyone is moving so fast, the pipeline becomes redundant too quickly"

"We need to proactively source candidates more efficiently. We also need to educate the business on the necessity of moving quickly in the current market."

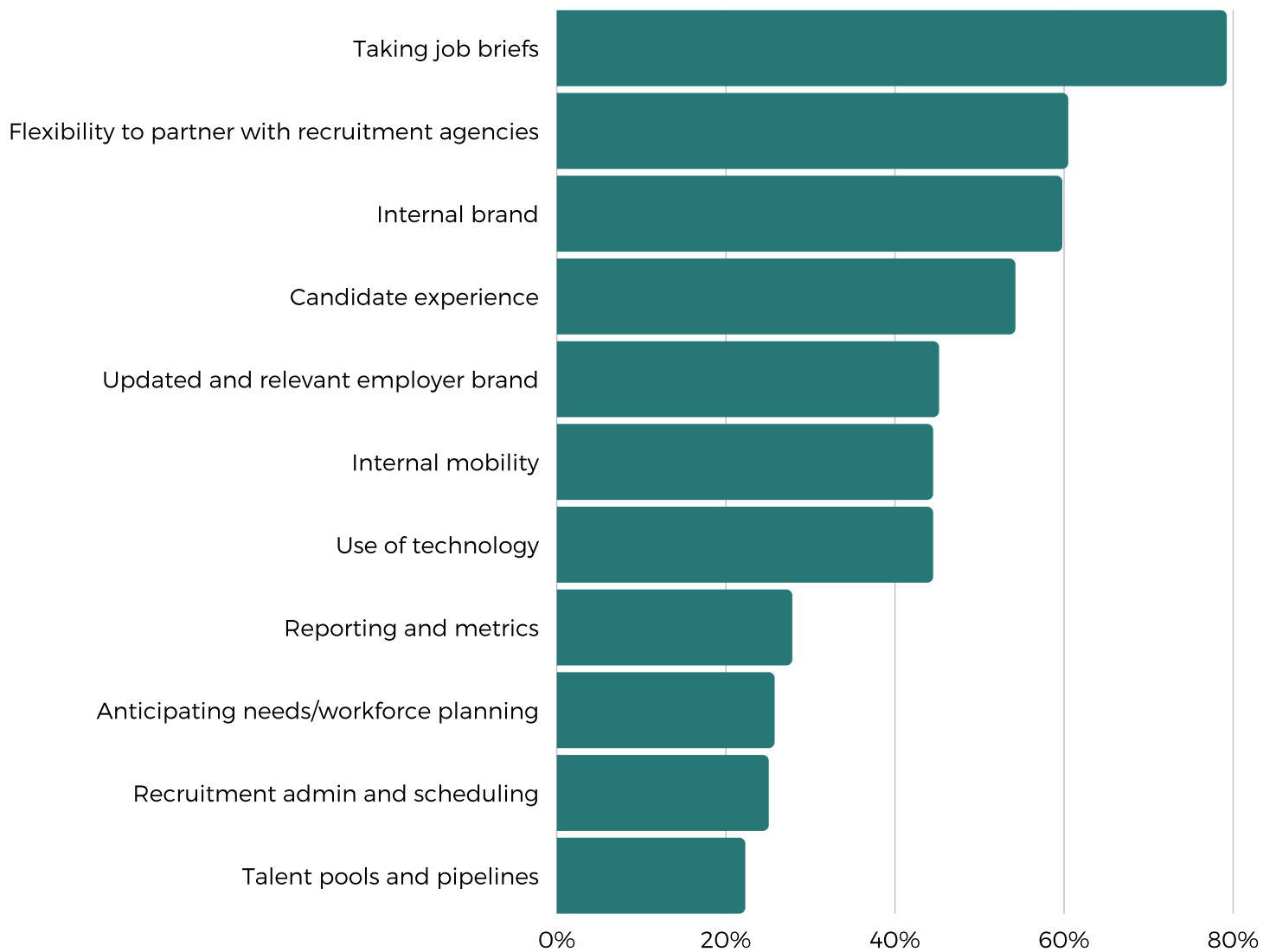
"Talent will continue to be scarce for some time. If people have moved recently then we have to let that cycle run its natural course, they are unlikely to move again for 12-24 months."



TA MATURITY & PERFORMANCE

TOP PERFORMING AREAS

We asked talent teams to tell us how 11 key elements of their TA services were performing.



Figures represent % of talent teams who responded "performing well" when asked how each element of their TA function was performing.

TA MATURITY & PERFORMANCE

AREAS FOR IMPROVEMENT

34% of talent teams reported at least 6 of the 11 elements as performing well. They had an average strategy rating of 7.32 and an average supply rating of 8.02.



TOP END

5 of these 50 rated all 11 areas as performing well. They averaged 8.8 for supply and 8.4 for strategy. All listed their funding as adequate or abundant and told us that commitment from executive level in the business to people and talent was significant.

BOTTOM END

29% of talent teams reported 3 or less of the 11 elements as performing well

They had an average strategy rating of 4.3 and an average supply rating of 5.7.

An overwhelming majority of companies reported that they need improvement in:

1. Developing talent pools and pipelines (67%)
2. Reporting and metrics (65%)
3. Anticipating talent needs and workforce planning (63%)
4. Automated recruitment, admin, and scheduling (60%)

TALENT ANYWHERE

THE UNTAPPED POTENTIAL OF GLOBAL MARKETS

The realisation and now mantra of the past 18 months is “If you can do your job anywhere, then someone anywhere can do your job.”

As markets emerge with high growth and with the supply of talent presenting a huge challenge, we are now seeing the cost of local talent increasing with many organisations finding themselves in a wage spiral. This increase in the cost of new talent can also lead to an increase in cost for existing talent as existing employees begin to feel taken for granted, and seek or are approached for external opportunities in a candidate market.

The level of difficulty and cost justifies considering new “supply” or “make” options.

Sourcing talent from more abundant talent markets - remote locations, in most cases overseas - requires an organisational culture that will support this. It also requires hiring managers who are comfortable with remote leadership and re-thinking how time differences may impact meetings.

