GR8
PEOPLE

2020
TALENT ACQUISITION OUTLOOK

8 GR8 TALENT ACQUISITION PREDICTIONS

# TABLE OF CONTENTS

THE YEAR AHEAD

As 2019 winds down, the team at GR8 People is busy reflecting on lessons learned and thinking about the challenges and opportunities that lie ahead. Of course, it's always tempting to predict what the upcoming year holds, so we consulted our Magic GR8 Ball for help compiling answers to the industry's biggest questions as related to:

• **Talent Acquisition Technology.** Given the explosion in talent acquisition technology and tools—HRWins estimates that TA tech investments totaled nearly $1.46 billion through the third quarter of 2019—it's of little surprise that the dizzying array of point solutions and providers, as well as the rapid infusion of AI into not just talent acquisition but the world of work, raises several questions.

• **The Recruiting Landscape.** Its never been more complex. Not only are recruiters faced with historically low rates of unemployment, they must also contend with sophisticated job seekers who have ready-access to countless sources of information about employers and high expectations for their experience as candidates. Add in other factors, such as mounting pressure to address internal mobility while keeping up with technological innovation, and it's easy to see why recruiting teams feel overwhelmed as they struggle to meet the talent needs of enterprise organizations.

• **Key Hiring Strategies.** The most effective TA teams are focused on continually identifying and connecting with both passive and active candidates. Filling their pipelines with interested, qualified and available talent is paramount to their success. This requires a comprehensive strategy that addresses various competencies, from employer branding and candidate relationship management to AI-driven sourcing applications coupled with the in-depth data analysis that leads to better talent—and business—decisions.
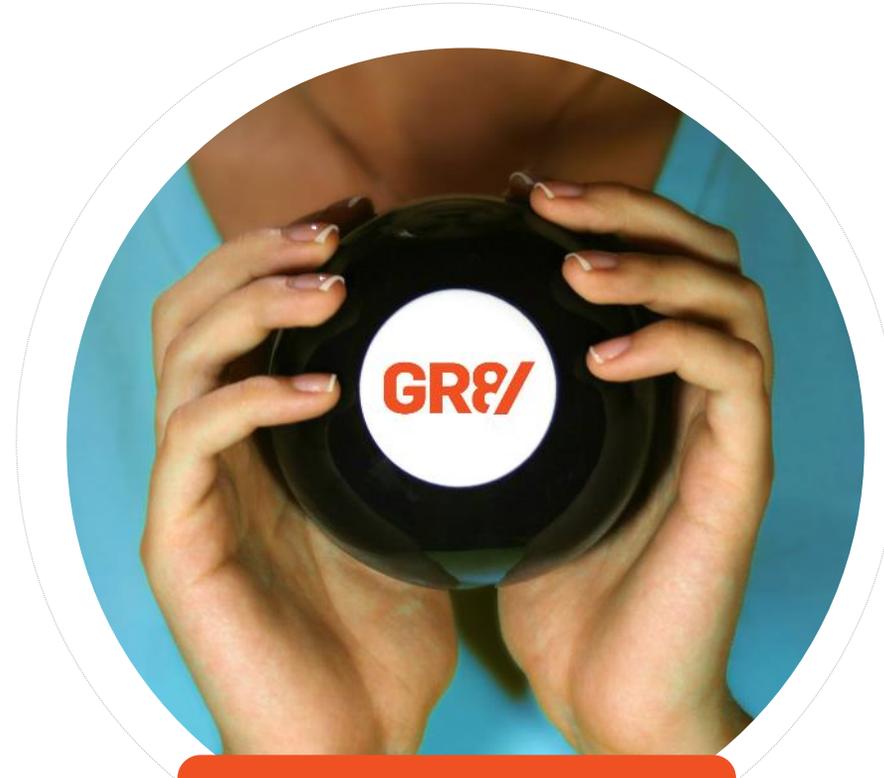
Now, back to that Magic GR8 Ball!
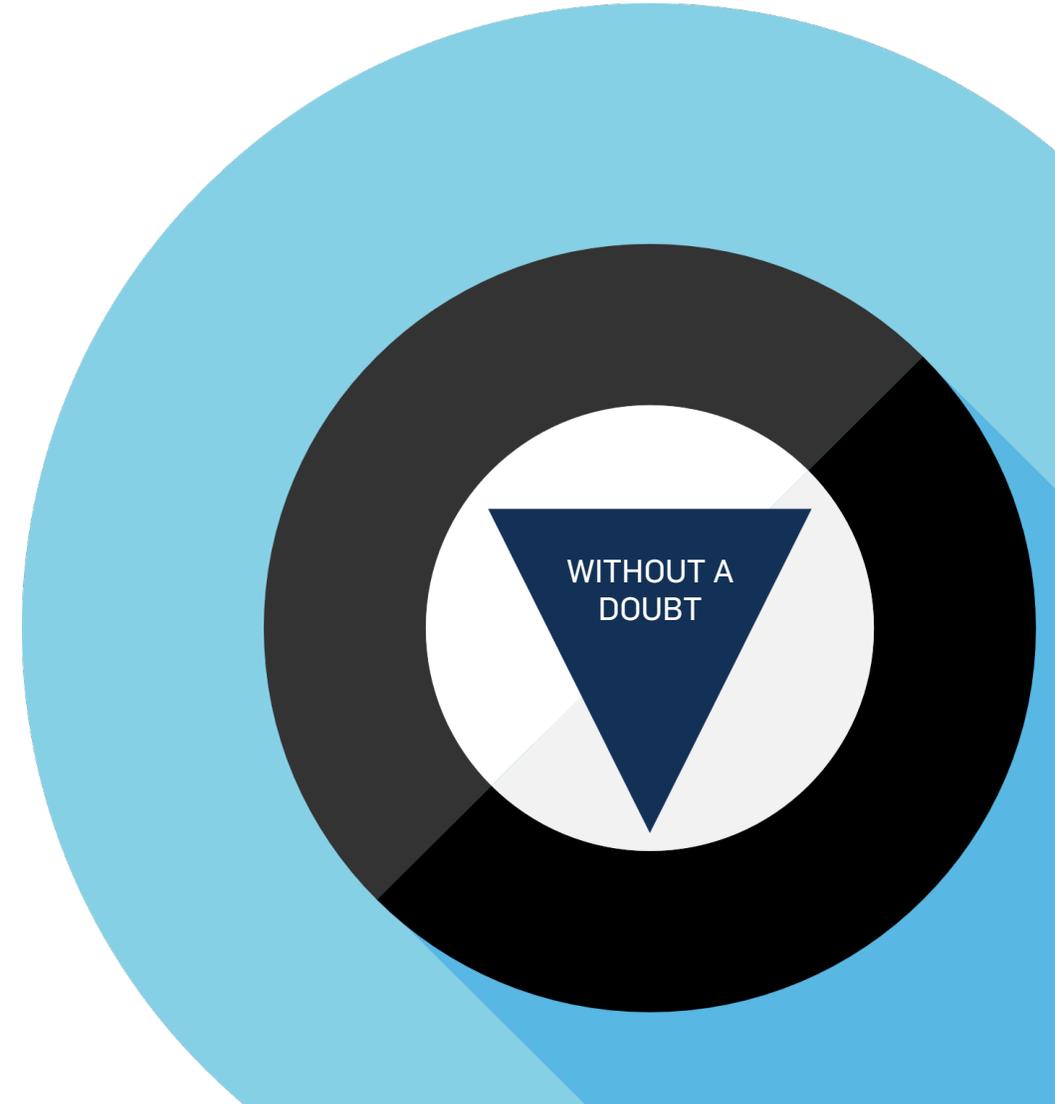
TALENT ACQUISITION TECHNOLOGY

