“War for Talent”

The “war for talent” has become a common term of frustration for many business leaders, owners and by affiliation customers. However, given that the greatest asset, the largest expense, significant potential liability and yet a key differentiator in success is “people”. Why are we surprised with this growing concern and problem around talent? Issues around talent have always existed it is just that when the economy is strong we often lose sight or relax our diligence around this important business issue.

According to the Bureau of Labor Statistics (1/9/18) when the most recent recession (12/2007) began the ratio of unemployed persons was 1.9. In 18 short months the ratio grew to 6.6 unemployed persons per job opening. Note this does not take into account gainfully employed individuals changing jobs and employers during this period with whom there was competition. Unemployment trended downward until the end of 2015, and again reaching an historic low of 1.1 in November 2017. Job openings have been trending up with almost 6 million job openings in November of last year. According to the BLS there were 5.5 million new hires and 5.2 million total separations of which there were 3.2 million quits or voluntary separations. The “quits” may serve as an indicator of employees’ appetite for change and willingness and ability to leave positions. This trend has evolved with a rising generation of employee with different competencies, priorities, commitments and arguably focus on culture.

The “HireRight 2017 Employment Screening Report” indicates in 2009, less than 30% of respondents considered “talent management” as their top business priority, whereas today, more than 60% plan to invest in finding and retaining talent as well as more than one-third of respondents seeking to improve the candidate experience. Given the trends, unemployment and changing priorities, what does this mean in the “war for talent” for you? As an added complexity, there are several measurements around cost of vacancy or even broader, the cost of a bad hire. While the statistics are an indicator they do not define necessarily the effect on your business as there are many factors which vary within a business or industry. However, you may wish to consider the following as you look to win the battle and long-term “war for talent”

* Examine all options in talent acquisition including internal recruiting, staffing firms, RPO’s, contingency or retained search. The right approach is likely a blended solution. Should you consider a third-party, it should be viewed as an investment not an expense, so chose your partner wisely.
* Do not focus solely on competencies, job descriptions or immediate needs but strongly consider culture, engagement and how a hire fits into your strategy…this is absolutely critical!
* The focus on talent is not just today or tomorrow, but also six months and next year and so on. Consider the questions: “Is there more to a candidate than the job?”; “Do I see and am I willing to hire, and can I afford to consider potential as a strong indicator of success?”;” How will this hire fit in or potentially influence our culture positively?”.
* Consider that effective talent management is responsive, forward thinking and genuine. Involve your employees to increase engagement, development and retention… do it now, address it head-on.

If you want to make a difference around talent within your business, invest when and where it can have the greatest ROI. Listen to your employees, seek first to understand goals, ideals and challenges as they may affect retention and then, respond accordingly. The Cnesta Group was started to provide these insights as part of the hiring process using discovery, multiple assessments, post-hire assimilation and coaching to impact the talent selection process in a positive, cost effective manner. The results thus far are 100% success well beyond guarantee periods and greater than 92% retention of placements since 2014. The right talent and how you and your partner address these needs will make the difference in your business.