- 13% of talent teams currently hire talent residing overseas
- 16% of organisations are working to overcome barriers to international hiring

“We are developing a global mobility program. We have a number of employees from other countries that want to head back and spend time with family, but we don’t want to lose them.”

“Internal TA functions need to lift their game on overseas sourcing if they are to remain competitive for talent.”




TALENT ANYWHERE

GIVING SMALLER COMPANIES A COMPETITIVE EDGE

The ability to support overseas talent with full HR functions from payroll through to onboarding, terminations, and legal obligations also helps existing employees wanting to have an extended stay or relocate overseas.

Globalization Partners, the world's leading global employment platform, has observed a huge uptake in companies leveraging international talent and has provided agile businesses with a competitive advantage.



"We're allowing some team members to return to their home countries, at least temporarily, and utilising Globalization Partners to payroll them and take care of their benefits. Reduces the stress on us, on them and reduces our turnover. We're also trialling hiring individual contractors in some overseas markets and have budgeted to bring them onshore after their probationary period."



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THE GREAT RESIGNATION

THE GREAT RESIGNATION: REAL OR RORT?

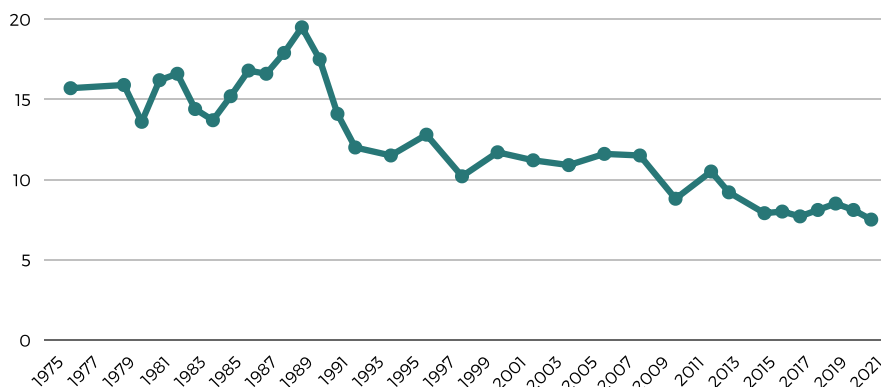
37% of talent teams reported that they were already experiencing a significantly higher number of resignations and a further 14% are experiencing somewhat higher resignations.

43% of companies reported same or similar number of resignations than previous years and 6% reporting fewer resignations making it an almost 50-50 split on the effects of the Great Resignation.

Interestingly, 37% of talent teams reported not having access to causal data on why employees leave.

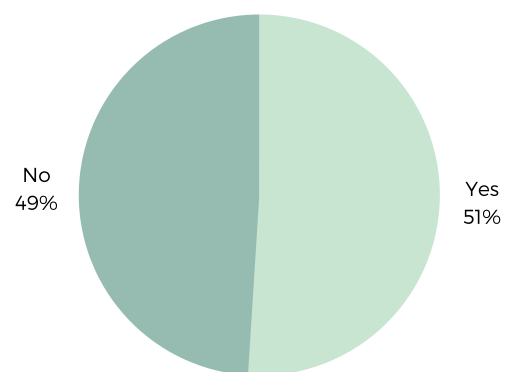
The latest Australian Bureau of Statistics data reports that resignation rates in Australia are at an all-time low yet LinkedIn announced a 26 per cent jump in Australian workers moving from one company to another in October, compared with the same time in 2019, before the pandemic.

PROPORTION OF AUSTRALIANS WHO ARE CHANGING JOBS DURING THE YEAR



Source: Australian Bureau of Statistics

Why so many inconsistencies? In the US where resignations rates soared, they were uneven across sectors. Hospitality and leisure resignations increased from 4.4% to 6.4% while finance, IT and government held steady.



ARE YOU NOTICING ANY IMPACTS FROM "THE GREAT RESIGNATION"?



THE GREAT RESIGNATION

THE GREAT RESIGNATION: FUTURE IMPACTS

Additionally, participation rates have dropped during Covid-19 due to childcare responsibilities and these have not yet returned to their former capacity. There are pockets of workers unwilling to vaccinate against Covid-19, disqualifying them for some types of employment. Lastly, as many companies move further down the path of mobility, we may see many role transitions but that doesn't necessarily mean resignations as employees switch roles internally.

These data and reports are all signals - some weak and some strong. So will we see our own version of The Great Resignation?

Well, 51% of our respondents are already experiencing somewhat or significantly higher resignation levels. Does that mean we are there yet? There is no defining moment of arrival. For some, it may never arrive while at the same time, others have already arrived. One thing rings clearer than the rest, it won't be an even experience across all sectors and professions. It would be foolish however, not to prepare, not only on the hiring front but also considering that someone has to onboard all of these new hires.

As with most other sectors of the economy, recruitment is constantly reshaped by the evolving workforce, continual changes to market conditions and government regulations.

"We are recruiting at record numbers but no one is closing the back door. Retention needs to be addressed urgently."

"Our resignation rates have sky-rocketed and demand is x5 what it was pre-Covid. We absolutely can't use the same thinking and approaches that have proved successful in the past. The landscape and conditions now are completely different."



SALARY

SALARY WARS

The majority of companies were open to using salary to their competitive advantage, with 83% yielding to candidate salary demands. 17% of talent teams said they would not entertain meeting salary demands in order to access talent.

"We can't find enough senior talent and when we can, we can't afford them."

"We get our salary data from a mix of Aon Radford platform, free data from agencies and understanding other offers our candidates have on the table. The market is still seemingly moving faster than the formal data sources. Our new employees are coming in at the same salary level as many tenured employees but we feel comfortable we have the market data available to back up those decisions."

"We are trying to secure our unfair share of female talent, so we are prioritising sign on and retention bonuses for female talent."

"We are guilty as charged and fully participated in meeting inflated salary demands when demand initially ramped. We pay well and continue to be competitive and flexible but we won't participate in absurd negotiations anymore."