#1: Will 2020 be another year of continued mergers and acquisitions among industry vendors?

Magic GR8 Ball: Without a doubt.

Mergers and acquisitions made headlines in 2019. Some were the result of established talent acquisition technology vendors seeking to broaden their platforms by purchasing solutions as opposed to innovating natively. Others, like the merger of Shaker International—a predictive assessment solution—with video recruiting application Montage, were driven by an opportunity to integrate overlapping services and immediately expand their customer base.

We should expect similar mergers and acquisitions throughout 2020, primarily because the vendor space remains extremely cluttered. Talent acquisition teams are drowning in too many choices, and they're realizing that a tech stack composed of disparate solutions is draining recruiter productivity rather than delivering the efficiencies that were promised.

While vendor consolidation will ultimately be a good thing for talent acquisition, it may not always equate to smoother sailing at the outset as integration challenges and the associated costs can exist long after a vendor merger or acquisition is complete.

WITHOUT A DOUBT

In its State of Work 2020 report, Workfront estimates that a mere "43% of knowledge workers' time is spent on the job they were hired to do."

All too often, this is the experience within talent acquisition. Recruiters spend far too much time trying to manage their tools and vendors, at the expense of time spent doing what they were hired to do—identify and nurture top candidates and convert them into hires.

#GR8TIP

Look for TA tech that was built as a platform from the outset, and always make sure that you have access to live customer service and support. Many providers have moved to on-demand customer service only, which creates further delays and frustrations when things don't work the way they should.

TALENT ACQUISITION TECHNOLOGY

#2: Is AI for talent acquisition about to go mainstream?

Magic GR8 Ball: Most likely.

One might argue that 2019 was the year that AI went mainstream, especially for candidate sourcing and assessment. Given that AI-driven applications can complete candidate matching and ranking within minutes, it follows that organizations would want to offload sourcing so that recruiters can focus their efforts on nurturing talent and moving candidates through the hiring process.

Organizations are also looking to AI to eliminate the human bias that often clouds both sourcing and assessment. Sourcing algorithms can be programmed to review limited aspects of an individual's resume or profile, ignoring those known to trigger human bias.

However, the main reason that AI going mainstream for talent acquisition in 2020 remains "likely," as opposed to "certain," is because both job seekers and government entities are expressing concern over the use of these technologies.

