

The Battle for Talent is ON

Why recruiting qualified candidates will be increasingly difficult in 2011

Despite high unemployment, hiring quality talent is not getting easier. At a time when recruiting key positions is a cornerstone for corporate competitiveness, a recent survey of 775 recruiters and managers shows that locating qualified candidates for key positions is a huge challenge.

According to the survey by The Adler Group, a training and consulting company focused on helping companies hire top talent, despite all the new recruiting tools and technologies that have been introduced to help recruiters, an astonishing 89% of respondents indicate that hiring top talent is getting increasingly difficult.

“When you compare the results of this year’s survey to previous years’ results, it’s clear that the situation is getting worse, not better,” said Lou Adler, President of The Adler Group.

“Overall it does not appear that companies are managing their recruiting resources and processes to effectively meet their rising sourcing challenges,” he added.

Unemployed or Unemployable?

With a national unemployment rate of more than 9%, it seems counter-intuitive that companies can’t find the talent they need. A closer look into the unemployment numbers sheds more light on why the battle for talent is becoming so fierce.

Unemployment among those who are college educated and have relevant “new economy” skills is only 5%. The unemployment rate for non-high school graduates and only-high school graduates climbs to 15.6 % and 10.5% respectively (U.S. Bureau of Labor). A look at the Educational Attainment in 2009 shows that nearly 15% of adults over 25 have not graduated high school and, while nearly 56% have attended some college, only about 39% have either an associate’s or bachelor’s degree (U.S. Census Bureau).

The figures tell a troubling story. The majority of those unemployed lack the necessary skills and education to adequately meet job demands in the new economy. Companies who need skilled labor are facing a shortage of talent to fill open positions. The gap between jobs and available talent is growing larger by the year, and will only become more pronounced as the economy continues to improve.

Talent Challenges

The biggest problem identified in the Adler survey is not seeing enough qualified candidates for important positions:

- 76 percent of respondents indicated this is a growing or huge problem
- 63 percent felt that the quantity and quality of candidates from major job boards is dropping

Another major issue is the lack of a consistent hiring process and trained hiring managers:

- 60 percent of recruiters feel hiring managers aren't strong at assessing competency
- 60 percent of recruiters feel hiring managers aren't devoting the time needed to recruit properly

Unfortunately, the feeling is mutual. Recruiters' legitimate concerns about hiring managers' commitment to a quality hiring process is also a sign of the growing frustration managers feel when working with recruiters.

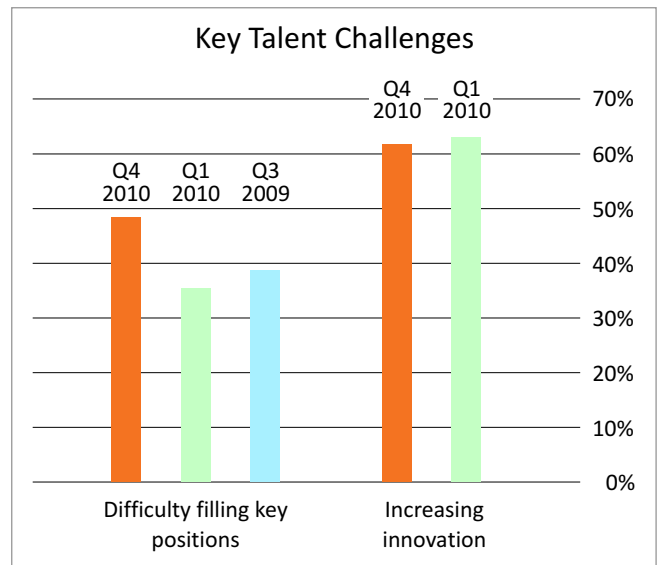
"Hiring managers feel that recruiters don't have enough job knowledge, and recruiters feel that each hiring manager has his or her own way of doing things, and most of them are pretty ineffective. It's hard to make hiring a core competency of an organization when there is no consistent process," commented Adler.

In another survey of 134 corporations with respondents ranging from VP to manager-level positions, more than 50 percent cite talent shortages as a key business challenge for the first time since the first quarter of 2010, as attention shifts from cost cutting to things like innovation, skills development, and rebuilding business growth.

Businesses are shifting their priorities to focus on new product introductions, growth and acceleration in hiring. In fact, 36 percent of HR leaders cite expansion as one of their organization's top two business priorities and 37 percent cite the need to accelerate innovation as a top priority for the year. This places an even greater emphasis on hiring top performers with the specific skill sets that match the strategic needs of the organization.

Along with the need to identify and promote emerging talent, skills gaps in supervisory-level and mid-level leadership positions are now becoming a

major focus. Nearly half of all organizations state that they are experiencing difficulty filling key positions –up from just 35 percent last year.



