

Building an Organization for the Future

by Sophia



WHAT'S COVERED

In this lesson, you will learn about talent acquisition and how it can create a competitive advantage for an organization. Specifically, this lesson will cover:

1. Talent Acquisition

We've discussed some of the key focus areas that human resource management professionals need to address to ensure that employees are performing their roles well and are being fairly rewarded for their contributions. We haven't yet addressed how we think about where these employees come from—Whom do we hire? What skills do we need now and in the future? Where will we even look for these employees? What are some best practices? **Talent acquisition** is the area within human resource management that defines the strategy for selection, recruiting, and hiring processes, and helps the organization fight the “**war for talent**” during good times and bad.

Hiring strong talent is a key source of competitive advantage for a company, yet so many companies do it poorly. Often, the recruiting and hiring processes happen reactively—someone leaves the organization and then people scramble to fill the gap. Very few companies take a longer-term, proactive approach and work to create a strategic plan for talent acquisition. In organizations today, there are often pieces of the talent acquisition process that are outsourced to external recruiters, as opposed to being managed internally by human resources employees (Fernandez-Araoz et al., 2009). While outsourcing specific searches is not an issue, there must be internal HR/talent acquisition employees responsible for creating the overall strategic plan for the recruiting function. Contract recruiters may then take responsibility for a piece of the overall process by leveraging the strategy and competencies that the HR team puts forth (Fernandez-Araoz et al., 2009).



TERMS TO KNOW

Talent Acquisition

The process of finding and acquiring skilled candidates for employment within a company; it generally refers to a long-term view of building talent pipelines, rather than short-term recruitment.

War for Talent

Coined by McKinsey & Company in 1997, it refers to the increasing competition for recruiting and retaining talented employees.

2. Recruiting Leadership Candidates

Recruiting and hiring of high-level leadership candidates has special risks and rewards associated with it. The risk that a key leadership position is vacant or becoming vacant poses a risk to the organization if it is left open for too long. These high-level positions are often harder to fill, with fewer candidates being available and the selection of the right talent being so critical to the organization's future. The reward, however, is that with due diligence and clear goals and competencies/skills defined for the position, the HR/talent acquisition professional can create a competitive advantage through the recruitment of key high-level talent.

2a. Leadership Recruiting Best Practices

The following best practices illustrate the key steps for effective recruiting of key leadership hires. Both human resources and business leadership should partner to discuss and define each of the elements to ensure alignment and support of the recruiting plan and process (Fernandez-Araoz et al., 2009).



STEP BY STEP

1. Anticipate your needs. Every two to three years there should be a review of high-level leadership requirements based on the strategic plan. Some of the questions to answer here are:

- How many people will we need, and in what positions, in the next few years?
- What will the organizational structure look like?
- What must our leadership pipeline contain today to ensure that we find and develop tomorrow's leaders?

2. Specify the job. For each leadership position identified, specify competencies needed in each role. For example:

- Job-based: What capabilities will the job require?
- Team-based: Will the applicant need to manage political dynamics?
- Firm-based: What resources (supporting, talent, technology) will the organization need to provide the person who fills this role?

3. Develop the pool. Cast a wide net for candidates by asking suppliers, customers, board members, professional service providers, and trusted insiders for suggestions. It helps to start this process even before you have a role that you're hiring for. During succession planning and talent discussions internally, it helps to start making a list of internal and external contacts and potential candidates before the need arises.

4. Assess the candidates. Have the hiring manager, the second-level manager, and the top HR manager conduct a "behavioral event interview" with each candidate. Candidates will describe experiences they've had that are like situations they'll face in the organization. Gain an understanding of how the candidate acted and the reasoning behind their actions. Make sure to evaluate a broad range of references to ask about results the candidate achieved.

5. Close the deal. Once you have chosen the final candidate, you can increase the chance that the job offer will be accepted by:

- Sharing passion about the company and role, and showing genuine interest in the candidate;
- Acknowledging the opportunities and challenges of the role, differentiating the opportunities at your

organization from those of your competitor; and

- Striking a creative balance between salary, bonuses, and other long-term incentives.

6. *Integrate the newcomer.* It is important to integrate new hires into the company's culture:

- During the first few months, have the managers and the HR team check in with each new hire.
- Assign a mentor (star employee) to provide ongoing support to each new hire.
- Check in with the new hire to ensure that they are getting enough support, and inquire about what other support might be needed. Ensure that new hires are adequately building new relationships throughout the organization.

By following these best practices, human resources and business leadership can ensure that the new hire is integrating well and has the best possible start in the new role.



BIG IDEA

Talent acquisition is a key element of any human resource management program, and the right process can mean the difference between a poor hire and a distinct competitive advantage gained through top talent.



REFLECT

1. What are some best practices for recruiting and hiring leadership candidates?
2. How can we ensure a more successful integration of the new hire?



SUMMARY

In this lesson, you learned about **talent acquisition**—the area within human resource management that defines the strategy for selection, recruiting, and hiring processes—and how it can create a competitive advantage for an organization by helping it to win the “war for talent” (the competition for recruiting and retaining talented employees). You also learned that **recruiting leadership candidates** has special risks and rewards associated with it. However, with both human resources and business leadership following these **leadership recruiting practices**, they can ensure effective recruiting of key leadership hires: 1) anticipate your needs; 2) specify the job; 3) develop the pool; 4) assess the candidates; 5) close the deal; and 6) integrate the newcomer.

Best of luck in your learning!

Source: Access for free at <https://openstax.org/books/principles-management/pages/1-introduction>

REFERENCES

Fernández-Aráoz, C., Groysberg, B., & Nohria, N. (2009). The definitive guide to recruiting in good times and bad. *Harvard Business Review*, 87(5), 74-84. hbr.org/2009/05/the-definitive-guide-to-recruiting-in-good-times-and-bad

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