Armin Trost

Talent Relationship Management

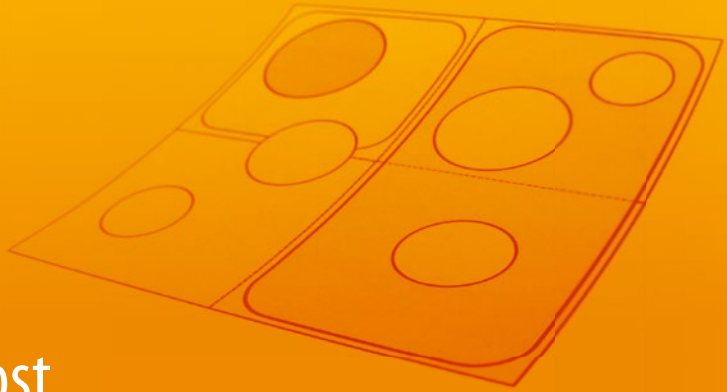## Competitive Recruiting Strategies in Times of Talent Shortage

Springer

Management for Professionals

Armin Trost

Talent Relationship Management

Competitive Recruiting Strategies in Times of Talent Shortage

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Foreword

I have been involved with recruitment for over 10 years. It all started during my time at SAP around the turn of the millennium, and I stuck to the subject upon becoming a professor in 2005. I have since been fortunate enough to meet HR professionals from both large and small businesses. I have spent numerous hours and days discussing recruitment at seminars, as part of projects, or simply through conversation. In doing so, I have always considered myself an agent of sorts. I see a lot, learn a lot, try to structure things creatively, and then pass them on—to clients, colleagues, and students. It's my way of immersing myself in issues and allowing others to benefit from it. Over the years, I have curiously absorbed success stories, observing what works and what doesn't. I have drawn on scientific literature when I have deemed this useful in practice. But most of all, I have learned from the people who compete for talent on a daily basis. In this book, I want to give back much of what I have been able to learn over the years, and do so in a structured manner.

This book is a personal one, since what I describe in it is, in a way, also a summary of my insights and ideas. As you read, you will discover an author who is enthusiastic, is provocative, has fun with the subject, is at times surprised and sometimes angry, and writes his ideas straight from the heart, while also addressing business processes and more complex issues.

The book does, of course, contain many German examples, though this should not pose a problem for readers. It's ultimately about the matter at hand, and not the country in which the example is set. Based on what I know, and have seen in my international experience, I can say that the ideas presented in this book are universal, and can be applied to any country.

Anyone looking for solutions in the struggle for talent will find lots of answers here. That's my promise to you, the reader. Since the content of this book comes from real-life scenarios, it is also suitable for real-life scenarios. But it's ultimately up to you to put it into practice. I wish you all the best, and, last but not least, hope that you find the talent you so urgently need to secure your business' future.

Tübingen   Armin Trost
31 January 2014

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Introduction

<div style="text-align: right">**1**</div>

In future, many businesses will be faced with something which could easily be dismissed as a "first-world problem". They will be anxiously looking for good, new staff. Many labour markets are becoming very tight, particularly in industrialised Western countries, as well as parts of Asia. We can now direct this problem to politicians, and demand a different family policy, relaxation of immigration laws, and, most importantly, investments in education for all ages. This is all well and good, and I would endorse it. But this book addresses the issue of what businesses can do in relation to recruitment. I will thus be adopting a micro perspective. I am often asked whether the "War for Talent" has arrived. And the answer is: yes, there is already an acute talent shortage, which is due to increase. But nowadays we only see a "war for talent" in isolated cases. Many businesses are still very ponderous, passive and unimaginative when it comes to their methods of recruitment. No one gets hurt; the focus is instead on the candidates' interests. The right ones will come along at some point. Even looking at the latest literature on recruitment, you will see that most publications zero in on staff selection in this context. Yet the problem no longer lies in choosing the right candidates—it's in getting the candidates in the first place.

In just a few years, we will be seeing winners and losers on the labour market. The winners are today already having a rethink, focusing on completely new approaches to recruitment. Known and trusted measures, e.g. Campus Recruiting, are given a facelift, and are performed in a more systematic, sustainable manner. The winners concentrate on employer branding, and appear open and imaginative when it comes to using social media. Winners will have learned to treat candidates as customers. They approach them actively, and seek to build relationships with them—over many years. I believe that most businesses which today complain about the talent shortage have great potential to improve in the area of talent acquisition. Weak HR managers make excuses for the small number of incoming applications, citing low salaries, location-based disadvantages, or the fact that their products are not sexy enough. Strong HR managers actively look for new ways of reaching out to relevant target groups on the labour market. And this book helps them do it. I see Talent Relationship Management (TRM) as the optimum solution. Employers who

take the TRM ideas and approaches seriously, and heed them, will have a much greater chance of ultimately coming out winners on the labour market. That is my promise to readers. While it of course applies to large companies, it is even more pertinent to the many small and medium-sized businesses, which do, and will, suffer more intensively from the shortage of talent.

Over the years, I have seen a lot, had countless discussions with employers, held seminars and presentations on the topic, and helped businesses successfully counter this skills shortage using their own means. As a scientist, I am also very familiar with best practices and the way in which various recruitment approaches work. This book is a consolidated, structured compendium of my experiences and insights from the last 10 years. Below is an overview the chapters.

Following this introduction (Chap. 1), Chap. 2 examines the *labour market of the future*, discussing the key factors deemed to have been responsible for the skills shortage. Demographic development and the growing need for staff in the areas of mathematics, information technology, science and engineering are of course mentioned here. It is also becoming clear that future labour markets are governed by different rules compared to the past. For example, the Internet has made them more transparent than ever before, resulting in greater competition.

Chapter 3 then provides an *overview of TRM*. The individual components addressed in more detail later on are presented in an overall context. One common thread running through this book is the particular mindset associated with TRM. TRM is not only a collection of related concepts; it is a philosophy of sorts, based on certain premises. One of the main ideas behind it is to think and act in a manner focused on talent rather than on vacancy. We have already seen this distinction in other areas, where customer focus is given a higher priority than product focus. In future, people will be treating talent on the labour market as customers, rather than merely concentrating on filling empty seats.