Facing the Future

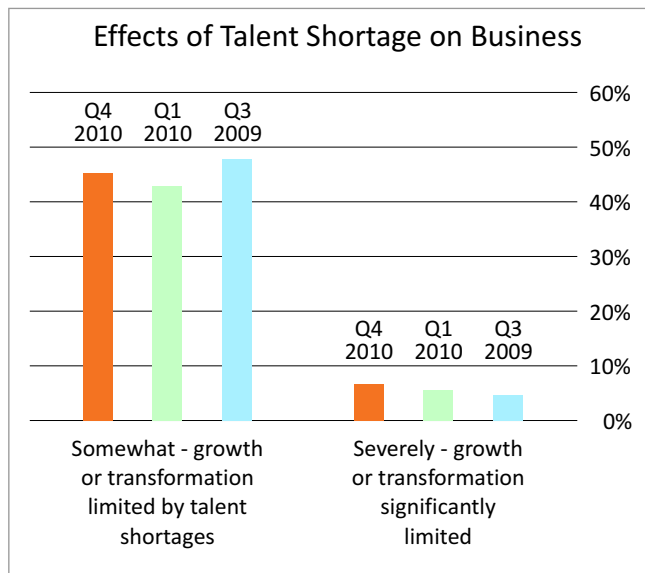
There are many factors that will be contributing to the talent shortage. Forty-seven percent of all organizations cited "development and launch of new products and services" as their number one organizational focus for 2011. Obviously, if your organization shares this focus, the need for effective recruiting methods will be critical to support your growth demands. But, regardless of your particular business objectives, it's clear that many of your competitors will be tapping into the labor pool to secure qualified talent while they're still available. This is supported by the fact that 49 percent of all companies expect to see an accelerated growth in open positions in the coming six months—up from 33 percent a year ago.

In addition to the increase in hiring that will deplete the talent market; the number of qualified candidates will be further diminished through the continuing issue of retiring baby-boomers.

Growing Pains

Six percent of all companies now say their growth is significantly impacted by talent shortages, a 50-

percent increase from one year ago. In total, 51 percent state that their business is being held back by a lack of talent.



Internal recruiting resources are also a concern. Generally, over the last nine months, companies have started to reduce their overall talent capabilities. Layoffs and restructuring always cause skills gaps among some critical positions, making organizations' ability to effectively recruit top candidates challenging.

Taking Action

Due primarily to the growth businesses are experiencing and the resulting increase in hiring, companies generally feel less prepared to compete for talent now than they did six months ago. Companies have dramatically cut their onboarding and talent development programs in the last two years, and these programs must now be resurrected to bolster their recruiting efforts.

Improving staffing and recruiting is critical. During the last two years, most staffing teams were significantly downsized and many external recruiting contracts were cancelled. Now organizations must rebuild these teams—maximizing their recruiting efforts through both traditional and non-traditional tactics such as

leveraging the power of social networking and employee branding.

Now that business news is positive, employers in some industries already realize that they have to compete for candidates again. Even during the recession, organizations have continuously hired top people for critical positions, but most have cut their external recruiting budgets to the bone. This period and throughout this year, talent acquisition teams are growing – and are starting to actively use new tools and systems for sourcing, recruiting, hiring and onboarding. Many of the most powerful sourcing and recruiting strategies, which have developed in the last year, now come from social networking and new Internet job sourcing systems.

The talent acquisition marketplace has dramatically changed, driven by the rapid adoption of social networking. Today's recruiter must focus on employment branding, creating a pipeline of candidates over time, and on using internal tools to create referrals and sourcing expertise. The power of job boards is slowly waning, giving way to a whole new era of recruitment.

Business leaders understand that 80 percent of their business value is derived from 20 percent of the people – and should work with management to understand where these "pivotal roles" are. In this growing economy, the battle for talent will be very focused and specific. Organizations must identify the precise skills they need and then localize their hiring to find the right people.

As the economy continues to evolve, it is critical for businesses to have an agile and consistent recruiting process. In the end, the effectiveness of these strategies will determine who ultimately wins the battle for talent.

About Pro Staff

Pro Staff brings our customers nearly 30 years of talent acquisition expertise. Over that time, we have continuously refined our recruiting process to ensure we deliver only the best suited candidates. We adapt our sourcing methods in order to effectively reach the ever-evolving labor market—utilizing both traditional and non-traditional recruiting methods, including social media. We have our own well established pipeline of quality talent that we can quickly build upon to address our customer’s unique requirements. Our flexible service offerings allow our customers the ability to choose solutions that strategically work towards their business objectives, creating opportunities for productivity and cost savings improvements.

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