MOST LIKELY
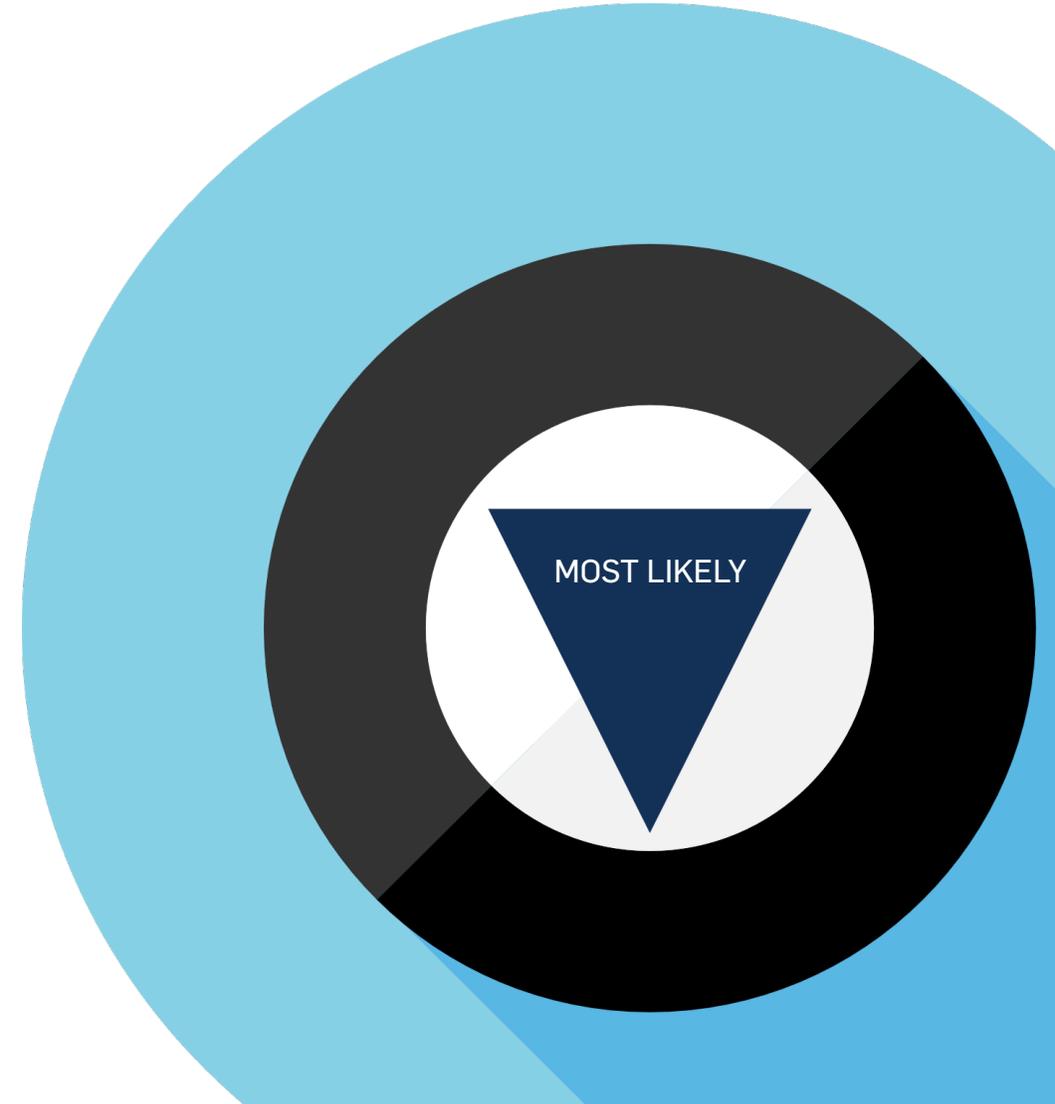
For example:

- A Pew Research Center survey finds that 67% of U.S. adults say they are "somewhat" or "very" worried about the development of algorithms that can evaluate and hire job candidates.
- Illinois recently passed the Artificial Intelligence Video Interview Act, which is effective Jan. 1, 2020, and requires that companies hiring workers in Illinois must inform job applicants not only that AI will be used during the video interview but specifically how it will be used. The legislation outlines additional employer obligations across consent, limitations on AI use and data destruction.

#GR8TIP

Make sure your software vendors can provide complete transparency regarding how the AI works, and try to ensure that the applications you use are built in a manner that pairs recruiter oversight with machine learning.

TALENT ACQUISITION TECHNOLOGY

#3: Should recruiters prepare for robots to take over their jobs next year?

Magic GR8 Ball: Very doubtful.

Media outlets may be quick to publish attention-grabbing headlines about robots taking over the workplace, yet the reality is far more nuanced. While more than half of the executives surveyed for Mercer's Global Talent Trends 2019 report say they believe that approximately 20% of their company's jobs will be replaced by AI and automation, other analysts emphasize that job "tasks" will be performed by machines or algorithms as opposed to roles. In other words, it's far less about replacing people entirely and far more about augmenting the work that they do.

We agree with the prevailing industry perspective that robots will take over the most time-consuming, low-value tasks within talent acquisition. The work of recruiters will be refocused on talent acquisition strategy, nurturing candidate relationships and providing guidance to hiring managers and business partners.

