

Talent Acquisition 2013:

Adapt Your Strategy or Fail

September 2013

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Executive Summary

Talent acquisition has evolved from a tactical, back-office process to a strategic endeavor that directly impacts organizational growth. Organizations struggling to identify and attract talent must rethink their current strategies and technology options in order to align with corporate objectives. This study of 234 organizations, conducted in April and May 2013, will explore how best-practice organizations build results-driven talent acquisition programs, align goals with business objectives, and leverage world-class technology to achieve results.

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations.

Best-in-Class Performance

Aberdeen used the following three key performance criteria to distinguish Best-in-Class companies:

- 94% of first-year employees retained
- 80% of employees received ratings of exceeds performance
- 15% year-over-year improvement in hiring management satisfaction

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics, including:

- The ability to link talent acquisition initiatives to organizational profitability through validated data;
- The use of talent communities to engage candidates and employees;
- The measurement of quality of hire based on organizational fit and performance, and;
- The integration of talent-acquisition practices with performance management.

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Improve visibility into all aspects of talent acquisition;
- Rethink technology options to improve efficiencies and create a positive candidate experience;
- Invest in a mobile solution for recruiters, hiring managers, and candidates, and;
- Consistently measure all aspects of talent acquisition.

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Chapter One: Benchmarking the Best-in-Class

Business Context

If insanity is defined as “doing the same thing over and over again but expecting different results,” talent acquisition may fit the bill. Over the past decade, the shortage of critical skills has made the process of identifying and attracting talent a critical business objective. Yet, the majority of organizations have failed to mature in their recruitment efforts and continue to rely on the same antiquated processes and technology solutions. In fact, according to research conducted for this study, organizations are even regressing in their talent acquisition efforts as 57% have a reactionary process in place compared to only 44% of respondents in 2012.

Today’s workforce has changed dramatically. If talent acquisition does not keep pace, organizations will not only lose qualified candidates but also will jeopardize organizational growth and performance. In order to gain competitive advantage, organizations must consider adopting a new approach that focuses less on “filling positions” quickly and more on aligning with the business. This report will highlight how leading organizations achieve this goal by rethinking their strategies and technology options, challenging the traditional role of the recruiter, and focusing on how talent acquisition efforts can directly impact business outcomes.

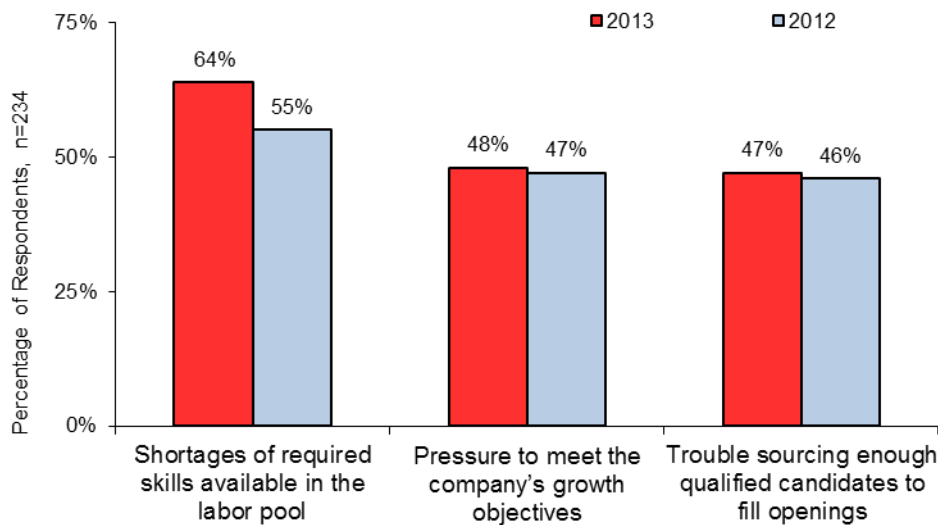
Something is Broken

The world of talent acquisition is one of the most complex and challenging areas of talent management. Despite a growing pool of available talent, finding the “right fit” is overwhelming even for the most seasoned recruitment professional. As organizations begin to respond to the demands of a modern workforce, talent acquisition seems to be taking a step backwards and moving further away from corporate priorities. One reason for this setback is that the internal and external pressures organizations face have intensified over the past year — leaving many organizations feeling paralyzed about what actions they need to take. The most obvious example of these pressures is the shortage of critical skills — a top challenge for 64% of organizations compared to only 55% in 2012 (see Figure 1). Without a clear understanding of what skills they need, where they can be found, and how they can acquire them, recruitment will remain stagnant.

Fast Facts

- √ **57%** of organizations have a reactionary approach to talent acquisition compared to 44% of organizations in 2012.

