Transforming Talent Acquisition for the Future

The global pandemic (COVID-19) and the events of 2020 have dramatically changed the landscape of talent acquisition. Organizations have adapted and adjusted their priorities, processes, and budgets with limited resources. After years of building strategies and roadmaps, many talent acquisition leaders have been forced to reconsider these plans overnight.

Some companies have halted hiring efforts completely while others have increased their headcount. According to this study, 62% of companies are still hiring even if their focus has changed. And, while different regions and different sectors face new realities in recruiting talent, the uncertainty of this year has created a collective experience. Every organization is going through some type of transformation and talent acquisition leaders are in a unique position to help influence this change.

Yet many organizations feel paralyzed when transforming their approach to talent. And they are left asking, "what next?" The future seems uncertain and for many companies, talent acquisition still proves to be incredibly complex.

When we started this research project in January 2020, our goal was to create a report that would look closely at the current global talent acquisition function. Today, our goal has shifted. This report is designed to help organizations on their path to talent acquisition transformation. It examines the past year, the current state, and the future of talent acquisition. It is a resource for leaders looking to rebuild and reshape recruitment strategies.

> " The events of 2020 have undoubtedly accelerated the need and desire for the talent acquisition function to think differently about how they run their business. While the demand for transformation has become increasingly urgent, the lack of investment budgets and unpredictable environment means 2020 is more likely to be the year of refocus, repurpose and planning. "
>
> **Neil Jones,**
> **Managing Director APAC,**
> **Alexander Mann Solutions**

This report will help companies answer the following questions:

〉 What was the state of talent acquisition pre-COVID-19?

〉 How has COVID-19 impacted talent acquisition capabilities, processes, and technology?

〉 How has the candidate experience changed over the past year?

〉 What steps do companies need to take to prepare for the future of talent acquisition?

Aptitude Research Methodology

Quantitative Research: 480 Global Responses (North America, EMEA, APAC) - 260 in April of HR and Talent Acquisition Director Level and above across all industries and company sizes.

Qualitative Research: A series of interviews with companies pre-COVID-19 and post-COVID-19 from January 2020 - May 2020.

Key Findings

The New Candidate Experience is about Candidate Care

The candidate experience continues to remain a priority for organizations, even with increased unemployment. The way that companies manage the workforce during this period will impact how candidates view the brand. As a result, the candidate experience needs to focus on safety and communication. According to this study, 36% of companies state that safety and communication are their top priorities during COVID-19. And, 77% of talent acquisition leaders state that they are focused on candidate safety through this change. Candidate safety needs to be a critical factor in the interview process, screening process, and onboarding process.

Quality of Hire Will Be Redefined

Both pre-COVID-19 and post-COVID-19, quality of hire remains the top challenge for over 60% of companies across the globe. The focus on quality of hire is not a new phenomenon but shows that in both strong and uncertain times, companies still struggle with one of the most basic areas of talent acquisition. For many companies, there is currently no standard around measuring and improving quality of hire. In a post-COVID-19 world, assessment methods will need to change as companies think about what defines success.

Companies Need to Rethink Workforce Planning

One of the most significant findings from this study is an increased focus on workforce planning. For many companies, workforce planning is either non-existent or not effective. Traditional workforce planning has looked at long-term strategies that are not relevant in today's uncertain environment. Thirty percent (30%) of companies in April 2020 said that workforce planning is a capability gap and priority compared to only 12% before COVID-19. These companies should consider skill gaps, reskilling, and upskilling their workforce as part of these strategies.

Recruiters Have Limited Resources

Sixty-two percent (62%) of companies are still hiring even if those activities have shifted or slowed down. Talent acquisition professionals are recruiting but with limited resources and in many cases, limited staff. In fact, 46% of companies are experiencing layoffs on their talent acquisition teams. Some companies have eliminated specialist roles that may include candidate experience managers and data scientists, while others have reduced the number of coordinators to help with administrative tasks. Talent acquisition professionals are under pressure to balance a heavy workload without support and they must remain flexible.

Talent Acquisition Budgets are Shifting

Before COVID-19, 64% of companies were increasing their talent acquisition budgets compared to 24% during COVID-19. Areas where budgets have gone up include workforce planning, services, and brand. Many companies are reducing their investment in some technology and instead looking at how to build out internal capabilities and stay prepared.

Rejection is Still an Issue

Brand is a critical area for talent acquisition and companies are being judged on how they treat their candidates, employees, and customers. In talent acquisition, most companies ignore the rejection process. If a candidate does not receive an offer, they do not have any engagement. According to The Forgotten Workforce report, 62% of hourly workers do not receive any communication through the process. Companies need to rethink this approach to rejection. Only 19% of companies are sending a personal communication to candidates that have been rejected.

Interview Management Investment Increases

Over the past few years, companies have focused talent acquisition efforts on attracting candidates through recruitment marketing and sourcing initiatives. Often times, they would ignore what happens to a candidate further down in the process. Today, interviewing is a strategic focus for companies. Seventy- four percent (74%) of companies are using or planning to use interview management compared to less than 60% of companies before COVID-19. Companies in Europe are two times more likely to leverage interview solutions than companies in North America and Asia.

Training is Not Enough to Reduce Bias

Nearly 90% of companies are concerned with reducing bias in their talent acquisition process. Yet, when talent acquisition leaders are asked what steps they take to reduce bias, most companies focus on training programs. While these programs can provide insights and education, they often just check a box in reducing bias. They do not fundamentally address the problem. Companies must look at changing their approach to hiring and investing in strategies and technology to support diversity and inclusion.

Companies are Looking at RPO

One in four companies that are hiring right now are considering Recruitment Process Outsourcing providers to help support these efforts. Companies have increased investment in RPO during times of economic downturn and uncertainty in the past. Today, companies will need to think more about partners that can help support both the strategic and tactical efforts.

Past: Looking Back at 2019

Over the past few years, talent acquisition has been a priority for business leaders. With low unemployment and fierce competition for talent, companies had been investing more in the talent acquisition function and building out internal capabilities to support these efforts. According to this study, 67% of companies surveyed in January and February 2020 were increasing their talent acquisition budgets this year. Additionally, 46% of talent acquisition leaders stated that they were meeting frequently with business leaders, and 52% were meeting frequently with finance leaders. Talent acquisition was in a high-growth phase. It was given new responsibilities that included areas such as retention initiatives, branding, internal mobility, and contingent workforce.

But, as the talent acquisition function grew in scale, it also grew in complexity. By adding new roles, new strategies, and new technology in a short period of time, talent acquisition at many companies became unwieldy and difficult to manage. Talent acquisition professionals needed more support and felt pressure to balance multiple priorities. Recruiter turnover in 2019 was at a record high, and despite the availability of tools and resources:

Over **50%** of companies were not measuring the ROI of their recruitment investments.