VERY
DOUBTFUL
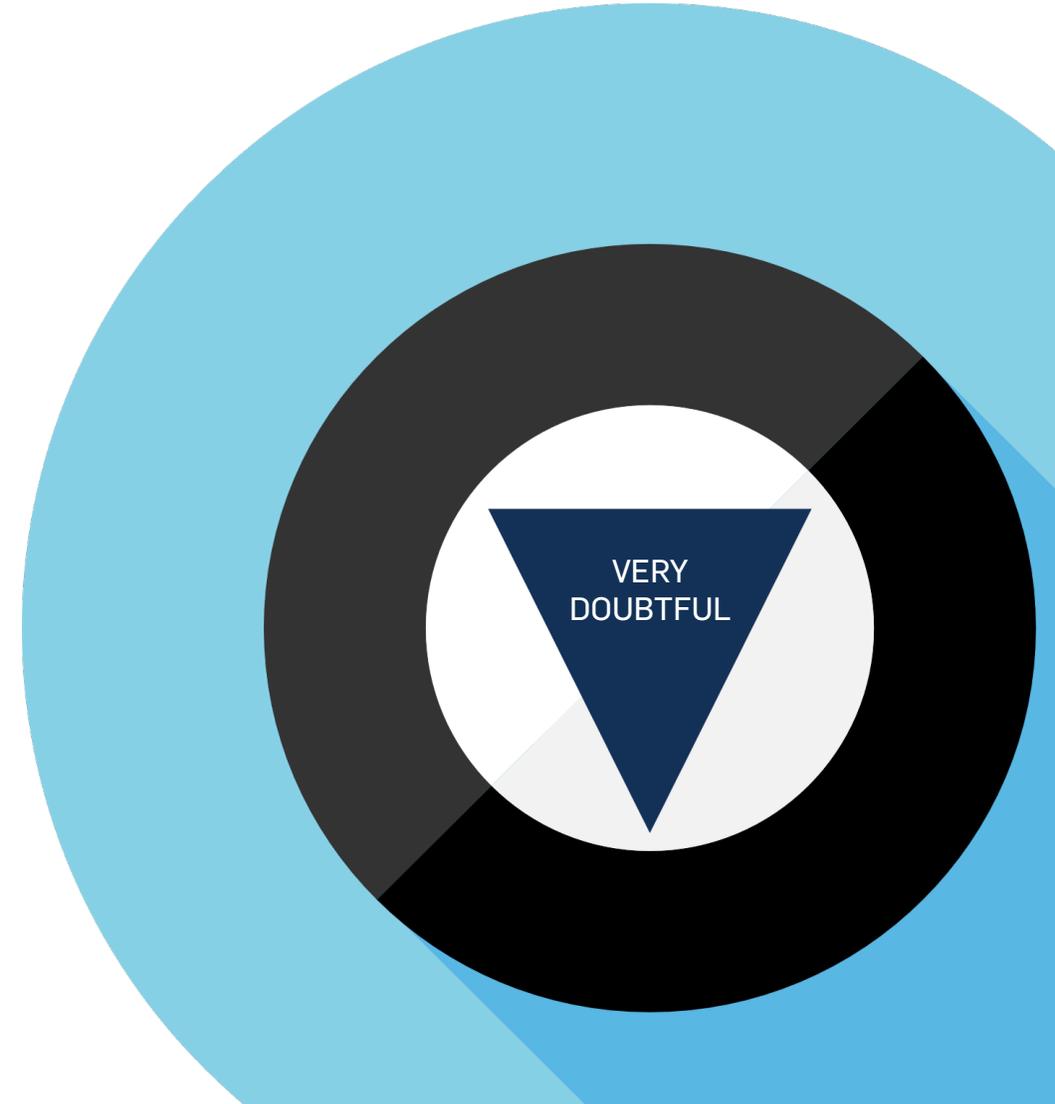
"Some people call this artificial intelligence, but the reality is this technology will enhance us. So instead of artificial intelligence, I think we'll augment our intelligence. It will not be a world of man versus machine. It will be a world of man plus machines."

—Ginni Rometty
Chair, President and CEO of IBM

#GR8TIP

Talent acquisition technology reviews should be conducted through the lens of "how will this application make the team better?" Focus on adopting tools to eliminate the highly repetitive tasks that keep recruiters from tapping into far more valuable skills, such as problem solving, creativity and interpersonal communications.

THE RECRUITING LANDSCAPE

#4: Should we expect the quit rate to continue to rise?

Magic GR8 Ball: Don't count on it.

While the quit rate has been rising steadily since plummeting in 2009, it appears to be leveling off. The September 2019 Job Openings and Labor Turnover report from the Bureau of Labor Statistics indicates that quits remained at 2.3%, down only slightly from August's rate of 2.4%.

Likewise, recent research from Gartner finds that the number of U.S. employees who plan to stay in their current jobs jumped 10% between the first and second quarters of this year. As reported in Gartner's Q2 Global Talent Monitor, only 12.5% of U.S. workers said they were actively looking for another job in Q2, compared to nearly 25% of workers in Q1.

It's possible employees are opting to stay put for now due to ongoing speculation of a looming recession in the United States. Economic uncertainty almost always translates into a reluctance among workers to make a change, which means that employers will need to work that much harder to persuade passive candidates to accept an offer.

#GR8TIP

Delivering super-personalized candidate experiences and nurturing talent for the long term is essential to realizing hiring success in this environment. A robust Talent CRM and an intuitive career website content management system (CMS) are critical to these efforts. If the tools are nonexistent at your organization, make sure 2020 is the year you acquire a talent platform that offers both components.