Figure 1: Top Pressures in Talent Acquisition



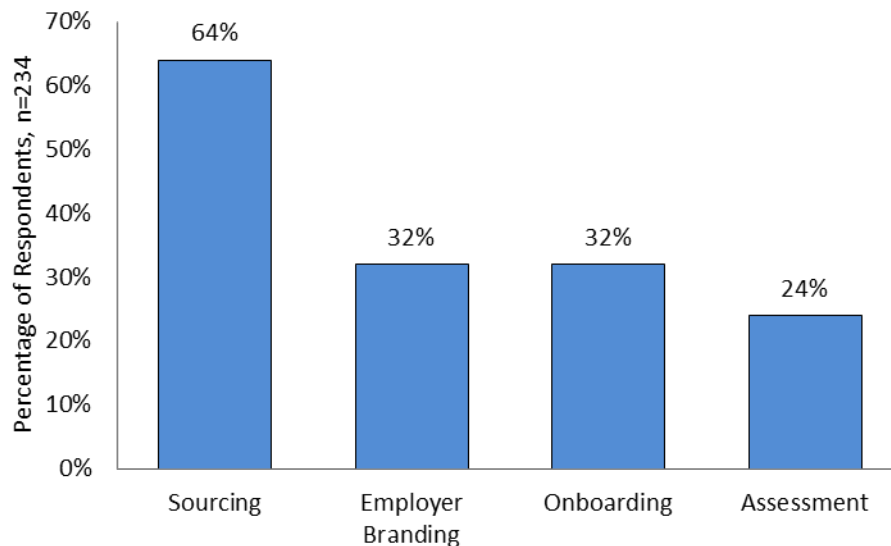
Source: Aberdeen Group, September 2013

Fast Facts

✓ **40%** of organizations believe that job boards will be replaced in the next 5 years.

Fortunately, these challenges are not insurmountable. Organizations that take a holistic approach to talent acquisition and focus on every element (employer branding, screening, assessment, hiring, and onboarding) are better able to address skill shortages and meet company growth objectives. In 2012, organizations focused primarily on sourcing as a way to improve recruitment, particularly since 40% of organizations believe that job boards will be obsolete in the next five years. This year, Aberdeen's research found that organizations are considering the full picture and recognize that areas such as employer branding and onboarding are also critical to the success of a talent acquisition function (see Figure 2). As this report will show, by rethinking the entire talent acquisition function rather than just one component, organizations will be able to make significant changes to the way they identify and attract talent and work on driving business outcomes.

Figure 2: Talent Acquisition Priorities



Source: Aberdeen Group, September 2013

The Maturity Class Framework

Aberdeen used three key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- Retention of first-year employees
- Employees that exceeded performance expectations
- Year-over-year improvement in hiring manager satisfaction

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	94% of first-year employees were retained 80% of employees exceed performance expectations 15% year-over-year improvement in hiring management satisfaction
Industry Average: Middle 50% of aggregate performance scorers	87% of first-year employees were retained 52% of employees exceed performance expectations 4% year-over-year improvement in hiring management satisfaction
Laggard: Bottom 30% of aggregate performance scorers	70% of first-year employees were retained 21% of employees exceed performance expectations 1% year-over-year improvement in hiring management satisfaction

Source: Aberdeen Group, September 2013

The Best-in-Class PACE Model

Excellence in talent acquisition results from a combination of strategies, capabilities, and enabling technologies. The Best-in-Class display a number of common core characteristics:

- The ability to link talent acquisition initiatives to organizational profitability through validated data;
- The use of talent communities to engage candidates and strengthen the brand;
- The measurement of quality of hire based on organizational fit and performance, and;
- The integration of talent acquisition with areas of talent management such as performance and engagement.

Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> ▪ Increasing competition in the market for top talent 	<ul style="list-style-type: none"> ▪ Strengthen ability to identify best fit talent ▪ Proactively build candidate pipeline ▪ Create a better candidate experience 	<ul style="list-style-type: none"> ▪ Hiring managers and candidates are given visibility in the status of the candidate ▪ Job roles deemed most critical to the organization's success are identified ▪ Metrics to measure success of recruitment have been defined ▪ Standardization of recruitment practices 	<ul style="list-style-type: none"> ▪ External online job / career portal ▪ Employee / candidate background checking ▪ Internal online job / career portal ▪ Employee eligibility / verification solutions ▪ Applicant tracking system (ATS) ▪ Employee referral tracking tools ▪ Pre-hire assessments ▪ Social networking sites

Source: Aberdeen Group, September 2013

Best-in-Class Strategies: The Role of the Recruiter

In 2012, Best-in-Class talent acquisition strategies focused on both the art and science of recruiting. Talent acquisition professionals have to balance relationship-building skills with the analytical skills required to gain executive support and communicate with the business. This year's research reinforces that message since building a talent pipeline and workforce planning were identified as the top strategies. One difference, however, is the rise of employer branding as a top strategy and the need for talent acquisition professionals to flex one additional muscle — communication skills (see Figure 3).

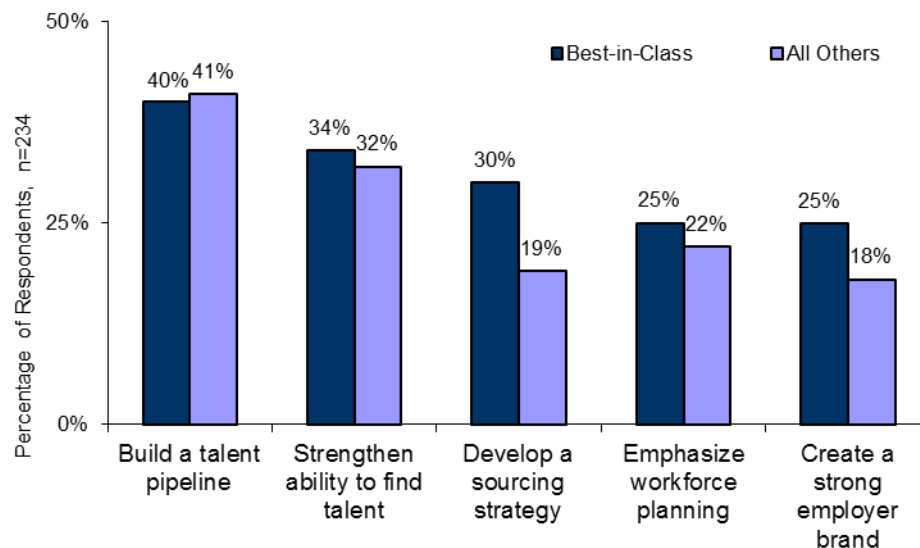
Relationship Skills: Building a talent pipeline allows organizations to identify quality talent and create a talent pipeline regardless of current hiring needs. These are two strategic actions that are closely intertwined. Such organizations have greater insight into the talent they have and the talent

they need at any given time — creating a more strategic approach to identify talent.