Chapter 4 lays the foundations for the rest of the book's content. It is dedicated to *defining relevant target groups on the labour market* and thus the issue of whom you want to address on the labour market. The first task for businesses is to define key and bottleneck functions. This step is crucial, because it clarifies which area (s) of recruitment require the greatest action. The aim of TRM is ultimately to fill these precise key and bottleneck functions, tying in with the question of which target groups on the labour market are considered relevant when it comes to filling these critical positions. Is it business computing graduates? Experienced logistics experts? By the time we get to employer branding (Chap. 5) and active search strategies (Chap. 6), it will be clear that a business needs to know whom it seeks to address, and where, on the labour market.

The first step in TRM is to formulate an *employer promise*, which is examined in detail in Chap. 5. This essentially entails building an employer brand, but with a clear focus on target groups. It is no longer just the applicants who have to impress during a selection process; employers also have to "gainfully sell" their key and bottleneck functions. The analysis and selected communication measures must be approached systematically to ensure efforts here do not end up being purely random. Apart from the conventional communication activities, people are

increasingly also taking into account social media, as well as more modern topics, like employer PR.

Chapter 6 looks at *active sourcing strategies*, i.e. methods for actively finding potentially suitable talent on the labour market. It describes a whole range of options, disregarding the conventional, more passive approaches, such as job advertisements or executive search. Active sourcing strategies are designed to reach out to passive candidates, i.e. those who are not actively looking for work themselves. Searching for candidates via social media, such as LinkedIn or employee referral programmes, is one of the focus areas here, as is campus recruiting. Approaches set to become more popular in future, such as talent scouting, guerilla recruiting and competitive intelligence, are also suggested.

Following the employer's promise and active sourcing strategies, Chap. 7 examines the third component of TRM, namely *candidate retention*. Businesses wanting to continue to successfully fill key and bottleneck functions are bound to build a longer-term relationship with good people they have met somewhere along the line, in the hope of ultimately employing them. While this idea is essentially simple, it often fails in practice due to the lack of necessary structure, sustainability, and professionalism. This chapter thus takes a step-by-step approach to explain how to build talent pools, define and implement loyalty measures, and properly document information on the candidate retention cycle presented.

Chapter 8 looks at the fourth TRM component, *candidate experience*. If an employer has done their homework during the aforementioned measures, they eventually reach the point where a promising candidate shows interest in a specific job. This is then usually followed by a selection process. Based on my own experience and observations, I know that you can do lots of things right and lots of things wrong here. In essence, the recruiting process requires fast, transparent, responsive action, and typically gives rise to a number of often simple, pragmatic ideas.

The book ends with Chap. 9, which addresses the *framework conditions* of successful TRM, making detailed reference to five aspects. It first explains that the success of TRM—as with many other internal company initiatives—is solely dependent on management support, and shows how this can be achieved. But special skills and an appropriate TRM mentality are also necessary when it comes to HR. And the technology aspect is similarly examined. TRM is not a technical topic, but technology can enable effective, efficient implementation. I then study the issue of internationality, and the different types of TRM available when key and bottleneck functions need to be filled in an international context. The chapter concludes with the rather complex issue of calculating return on investment.

The Labour Market of the Future

The so-called "War for Talent" has been talked about since the mid-1990s (Michaels, Handfield-Jones, & Axelrod, 2001). In the meantime, the world has seen several economic crises, namely the collapse of the New Economy in the early 2000s, and the worldwide bank crisis a few years later. As I write these very lines, Europe and the world are still battling the effects of the European debt crisis. Each of these crises curbed the previously immense demand for specialists, but were followed by an all-clear. The upswing occurring after these crises also sees an increase in demand for talented, motivated staff. Apart from these rather short-term, cyclical fluctuations, however, there is the question of long-term development on the labour market. What must a country like Germany be prepared for over the next few decades? Short and mid-term developments play less of a role when answering this question, with the focus shifting to more general trends at a macro level.

One macro trend which everyone now appears to have heard of is *demographic development*. Much has already been written and presented on this topic, and we can clearly see the changing population pyramids. The problem with these age pyramids is that they hardly reflect actual demographic development. Figure 2.1 shows an alternative illustration of ageing in Germany.[1] 2010 was set as the starting point. All future values show the relative change in various age groups compared to 2010. This is where the drama becomes apparent, not only in relation to the labour market, but also in terms of society and social policy. The forecasts are quite accurate. We can get a good estimate of how many people in Germany will reach the age of 25 in 2035, because we already know how many people were born in 2010.

The age group of 25 to 34-year olds is particularly relevant. There are a number of reasons why it will be difficult to secure price leadership in Germany in terms of producing goods or providing services, not least because of the high wage costs and social security taxes. In future, Germany, or German industry, will instead have to be able to differentiate itself through product and process innovations. Innovation is

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[1] Source: U.S. Census Bureau, International Data Base. http://www.census.gov/ipc/www/idb
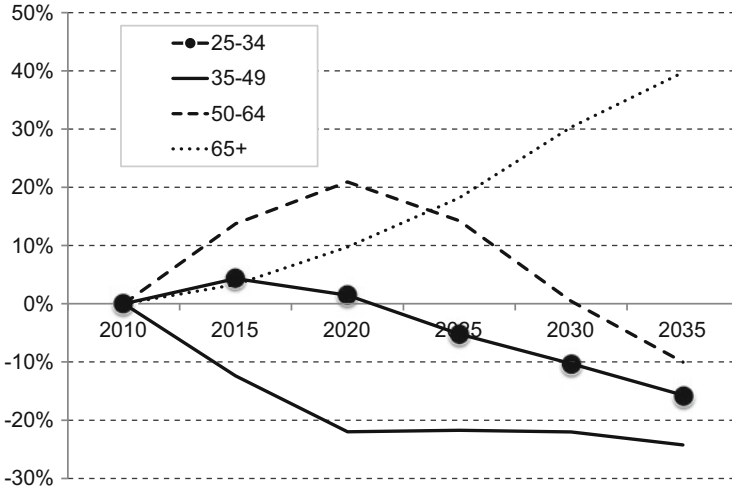
Fig. 2.1 The relative changes in age groups in 2010 in Germany

critical to this country, and this age group therefore plays a major role here, because it is assumed that people will reach the peak of their creative and scientific ability at this age. This age group of 25 to 34-year-olds remains constant until 2020, after which it decreases in size by around 1 % a year. This is extremely dramatic.