"Companies are being cavalier by offering huge salaries after one cultural meeting. Technical skills aren't being assessed, instead they are being assumed."

"Flexibility is the first question candidates are asking but we are finding their final decision is financial."

"We have begun flying in tech talent from the UK offering flights, 4 weeks accommodation and competitive salary but we are seeing a lot less people wanting to relocate to Australia. Their sights are set on the US."



FLEXIBILITY

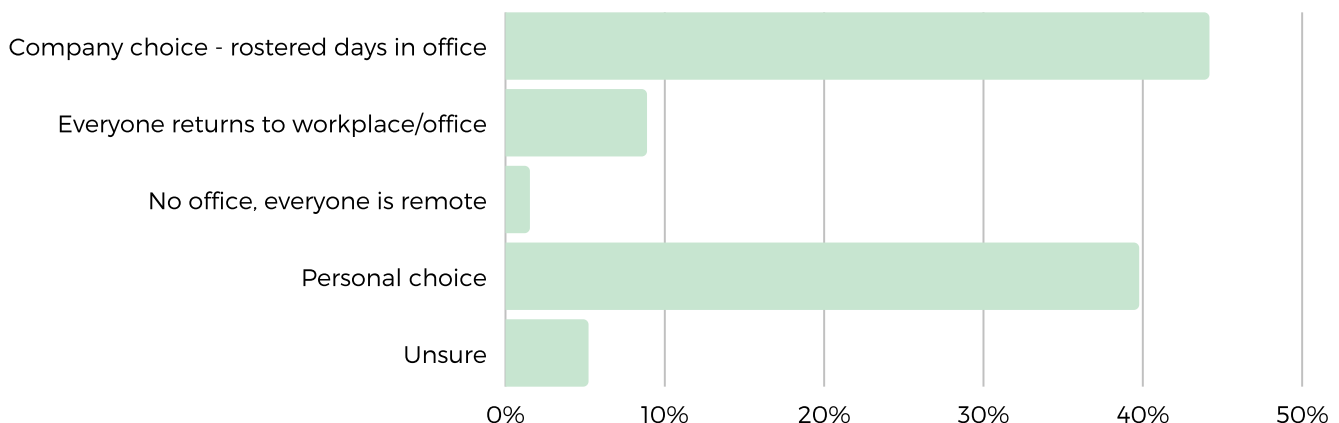
INCREASED DEMAND FOR WORK FROM HOME

Undeniably, one of the biggest transformations to our labour market that occurred during the pandemic was the change in the way in which people worked. As (predominantly office) workers were forced to work from home and maintain connections with their teams via online chat, emails, and video calls, it became apparent that in many instances a physical office was not inherently required for employees to get the job done. It wasn't only the place-of-work that changed, it was also the time-of-work, with many working around childcare, home school or taking more opportunity to exercise in daylight hours.

This is a shift many organisations plan to embrace as the market returns to a sense of normalcy post-pandemic. More than 80% of responding talent teams said that their company has embraced work from home models and will enable workers to work remotely from home in some capacity, either via a rostered hybrid model or personal choice for where workers work.

Only 8% of respondents indicated that their entire workforce will need to return to the office with no options to work from home.

With flexibility now a hygiene factor, when offices re-open in 2022 we will likely see individual autonomy tested.



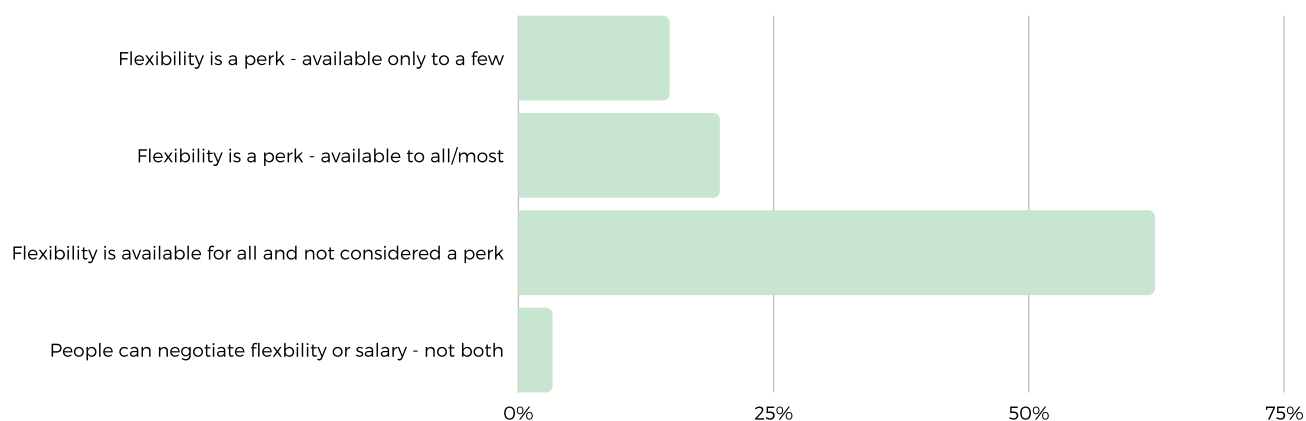
WHAT ARE YOUR ORGANISATION'S PLANS FOR RETURNING TO THE OFFICE?

FLEXIBILITY

FLEXIBILITY: WORK PERK OR THE NEW NORMAL?

In regards to flexible working arrangements:

- 62% of respondents said that flexibility is no longer seen as a perk by their organisation; it is simply another way of working and is something that they encourage all employees to embrace without being viewed as a perk
- A portion of respondents (20%) identified that flexibility was available to everyone, but was still seen as a perk within their organisation
- 15% told us that flexibility is a perk but reserved for select people in their organisation
- Only 3% of respondents offered flexibility as a bargaining chip – employees could ask for salary or flexibility but not both



COMPANY ATTITUDES TOWARDS FLEXIBILITY

“True flexibility doesn’t mean always working from home, it is the autonomy to choose what makes sense for you on that particular day.”