DON'T COUNT ON IT
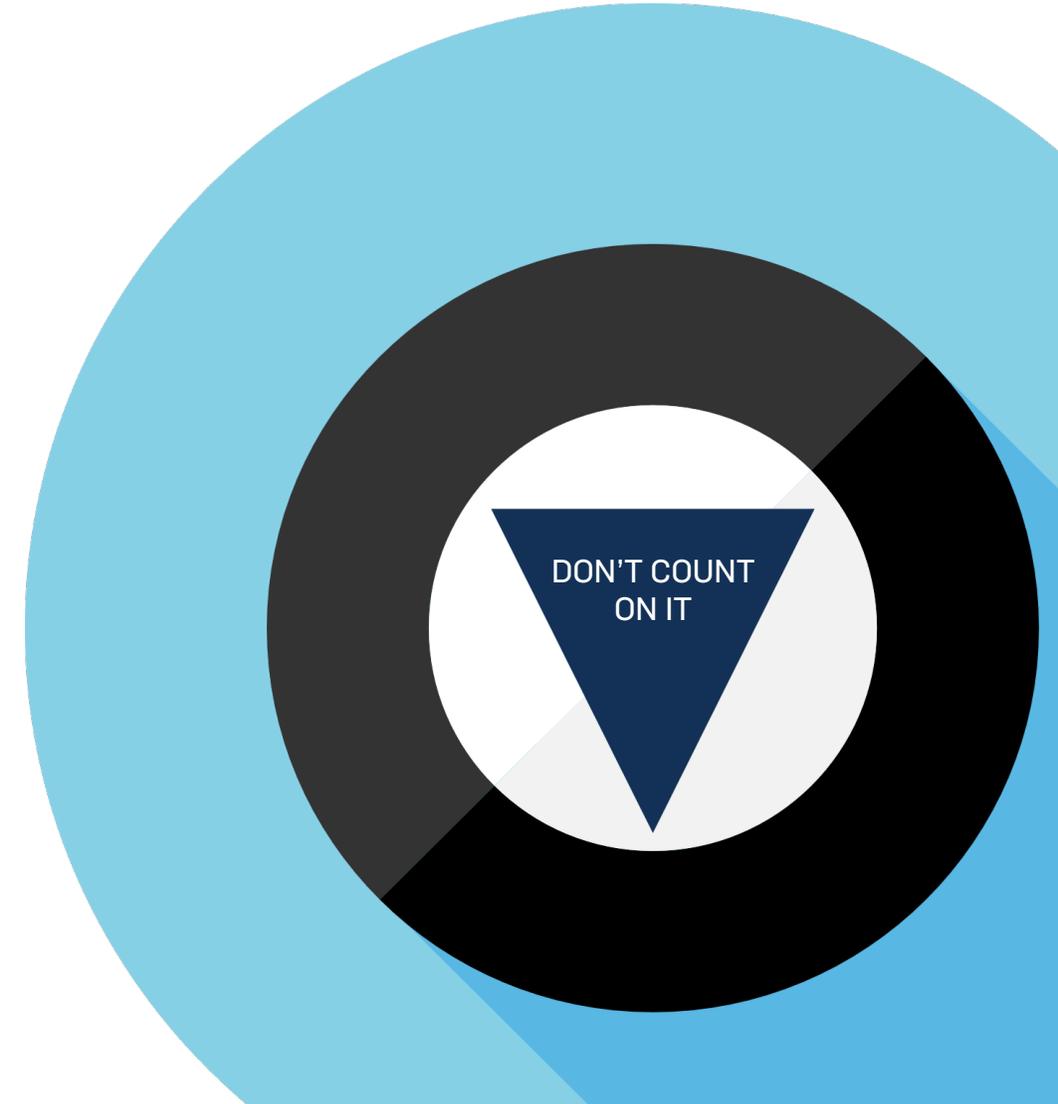
THE RECRUITING LANDSCAPE

#5: Will an economic slowdown in 2020 make life easier for recruiters?

### Magic GR8 Ball: Cannot predict right now.

As we just noted, workers in the United States are showing signs of apprehension about changing jobs given ongoing predictions that the United States is headed for an economic slowdown or possibly even a recession. And yet, we've witnessed healthy job gains throughout 2019. The reality is that the likelihood of an economic downturn making it easier to attract and retain talent next year depends on a range of factors. Consider the following:

- Even amid the extreme job losses of the Great Recession, competition for talent within many industries remained fierce. Companies continued to struggle to recruit technical talent, while hospitals and health systems faced persistent shortages for a broad range of clinical professionals.

- While a mild recession could result in layoffs, that doesn't necessarily mean that the unemployment rate will skyrocket. From San Jose and Denver to Indianapolis and Boston, many regions across the country have unemployment rates well below 3%. Job losses would need to be significant for companies to experience a major shift in the availability of in-demand talent.

#GR8TIP

There will always be fierce competition for the best and brightest, so recruit accordingly. Maintain your employer brand, especially via your career website, and ditch outdated recruiting models, like the funnel, in favor of a Continuous Talent Delivery Loop—where personalization and ongoing engagement represent the most critical success factors.

