



HIRE FOR SUCCESS

The Benefits of Using An Executive Recruiting Firm



BattaliaWinston

WE ARE IN THE MIDST OF WITNESSING A PERFECT STORM. COMPANIES HAVE SQUEEZED EVERY DROP OF SPEND OUT OF THEIR TALENT RECRUITMENT STRATEGY TO DRIVE **"EFFICIENCY"** WHILE EMPLOYEES ARE SEEKING COMPANIES WHOSE MISSION ALIGNS WITH THEIR PERSONAL SOCIAL RESPONSIBILITY, PROVIDING THE ULTIMATE **"EMPLOYEE EXPERIENCE"** THEY ARE SEEKING.

Unemployment is at a record low and the "War for Talent" is fiercer than ever. With this said, it would be fair for one to assume that companies understand their total cost of the Talent Lifecycle. However, just the opposite seems to be happening. It was said that "only about a third of US Companies report that they monitor whether their hiring practices lead to good employees; few of them do so carefully, and only a minority even track cost per hire and time to hire."¹ It makes you wonder if the same lack of quantification would occur in a company regarding their spend on their advertising budget for their flagship product. I think not. People matter. They always have and they always will.

So why then do companies know so little about the total cost of their #1 asset? Maybe it is because many companies have outsourced a majority of their hiring processes to companies that use subcontractors or that the companies employ strategies to attract talent knowing that the average employee will remain three years with the company, or that traditional succession planning and discipline has been extracted from the companies either by retirement or layoffs, or that organizations are running leaner than ever. All this and we have yet to mention the impact of the "Gig Economy." The Gig Economy is expected to reach 43% by 2020."² And yes, we expect this to cause even more turbulence in the talent wars.

Companies are wrestling with these very important issues daily, forcing them to use muscles that for many have either atrophied or do not exist. The constant flow of talent through companies has created a multitude of challenges that face business leaders and human resource executives as they try to grow and scale their business'. Employees are switching companies at a rapid pace, resulting in continuous interviewing and hiring by the companies and a loss of institutional knowledge.

According to the 2019 Deloitte Global Human Capital Trends report, “recruiting has become harder than ever.” The report goes on to say that “...it’s time for organizations to think about how they can continuously access talent in various ways:

- ✓ *mobilizing internal resources,*
- ✓ *finding people in the alternative workforce and*
- ✓ *strategically leveraging technology to augment sourcing and boost recruiting productivity.*³

“As global competition increases while the pool of available workers decreases it comes as no surprise that executives cited talent as a top issue in 2019 that’s keeping them up at night,” said Rebecca Ray, Ph.D., a report author and the Executive Vice President of Human Capital at The Conference Board. “Moreover, they think talent shortages will only intensify beyond 2019, which underscores why organizations should constantly reexamine how they’re attracting and retaining their best and brightest.”⁴ Business leaders are dealing with the changing dynamics of their work force from hierarchical/ siloed structures to teams, having full time equivalent employees to utilizing “alternative workforce” options. Simultaneously they must remain ahead of technological advancements that directly impact their employees’ abilities to do their jobs.

Companies can not afford to let this trend continue. Artificial Intelligence and online tools have revolutionized the recruiting landscape, however these tools come with a cost. For example, back in the fall of 2018 Amazon discontinued an artificial intelligence recruiting tool that their machine learning specialists developed to automate the hiring process because they determined it was biased against women. The tool was developed to analyze terms that routinely showed up on resumes, however, because most resumes submitted to Amazon had come from men, the models tended to favor candidates who described themselves using verbs more commonly found on male engineer’s resumes, such as executed and captured. In addition, the program penalized resumes that included the word women and downgraded graduates of two all-women’s colleges.⁵

Companies are wise to develop their relationships with retained executive recruiting firms for the following reasons.

- ✓ *Executive search firms can tap into their networks to uncover best practices and top talent.*
- ✓ *Executive recruiters help companies reduce the time spent sourcing, qualifying and interviewing candidates.*
- ✓ *With full employment it is even more imperative to have a professional third-party assist in identifying and delivering top talent.*

Sources:

- 1 <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/viewpoint-your-approach-to-hiring-is-all-wrong.aspx>
- 2 <https://www.forbes.com/sites/shephyken/2018/07/29/the-gig-economy-opens-the-door-for-employment-opportunities/#18b3ffc47662>
- 3 https://www2.deloitte.com/insights/us/en/focus/human-capital-trends/2019/talent-acquisition-trends-strategies.html?id=us:2ps:3gl:confidence:eng:cons:41819:nonem:na:aWXhY7RC:1149430497:344233496628:b:Future_of_Work:HCT_Talent_Acquisition_BMM:nb
- 4 <https://www.conference-board.org/press/pressdetail.cfm?pressid=7650>
- 5 <https://cacm.acm.org/news/231814-amazon-scrap-secret-ai-recruiting-tool-that-showed-bias-against-women/fulltext>



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