Equally dramatic is the ageing of the German population. In 2035, we will have 40 % more people over 65 than we do today. The simple, accurate "2020/5050" rule of thumb states that 50 % of people will be over 50 in 2020. This degree of ageing means a significant number of staff at many companies will retire over the next few years, which in turn results in a greater need for personnel. Even today, more and more businesses are conducting age structure analyses and developing scenarios to see how many staff will need to be replaced in the years to come. Some of the figures are alarmingly ominous.

Another relevant megatrend is the increasing *transparency* of global labour markets. Previously, people would particularly look for work on Saturdays. They would buy newspapers, arm themselves with a highlighter, and pore over every page of the job market. One advertisement would be competing against the others appearing in the same issue on the respective days. Today, a job advertisement on the Internet competes against thousands of others. Finding advertised jobs has never been easier. Within just a few seconds, you can have access to all advertisements relating to a specific keyword, worldwide. One of the most advanced sites is SimplyHired.[2] Broadly speaking, it is a platform which looks and works similarly to Google, but only advertises jobs. Its job database is probably the largest in the world. Figure 2.2 shows a screenshot of this site.

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[2] http://www.simplyhired.com

Fig. 2.2 Screenshot of SimplyHired

The social relationships amongst talent, and between employers and talent, are also becoming more transparent as a result of the developments in social media. Apart from the search results, SimplyHired additionally enables integration with Facebook,[3] meaning seekers can find jobs all over the world through their own social network. This is just one example of how jobs and social networks are becoming increasingly entwined on the Internet.

But the rise in global transparency not only applies to jobs and prospective workers; it also applies to employers. Rarely has it ever been so easy for employees, job seekers and applicants to gain insights into how various employers operate. People who barely know each other exchange information on employers via Facebook, or submit ratings on employer review platforms. Jobvoting[4] is probably the most important platform for employer reviews. What Tripadvisor is for hotels, Jobvoting is for employers. But wherever there is transparency, there is also competition, which means both threats and opportunities for every employer. The possibilities will be addressed in more detail later on in this book.

Since industrialisation in the mid to late nineteenth century, the working world has been undergoing a continuous *shift from manual labour to mental work*. This development is slow but constant, and is rarely discussed. Yet it is probably the greatest influencer over the way in which HR management has been, and must be,

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[3] http://www.facebook.com

[4] http://www.jobvoting.com

understood. Henry Ford is once said to have complained that, whenever he employed two hands, he would get "a brain attached". Most employees occupied themselves with performing stupid, mostly manual tasks. Nowadays, there are still many fields in which stupid tasks are performed. The last few years have even seen new fields created, such as supermarket cashiers and call-centre workers. We now live in a knowledge society. Most employees generate added value by creatively using their own or external knowledge to address increasingly complex problems. Conservative occupational virtues like diligence and obedience are losing their importance to the ability and willingness to generate ideas and successfully implement them with others.

This is why many countries are complaining about a talent shortage, despite continuously high unemployment. For example, engineer unemployment in Germany has dropped to just a few thousand over the last few years. Well trained people who are constantly prepared to pursue new developments are being sought. On the other hand, people with little or no education will have very few job prospects in future. By all accounts, this development is set to continue, and the demand for qualified staff (compared to underqualified workers) will steadily rise. It is thus a case of 'increasing need for specialists' meets 'decreasing availability of qualified professionals'.

Over the last few decades, we have been seeing a more *global labour market*, partly as a result of the aforementioned global transparency provided by the Internet, but also due to the fact that more and more talented people are moving between different countries; a phenomenon also known as "Brain Drain".

The aforementioned macro trends responsible for a future skills shortage or heightened competition for talent include the drop in university graduates in the subjects of Mathematics, Information Technology, Science and Engineering, which has been observed in many countries. A study by the OECD (2008) shows that, for every one engineer aged over 55 in Germany, there are 0.9 aged under 35. Germany thus has one of the lowest rankings compared to other countries in Europe and around the world, e.g. Sweden with a factor of 4.7, Spain with a factor of 3.5, France at 2.4 and Great Britain at 1.9.

The *changing communication patterns* of future generations is another megatrend. I receive daily emails from students, most of which are succinct requests for literature tips or expert interviews. I would never have dared to approach university lecturers so directly as a student in the early 1990s. This is a typical symptom of new communicative behaviour. One of the reasons for this is the fact that the Internet gives its users a world free of hierarchy. Those who are part of it can be addressed directly. It's what social media lives off. This issue is discussed in academic circles using generation differences. The focus here is on the so-called Generation Y, i.e. all those born between 1980 and 2000, for whom the aforementioned behaviour is a typical attribute (cf. Tapscott, 2009). On the labour market, people will have to get used to future employees approaching companies with this same directness: "Hi, my name is John, and I just wanted to see whether it was worth my while to submit a job application to you." Employers must particularly recognise that communication will increasingly take place via social media

platforms, and not only between employees and employers, but between all parties (see also Box 2.1).

Box 2.1: A Week of No Internet or Mobile Phone
During the 2010 summer semester, eight students at my faculty at Furtwangen University signed a declaration, stating they would refrain from using the Internet and their mobile phone for 1 week. They were asked to write down their experiences in a small diary. The aim was to use a self-experiment to determine the importance of modern means of communication in everyday student life.

The results were astonishing—some would say appalling. Modern life is virtually impossible without the Internet and mobile phones. It is extremely difficult to study without the Internet, because you don't have access to relevant literature, you don't get notified about timetable changes, and you lack an important platform for technical exchange amongst students. It is very hard to organise your private life, because people nowadays make plans in real time, rather than after lectures, as was done in the past. You have no access to information on cultural events (cinema, concerts), you miss out on last-minute parties, and if you want to travel to city nearby, you'll find yourself missing more than just the online timetable. If you're together as a group in a city and don't have a mobile phone, you have to get used to holding hands. If you lose the others, you have to make your own way home. The lack of contact with others triggers emotional reactions reminiscent of withdrawal symptoms. Students feel isolated without Facebook and SMS, indicating that psychological security aspects are at play. If you don't check back into Facebook after a party, you won't know whether the others have reached home safely. Parents also worry about their children's lack of contactability. Those who use the tried-and-tested "snail mail" must expect slow communication. Birthday cards must be sent 2 days in advance, if you even remember people's birthdays in the first place. Because these are usually saved on your mobile or notified to you via Facebook.