CANNOT PREDICT RIGHT NOW
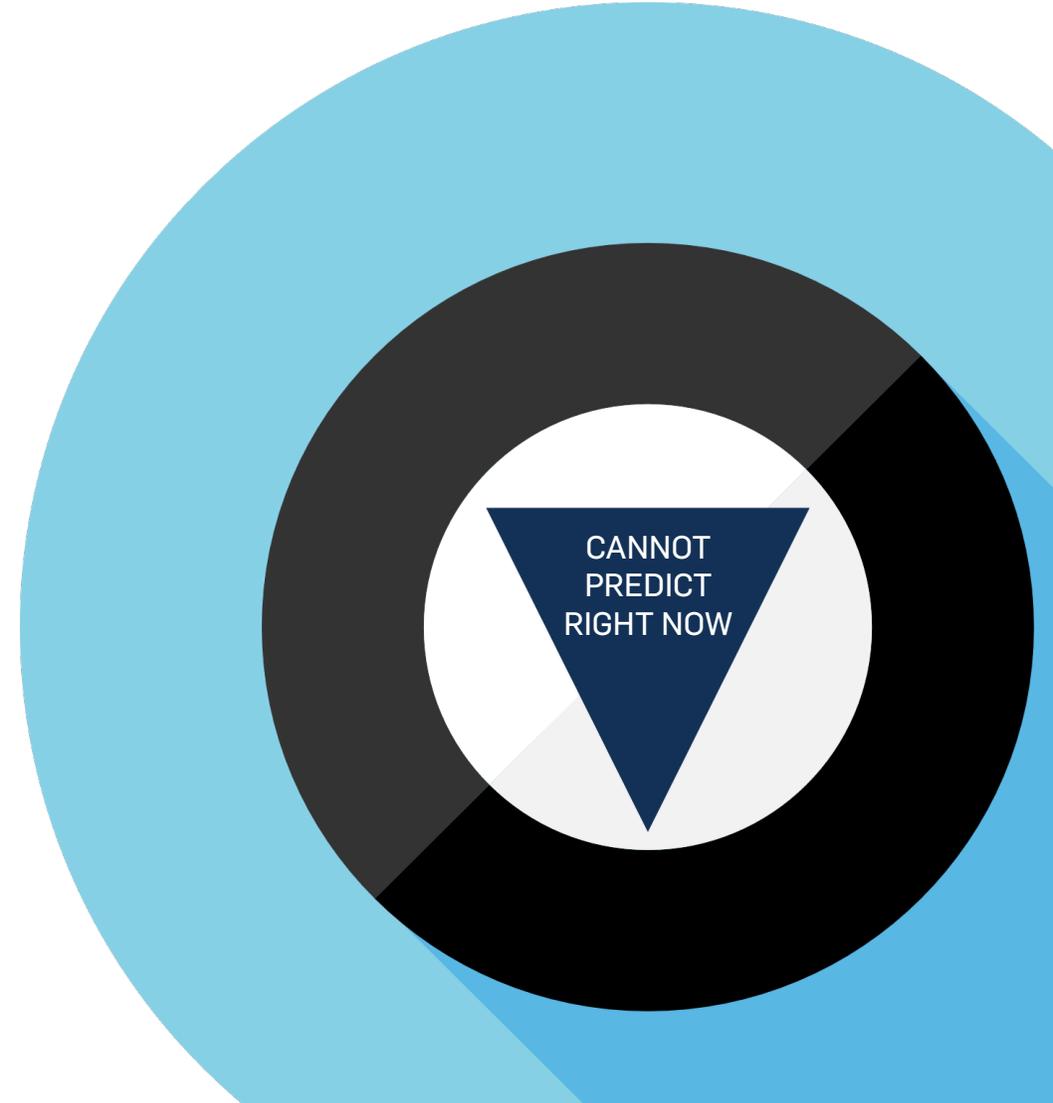
HIRING STRATEGIES

#6: Will talent acquisition finally evolve into a data-driven practice?

Magic GR8 Ball: Signs point to yes.

Pressure on HR to infuse data into its decision-making processes has been mounting for several years. Back in 2015, Deloitte's annual Human Capital Trends survey identified an increasing emphasis among organizations to develop data analysis competencies within HR—in fact, 35% of respondents indicated a focus on this effort.

Today, HR data analysts are in high demand. According to Sierra Cedar's 2018-2019 HR Systems Survey, HR analyst is the top role that enterprise organizations plan to add and for good reason. Successful analysts identify patterns and trends hidden within vast amounts of data and translate them into insights that reveal how changes to talent management practices will make the business more competitive.

Forward-thinking talent acquisition teams are using data to reveal everything from previously overlooked factors that impact new hire turnover to points within the hiring process where bottlenecks are most likely to occur. They're also looking to data to translate the time saved by hiring automation, such as self-scheduling applications, directly into dollars.

#GR8TIP

Ask enterprise recruiting software vendors to show you how their customers are using the system's reporting and insights capabilities to advance their recruiting strategies and demonstrate success in terms of both talent and the business.