TALENT STRATEGY

TALENT STRATEGY

The average strategy strength for talent teams in 2021 was 6.1/10.

The amount of funding available to talent teams had a distinct impact on strategy. Talent teams with abundant funding had an average talent strategy strength of 7.5 and a delivery rating of 8.35. Conversely, talent teams that listed themselves as being severely underfunded had an average talent strategy strength of 4.7 and a delivery strength of 6.5.

This indicates that either funding levels contributed to a 2.8 difference in strategy strength and 1.85 delivery strength or that the function is not yet mature enough to know what budget and resources it needs to succeed.

4% of talent teams admitted to having no defined talent strategy at all. Those same talent teams had an average rating of 3.7 out of 10 for talent pipelines. All organisation sizes were present in this group.

Of the 8% of talent teams who rated their strategy strength as a 9 or 10/10:

- 100% felt that they had the right level of funding
- 100% rated their executive leadership to place a “significant importance” on the people/talent function and strategy
- 100% of them had a transparent hiring process either making it publicly available or communicating the full process to candidates in advance
- 100% report on candidate experience
- 90% agreed that they align their talent strategy to the company’s goals and business drivers but 42% of these are not performing well
- 90% agreed that they responded to every unsuccessful applicant in a reasonable time frame

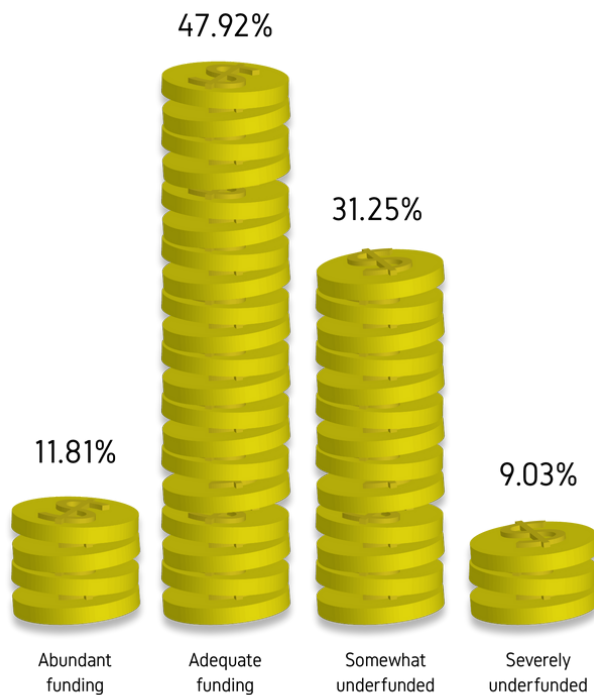
These findings indicate that the essence of a strong talent strategy and the ability to meet organisational needs requires talent leaders to focus on aligning their function to business drivers, workforce planning, and the service model used to deploy talent acquisition.



FUNDING & RESOURCES

TALENT FUNCTION FUNDING

How well funded are TA functions? Of the 144 talent teams, 60% reported that they received either adequate or abundant funding.



HOW WELL FUNDED ARE TA TEAMS?

The companies who reported adequate or abundant funding also had faith in their ability to deliver the right talent at the right time with an average rating of 7.5/10.

However, underfunding seemed to only have a comparatively minor impact on teams with inadequate funding. The 40% of companies that believed they were underfunded rated their ability to deliver the right talent at the right time at 6.9/10.

“Previously, the talent function did not have appropriate budget or resources and the business suffered for it. It will take years to recover from mismanagement but we are much better positioned now to face the demand of 2022. Not negotiating for the budget and resources you need is a disservice to the executive team and the entire business.”



FUNDING & RESOURCES

COST VS PROFIT CENTRE

The majority of talent teams operate as a cost centre and as such have reduced control over spending and resources. These teams generally have to put forward a business case to request funding.

By contrast, those teams that operate as a profit centre have far greater control but as some have discovered, a profit centre model only suits very mature businesses and established stakeholders.

Operating a profit centre based TA model requires greater accountability and attention to meeting business needs particularly where the use of TA by the business is not mandatory. However, profit centres do offer a greater opportunity to continually invest in TA and stay relevant as they aren't required to justify expenditure to the same extent as a cost centre.

“A profit centre has more merit, and the function is taken seriously if it can demonstrate how it is running profitably.”

“We are shifting our TA budget from Profit Centre to Cost Centre. Profit Centre provides us with far more control and spend flexibility but the business and stakeholders aren't ready for that level of cost transparency and charge backs. Many stakeholders would rather pay for hiring in the hidden costs of increased corporate overheads. If the business isn't mature enough you begin to see behaviours and work around to avoid hiring charges which ultimately hurts the business.”

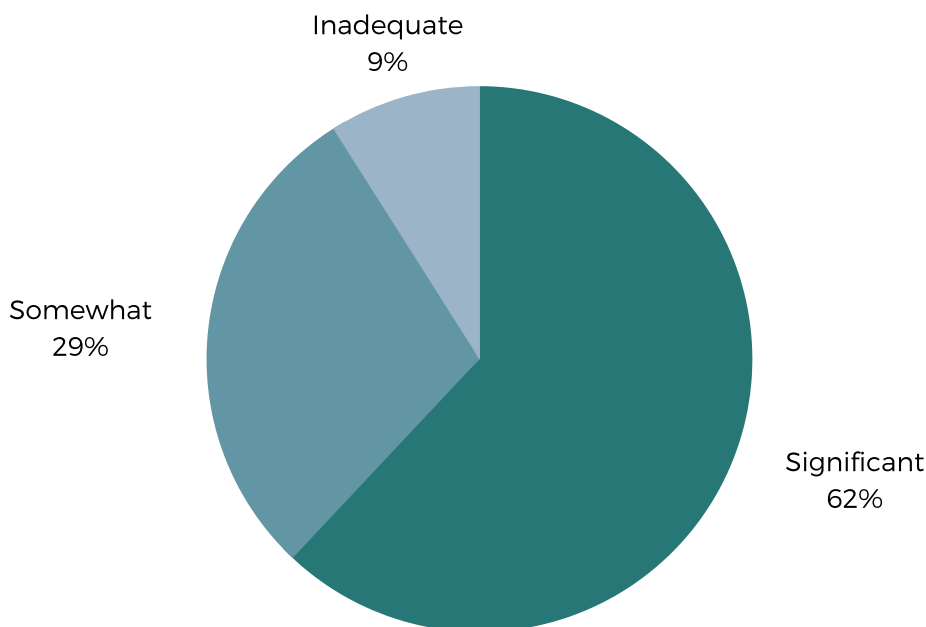


EXECUTIVE FOCUS ON TA

TA BECOMING A PRIORITY

Executives seem to be recognising the importance of the talent and people strategy to overall business success; 91% of responding companies reported that there is recognition of the importance of the talent function at the executive level, of which 62% say that the people and talent function and strategy is recognised as being significantly important.