In sum, it can be said that the skills shortage in many countries will drastically increase as a result of the following macro trends:
– Demographic developments mean the number of retiring employees will rise drastically over the next few years, while the number of younger people is dropping.
– The Internet is making labour markets increasingly transparent, which further intensifies the competition for talent. Jobs, employees, candidates, employers, and the social relationships between these people are now visible to everyone, due to special platforms and social media.

– The shift from manual labour to mental work, which has been going on for decades in the context of a growing knowledge economy, stimulates the ever increasing demand for highly qualified staff.
– The competition for talent is becoming increasingly global. There are complaints of a rising "brain drain" of highly qualified workers.
– There are not enough graduates in technical and scientific fields. The long-term demand for specialists will not be permanently met through public education.
– Future generations will communicate with and about employers in a more open, direct fashion, or will at least expect to do so. The employers who can reach out to their younger target groups more directly will be the ultimate winners.

In light of this, employers, as well as entire nations, will be grappling to find solutions. Companies will increasingly have to face up to the challenge of providing answers to these long-term, reliably foreseeable developments. So it is no wonder that, in recent years, more and more businesses have been thinking about creating an employer brand, which makes a lot of sense in most cases. However, the most effective answer to filling key functions is TR—a new, trend-setting approach to gaining highly qualified workers, particularly for critical, hard-to-fill roles.

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An Overview of Talent Relationship Management

The conventional approach to recruiting staff is to advertise vacant positions and then hope for applications—"Post and Pray". An executive search consultant is hired in cases proving difficult to obtain applications. Companies attend career fairs or place image ads in certain media and at selected universities to increase the inflow of applications. This traditional method is more than adequate for many jobs. For others, however, it is stretched to its limits, due in no small part to the talent shortage mentioned in the previous chapter.

This chapter will thus present an overview of an approach which enables employers to effectively and successfully fill hard-to-fill positions using their own resources. It will subsequently be referred to as TRM (Talent Relationship Management), based on the concept of Customer Relationship Management (CRM, Jackson, 2005), which is already well known in sales. The basic principles will first be discussed, followed by a general description of how TRM works. The respective activities will be examined in more detail later in the book.

3.1   Talent Focus

The traditional approach to recruitment is to focus on vacancies. A vacant, approved position in need of filling sparks action in the areas of HR marketing and recruiting. A recruiting process is only started when a vacancy arises. Employers usually place a job advertisement based on the respective position and associated challenges, and then await and preselect applications. Promising candidates undergo a more intensive selection process, with the best one ultimately offered the job. The problem— the vacancy— is solved; the project is complete, and can be filed away. Unsuccessful applicants are sent a rejection letter. The top half of Fig. 3.1 illustrates this vacancy-focused approach, contrasted with a talent-focused one at the bottom.

Talent focus is a principle of TRM, and means making the talent the focal point of your thoughts and actions. It's not a case of seeking talent for a vacancy, but rather vice versa: a vacancy is sought for an identified talent. Talented, motivated

Vacancy-focused approach

| Vacancy | → | Job ad | → | Application | → | Selection | → | Offer |

Talent-focused approach

| Search | → | Initial assessment | → | Long-term relationship | → | Vacancy | → | Offer |
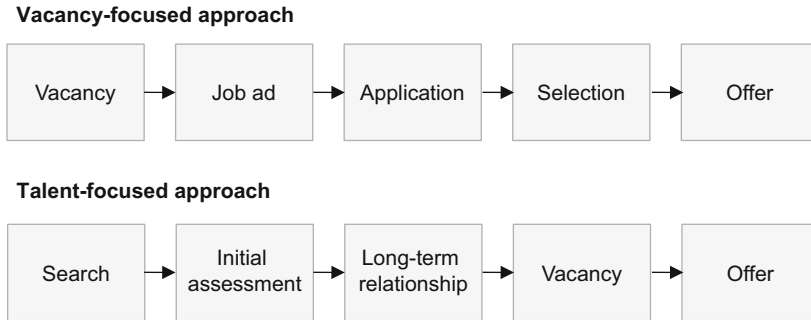
Fig. 3.1   Vacancy-focused versus talent-focused recruiting processes

candidates are always sought, regardless of acute vacancies, at least in terms of hard-to-fill positions which permanently or frequently require a certain amount of staff. A talent-focused mindset involves thinking of each conversation as a job interview, just like every salesperson's conversation is viewed as a pitch. In extreme cases, it's not just the HR department which is constantly on the lookout for promising talent, but all staff and managers. If the talent is given a positive initial assessment, attempts are made to establish a long-term relationship with these candidates, with a view to employment at some point. In doing so, the employer bears in mind the candidates' individual career preferences and actively caters to these.

3.2   TRM is Strategic and Long-Term

As will be demonstrated, TRM activities particularly relate to key functions, i.e. functions of extreme, strategic importance to a company. This means TRM has a direct influence over a company's future. These positions not only require suitable staff, but staff who are also significantly better than those in comparable positions at rival companies. This is why TRM talks about "talent", i.e. candidates who demonstrate the potential to put in above-average performances in the long-term. Gaining talented staff is much more difficult than employing "normal" workers. They usually adopt a passive approach to their search for new career prospects, and have numerous, attractive options.

3.3   Active Employers Look for Passive Candidates

TRM is an extremely active approach from an employer's perspective. For a number of months, it has been clear that people are understanding the change in power relationships on the labour market. I hear more and more HR professionals saying that, in future, it will no longer be about the candidate applying to the company, but vice versa. This new attitude is a fundamental part of TRM.

Businesses actively look for promising candidates, endeavour to present selected jobs in the best possible light, and then try to sell them. It's not just the applicant who has to impress; the employer also has to appear attractive to potentially interested parties. A vast percentage of a company's workforce, particularly the management, consider the recruitment of talented specialists to be one of their most important tasks. This form of activity is permanent and ongoing. Nurturing relationships often requires patience.

TRM is based on the assumption that, the better qualified an employee, the more passive they are about searching for new career prospects. Top candidates no longer apply of their own accord, but instead wait to be approached. It is thus assumed that employers need to be active in order to secure highly qualified employees.