SIGNS POINT TO YES
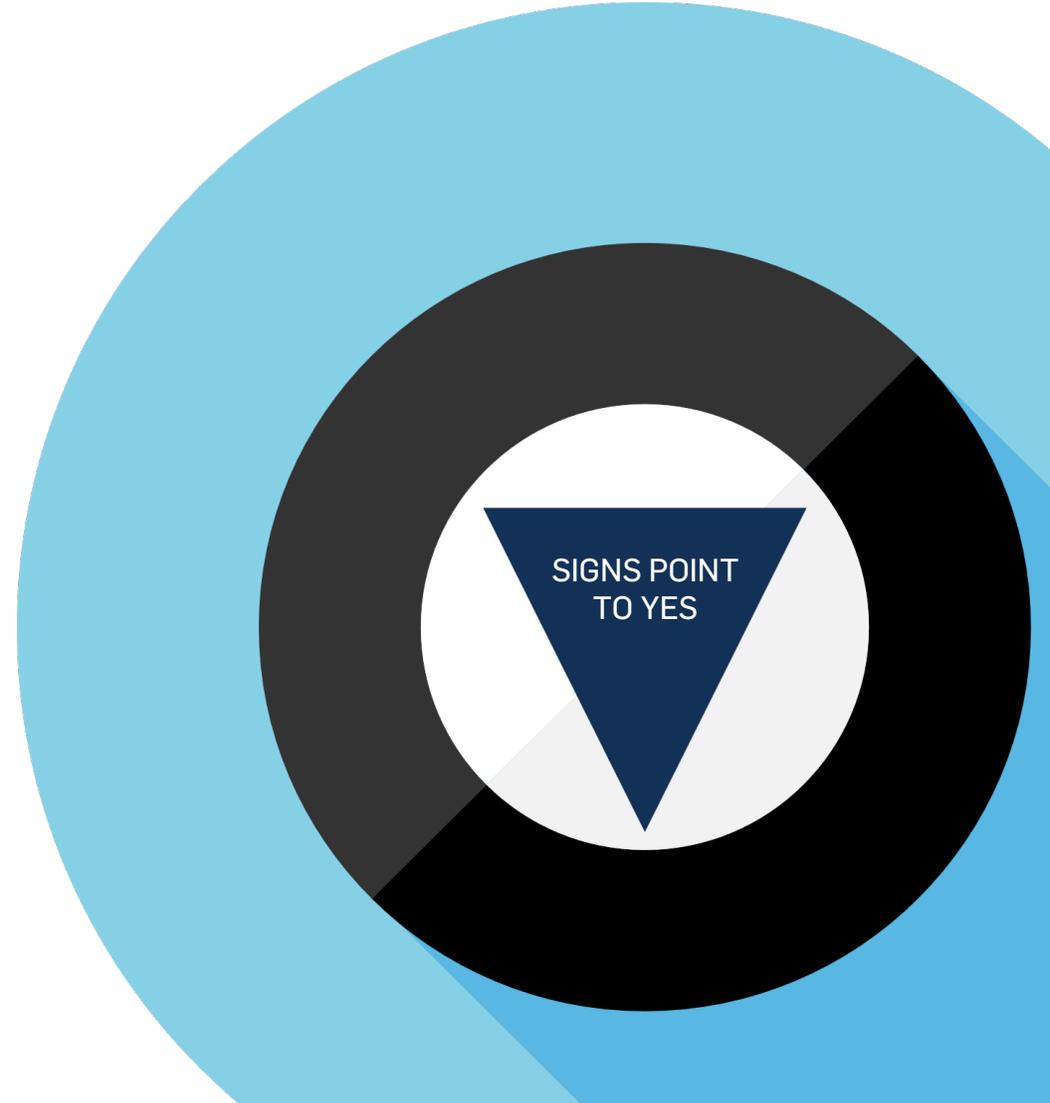
HIRING STRATEGIES

#7: Is 2020 poised to be the year of the candidate experience?

Magic GR8 Ball: Reply hazy, try again.

Ever since the scales tipped in the favor of job seekers, who quickly began demanding far more from the organizations they applied to, the phrase "candidate experience" has been front and center.

Yet, somehow, talent acquisition is failing to deliver. In fact, preliminary results from the Talent Board's 2019 candidate experience research indicates that not much has improved from the perspective of job seekers.

The result is that candidate resentment is on the rise—up 40% since 2016. The associated cost to the business is significant and will only continue until hiring process deficiencies are addressed.