72% of companies stated that talent acquisition is still viewed as a cost center.

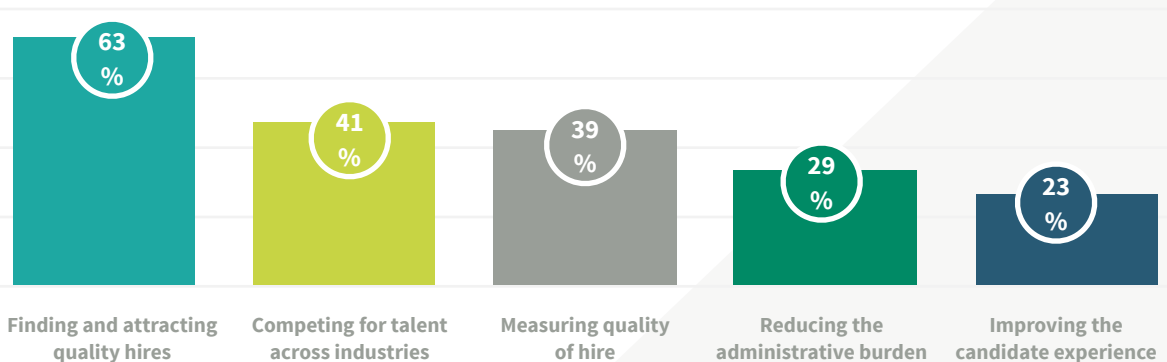Recruiters were spending, on average **16 hours** a week just on scheduling interview calls.

The state of talent acquisition over the past few years created opportunities but also exacerbated challenges facing recruiters. In January and February of this year, companies identified quality of hire, competing across industries, reducing the administrative burden, and improving the candidate experience as their top challenges (see Figure 1) . Talent acquisition professionals had to balance the many strategic areas of talent acquisition with the tactical and administrative elements such as scheduling and finding candidates in an Applicant Tracking System (ATS).

> **"** The modern day talent acquisition role role will need to move from one focused primarily on external talent acquisition to a more holistic solution covering internal mobility, upskilling, and contingent workers. Having the ability to source and move talent in a more diverse, holistic manner will be critical to success. **"**
>
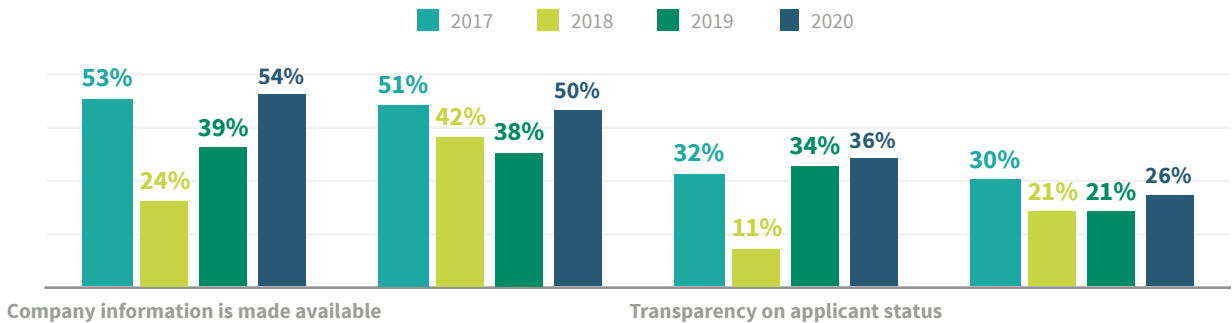> *Neil Jones, Managing Director APAC, Alexander Mann Solutions*

Figure 1: Top Challenges in Early 2020

| 63% | 41% | 39% | 29% | 23% |
| Finding and attracting quality hires | Competing for talent across industries | Measuring quality of hire | Reducing the administrative burden | Improving the candidate experience |

Although talent acquisition had evolved over the years, some fundamental challenges remained the same including competing for talent, leveraging data, communicating with candidates, and managing technology partners.

⟩ **Competitive Landscape:** In 2019, companies were competing across industries for talent. Business leaders were feeling pressure to compete for customers, revenue, products, and people. Ensuring that an organization has the best talent helps to drive business results. 1 in 2 companies in every industry stated that they are competing for engineering talent.

⟩ **Data to Drive Decisions:** Most talent acquisition functions are immature in communication between talent acquisition and various stakeholders. According to research conducted by Aptitude Research in 2019, less than 40% of hiring managers received the data they need from talent acquisition to make decisions on talent. Also, less than 30% of candidates received information on the company to better inform their decisions.

⟩ **Candidate Communication:** Companies stated that the candidate experience is a priority, yet communication with most candidates has remained unchanged. Companies had made small improvements in the past year with providing a point of contact and status on the application, yet 1 in 2 companies still used email as the primary form of communication with candidates.
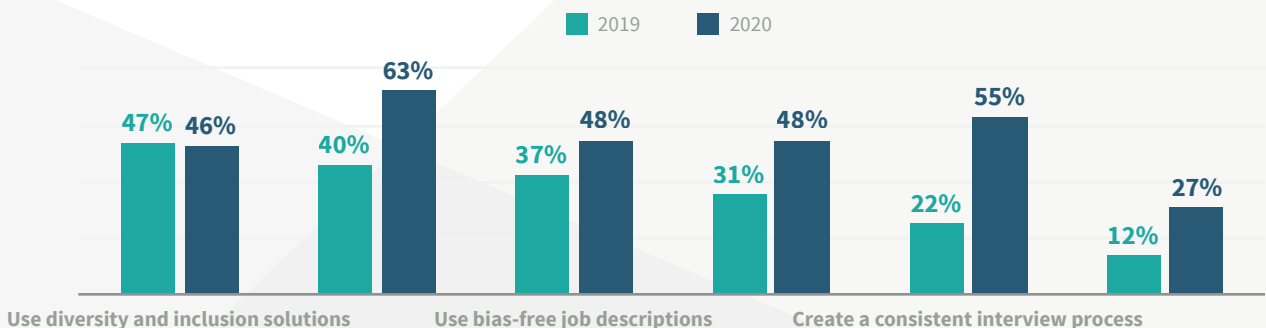
Figure 2: Candidate Communication Year-Over-Year

Legend: 2017 | 2018 | 2019 | 2020

Company information is made available
- 2017: 53%
- 2018: 24%
- 2019: 39%
- 2020: 54%

- 2017: 51%
- 2018: 42%
- 2019: 38%
- 2020: 50%

Transparency on applicant status
- 2017: 32%
- 2018: 11%
- 2019: 34%
- 2020: 36%

- 2017: 30%
- 2018: 21%
- 2019: 21%
- 2020: 26%

〉 **New Technology and Crowded Market**: In early 2020, 30% of talent acquisition leaders were using ten or more primary recruiting solutions. In many cases, talent acquisition was investing in technology that did not deliver results and was not getting adopted. According to Aptitude Research, over 50% of companies are using more than two ATS providers, and over 60% are using over three primary sourcing tools.