3.4 Target Group Focus

As will become clearer throughout this book, TRM ties up a considerable amount of resources. Searching actively for candidates and nurturing long-term, personal relationships is time-consuming, and often unnecessary for many areas of a company. Most positions will always be easy to fill, purely due to the unemployment existing in the respective country. Finding a suitable cashier for a supermarket is easy, and does not require any special effort. Filling select positions requires more work. I will explain the positions for which TRM is advisable. In this respect, TRM is always focused on the target group, not on the masses, and this is what distinguishes it from employer branding or conventional HR marketing, which has a broader reach.

Figure 3.2 compares TRM with employer branding and recruiting. Employer branding usually positions and presents a company as an attractive employer to the entire labour market (Trost, 2013), while recruiting involves dealing intensively with individual candidates to fill specific jobs. In terms of reach and proximity to the candidate, TRM thus sits between these two spheres of activity.

TRM means intensively focusing on the pre-defined target group. Those wanting to recruit doctors must understand where to find this rare species, which working conditions the people in this target group prefer, and what their media preferences are.

3.5 TRM Components

Below is an overview of the TRM components, with Fig. 3.3 showing a graphic summary. The various components will be addressed in greater detail later on in this book.

TRM starts with *defining the target group*. As already mentioned, TRM concentrates on hard-to-fill positions requiring a significant number of staff for the long-term. These are known as bottleneck functions. On the other hand, TRM particularly comes into effect when the identified positions are strategically

Fig. 3.2 TRM between
employer branding and
recruiting

Reach

Employer
Branding

**Talent
Relationship
Management**

Recruiting

Proximity to candidates
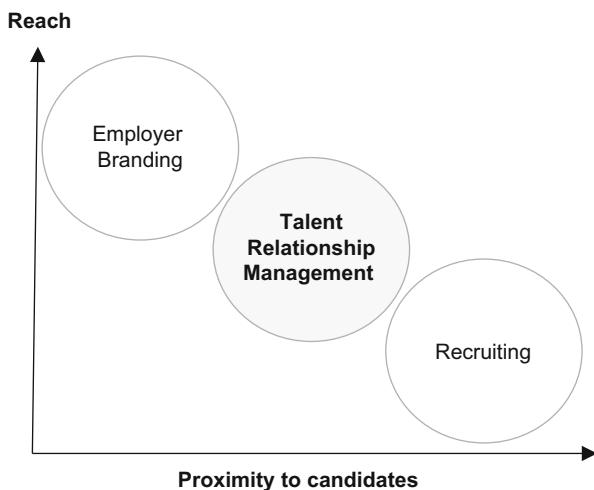
relevant roles, i.e. roles the company should fill with better staff than those
occupying similar positions at rival companies. These are also known as key
functions. This now raises the question as to who the respective target groups on
the labour market are. The research & development department of a pharmaceutical
company will be looking for doctors, chemists, biologists or pharmacists, while the
purchasing department of a retail trader is more interested in business administra-
tion graduates with relevant professional experience. Purchasing is considered a
key function if a retail trader is distinguished by price or quality.

If the target group on the labour market has been defined, it is then a question of
how they can be convinced of the advantages of the key or bottleneck functions. A
clear, authentic, persuasive argument is ultimately required. These arguments are
collectively known as the *employer promise*, forming the basis for the approach, as
well as for all HR marketing campaigns aimed at the target group. In principle, the
method is identical to that of developing an employer brand, with the sole differ-
ence being that the activities performed here are aimed at certain target groups, and
only selected functions can be positioned and presented.

Active sourcing strategies specifically involve finding suitable, talented and
motivated people, and contacting them personally. As mentioned above, the aim
is to identify passive candidates. A number of often well-known approaches are
adopted here, such as campus recruiting, employee referral programmes or searches
for candidates on social media platforms (e.g. LinkedIn). In recent years, many
forward-thinking companies have also dared to explore completely new, creative,
and sometimes aggressive paths.

The essence of TRM is to build a talent pool, and manage personal relationships
with selected talent in a structured, systematic manner through *candidate retention*.
The idea behind this is pretty simple: employers try to stay in contact with
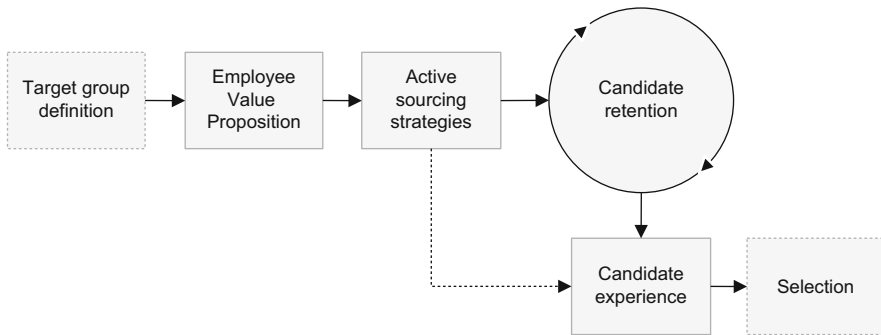
Fig. 3.3 An overview of the TRM process

promising talent in order to secure them for the company sooner or later. As shown in Fig. 3.3, this is a cyclical process in which an employer continuously thinks about how to further the relationship and any necessary measures, and acts accordingly.

All previous efforts ultimately aim to gain talented candidates as employees. The focus is thus on getting a candidate to eventually express concrete interest in a usually actively offered job, prompting a sort of selection process, whose intensity naturally depends on prior knowledge about the candidate. It is particularly crucial in this phase to convey a *positive candidate experience*. This also especially applies to candidates who have applied directly for a position, and who were not part of a candidate retention programme. The analogy with consumer experience in a marketing context is not just a coincidence (cf. Baron, Conway & Warnaby, 2010). This book will concentrate on three TRM-related criteria for dealing with candidates, namely speed, transparency and personal appreciation. These are certainly helpful for filling any position at a company, but are simply essential when it comes to filling critical positions.

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Defining Relevant Target Groups

4

TRM always starts with defining the target group, i.e. clarifying which groups of people on the labour market you want to secure for specific positions. Target groups may be certain occupational categories, staff in specific roles at other companies, or even graduates from particular courses. In its broadest sense, this step is an element of strategic workforce planning, in which so-called key and bottleneck functions are of critical importance. An HR-based distinction is made between various company positions here (cf. also Becker, Huselid, & Beatty, 2009; Huselid, Beatty, & Becker, 2005).