This was predominantly displayed by high levels of trust that respondents (71%) felt their execs displayed for their talent teams.



EXECUTIVE LEVEL FOCUS ON TA

"We are seeing finally a recognition from executives of how hard it is to secure talent so we are seeing more investment and more willingness to try new things."



CANDIDATE EXPERIENCE

CX REPORTING AND PERFORMANCE

In the candidate market in which we now find ourselves, candidate experience should be managed as a critical element of the recruitment process. After all, with candidates in many sectors being presented with a smorgasbord of opportunities, every candidate interaction has the potential to make an impact on the future hire.

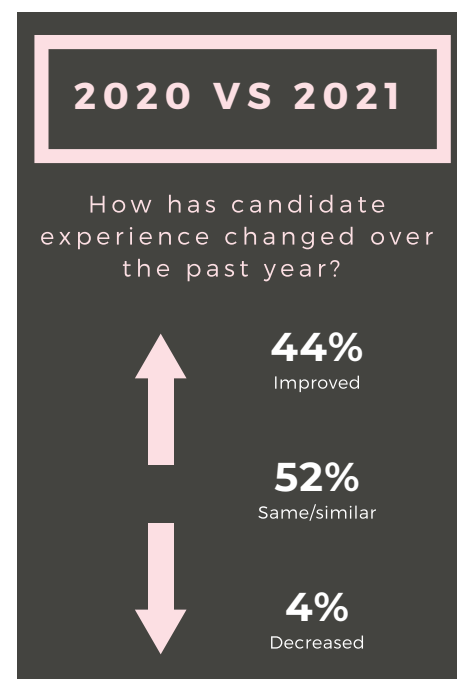
Considering the current market, it was interesting that only 54% of talent teams reported a high performing candidate experience program. However, it's worth noting that only 56% of talent teams said that they measured candidate experience at all. This leaves us wondering if it is a case of "what gets measured, gets done" or "we only report on things we sense are performing well"?

When asked what other kind of broader experiences teams measured:

- 47% of teams measured hiring manager experience
- 17% of teams measured recruiter experience

A total of 19 out of 144 talent teams measure all three - candidate, hiring manager, and recruiter experiences.

Transparency of the recruitment process is an area that talent teams may look to improve in the current market. 58% of talent teams reported that they provide full and upfront transparency on the entire recruitment process to candidates. By contrast 26% reveal several steps in the process as they progress, and 16% only advise candidates one step at a time as they progress.



CANDIDATE EXPERIENCE

PERSONALISED EXPERIENCES AND THE JOURNEY AHEAD

When asked *do you provide a highly personalised candidate journey for each role type?* 39% of teams identified they are providing a highly personalised candidate journey for each role type and a further 19% said they are currently developing their highly personalised candidate journey.

Smaller companies seem to have a greater emphasis on personalisation, as companies with less than 500 staff were twice as likely to offer a highly personalised journey for each role type than organisations with over 5,000 staff.

60% of talent teams reported that they respond to every unsuccessful applicant in a reasonable timeframe.

Only 26% of talent teams reported that they measure candidate experience, provide transparency around the recruitment process, personalise the candidate journey, and communicate with all candidates in a reasonable timeframe, implying there is room for improvement when it comes to candidate experience for more than 70% of talent teams.

Here are some tweaks that respondents told us they have made to improve their candidate experience:

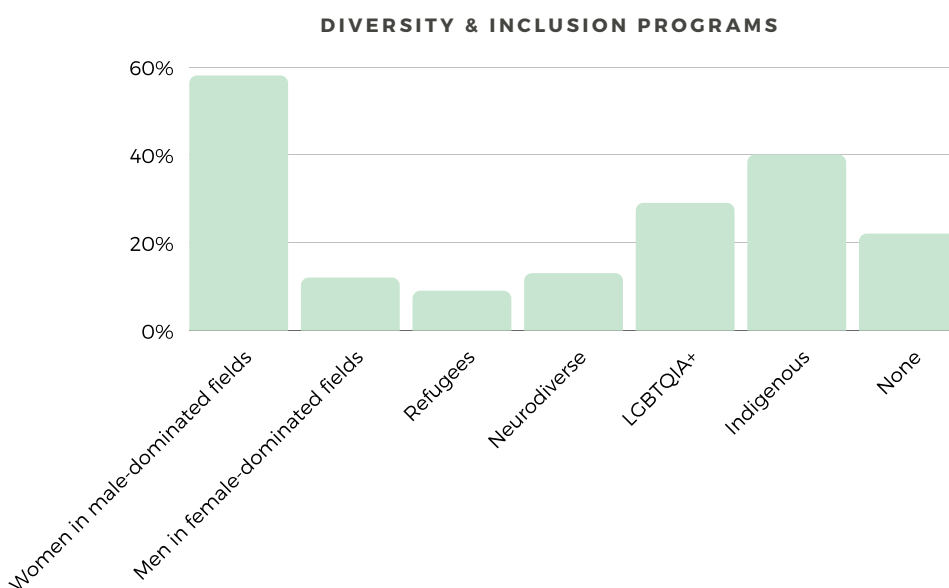
- *"We have removed take home coding challenges."*
- *"We've implemented an e-onboarding solution that has increased consistency and completeness of on-boarding process, making it easier for candidates and for hiring managers."*
- *"We joined the Circle Back Initiative."*
- *"We increased communication using automated comms."*
- *"We have redesigned our pre-employment checks to make it more suited and tailored for individual roles."*
- *"We trained hiring managers in remote hiring."*
- *"We halved the duration of the selection process and are providing swifter feedback."*
- *"With fewer candidates, there's more attention."*
- *"Every candidate is communicated with from a personal email address with transparent contact information. Every candidate gets feedback at all stages."*



DIVERSITY & INCLUSION

VIEWING DIVERSITY THROUGH A NARROW LENS

77% of respondents reported that they had diversity initiatives in place. These initiatives were predominantly targeting women in male-dominated fields (58%), inclusion and development of Indigenous talent (40%), and LGBTQIA+ inclusion (29%).