Analytical Skills: Workforce planning allows organizations to close talent gaps by understanding the demand and supply for talent. Organizations need to be able to prepare for current and future talent needs through headcount analysis, skill gap analysis, scenario planning, and talent segmentation. Best-in-Class organizations use this information to educate business leaders about talent needs.

Communication Skills: In addition to building relationships with internal and external talent, talent acquisition professionals must also work with marketing and PR departments to ensure that the employer brand aligns with the corporate brand.

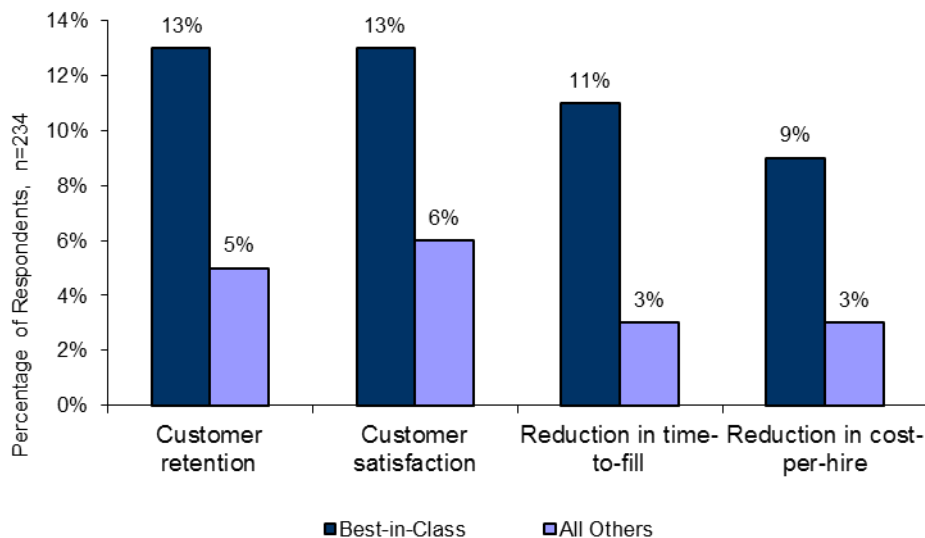
Figure 3: Top Strategies for Talent Acquisition



Source: Aberdeen Group, September 2013

Organizations that execute on these strategic activities can achieve business results such as customer retention and customer satisfaction. Best-in-Class organizations improved these metrics at twice the rate of Industry Average and Laggard organizations (see Figure 4). The following pages will highlight some of the critical elements to consider when rolling out a talent acquisition strategy and driving business results. What distinguishes Best-in-Class organizations from Industry Average and Laggards is their ability to break from traditional recruitment models and redefine the future of talent acquisition on organizational growth.

Figure 4: Year-Over-Year Business Improvements



Fast Facts

✓ **78%** of organizations are currently investing or planning to invest in talent communities.