〉 **Reducing Bias:** *According to Aptitude Research, nearly 90% of companies are concerned with reducing bias in their talent acquisition process*. Yet, when talent acquisition leaders are asked what steps they take to reduce bias, most companies focus on training programs. While these programs can provide insights and education, they often just check a box in reducing bias. They do not fundamentally address the problem.

> " The ability to attract and retain diverse talent in an inclusive culture is going to be a competitive advantage. "
>
> *Nicola Hancock, Managing Director Americas, Alexander Mann Solutions*

Figure 3: Reducing Bias in Talent Acquisition

Legend: 2019 | 2020

Use diversity and inclusion solutions
- 2019: 47%
- 2020: 46%

- 2019: 40%
- 2020: 63%

Use bias-free job descriptions
- 2019: 37%
- 2020: 48%

- 2019: 31%
- 2020: 48%

Create a consistent interview process
- 2019: 22%
- 2020: 55%

- 2019: 12%
- 2020: 27%

The complexity of talent acquisition and these challenges have made it difficult for companies to stay agile and responsive to change – qualities that would prove to be critical this year.
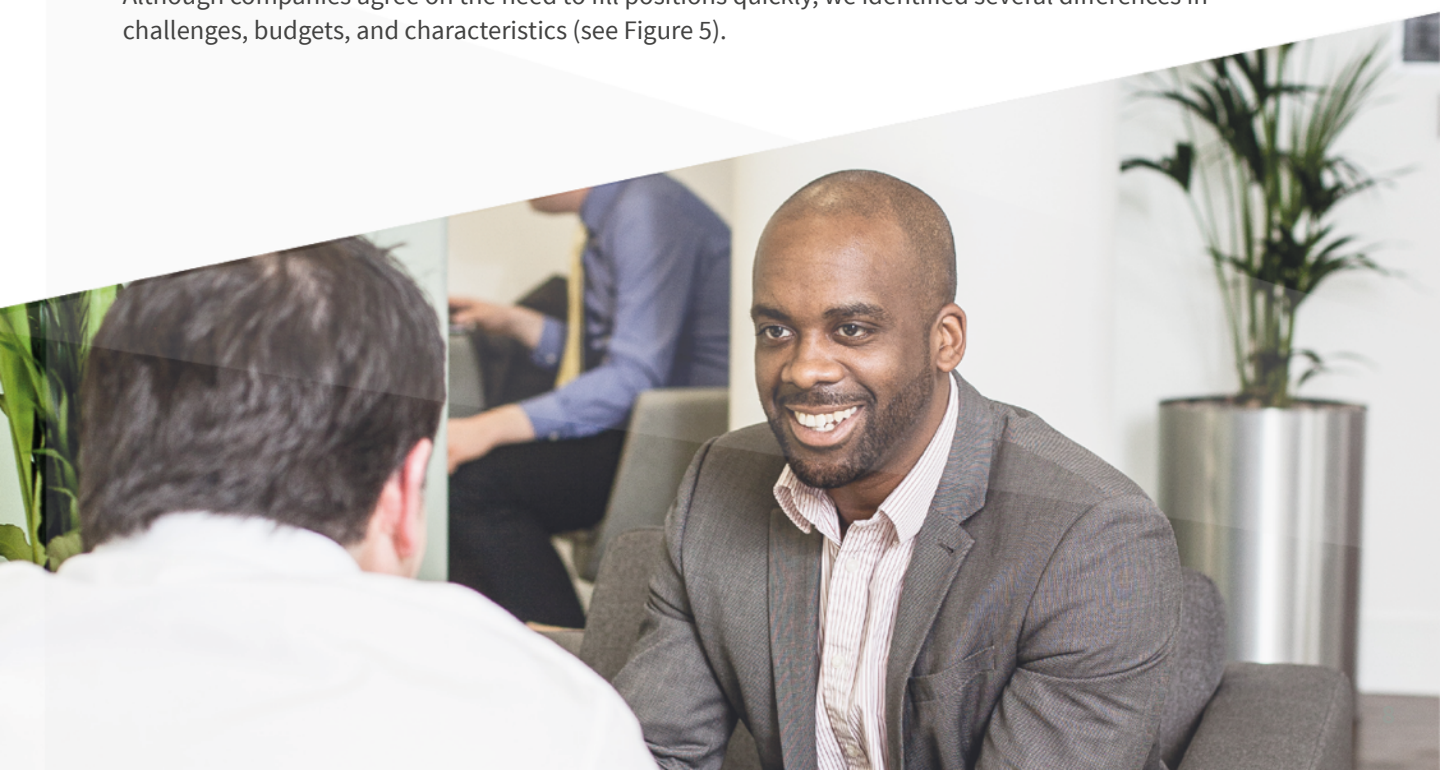
Present: Slowing Down to Speed Up

With COVID-19, most companies had to pivot and change hiring plans in a short period of time. According to this study, 39% of companies stated that hiring is on hold, 29% are moving forward with no change, 14% are hiring but focusing on different roles, and 18% of companies are reducing the number of hires this year (see Figure 4).

Figure 4: Current Hiring Activity

- Our hiring is on hold right now
- We are moving forward with no change
- We are reducing the number of hires
- We are still hiring but focused on different roles

Regardless of hiring plans, over 60% of these companies stated that their number one priority is filling positions quickly. The focus on efficiency stems in part from pressure to respond to changes in the business but also to a reactionary approach to recruiting. In times of uncertainty, speed becomes the go-to metric. Companies across various industries had to increase hiring from weeks to days in 2020. And, 1 in 3 companies stated that positions are still unfilled after a month.

Although companies agree on the need to fill positions quickly, we identified several differences in challenges, budgets, and characteristics (see Figure 5).