Only 1% of responding companies had all seven diversity programs in place – they rated their functions an 8/10 for confidence to deliver the right talent at the right time.

Of the 22% companies that have no specific diversity hiring programs, the average strength of their future talent pipeline was only 3.74/10.

Interestingly, 60% of the respondents who reported they had no diversity initiatives in place rated their talent strategy 6/10 or above, implying that diversity and inclusion is not recognised as a necessary feature in their talent mix.

Of the 77% respondents who do have diversity initiatives in place, 45% reported that they did not have any KPIs in place to measure these diversity efforts.

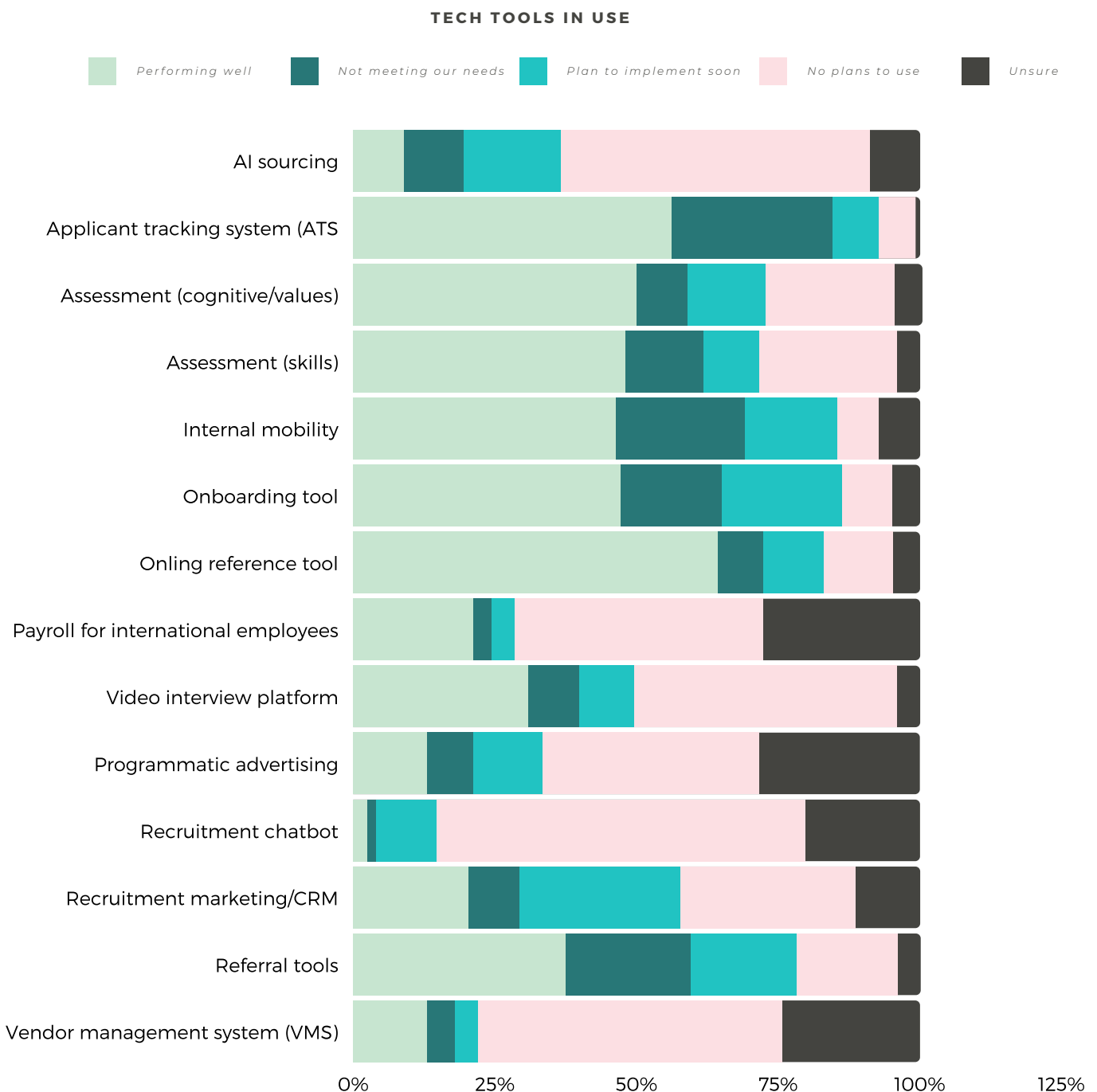
"From an agency perspective we see very little diversity demand from our clients. Perhaps it's because they are paying a fee, but they normally expect a "cookie cutter" type candidate. Occasionally someone might say "the team is male dominated so would love some female candidates" but that's about the extent of diversity requests. Personally I'd love to see deliberate "Second Chance" hiring a quota of people who have spent time in the prison system and are ready to rehabilitate their life. There's a big opportunity here."



TECHNOLOGY

TECH TOOLS IN USE

Survey respondents were asked to rate how well they made use of a wide range of tech tools.