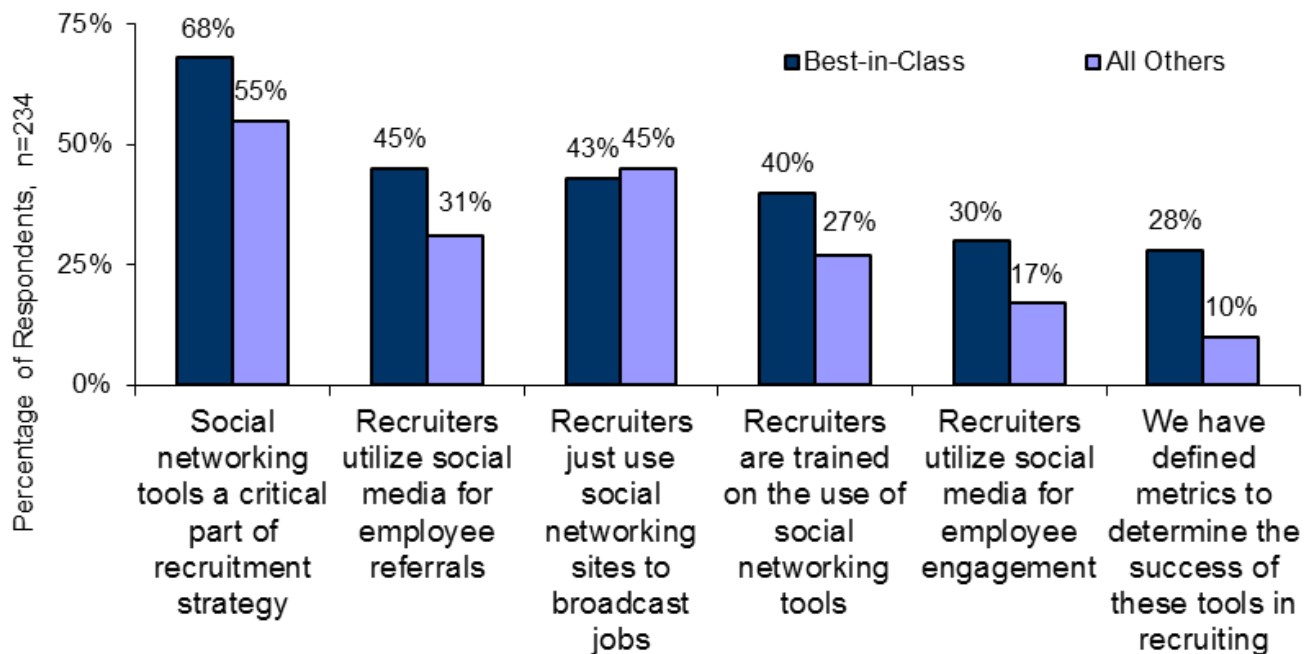
Source: Aberdeen Group, September 2013

Building a Talent Community

Aberdeen's research found that talent communities are one of the fastest growing areas of talent acquisition, with 78% of organizations currently investing or planning to make an investment over the next 12 months. For most organizations, a talent community is simply a database of active and passive candidates that receives email alerts about job opportunities. What distinguishes Best-in-Class organizations from Industry Average and Laggards, however, is their ability to engage candidates through these communities and create a stronger employer brand in the process. In order for a talent community to be successful, talent-acquisition professionals must continually build relationships with talent and report on the effectiveness of these efforts to the business.

While many organizations will use their corporate career pages to invite candidates to these communities, Best-in-Class organizations also use social media and extend talent communities to a broader audience of employees, alumni, and key stakeholders. Sixty-eight percent (68%) of Best-in-Class organizations see social media as critical to the recruitment strategy compared to 55% of All Others. Social media, for these organizations, is much less about blasting jobs to a group of individuals and more about building relationships, showcasing the brand, and engaging candidates as indicated in Figure 5. These organizations use social media to build communities that will help to power employee referral programs and strengthen employee engagement. In Aberdeen's 2012 [*Strategic Talent Acquisition: Are You Prepared to Hire the Best?*](#) report, we highlighted Pizza Hut as an organization that uses social media sites such as Facebook, LinkedIn, and Pinterest to help drive participation in its talent community.

Figure 5: The Use of Social Media for Recruitment



Source: Aberdeen Group, September 2013

Assessing for Critical Roles

According to Aberdeen's [Human Capital Management Trends 2013](#) report, assessments are one of the highest areas of growth in talent acquisition. Currently, 82% of Best-in-Class organizations leverage pre-hire assessments compared to 54% of All Others. This represents a significant increase from the 68% of Best-in-Class organizations that leveraged assessments in 2012. One reason for this uptick is that Best-in-Class organizations are thinking more strategically about how to use this powerful recruitment tool, particularly when assessing for critical job roles.

In any organization, there are critical roles responsible for driving revenue, performance, and client outcomes. Although these roles have an immediate impact on achieving higher levels of business performance, organizations often feel challenged identifying these roles and matching employee strengths to these roles. Sixty-three percent (63%) of Best-in-Class organizations are able to identify these critical job roles compared to 44% of All Others. Best-in-Class organizations achieve this goal through the use of assessments as a way to present a clear picture of the skills, behaviors, and competencies required to drive success in these critical roles.

Defining Metrics for Success

When determining the most critical metrics for evaluating the effectiveness of talent acquisition efforts, Best-in-Class organizations favor quality of hire and hiring manager satisfaction over time to fill and cost per hire. By

understanding how these metrics are defined and evaluating them consistently, organizations are better able to align talent acquisition with corporate objectives.

Quality of hire ensures that recruiters are more accountable for the performance of the hire once they are onboard instead of simply handing them over to hiring managers. Hiring manager satisfaction indicates that new hires meet performance goals and are the “right fit.” Although these metrics are a priority for many organizations, determining the key criteria used to measure quality of hire and hiring manager satisfaction is no small task. In fact, only 20% of organizations have a clear understanding of how quality of hire is measured. When asked to measure hiring-manager satisfaction, most organizations do this through survey results which can be ineffectual. The top criteria for measuring quality of hire includes: organizational fit (3.92), hiring manager satisfaction (3.82), and retention rate (3.94) based on scale of 1 to 4 (1 being the least effective and 4 being the most effective).

Aberdeen Insights — Discriminating Against the Unemployed

The unemployed have been widely discriminated against by companies of all sizes and in every industry. Organizations incorrectly equate “quality” hires with “employed” talent. As a result, the Equal Employment Opportunity Commission (EEOC) began taking a closer look at discrimination against the unemployed after news that several organizations were posting job openings excluding unemployed job seekers from consideration. One ad posted the following “NO UNEMPLOYED CANDIDATES WILL BE CONSIDERED AT ALL.” Despite efforts by the EEOC, Aberdeen found that unemployed candidates make up a very small percentage of new hires for most organizations. For over 50% of organizations, 80% or more of their new hires were employed when they were being recruited.

What organizations fail to recognize is that many of today’s top talent have lost their jobs over the past year or decided to change careers based on circumstances outside of their control driven by a weak economy. Being employed is not a skill and if organizations are looking to close talent gaps and prepare for future talent needs they need to broaden their talent pool rather than reduce it.

In the next chapter, we will see what the top performers are doing to achieve these gains.

Chapter Two: Benchmarking Requirements for Success

The selection and implementation of talent acquisition solutions and their integration with various talent management systems plays a crucial role in the ability to turn these strategies into performance and growth.

Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 3) serve as a guideline for best practices and correlate directly with Best-in-Class performance across the key metrics.