REPLY HAZY, TRY AGAIN
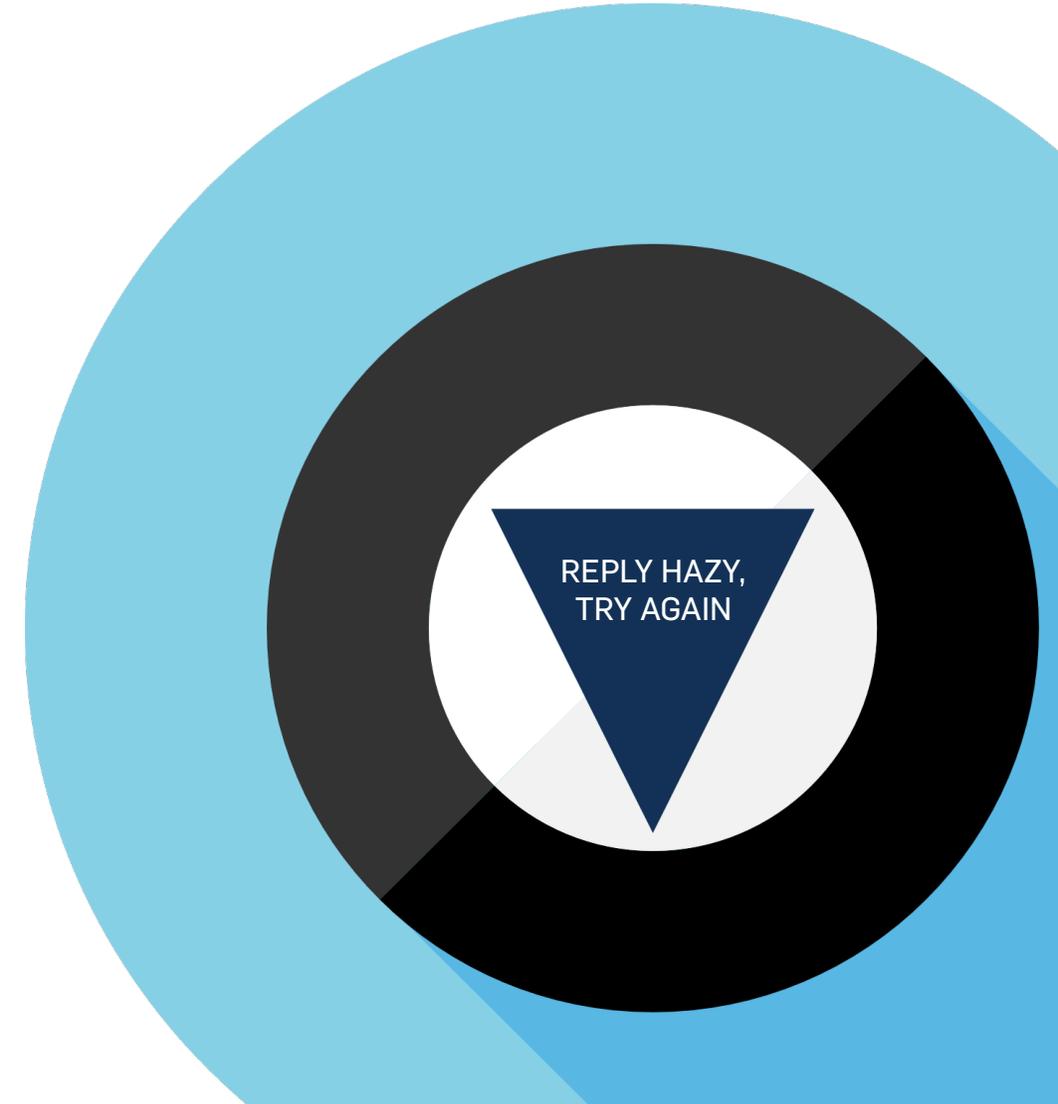
WHAT'S NOT HAZY?
THE BUSINESS COST OF HIRING PRACTICES THAT RESULT IN CANDIDATE RESENTMENT.

Using the Talent Board's Candidate Resentment Calculator as a model, an organization that hires roughly 1,000 people annually with an average of 100 applicants per hire, will reject roughly 99,000 applicants.

Assuming that all of these applicants "are potential customers and/or influencers affecting revenue and referrals," and the potential per customer value is $100, then an organization with a 12% candidate resentment rate stands to lose potentially $1,188,000 in revenue—a figure that doesn't even take into account losses that result because candidates shared their negative experiences with other potential customers.

#GR8TIP

Leverage hiring technology automation to improve two aspects of the hiring process known to frustrate candidates: time to hire and status updates. Doing so will have an immediate impact on the strength of your candidate experience and, by extension, your employer brand.

HIRING STRATEGIES

#8: Will the CRM become the new ATS?

Magic GR8 Ball: Outlook not so good.

One of the reasons we've witnessed a spike in the number of organizations with a dedicated candidate relationship management software solution is because recruiting teams have turned to CRMs as a workaround for their outdated or legacy applicant tracking systems.

But this is highly problematic for two reasons.

First, the role of the CRM is to provide the tools that talent acquisition needs to properly segment, engage and nurture A-players until a suitable opportunity arises or the individual is ready to make a job change. Muddying the role of the CRM will lead to ineffective practices and, therefore, limited success in terms of converting candidates to applicants through dedicated nurturing programs. Second, CRMs can't provide the robust workflow configurations that enterprise organizations need in order to automate the hiring process for all while ensuring that critical steps aren't missed. This includes the inability to manage important aspects of compliance and governance, as well as issues related to GDPR in Europe and emerging privacy legislation in the United States. CRMs should be used for what they were developed to do—make it easy for companies to segment and engage top talent through nurture campaigns and other communications that provide a steady pipeline of candidates that are qualified, interested and available when the right opportunity comes up.

#GR8TIP

Look for a modern and elastic talent platform that can replace an ineffective ATS while offering a robust Talent CRM. This ensures the ability to keep track of and engage with top talent, all while seamlessly tracking valuable prospects as they move from candidate to applicant to hire.

OUTLOOK NOT SO GOOD

8 GR8 TALENT ACQUISITION PREDICTIONS

While not even the Magic GR8 Ball knows for sure how the trends identified in this E-Book will play out, one thing is clear: There's never been a more exciting time to be part of a dynamic industry that's evolving at a rapid pace. Furthermore, attracting, engaging and hiring the best possible talent will always be essential to an organization's future.

GR8 People is 100 percent purpose-built to deliver the unfair advantage companies demand to compete for talent around the world. It is the talent platform that brings CRM, recruitment marketing, applicant tracking/hiring, and onboarding together; connecting entire talent ecosystems with one-experience to perform branding, sourcing, recruitment marketing, hiring, strategic communications and so much more.

Contact us today to experience how GR8 People can revolutionize the way you attract, engage and hire the world's best talent.

REQUEST DEMO

The One-Experience Talent Platform

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