The identification of key functions is geared towards the company strategy, with the main focus being on which company positions are particularly relevant when it comes to securing a competitive advantage. Bottleneck functions are determined based on future personnel requirements, taking into account the difficulty associated with hiring these. It is then necessary to define which future challenges must be overcome by the staff members in both key and bottleneck functions, and which skills are considered essential for this. Only once this has been clarified can we answer the question as to which target groups on the labour market are potentially able to successfully fill key and bottleneck functions. Figure 4.1 summarises these steps.

The following sections will thoroughly examine this path from company strategy and personnel requirements to definition of target groups on the labour market. The diagram starts by identifying key and bottleneck functions.

4.1 Key and Bottleneck Functions

Imagine a company wants to employ 100 new staff over the next 12 months. This employer is given a budget of 1 million Euros for personnel marketing and recruiting. How should the company spread the budget in order to secure these 100 staff members? There are several possible options. The obvious approach would be to evenly spread the budget over the 100 new appointments, though hardly any company would do this. Alternatively, you could divide up the budget so

Fig. 4.1 From company
strategy to target group on the
labour market
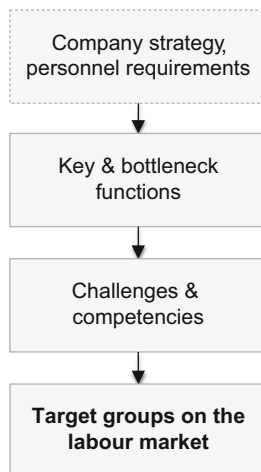
that a larger portion is used for the hard-to-fill positions. Broadly speaking, these are bottleneck functions. You could also dedicate a greater percentage of the budget to those positions of strategic importance to the company which are also usually more difficult to fill. These are known as key functions. Even though most businesses adopt this approach, most of them fail to prioritise systematically.

So what are a company's *key functions*? Here are a few examples to start us off. In my lectures, I occasionally raise the question of which job is the most important at United Airlines. The answers vary, but the most common one is the pilot. Pilots get a plane from A to B. They have responsibility onboard, and wear authoritative uniforms. However, what difference would it make if United Airlines employed not just average pilots, but the best in the world? It wouldn't make any difference. Passengers wouldn't notice the difference, and wouldn't change their consumer behaviour according to the quality of the pilots. It is expected that pilots' qualifications will comply with reliable international standards. Obviously a pilot's qualification would make a difference in critical situations. We only have to think of US Airways flight 1549, when pilot Chesley Sullenberger landed the Airbus A320, carrying 155 passengers, safely on the Hudson River in New York following sudden engine damage on 15 January 2009. But passengers don't usually expect those sorts of incidents, otherwise they wouldn't get on the plane. At best, a pilot would be considered a key function if an airline were positioned as the safest in the world, and thus appealed to customers who were particularly afraid of flying.

Anyone familiar with the retailer and discount store Walmart knows that it often has attention-grabbing promotions, offering expensive products like Black & Decker lawn mowers, flat-screen TVs, laptops and even drum kits at sensational prices. The fact that these sorts of products can be sold at these prices is often to the credit of certain purchasers or purchaser teams. What difference would it make to Walmart if it employed the best, rather than average purchasers? It could make a drastic difference, because it is these very promotions which greatly appeal to

current and potential customers, boosting sales and supporting the discount store's low-price strategy in the long-term.

Nathan Myhrvold, a former student of Stephen Hawking and brilliant mathematician, was the Chief Technology Officer at Microsoft until 1999. He once coined the phrase: "The top software developers are more productive than average software developers not by a factor of 10 or 100, or even 1,000, but 10,000." At first glance, this sounds heavily exaggerated. But anyone who has worked in the software industry will know that the best developers do things much better and a lot differently to average developers. They are significantly faster, more efficient, and make fewer errors. They bear in mind future developments when creating current software, and anticipate customer requirements before the customers have even articulated these themselves. Software companies often generate millions of dollars in sales using the results of just a few staff, while the work of other employees simply fizzles out.

So what is the difference between the United Airlines pilots and the Walmart purchasers or Microsoft developers? The latter are staff with key functions, i.e. functions which have a direct impact on a company's success and competitiveness. The graph in Fig. 4.2 shows the difference between key functions and other roles.

In most roles at companies, an employee's performance is proportionate to the added value generated. If a staff member works 10 % faster or more productively than another, the difference in added value between these two people will also be 10 %. One screws 500 parts together every day, and the other 550. The added value generated for the company differs accordingly. This is particularly the case in production divisions or other areas involving standardised processes. When it comes to key functions, however, an above-average performance can drastically increase a company's value. A pharmaceutical company like Bayer can earn billions of dollars in sales by developing a new product in its research and development department and launching it quickly on the market. This company has an innovation strategy which clearly allows the research and development department to perform the key functions. At other companies in the same industry, which instead pursue a price strategy and seek to keep the prices of generic medication as low as possible, competitiveness is determined by completely different functions. At companies in the clothing and fashion industry, such as Hugo Boss, designers are critically responsible for the sales ultimately generated by a collection. If a designer matches the customers' tastes, this has far-reaching consequences for the company as a whole.

The functions which can be considered key at a particular company directly depend on its strategy and position on the market, and therefore on the question of why customers buy its products or services. Many months ago, I was part of an interesting discussion on this topic with managers from retail companies. We talked about which positions were key functions. The purchases and sales departments were rivals. The deciding factor in the end was the realisation that people want customers to enter a department store because of the price and quality of the products, not the friendly or expert sales advice. The shopping experience took

Fig. 4.2 The relationship
between performance and
added value for key functions
and other roles

Added value for
  the company

Key function

Other function

Performance
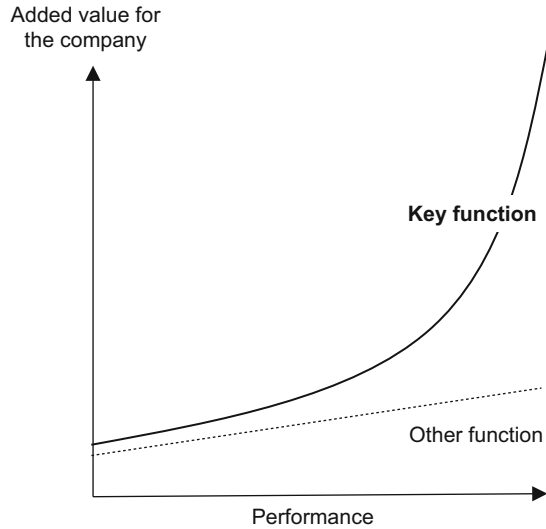
more of a backseat. The problem was thus resolved. If the price or quality plays a
role in retail trade, it can be assumed that purchasing is a key function, as is
frequently also logistics. Figure 4.3 clearly shows which roles at a company can
usually be considered key functions, depending on the company's strategic focus.