Table 3: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Job roles deemed most critical to organization's success have been identified		
	63%	44%	43%
Organization	Standardization across all aspects of recruiting		
	57%	54%	53%
Knowledge	Core competencies are defined at the start of the hiring process		
	80%	66%	72%
	Screening is strategic and does not require a single error		
Technology	56%	42%	29%
	Talent acquisition technology currently in use:		
	89% internal job portal	79% internal job portal	67% internal job portal
	66% ATS	59% ATS	36% ATS
Performance	42% assessments	26% assessments	17% assessments
	Metrics to measure success have been agreed upon by key stakeholders		
	35%	24%	18%

Source: Aberdeen Group, September 2013

Aberdeen Insights — Clear Channel: Getting Back to Basics

For Clear Channel, communication is paramount. While other organizations are looking for the next “best thing” in terms of tools and technology, Clear Channel has been successful in its recruitment efforts by simply building relationships. These relationships serve as the foundation of its talent acquisition strategy and directly impact its ability to attract quality hires. Below are a few of the ways that Clear Channel builds its relationships:

- **LinkedIn:** through the creation of a LinkedIn group (“Career Channel Media + Entertainment”), Clear Channel has been able to build, captivate, and engage talent. With nearly 2,000 members, this group has active discussions and conversations that connect recruiters, hiring managers, and job candidates.
- **Social Presence:** Clear Channel’s has a strong social presence due in large part to the personal brand of its Director of Talent Acquisition, Morgan Hoogvelt who is one of the more recognizable names in the recruitment industry. Hoogvelt and his team are easy to connect with, well-networked, and extremely approachable.
- **Empower Candidates:** Clear Channel provides resources for candidates to improve their interview skills and feel confident in the job search. It has created a resource guide for candidates and offers general advice throughout the recruitment process.
- **Invest in Recruitment Process Outsourcing:** Through its RPO investment, Clear Channel not only has the support for the administrative aspect of recruitment but it has a RPO provider that understands and reinforces its commitment to candidate engagement. Its RPO provider consistently receives high scores in candidate satisfaction surveys and prioritizes the candidate experience throughout its recruitment initiatives.

As other organizations are trying to find a way to innovate the recruitment experience, Clear Channel has been successful by returning to the basics and building stronger relationships with job candidates. By focusing on the human side of recruitment, Clear Channel has successfully improved its ability to identify and attract talent.

Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end users, Aberdeen’s analysis of the Best-in-Class indicates that the following factors are critical to success:

- Take the steps needed to be prepared for current and future talent needs;

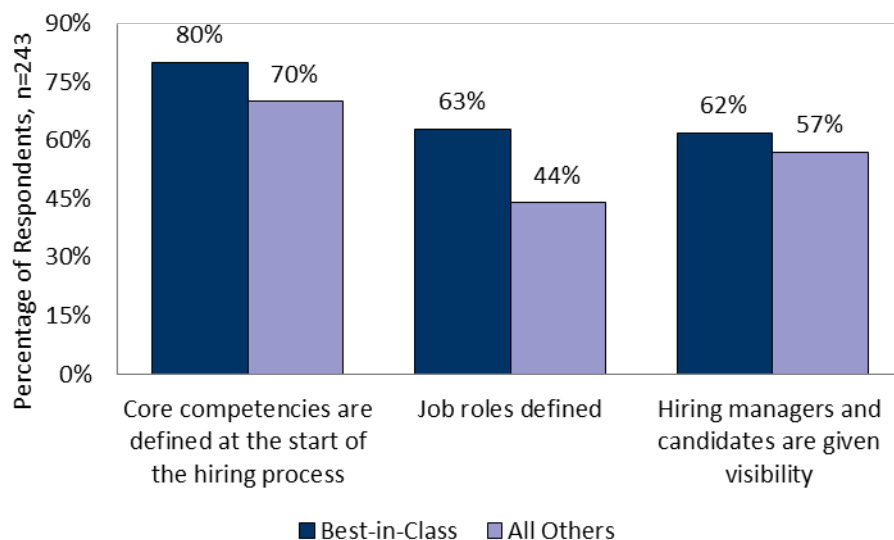
- Integrate talent acquisition with areas of talent management such as succession planning and performance management;
- Invest in innovative technology such as social media platforms, candidate relationship management, and video tools;
- Define key metrics in advance and ensure that these metrics align with business objectives.

Process

In strategic talent acquisition, organizations should be able to provide a clear picture of what talent is needed to any individual at any given point in time. As a result, process capabilities for talent acquisition are all about visibility and preparedness. Organizations need to have a clear understanding of talent they bring into the organization and also be prepared to address the talent they will need for the future. As a result, 62% of Best-in-Class organizations provide visibility to hiring managers and candidates on the status of the candidate through the recruitment process.

One important step in providing this visibility is to identify the key competencies and roles critical to success. In any organization there are critical roles as well as competencies responsible for driving revenue, performance, and client outcomes. Eighty percent (80%) of Best-in-Class organizations are able to define core competencies at the start of the hiring process compared to 70% of All Others. Additionally, 63% of organizations have defined the jobs most critical to organizational success compared to 44% of All Others (see Figure 6).