TECHNOLOGY

GREATER NEED FOR PARTNERSHIPS

In 2020, a total of 30 different applicant tracking systems (ATS) were reported as being used by 133 talent teams but only 43 rated the performance of their ATS as a 7 or higher (on a 1-10 scale). Four reported having no ATS at all and 3 rated their existing tech as “unusable.”

In last year’s survey when one particular ATS received both ratings of 1 and 8 from different talent teams, it raised the question how much of an ATS’ success was related to the actual platform, and how much was related to how well talent teams make use of that platform.

With that in mind, this year we asked talent teams to rate the truth of this statement: ***we partner closely with our talent tech suppliers on training and optimisation.***

PARTNERING

Only 28% of talent teams rated themselves as a 7/10 or higher when it came to partnering with their tech providers to get the most out of their technology, leaving room for improvement for 72% of teams.

PERFORMANCE

Only 44% of talent teams reported that their talent technology performed well for them.

- Only 44% of responding talent teams reported that their talent technology performed well for them
- 4 teams reported having no technology in place at all
- More than half of all responding talent teams (52%) reported that they needed to improve the talent technology they use

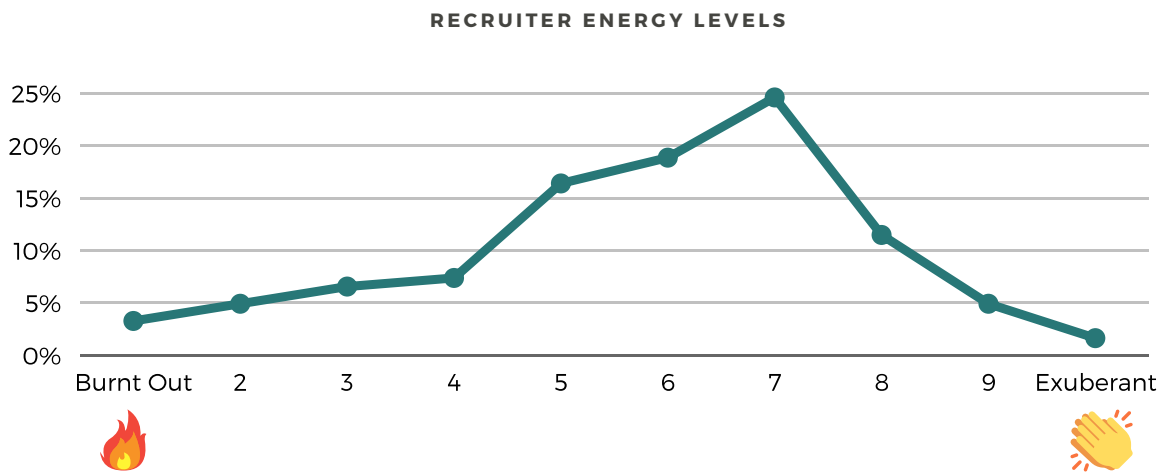
52% of teams identified a need to improve their talent technology.



HEALTH & WELLBEING

THE SUSTAINABILITY OF THE TALENT TEAM

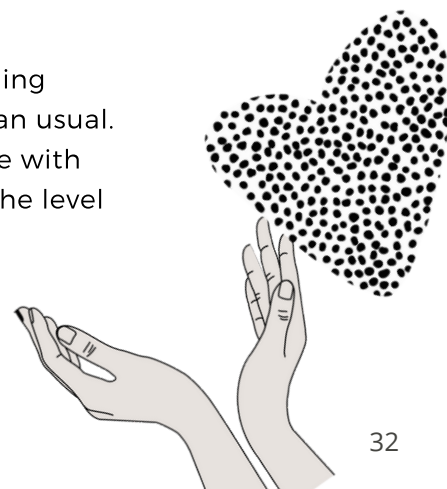
When asked to rate their current energy level out of 10, 57% of respondents rated their energy levels 6 or below, with 15% at or nearing burnout.



Unfortunately, this is a premonition that was identified in our *2020 State of Talent Acquisition Report* which seems to have come true:

“Colleagues felt supported by the efforts made to improve flexibility of working – locations, schedules, duties and provision on leave (parents, carers leave, etc), however, wellbeing is now going down as the rate and scale of change has increased workload significantly. Following the ending of the [hiring] freeze and return to BAU/Covid normal, we experienced a 2-year high number of roles approved and TA is now working through the backlog of hiring”

The good news is that organisations seem to be recognising the additional workload being shouldered by talent teams, with 91% of respondents claiming their organisation has shown more care and interest towards their team than usual. These indications of support from companies for their talent teams is in-line with what respondents told us last year, when 91% also reported an increase in the level of care and concern the organisation had for them.



RECOMMENDATIONS FOR THE YEAR AHEAD

THE WRAP-UP

So as the talent industry walks out of a year of pandemic-driven disruption and into one of the toughest labour markets in living memory, what should we take away from these insights?

92% of respondents said that they are finding it “somewhat or significantly harder” to hire talent compared to pre-pandemic. This is a global phenomenon that most organisations will understand but the expectation of meeting business needs does not diminish.

Over the next few pages we've outlined some areas areas we suggest talent teams focus their energy for the year ahead.

BUILD OUT YOUR TALENT ADVISORY SERVICES

Delivery strength soars from 7.3 to 8.2 out of 10 if you actively anticipate needs and workforce plan. Add strong labour market knowledge, sourcing and talent pipelines to the mix and the delivery rating increases to 8.75 out of 10. This will also deepen respect and trust from the business.

- Agree on a detailed and aligned definition of talent advisory services before implementing or optimising
- Determine the scale of the offering. E.g., all roles and business units or only critical and scarce positions.
- Align your talent strategy to organisational goals and drivers.

RECOMMENDATIONS FOR THE YEAR AHEAD

MEET DEMAND OR RESET EXPECTATIONS?

Decide if your key aim is to meet business demand or reset expectations. There is a consequence to both options.

MEET BUSINESS DEMAND

Consider the difference in effort and budget required to meet business needs at this time. Think about Uber's method of rate increases at peak times. Build in a "degree of difficulty" cost and provide yourself with the budget to scale the talent team, outsource, off-shore, and offer competitive salaries where needed.