Figure 5: Profile of Companies Hiring and Companies Not Hiring

	Companies Still Hiring	**Companies Not Hiring**
Challenges	52% state that candidate safety is the top challenge	58% stated that remote recruiting is the top challenge
Layoffs	32% had layoffs on talent acquisition team	51% had layoffs on talent acquisition team
Budgets	43% talent acquisition budget will increase 46% talent acquisition budget will remain the same	19% talent acquisition budget will increase 48% talent acquisition budget will remain the same
Sectors	Education (13%) Restaurant/Food Services (12%) Financial Services (10%) Technology (9%)	Retail (15%) Government (10%) Healthcare (10%)
Regions	North America Europe APAC	North America Europe APAC

The next few pages of this report look closely at how companies are rethinking their people (capabilities), processes, and technology for a post-COVID-19 world.

> " This trend also resonated with Early Careers and campus hiring, where companies changed hiring plans to stop or continue hiring graduates and interns, and had to pivot and adapt their assessment processes, work experience programs and spring and summer internships to virtual platforms and on-line experiences. "
>
> *Jane Clark, Global Head of Emerging Talent Consulting, Alexander Mann Solutions*

People: Understanding Recruitment Models and Capability Gaps

Both before COVID-19 and during this pandemic, over half of companies surveyed stated that they had a centralized recruitment model. A centralized recruiting model can benefit a company by offering standard processes and consistent strategies throughout the organization. It can provide a framework for recruiters and accountability through the hiring process. Although there are numerous advantages of a centralized recruitment model, it presents challenges as well. For geographically disperse organizations with multiple offices around the world, a centralized recruitment model can make it difficult to respond to local needs. Also, a centralized recruitment model can be challenging during times of change when it can slow down the process instead of providing a flexible response.

One change from February 2020 to May 2020 was in the outsourced recruitment model. Only 8% of companies had an outsourced model in early 2020 and that number doubled during this pandemic. Historically, companies have turned to Recruitment Process Outsourcing (RPO) providers during times of uncertainty and economic downturns to help support them through change and provide the structure that they may not have internally. Companies will be looking at providers to partner with them through transformation post-COVID-19.
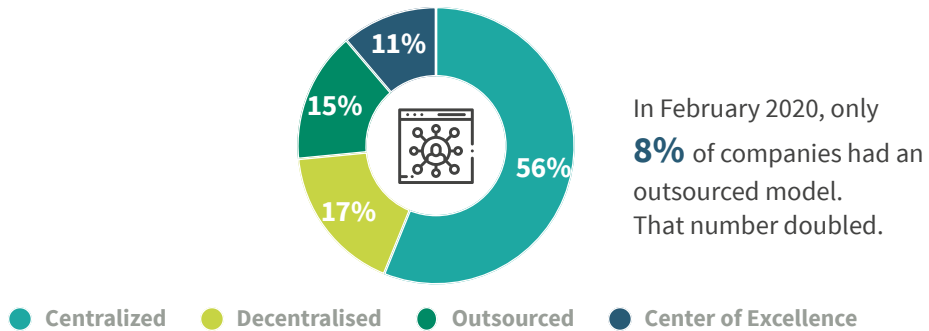
> **"** Centralization vs localized solutions are significantly influenced by industry sector. In Investment Banking and Pharma/Health where companies are globalizing at the core, we see an increase. In other more localized business models, we are seeing a resurgence of localized solutions, possibly driven by the need for more turnkey agile solutions to real time solutions. **"**
>
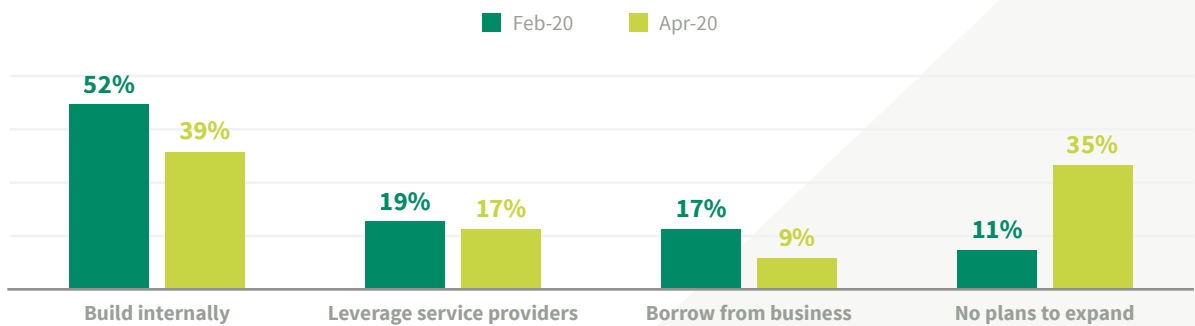> *Neil Jones, Managing Director APAC, Alexander Mann Solutions*

Figure 6: Recruitment Models in 2020

56% Centralized
17% Decentralised
15% Outsourced
11% Center of Excellence

In February 2020, only **8%** of companies had an outsourced model. That number doubled.

- Centralized
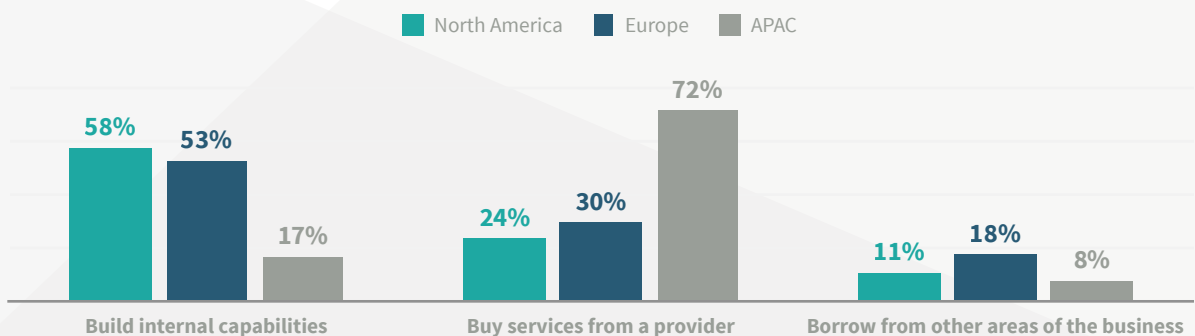- Decentralised
- Outsourced
- Center of Excellence

As companies examine their recruitment models, they are also looking at capabilities to determine if they should build, buy, or borrow moving forward. Aptitude Research found that companies are less likely to expand in the next year. Companies are also more likely to build internal capabilities and less likely to borrow from other areas of the business during this time of uncertainty. Certain sectors like retail (14%) and healthcare (11%) indicated that they are more likely than others to build out internally.