Figure 6: Top Process Capabilities



Aberdeen Group, September 2013

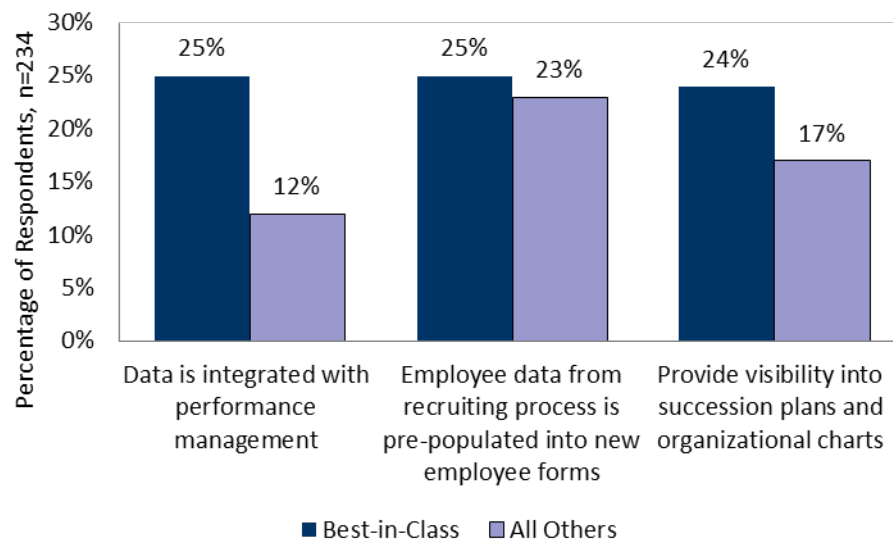
Organization

Organizations looking to improve recruitment efforts are not only rethinking processes, they are also rethinking the structure of their talent acquisition function and moving to a centralized recruitment model. The benefits of a centralized strategy include greater accountability for hiring managers and an ability to evaluate the progress and performance of talent acquisition efforts in a consistent manner. This year's data revealed that Best-in-Class as well as Industry Average and Laggard companies are aggressively moving to a similar model. Sixty-one percent (61%) of Best-in-Class organizations have a centralized model compared to 51% of Industry Average and 56% of Laggard companies. Some of these centralized models include Centers of Excellence (CoE) as a way of gaining support and governance and well as shared analytics and learning. This shift has also sparked some organizations including Coca-Cola enterprises (featured in Aberdeen's 2012 [*Sourcing Gets Smart: Revamping Strategies, Rethinking Technology*](#) report) to build an internal sourcing function (an area of talent acquisition that has been outsourced in the past). Currently, 67% of organizations have an internal sourcing function.

Knowledge Management

Integration is one of the greatest challenges facing talent acquisition professionals. Not only do organizations need to think about where talent acquisition fits into the broader landscape of talent management but also how each element of talent acquisition is integrated to drive business results and create a consistent experience for the candidate. Aberdeen's research found that the most critical areas for integration, for many organizations, are performance management, succession planning, and onboarding. Few organizations, including the Best-in-Class, are able to provide a seamless transition from recruitment to these other areas of employee development. Figure 7 reveals how Best-in-Class organizations are just a step above Industry Average and Laggard organizations when it comes to providing data from the recruitment process to performance management and to onboarding. These organizations are also immature at providing recruiters with visibility into succession plans and organizational charts.

Figure 7: Top Knowledge Management Capabilities



Aberdeen Group, September 2013

Technology

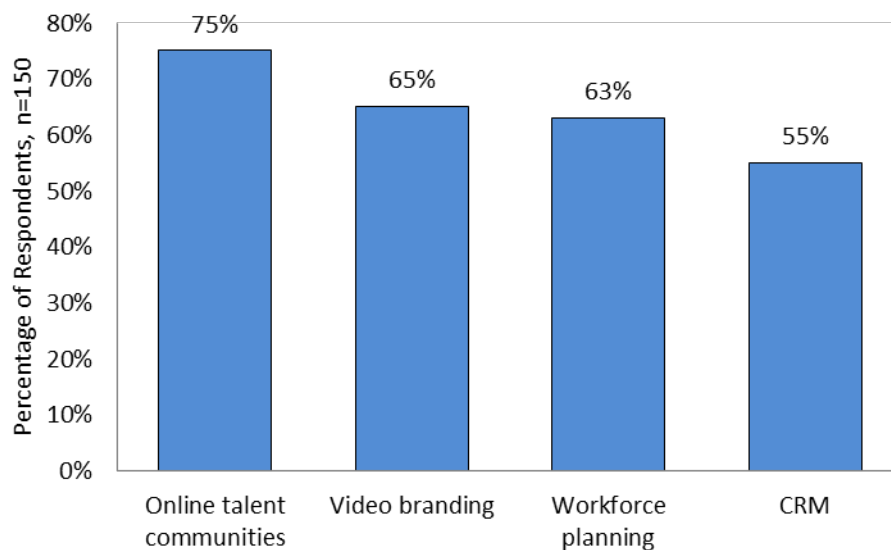
Decisions around recruitment technology are not simple. Organizations must consider solutions that will provide deep domain expertise and address the unique challenges and strategies involved in recruiting top talent. As a result, 84% of Best-in-Class organizations invest or plan to invest in best-of-breed ATSs rather than solutions from traditional human resources management system (HRMS) providers. Best-in-Class organizations recognize that these systems provide an understanding of how to handle complex recruiting needs and a way to improve the experience of recruiters, hiring managers, and candidates.

Best-of-breed recruitment solutions have evolved dramatically from basic solutions used simply to process resumes and track applicants to systems that encompass the entire pre-hire lifecycle including candidate acquisition, requisition management, job postings, search capabilities, interview management, communications, and reporting. These systems foster a positive candidate experience through company career site branding, online employee referral programs, candidate self-service applications, pre-screening questions, assessments, global configuration, social media, mobile capabilities, integration, contact management, compliance with equal employment opportunity (EEO) and the Office of Federal Contract Compliance Programs (OFCCP) regulations, and in many cases, support for high-volume recruiting. These are areas that are not typically supported by HRMS systems.