Many companies will admit here that they don't have a clear corporate strategy.
This is understandable, because many cases of business management don't follow
classic textbook rules. Most managing directors and executive boards have presum-
ably not read Michael Porter, nor do they incorporate his ideas when making their
decisions. This doesn't necessarily mean that these companies are poorly managed.
Many instead act in accordance with the motto of "we do what we do and try to be
better than the rest." "We produce safety systems, listen to our customers, and do
our best—that's our strategy." This is typical of what you would hear from
decision-makers at large and medium-sized businesses. Yet most companies have
a long-term focus. Managing directors and executive board chairpersons usually
have a well-thought-out answer to the question of why their company will still exist
in 10 years.

Discussions on the issue of which functions at a company are to be deemed key
functions are politically complex, and must be conducted and decided on at the
highest level. The main reason why these discussions are so complex is because
they address the relative importance between various functions at the company, and
the respective managers are not willing to downgrade their area in favour of
another. A characteristic error very often also emerges when identifying key
functions. For instance, people frequently argue that a particular role is a key
function because it is indispensable. What would the company be without a
functioning IT department? Even companies focusing on innovation admit that
all the innovations in the world would be useless if there were no sales department.

Strategic focus	Key function
Innovation, technological leadership	Research & Development
Growth	Sales
Brand leadership	Marketing, Design
Price leadership	Purchasing, Production Planning

Fig. 4.3 Key functions based on a company's strategic focus

This argument is not constructive in this context, for companies should assume that all functions are necessary and indispensable in some way. These sorts of discussions are like debating which human organ or body part is the most important. All organs are important, and only very few are dispensable. If, however, someone wants to be better than most other people in a particular area (sport, art, science, culture), certain physical or mental functions do need to be more developed than others. The discussion heats up further when dealing with functions which have the potential to do significant harm to the company as a whole. IT is often cited here too, as it is rightly assumed that errors in IT, particularly when controlling high-level business processes, can paralyse entire areas of the company. The role of HR is another frequent topic of debate. If HR is not able to recruit suitable staff, this weakens the company's competitive position. A weak sales department doesn't exhaust market potential. Non-functional quality management results in customer dissatisfaction, which in turn weakens customer loyalty and thus demand. The list could go on and on. With a bit of imagination, it can be argued that poor performance in most functions significantly harms company success and competitiveness. But that's not what defining key functions is about. Defining key functions instead explicitly deals with the question of where a company can achieve above-average value through above-average performance.

There is only one single exception here, namely when the risk of a function failing is comparatively high, and the consequences thereof are just as dramatic. This idea is based on the conventional classification of risks according to their probability of occurrence and the magnitude of their consequences. Doctors at a hospital are a typical example. It can be assumed, that surgeons will have a minimum qualification standard. It is particularly wise to employ the best doctors at a hospital, because these doctors are able to reduce the high probability of surgical failure. But if the operation does fail, it has drastic consequences, since it can cost the patient their life.

Apart from key functions, TRM also involves identifying *bottleneck functions*. These are functions which will require a large number of employees in future, but which are also hard to fill. And yet, they don't necessarily have to be of strategic importance to the organisation. The quantitative demand for employees is the result of quantitative workforce planning. The difficulty in filling potential bottleneck

functions externally becomes apparent through experience. Here, it is simply a question of how easy or hard it was to fill vacancies in the past. For instance, many hospitals, particularly in structurally weak regions, are anxiously looking for qualified nursing staff. Although well qualified nurses are necessary for a hospital to function, most hospitals are not distinguished in terms of the quality of their nursing. This is therefore not a case of a key function, but rather a bottleneck function. Many major companies support their business processes with software made by SAP. Numerous SAP customers have continuous high demand for SAP specialists in order to further develop, service, and maintain these often very complex IT systems. This means that, although the IT department is rarely strategically relevant, it is necessary. At the same time, there are hardly any available SAP specialists due to the high external demand.

TRM also provides a suitable solution for filling bottleneck functions. As a starting point, both the key and bottleneck functions must be identified thoroughly. Discussions to date have shown that three criteria should be taken into account when defining key and bottleneck functions:

– The *strategic importance* of a function in terms of company success and competitiveness.
– The future *quantitative workforce demand* for a function based on quantitative workforce planning.
– The *availability of talent* on the external labour market in terms of filling a position within a function. The lower the availability, the harder a function is to fill.

Different company functions can be presented in an HR function portfolio, as shown in Fig. 4.4 (cf. Stewart, 1997).

Figure 4.4 illustrates the differentiation between various company functions. The circles within this portfolio represent the different functions. Along with the criteria of 'availability of talent on the labour market' and 'the strategic importance of various functions', the size of the circles demonstrates the quantitative demand estimated for the future; the larger the circle, the greater the demand.

Based on the aforementioned criteria, function A is a bottleneck function, because the demand for staffing is estimated as being high (large circle), yet the availability of talent on the labour market is low. It also appears to be of low strategic importance, though this is irrelevant when it comes to defining bottleneck functions. D and C are key functions, because they are in the right-hand half of the portfolio. They are of strategic significance to the company. Once again, the quantitative workforce demand plays no role here, meaning C is also a key function. Function D is particularly critical. It is not only a bottleneck function (high demand and hard to fill), but also a key function. A company with the function portfolio shown in Fig. 4.4 would thus do well to focus its TRM on functions A, D and C. We also notice that the above example shows no functions in the bottom right-hand area. It lacks functions which are of high strategic relevance and which are simultaneously easy to fill. This is rather typical for a number of reasons.