Figure 7: Expanding Talent Acquisition Capabilities

Feb-20   Apr-20

	Build internally	Leverage service providers	Borrow from business	No plans to expand
Feb-20	52%	19%	17%	11%
Apr-20	39%	17%	9%	35%

As companies consider whether they will build, borrow, or buy capabilities during this time, we found significant differences with how companies around the world are approaching this question. According to this study, companies in North America and Europe are more likely to build internal capabilities while companies in APAC are more likely to leverage a provider for support.

Figure 8: Expanding Talent Acquisition Capabilities by Geography

North America   Europe   APAC

	Build internal capabilities	Buy services from a provider	Borrow from other areas of the business
North America	58%	24%	11%
Europe	53%	30%	18%
APAC	17%	72%	8%

Companies stated that the greatest capability gaps were in sourcing and screening (45%), process improvement for AI (37%), improving the candidate experience (34%), and workforce planning (30%). Companies also lack capabilities to address diversity and inclusion and reduce bias in the talent acquisition process and have relied heavily on sporadic training of recruiters and hiring managers. Companies are looking for capabilities to help them stay prepared for the future.

While there is no right or wrong answer for what type of recruitment model companies need or how they should expand their capabilities, companies must be responsive to change. They need to consider a model that will let them adapt to changes for the future of the workforce and they need to consider what capability gaps they have and how they can best fill those gaps.

> " This is where smart organizations can create a really adaptable model, they can transfer the assets they have and lease back just enough, retaining their in-house know-how and they can create different strategies around the world for scaling using models like augmentation, outsourcing, leasing, sharing, and fractional working. "
>
> *Matthew Rodger, Chief Growth Officer, Alexander Mann Solutions*

With 46% of companies experiencing some layoffs on their talent acquisition teams, it is critical to determine what people, processes, and technology are important to ensuring a more effective and efficient talent acquisition strategy. Companies that had hired specialists on their talent acquisition teams will feel an immediate impact, especially for roles such as candidate experience managers, data scientists, and digital experts.

Candidate Experience Manager

The Candidate Experience Manager role is influencing decisions around recruitment marketing solutions and candidate communication tools. We found that 30% of companies in APAC have a Candidate Experience Manager role compared to 21% of companies in EMEA and 18% of companies in North America.

Digital Specialists

Some companies are adding Digital Specialists to support their digital transformation. This role can help with evaluating and adopting digital solutions that can improve efficiencies and the overall experience using mobile solutions, AI, automation, and video. We found that 6% of companies in APAC have a Digital Specialist role compared to 12% in EMEA and 8% in North America.
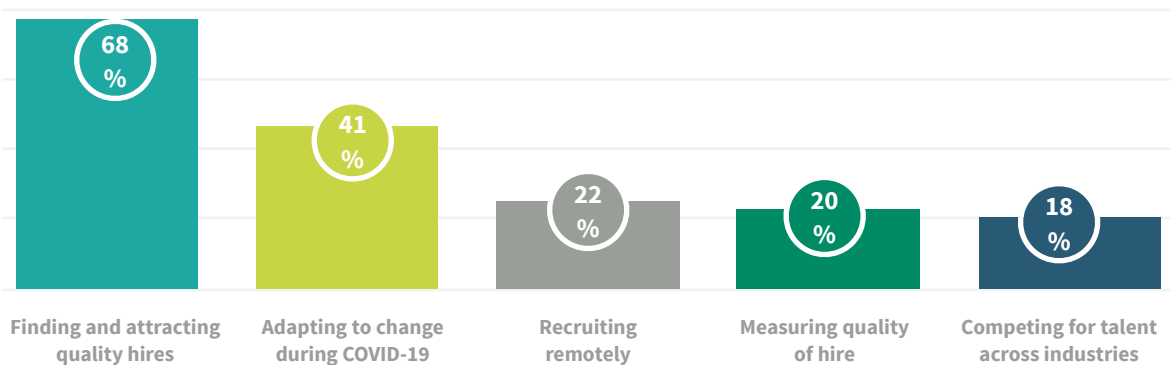
Data Scientists

Industries such as financial services are hiring Data Scientists to join their talent acquisition teams and help them leverage analytics. Data Scientists can help to evaluate AI solutions and predictive analytics solutions. Aptitude Research found that 10% of companies in APAC have Data Scientists on their talent acquisition team compared to 13% in EMEA and 12% in North America.

Process: Moving to a Remote Environment

Companies are re-evaluating their processes today to support remote recruiting and improve quality of hire. According to Aptitude Research, the top challenges that companies face in a post-COVID-19 environment include quality of hire but also adapting to change and remote recruiting (see Figure 9). Quality of hire will need to be reconsidered to include empathy, ability to change, and emotional intelligence. Many talent acquisition leaders have had to redesign entire processes to support candidates, recruiters, and hiring managers in this new environment.

Figure 9: Recruitment Challenges During COVID-19

68%	**41%**	**22%**	**20%**	**18%**
Finding and attracting quality hires	Adapting to change during COVID-19	Recruiting remotely	Measuring quality of hire	Competing for talent across industries

When asked what processes were most impacted by remote recruiting, companies identified interviewing, hiring, onboarding, and workforce planning (see Figure 10). Most of the change in talent acquisition needs to happen for these processes that occur later in the candidate lifecycle. For the past few years, companies have focused most of their efforts on recruitment marketing and sourcing talent. They built strategies to better engage with talent before they apply for a job, invested in solutions, and actively maintained talent pipelines. In 2018, Aptitude Research found that 1 in 3 companies were increasing their investments on these activities. Two years later in today's environment, talent acquisition has shifted to focus on supporting areas further down the funnel .

> " Traditionally barriers to remote recruiting around background verification and physical onboarding meant that remote recruiting had a number of limitations. The acceptance of changed protocols during COVID-19 and the fact that it has been proven these things can be done digitally with no security and risk compromise, lends itself to an increase in remote recruitment. We would expect to see a far more balanced approach to in person/remote recruitment in the post COVID-19 world. This approach will increase efficiency and improve candidate experience as well as enabling the talent acquisition function to reach out to a wider pool of candidates.
>
> *Neil Jones, Managing Director APAC, Alexander Mann Solutions*

Figure 10: Areas Most Impacted by Remote Recruiting

52%	**42%**	**38%**	**37%**
Interview Management	Hiring (Offer, Selection)	Onboarding	Workforce Planning

As organizations move to a remote recruitment environment, they must evaluate traditional processes. For many companies, considering a digital strategy can have the greatest impact on remote recruiting.

〉 **Workforce Planning:** Workforce planning involves looking at the supply and demand for talent. Companies are increasing their focus on workforce planning and need support in a remote environment to stay prepared. Workforce planning presents one of the greatest opportunities for talent acquisition leaders today.