Given the evolution of these systems, it is not surprising that talent acquisition technology is still a high-growth market as nearly 50% of Best-in-Class organizations plan to increase investment in recruitment technology

over the next 12 months. When asked where these organizations would invest, they indicated they are looking to improve employer branding and sourcing — two areas that typically fall out of the realm of HRMS or ERP providers. As indicated in Figure 8, organizations plan to invest in online talent communities, video tools, and workforce planning solutions in order to improve a strategic talent pool, brand the organization, and plan for future talent needs. In most cases, best-of-breed solutions are better able to support these areas either through advanced functionality or through partnerships with third-party providers.

Figure 8: Top Areas for Recruitment Technology Investment

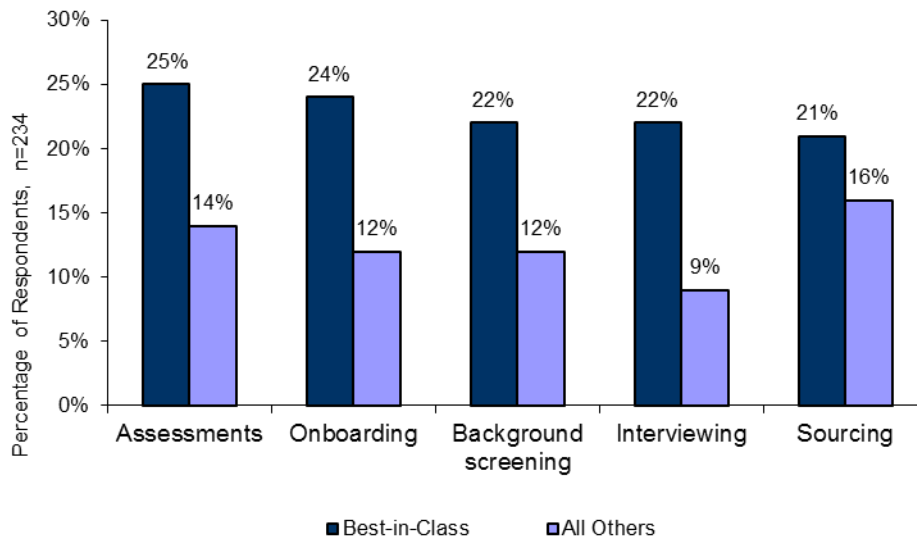


Source: Aberdeen Group, September 2013

Performance Management

Talent acquisition needs to be evaluated and measured continuously — not simply when a candidate accepts an offer. Furthermore, it needs to be linked to business outcomes. Very few organizations (including the Best-in-Class) are able to link organizational profitability / revenue with elements of talent acquisition (employer branding, sourcing, screening, assessment, hiring, and onboarding) as indicated in Figure 9. These organizations need to ensure that as they revamp their recruitment strategies, each element of talent acquisition must correlate with corporate objectives. For example, employer branding should align with corporate branding. Core competencies should be driven by business needs and onboarding should be linked to productivity and retention.

Figure 9: Elements of Talent Acquisition that are Linked to Organizational Profitability



Source: Aberdeen Group, September 2013

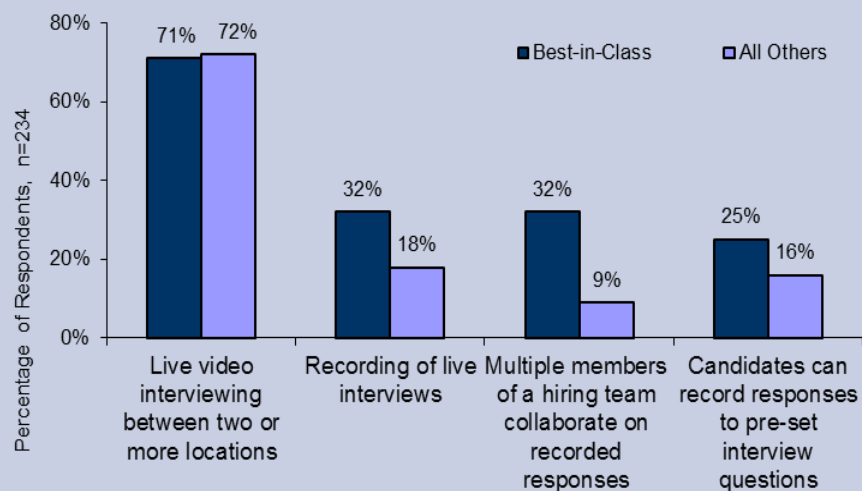
Aberdeen Insights — Video Interviewing

Video is one of the most powerful talent acquisition tools for improving processes and creating a positive candidate experience. In fact, 31% of organizations participating in Aberdeen's talent acquisition research are investing in video interviewing, compared to 21% of organizations in 2012. Video interviewing has not only redefined how organizations engage with candidates, but it has created new opportunities for organizational growth and productivity. Companies are now able to extend their reach to a broader talent pool and improve visibility into the recruitment process. As organizations look to revamp their recruitment strategies and technology options, video interviewing is becoming a "must-have."

Aberdeen Insights — Video Interviewing

Although the demand for video is on the rise, understanding capabilities and selecting the right provider is still a challenge. Best-in-Class organizations are more advanced than Industry Average and Laggard organizations in their use of video interviewing and are more likely to select providers with enhanced capabilities such as multiple members of a hiring team collaborating on recorded responses (32% vs. 9%). Although live video interviewing is most popular amongst Best-in-Class, these organizations also embrace recorded video interview options faster than All Others.