RESET EXPECTATIONS

Consider the following questions:

- How will the organisations maintain revenue and meet business goals?
- What and who is impacted by the businesses growth strategy not being achieved?
- Is the business in a position to right-size their offering to avoid overloading existing employees and risking additional resignations?

FOLLOW HIGH-PERFORMING TEAMS

Look at what some of the high performing TA functions are doing and follow their lead.

Of the 8% of talent teams who rated their strategy strength as a 9 or 10/10:

- 100% felt that they had the right level of funding
- 100% rated their executive leadership to place a "significant importance" on the people/talent function and strategy
- 100% of them had a transparent hiring process either making it publicly available or communicating the full process to candidates in advance
- 100% report on candidate experience
- 90% agreed that they align their talent strategy to the company's goals and business drivers but 42% of these are not performing well.
- 90% agreed that they responded to every unsuccessful applicant in a reasonable time frame

RECOMMENDATIONS FOR THE YEAR AHEAD

REVIEW ATTRITION

This may not be the role of TA in many businesses but being proactive about potential attrition can help you plan and understand the impact to the TA team in months to come. Here are some things to consider;

1. **Assess critical/scarce positions with the business.** Review LinkedIn and understand where talent has flowed from your organisation and compare the various value propositions. Ask hard questions like *is our organisation attractive?* If not how could you improve.
2. **Assess resignation risk.** If this sits with another HR unit, work with them to obtain engagement scores and manager feedback to anticipate future needs
3. **Assess why people leave.** Not all leavers resign. Understand the balance of voluntary and involuntary attrition. Only 37% of talent teams that collect exit data share reasons for leaving with the TA team. This data will help you update your hiring methodology to reduce the amount of unsuccessful hires and provide opportunities to identify who may stay longer or how you can set clearer expectations of the working environment prior to offer.
4. **Assess extended leave risk.** The re-opening of international borders signals to many that talent is on the way. However, this door swings both ways. If your existing talent is ready to travel or return to their home country allow them the opportunity to continue working for you remotely.
5. **Assess salary sentiment and impacts.** 83% of companies are yielding to increased salary demands. Ensure existing staff are remunerated fairly and ensure new starter salaries are not negatively impacting your gender and diverse pay gap.
6. **Assess staff's higher-level priorities.** Are your staff looking to secure a home loan, start a family, start a side business, or travel extensively? By identifying how you can help them achieve life goals you increase your chances of retaining great talent.



RECOMMENDATIONS FOR THE YEAR AHEAD

POCKETS OF PROGRESS

Many talent teams are not accessing the total talent market and are missing key opportunities. However many talent challenges are solvable with strong market knowledge and a little bit of courage.

Referrals

57% of talent teams are leaning heavily on employee referrals which means 43% of teams are missing a huge opportunity.

Talent Anywhere

Only 25% of businesses are accessing off-shore talent despite business leaders in many cities now having almost two years of experience managing remote teams. A world of opportunity for 75% of talent teams.

Part-Time Employees

Half of all talent teams surveyed are missing out on the skilled part-time talent market.

Diversity

Nearly half of all Australians were either born overseas or have one or both parents born overseas. Add Indigenous, disability, neurodiversity, LGBTQIA+, and other underrepresented groups into the mix and it's clear that this a significant segment of the talent market. However, 22% of talent teams reported that they have no specific diversity programs in place, with a further 58% of companies offering a maximum of two specific diversity programs. That leaves only 20% of talent teams who are approaching diverse hiring in a significant way.

Autonomy

Most organisations have accepted that a new level of flexibility must continue as offices reopen. Tensions in 2022 will likely revolve around autonomy to choose what's right for you on any given day. Ensure your organisation understands the competitive benefit to autonomy.

RECOMMENDATIONS FOR THE YEAR AHEAD

POCKETS OF PROGRESS (CONT.)

Boosting

Otherwise known as programmatic advertising or recruitment marketing, paid boosts of your content to specific roles and industries on LinkedIn (and other socials and networks) help put your content directly in front of your audience. This is a great tool for reaching passive candidates who aren't seeing your job ads.

Skills mix of the TA team

Ensure you have the right mix of skills within the TA function to meet the team's changing needs. Specialist marketing skills, workforce planning, sourcing, customer and market research (who can then translate research outcomes into actionable go-to-market and channel strategies), business partnering, data, analytics and insights as well as technology implementation, optimisation and training including AI implications are all skills that will help bolster your broader talent strategy. For larger teams, this may require structural changes.

Technology

A well-performing tech stack is mission critical, however only 44% of responding teams reported that their technology was performing well for them. Furthermore only 34% of talent teams rated themselves as a 6/10 or higher for partnering closely with tech providers on training and optimisation providing a clear opportunity for both parties to come together and solve problems.

Leveraging agencies, RPO and partners

If you have chosen to meet demand rather than re-set business expectations (see page 34) then having a great outsource partner network is critical. There are a number of alternatives to consider – you can engage with an RPO as a whole, section or project, you can augment your existing talent team with members from RPO services, or engage an agency for overflow. When engaging agencies, create mutual accountability by giving them the role exclusively.

INDUSTRY BENCHMARKS

HOW DOES YOUR TA FUNCTION COMPARE?

Below are the average ratings in a range of areas from the 144 talent teams who completed the *2021 State of Talent Acquisition Survey*. How does your talent team compare?

WILLINGNESS TO HIRE PART-TIME EMPLOYEES WITH THE RIGHT SKILLS

6.1

AVG RATING



TA TEAM DELIVERS THE RIGHT TALENT AT THE RIGHT TIME

7.3

AVG RATING



STRENGTH OF TALENT STRATEGY

6.1

AVG RATING



CURRENT ENERGY LEVELS OF TA TEAMS

5.7

AVG RATING



PARTNERSHIP WITH TALENT TECH PARTNERS ON TRAINING AND OPTIMISATION

4.4

AVG RATING



ADEQUATE TALENT PIPELINES FOR ALL POSITIONS

4.4

AVG RATING