〉 **Sourcing:** While employee referrals are often considered the most effective source of hire, companies that work remotely must consider identifying candidates in non-traditional ways. When competitors are laying off employees, some companies are considering campaigns that would reach these candidates. Some companies have even partnered with competitors to help hire employees and support them during these challenging times. CVS is an example of a company that worked with large hotel brands such as Marriott to help support candidates. High-volume industries also must manage an influx of applicants and ensure both efficiency and quality in the sourcing process.

〉 **Recruitment Marketing:** Similar to a corporate marketing strategy, recruitment marketing involves using tools for influencing, attracting, and nurturing talent. These tools are particularly important during remote recruiting. Companies also must consider changing their messaging to candidates to be more genuine and less promotional.

〉 **Screening:** Automated screening and video screening tools can help companies as they navigate a remote world with limited resources. For background screening, companies must think about what is important in this process. Drug testing is a major component of selection for companies. Yet, drug testing providers may share similar sites with healthcare centers that test for COVID-19. Companies must consider the safety of candidates. Companies will need to rethink the screening process and review policies moving forward.

❝ All organizations struggle with WFP, but the reality is very few organizations do it well. Maybe we must change how we think about this to something that is more realistic and can really be embedded into the workforce strategy of an organization? As part of this organizations also need to consider their location strategy – can organizations now be more flexible in terms of location, virtual working, how people work e.g. hours? How will this then impact their workforce plan and ❞ the diversity of their workforce?

Nicola Hancock,
Managing Director Americas,
Alexander Mann Solutions

〉 **Assessment:** Companies today need to think about both science and experience in their assessments. They need shorter assessments that are more candidate-friendly and can provide hiring managers with the data they need to make better decisions. ***Over 30% of companies are considering game-based assessments this year.***

〉 **Interviewing**: Interviewing is the process that is most in need of disruption in a remote world. When recruiters and managers have digital interviewing tools, they can improve both the candidate experience and coach managers on best practices. Digital interviewing platforms, whether using on-demand or live interviewing, can help ensure better consistency within an organization when it comes to interviewing and evaluating candidates.

〉 **Hiring:** Offers need to be clearly communicated about any changes to start dates or returning to the office. Companies should consider automating the offer process and look at solutions to support bulk offers. Companies must also communicate and engage candidates they reject from the process.

In "terms of campus recruiting, companies are having to rethink their entire campus marketing strategy. There will be opportunities to utilise digital platforms for virtual career fairs, virtual company presentations and redesiging social media campaigns and virtual campus ambassador programs to attract the best graduate talent. "

Jane Clark, Global Head of Emerging Talent Consulting, Alexander Mann Solutions

〉 **Onboarding:** Companies should create an environment where new hires feel connected through virtual meetings and networking with peers. New hires can feel supported through online coaching and mentoring programs. Digital onboarding includes three necessary processes: forms management, tasks management, and engagement.

〉 **Candidate Care:** The candidate experience today needs to focus on safety and communication. According to this study, 36% of companies state that safety and communication are their top priorities during COVID-19. And, 77% of talent acquisition leaders state that they are focused on candidate safety through this change. When asked how companies are communicating with candidates, over 50% stated that the primary form of communication is email.

Figure 11: Changes to the Talent Acquisition Process

	What has evolved	What has not changed
Recruitment Marketing	〉 Messaging needs to be genuine and not promotional 〉 Branding needs to be more closely aligned with marketing and communication	〉 Companies should be communicating and engaging with talent before they apply for a job 〉 Companies should be providing targeted content
Sourcing	〉 Expand talent pipelines to include alumni, rejected candidates, and internal candidates 〉 Communicate about referrals in a more engaging way	〉 Companies should continue to use data to inform sourcing activities 〉 Companies need expertise when sourcing candidates and support for critical roles
Screening	〉 Use video for screening 〉 Communicate safety to candidates 〉 Automate the screening process	〉 Screening can be used to help support managing the number of applicants, saving time, and improving quality of hires
Assessing	〉 Use digital assessments 〉 Consider shorter assessments	〉 Leverage the data from assessments to inform hiring decisions
Interviewing	〉 Provide candidates and hiring managers with resources to help them prepare for video interviews or virtual interviews 〉 Ensure that both have the right tools to interview remotely 〉 Communicate more frequently	〉 Companies should consider solutions to help schedule, manage and track interviews 〉 Companies should provide a standard approach
Hiring	〉 Communicate with candidates who are also rejected 〉 Automate the offer process 〉 Communicate to candidates when the office will reopen	〉 Companies should reduce time from interview to hire 〉 Companies should communicate to candidates consistently
Onboarding	〉 Connect new hires to peers 〉 Automate forms 〉 Hold managers accountable for engaging new hires 〉 Communicate with empathy	〉 Onboarding needs to include forms, tasks, and socialization
Candidate Care	〉 Use surveys to ask candidates about their safety concerns 〉 Communicate with candidates about safety during the screening, interview and onboarding processes 〉 Communicate with candidates with empathy and compassion	〉 Provide multiple forms of communication with candidates throughout the process 〉 Provide transparency on the application process 〉 Engage with candidates before they apply

Technology: Embracing Digital Transformation

Ten years ago, the talent acquisition technology market was comprised of multiple providers offering clear products in defined categories such as background screening, job boards, applicant tracking systems, assessments, and onboarding. Today, the market has exploded with hundreds of more providers and new ones entering each month. Additionally, the lines have blurred. Many of these providers offer several solutions in talent acquisition or have created new categories of technology, making the buyer's decision much more complicated.

When evaluating technology providers to support talent acquisition, companies should start by looking at what they need and then begin to consider partners. When asked about their talent acquisition budgets in April and May 2020, 1 in 5 companies stated that technology would be a primary investment (see Figure 12). Yet over 50% are not measuring the ROI of that investment. Each region profiled in this report had similar plans to invest in technology with North America at 22%, APAC at 16% and Europe at 18%.

Figure 12: Budget for Talent Acquisition

- Internal capabilities — 33%
- Workforce planning — 16%
- Campus recruitment — 11%
- TA technology — 20%
- Services — 14%
- Employer branding — 6%

Strategic talent acquisition requires a strategic relationship with a technology provider, one that centers around a shared partnership instead of transactional deliverables. The top investments for 2020 include automation, campus recruiting solutions, assessments, interview management solutions, and diversity and inclusion (see Figure 13). Companies are embracing digital technology in each of these areas to support their talent acquisition efforts.