Figure 10: Video Interviewing Capabilities



Source: Aberdeen Group, September 2013

Chapter Three: Required Actions

Whether a company is trying to move its performance in talent acquisition from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

Fast Facts

- √ Only **20%** of Laggard organizations have a clearly defined employer brand.

Laggard Steps to Success

- **Create a Clear Employer Brand Strategy:** Defining a clear employer brand and communicating that strategy both internally and externally will greatly improve an organization's ability to identify and attract talent. Currently, only 20% of Laggard organizations have a clearly defined employer brand compared to 40% of Best-in-Class organizations.
- **Think More Strategically About Social Media:** Social media can serve as a powerful recruitment tool and help to build talent communities for organizations, yet the majority of Laggard organizations have not adopted a strategic approach to social media. Only 50% of Laggards feel that social media is a critical tool compared to 68% of Best-in-Class organizations.
- **Measure Quality of Hire:** One of the most effective metrics for organizations to consider is quality of hire. Yet, determining the criteria for measuring quality is challenging for many organizations and only 15% of Laggards. Laggard organizations must consistently measure quality across the entire organization.

Industry Average Steps to Success

- **Formalize an Onboarding Program:** Organizations must provide visibility around the status of candidates to hiring managers as well as key stakeholders. This visibility will help organizations to define core competencies and the most critical job roles. Only 50% of Industry Average organizations provide this visibility compared to 62% of Best-in-Class organizations.
- **Integrate Talent Acquisition with Performance Management:** Traditional recruiting models were siloed from other areas of talent management such as performance management. While many traditional HR silos were established for a reason, these silos have hindered critical talent initiatives and prevented HR from making talent a top priority in the organization. Industry Average organizations must be able to align talent acquisition to performance management data to help break down these silos.

Best-in-Class Steps to Success

- **Link Talent Acquisition to Profitability:** Talent acquisition should improve not only HR performance but also the overall business performance. When organizations are effective in identifying and hiring talent, the overall business improves. Only 33% of Best-in-Class organizations are able to make this correlation through validated data.
- **Invest in Innovative Technology Options:** Innovation is a buzz word in talent acquisition technology. With solutions such as video tools and talent communities gaining steam, Best-in-Class organizations should re-evaluate what is not working and find alternatives.
- **Prioritize Analytics:** The use of analytics can greatly improve a contingent workforce management strategy by uncovering and providing intelligence to program leaders for improved business planning and collaboration.

Appendix A: Research Methodology

Between April and May 2013, Aberdeen examined the use, experiences, and intentions of more than 234 enterprises' talent acquisition initiatives.

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on talent acquisition strategies, experiences, and results.

Responding enterprises included the following:

- **Job title:** The research sample included respondents with the following job titles: Director (22%); Manager (21%); Executive (17%); VP / EVP / SVP (13%); Consultant (7%); Staff (7%); General Manager / Managing Director (4%); Other (4%); CFO (2%); CSO (1%); and Partner / Principal (1%).
- **Department / function:** The research sample included respondents from the following departments or functions: human resources / talent management (56%); corporate management (12%); business development / sales (7%); other (5%); strategy (4%); operations (3%); product development / engineering (3%); logistics / supply chain (2%); customer service / support (1%); field service (1%); finance / administration (1%); information technology (1%); marketing (1%); procurement / purchasing (1%); and quality management (1%).
- **Industry:** The research sample included respondents from a wide variety of industries. Some of the larger industries represented were IT consulting / services (22%); financial services (8%); software (7%); government / public sector (6%); and automotive / other vehicles (5%).
- **Geography:** The majority of respondents (63%) were from North America. Remaining respondents were from Europe (18%); the Asia / Pacific region (13%); Africa and Middle East (4%); and South / Central America and Caribbean (2%).
- **Company size:** Thirty-one percent (31%) of respondents were from large enterprises (annual revenues above US \$1 billion); 26% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 43% of respondents were from small businesses (annual revenues of \$50 million or less).
- **Headcount:** Forty-seven percent (47%) of respondents were from large enterprises (headcount greater than 1,001 employees); 25% were from midsize enterprises (headcount between 101 and 1,000 employees); and 28% of respondents were from small businesses (headcount between 1 and 100 employees).

Study Focus

Responding human capital and line-of-business executives completed an online survey that included questions designed to determine the following:

- √ The degree to which organizations use talent acquisition as part of their recruiting, as well as the structure and effectiveness of existing talent acquisition arrangements.
- √ The benefits, if any, that have been derived from talent acquisition initiatives.

The study aimed to identify emerging best practices for talent acquisition usage in human capital management and to provide a framework by which readers could assess their own management capabilities.

Table 4: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization's market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization's enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, September 2013

Table 5: The Competitive Framework Key

Overview
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>
<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What's your actual performance?</p>

Source: Aberdeen Group, September 2013

Table 6: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework — How They Interact
<p>Aberdeen's research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, September 2013

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [*Aligning Your Mobile Recruitment Strategy to Your Corporate Strategy*](#); July 2013
- [*Next Generation Talent Acquisition Technology*](#); July 2013
- [*Contingent Labor Management: Strategies and Solutions for a Flexible Workforce*](#); August 2013
- [*What is Your Most Effective Source of Hire?*](#); May 2013
- [*The Curious Case of Video Interviewing: Reducing Costs and Improving Efficiency*](#); April 2013
- [*Strategic Talent Acquisition in the SMB Market: Alignment, Integration and Innovation*](#); December 2012

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

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