> " What we have seen over the past 5 years is that high performing TA needs to have strategic relationships with a number of technology providers to create a scalable, dynamic, responsive and engaging recruiting model. This can be achieved if you have real understanding of the outcomes you need to achieve and a sympathetic HRIS team. If you don't, then a partner can help you to assess and select the right eco-system for your organizations and then help to transform and support your architecture. "

Matthew Rodger, Chief Growth Officer, Alexander Mann Solutions

Figure 13: Top Technology Investments of 2020

Campus Recruiting Solutions

Diversity and Inclusion

Automation

Assessments

Interview Management

〉 **Automation**: Automation is successful when it is used throughout the entire process, from attracting talent to onboarding. Yet, only 27% of enterprise companies are only planning to automate more than 50% of their talent acquisition processes this year, according to this research, and the majority of companies are just automating the application process.

〉 **Campus Recruiting:** Thirty-eight percent (38%) of the companies in this study have a separate budget for campus recruiting activities and this includes technology investments. Financial services is the top industry with a separate budget for campus. These companies are looking for digital solutions to engage candidates throughout the year and beyond in-person events.

〉 **Assessments:** We found that 30% of companies are considering game-based or digital assessments this year. Companies are looking for ways to provide validity to assessments but also a positive experience to candidates through shorter, more candidate-friendly assessments.

〉 **Interview Management:** In February, less than 60% of companies were using or planning to use video interview providers. In April, 74% of companies are using or planning to use video interview providers. Interview management allows companies to schedule, manage, and conduct interviews through digital technology.

〉 **Diversity and Inclusion:** Currently, only 46% of companies use solutions for diversity and inclusion. Some talent acquisition providers are offering more capabilities to support diversity and inclusion, including ATS and CRM, that can inform companies of the diversity of their pipelines. Although AI does not always help to reduce bias, it can identify right-fit candidates, ignoring demographic factors — like gender, race and age — which are known to affect hiring decisions.

When looking at **criteria** for evaluating this technology from region to region, the leadership style of a provider was the most critical for European companies. For companies in APAC and North America, customer references and customer support were the most vital, respectively. (see Figure 14).

Figure 14: Factors Influencing Decisions Making for Investing in Digital Technology

	North America	EMEA	APAC
Customer References	33%	33%	41%
Product Roadmap	19%	24%	40%
Leadership	29%	46%	34%
Demo	25%	27%	24%
RFP	11%	12%	23%
Demonstrated ROI	25%	30%	22%
Customer support	33%	33%	20%

Source: Aptitude Research, 2019 Talent Acquisition survey, n=634

Future: Transforming Talent Acquisition

Whether companies are rethinking talent acquisition or preparing for a hiring surge, the future of talent acquisition feels unfamiliar. Companies need to be proactive and responsive to change. In many cases, this requires companies to get back to the basics of talent acquisition and to redefine success.

Talent acquisition is still a work in progress for many companies, and understanding their unique needs will help them stay ahead. The following pages of this report outline how companies are supporting talent acquisition transformation through discovery, analysis, and execution.

Discovery	**Business Outcomes**	**Execution**
The process of understanding and supporting organizations where they are at compared to other industries and competitors.	The understanding of the work that needs to get done to change for the future.	The process of re-engineering, along with rebuilding for the future.

Discovery: Looking at What You Have

Every company is at a different stage in its talent acquisition transformation and understanding capabilities, processes, and technology is a critical part of this journey. Companies have to examine their gaps to determine where they have strengths and weaknesses in the recruitment process.

Below are some questions that organizations should ask themselves when going through the process:

People

〉 **Organizational readiness:** What resources does your organization have in place? What support do you have from senior leaders?

〉 **Cultural readiness:** Does your culture support the change needed for change? Does your culture support the needs of candidates and employees with empathy and compassion?

〉 **Skills and capabilities:** What skills and capabilities do you have at your organization? What skills and capabilities do you need to invest in for the future?

〉 **Goals and priorities**: What are the goals and priorities specific to your unique hiring needs?

Process

〉 **Consistency:** Are your processes consistent throughout the entire lifecycle? Are they consistent throughout your organization?

〉 **Workflow:** What workflows do you have in place? What has or has not worked in the past? What does the journey look like from each audience?

〉 **Obstacles:** What obstacles have you faced in the past with processes? Who do you need to influence to overcome those obstacles? If not, how do you go about building the right relationships and bringing the right stakeholders on the journey with you?

〉 **Change management:** What change management strategies do you have in place, and what process engineering will need to occur? What change management strategies will you need to consider for the future, and how do you operationalize your teams differently to prepare for continuous, incremental change?

〉 **Experience:** Are you keeping things as simple as possible? Are you creating a culture of candidate care? What is the recruiter experience? What is the hiring manager experience?

Technology

〉 **Governance:** What governance do you have in place, and is it suited to what you want to achieve from a digitalization standpoint? Do you need your teams to think differently or break from the norm to drive a more agile, design-focused program?

〉 **Risk and compliance**: How can your IT and technology teams be changed from a blocker to progress, to a key supporter and enabler? What's your strategy to engage this critical group if they are not already on the journey with you?

〉 **Integration**: What core systems do you have in place that will remain as part of the solution? What will you need to integrate with core systems to deliver new technology?

〉 **Experience**: Are you prepared to be realistic in terms of the technical limitations you may encounter when designing your experience?
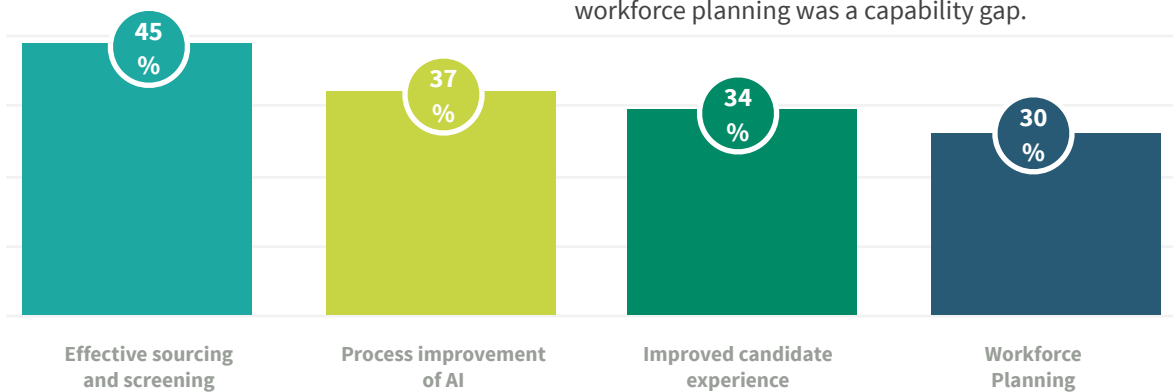
Analysis: Looking at What You Need

Analysis gives companies an opportunity to identify what needs to change and what needs to remain the same. Companies can do this by leveraging the information they learned about their organization through discovery, but also by looking at external factors. They must consider how expectations of candidates, the workforce, and society are impacting their recruitment efforts. Companies should define goals for their talent acquisition strategies and involve key stakeholders in this process.

Most companies have gaps in their talent acquisition capabilities. According to Aptitude Research, effective sourcing and screening, process improvements for AI, candidate experience, and workforce planning were all identified as the top capability gaps (see Figure 15).

Figure 15: Talent Acquisition Capability Gaps

In February 2020, only **12%** of companies stated that workforce planning was a capability gap.

| Effective sourcing and screening | Process improvement of AI | Improved candidate experience | Workforce Planning |
| 45% | 37% | 34% | 30% |

Workforce planning is a tremendous area of opportunity for talent acquisition leaders today. It is a set of business processes that analyze the supply and demand of talent. This discipline helps talent acquisition departments in organizations understand the current state, forecasted gaps, and actions necessary to close talent gaps. An effective workforce planning process will consistently help business leaders make informed decisions regarding their talent. Companies need a systematic approach to workforce planning to support them through stable and uncertain times. Filling this capability gap will help talent acquisition through this transformation.

Once companies understand their capability gaps, they can determine the best approach to fill gaps and expand their talent acquisition capabilities. Companies have the option to build these capabilities out, borrow from other areas of the business, or to buy them from a partner. Organizations should consider what they have done in the past, learn from other talent acquisition leaders, and discuss with key stakeholders.

The next step in analyzing what a company needs to transform is to determine what processes are broken and what technology is not effective. Talent acquisition can look with a critical eye and examine each process carefully. If interviewing is creating obstacles, what are some options for simplicity and flexibility? If technology is not being adopted, what alternatives should you consider? By creating a list of what works and what does not work, companies begin to prioritize where change should start.

Execute: Looking at Rebuilding Talent Acquisition for the Future

Talent acquisition transformation fails when organizations try to do too much too soon. Most companies think broadly when it comes to any type of transformation. As a result, they are not starting small and strategic. The belief that more is better is the most significant mistake organizations make when embarking on their talent acquisition transformation journey. Companies that take an iterative approach are more likely to have a successful transformation strategy. Companies can consider one process or metric or even one area of technology.

Companies looking to be successful at their talent acquisition transformation in 2020 should consider the following:

Process

〉 **Invest in Workforce Planning:** Workforce planning helps companies prepare for the supply and demand for talent. It provides the infrastructure to support headcount analysis, skills analysis, and talent segmentation. When organizations are faced with change and a shift in the business, they can easily adjust recruitment efforts because workforce planning accounts for all scenarios.

Metrics

〉 **Redefine Quality of Hire:** Quality of hire for the future of talent acquisition will include more than skills and performance. Companies must consider the role quality plays in the company culture. Attributes such as emotional intelligence, resilience, and flexibility will all be important factors in quality of hire for the future.

⬡ Experience

〉 **Prioritize Candidate Care:** The candidate experience continues to remain a priority for organizations even with increased unemployment. The experience today needs to focus on safety and communication. According to Aptitude Research, 36% of companies state that safety and communication are their top priority during COVID-19. And, 77% of talent acquisition leaders state that they are focused on candidate safety through this change. Candidate safety needs to be a critical factor in the interview process, screening process, and onboarding process.

⬡ Communication

〉 **Improve Communication Efforts:** As companies continue to recruit remotely, communication is an important consideration. Talent acquisition must provide more information to candidates, recruiting teams, and hiring managers to meet expectations. Companies must consider multiple forms of communication including, text, video, chat, and messaging.

⬡ Strategies

〉 **Invest in Diversity and Inclusion:** Training and an ad hoc approach to diversity and inclusion is not enough. Talent acquisition leaders need to make a serious commitment to helping to reduce bias and providing policies and resources to educate recruiting teams and hiring managers. Talent acquisition will be held more accountable for how it addresses these important issues in the future.

〉 **Rethink Rejection:** Companies should rethink their approach to rejection and communicate in a personal way with every candidate. Most companies send an email template without engaging candidates for future opportunities or suggestions for other positions.

> ❝ We predict a shift in campus recruiting and diversity activities. It's clear that generation Y and Z will be looking for organizations to take a clear, positive stand on racism and want to see more action than communications. ❞
>
> *Jane Clark, Global Head of Emerging Talent Consulting, Alexander Mann Solutions*

Conclusion

Talent acquisition functions have had to adjust to new pressures, new requirements, and a new environment. Companies are rethinking the strategies and solutions they have in place to stay more efficient and improve quality. The talent acquisition leader will be challenged with providing more solutions for less, being able to adjust quickly to unpredictable demand, and to cover a broader range of services.

With a better understanding of what a modern talent acquisition function should include and how the technology landscape can support that function, organizations should consider not only their current needs but their future needs as well.

Below are a few areas where organizations that want a future-looking talent acquisition strategy that is supported by the right technology should consider.

Focus on Brand

When an organization has a strong brand, they are better able to attract, engage, and retain talent. Companies should leverage strategies and technology to help strengthen their employer brand.

Invest in Talent Acquisition Partners

In order to overcome the complexities of talent acquisition and improve processes and efficiencies of their talent acquisition strategy, organizations need partners that can support everything from attracting to recruiting to onboarding talent.

Build a Comprehensive Recruitment Plan

Organizations need a clear understanding of all of the elements included in a high-performing recruitment function. As the workforce changes, companies will need to continue to re-evaluate the talent acquisition model and adjust it.

About Alexander Mann Solutions

We're passionate about helping companies and individuals fulfil their potential through talent acquisition and management.

Today, over 4,500 of our talent acquisition and management experts partner with more than 100 blue-chip organizations, operating in 40 languages, and over 90 countries. We deliver a distinctive blend of outsourcing solutions and - through Talent Collective - a full range of consulting and specialist services.

We provide unrivalled experience, capability and thought leadership to help clients attract, engage and retain the talent they need for business success.

This approach has led to us being identified as a global leader in the 2020 NelsonHall NEAT Matrix and named a major contender in the Everest Group Contingent Workforce Management PEAK Matrix® Assessment 2020. We also made the Sunday Times PwC Top Track 250 list for the third consecutive year.

About Aptitude

Aptitude Research Partners is a research-based analyst and advisory firm focused on HCM technology. We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

www.aptituderesearch.com

Get in touch

E / hello@alexmann.com

alexandermannsolutions.com