My own experience with many companies has shown that this sort of function portfolio creates great clarity, and is thankfully adopted by management bodies. It

Fig. 4.4 Key and bottleneck functions
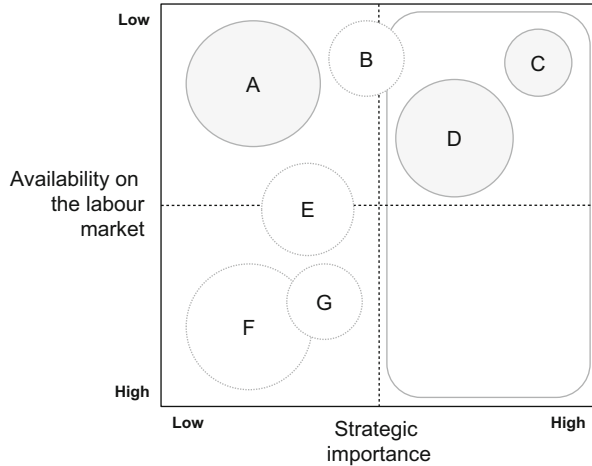
explicitly illustrates the functions requiring particular efforts in Human Resource Management (HRM). I believe differentiating between functions is a key aspect of strategic HRM. In recent years, the international HR community has seen intense discussions on how HRM can be rendered more strategic. It was often thought that HRM would be more strategic if it disengaged itself from administrative tasks. But less administration doesn't necessarily mean working more strategically. A strategic mindset instead means concentrating on what is crucial for a company's competitiveness in the long-term.

For functions B, E, F and G in Fig. 4.4, a traditional, passive, textbook recruitment strategy—e.g. through job advertisements—is permitted and often useful, whereas filling the identified key and bottleneck functions requires different, more active and more creative approaches. An increasing number of classic approaches are failing here. And this is precisely where TRM comes in. *TRM is a method used to acquire talent for key and bottleneck functions.*

By defining the key and bottleneck functions, an important step in this initial phase of TRM has thus already been taken. But we still need to work out which target groups on the labour market could potentially be suitable for filling these key and bottleneck functions. To do this, we must first examine the challenges and competencies associated with these identified functions.

4.2   Challenges and Competencies

How does a successful employee in a key or bottleneck function differ from a less successful one? This question is addressed below. I know lots of companies which have tried to answer it directly with a range of competencies, coming to the conclusion that, for example, a key account manager at an automotive supplier must display competence in communication, team-working ability, networking and

mobility. On the other hand, a scientist at a pharmaceutical company should demonstrate skills such as curiosity, analytical thinking and written communication. These competencies are often described in detail elsewhere, for instance through behavioural anchors, which illustrate different levels of competence in a general manner using behavioural examples (cf. Fulmer & Conger, 2004; Rothwell, 2010). Although this approach is widely adopted, I only find it useful to a limited extent. It is based on questionable assumptions (cf. Buckingham & Vosburgh, 2001; McCall, 1998).

– If a job's requirements are defined using competencies, you implicitly assume a certain set of skills is required in order to be successful in it. All key account managers must possess specific skills in order to do their job well. This may apply in the cases of some fundamental competencies. On the other hand, we know that different employees often displaying completely different skills can also be successful. One sales officer may achieve profit through his/her analytical skills and in-depth product knowledge, while his/her colleague boosts sales through his/her strong social and communicative skills.

– Most employees in key functions rarely achieve success on their own; it always involves others. It is therefore not necessary for them all to be able to do the same thing. Diverse skills can produce a better result, particularly in areas associated with solving complex problems.

– A true strength only ever proves itself in the context of a certain challenge. Depending on the situation, a strength can also be a weakness. An intensely results-focused approach can mutate into stubbornness, and a team-working capacity into an inability to make decisions. Some situations require less strategic thinking and more operational skill. So it is debatable to assume, per se, that a certain competence reflects a strength. There instead needs to be a balance between a so-called strength and its counterpart, depending on the problem.

– Competencies are difficult to identify. Although there are valid methods for measuring cognitive ability, such as intelligence tests, or determining social skills using assessment centres, common competencies like strategic thinking, communication, and personnel management can rarely be officially established. Estimates by managers or even self-evaluations do not provide reliable results.

One alternative to describing key or bottleneck functions through competencies is to specify future challenges within these functions. To describe the function of Key Account Manager, for example, it would be less about using competencies such as communication, team-working, networking and mobility, and more about concretising the main challenges a successful key account manager should be able to handle, e.g. building and maintaining trustworthy relationships with top-level decision-makers in the Accounts division, or internally orchestrating customer requirements across multiple departments. Describing functions in this manner illustrates more clearly what is ultimately necessary in order to be successful in them, while keeping an open mind as to the skills required to cope with these challenges.

There are a number of ways to investigate the critical challenges of a job or function. One obvious method is to conduct expert interviews with successful

representatives in key or bottleneck functions. These interviews should focus on the question of "What can a successful employee do better than a less successful one?" This approach can certainly provide some valuable findings, but requires the interviewee to be very reflective. Most people have no idea why they are more successful than others. They no longer see critical challenges as critical, because they can already handle them. In the end, you're only recording their implicit theories or personal beliefs, which may or may not be correct.

The extreme group comparison describes a similar approach, which compares highly successful and underproductive employees within the same function. In a research and development department, for example, we can examine the challenges which successful development engineers handle better than the less successful ones. We will initially find that all engineers are good with numbers or have in-depth technical knowledge. But we may eventually see that the successful ones are distinguished by their ability to express their ideas more convincingly to decision-makers, or are able to cope better with time constraints.

The so-called "Critical Incident Technique" is a promising approach devised by Flanagan (1954). It involves identifying results which show a high probability of the relevant employees failing or being very successful. For every employee, there is the 95 % of work situations which can be managed through a bit of routine and experience, without any major stress, even if the tasks are quite demanding overall. Along with this 95 %, there is the 5 % of critical situations, which require a person's full capabilities and dedication. What are the sorts of critical situations occurring in the lives of a development engineer or key account manager? In the case of the latter, it could be a situation in which a customer, represented by its CEO, requests decision-related information on the future performance features of a product and its price within just a few hours. This would be an instance requiring the key account manager to apply a number of his/her skills. The idea of the "Critical Incident Technique" is thus about deriving the key aspects of a job or function from particularly challenging events. Normal everyday activities, making up 95 % of situations, thus shed very little light on this.

4.3   Acceptable Competence Gaps

The method for determining necessary skills and challenges as described above is based on classic job analysis concepts, irrespective of whether the aim is to concentrate on generic abilities or results when defining the target group. Roles within a function must be filled, and prior thought must be given as to the requirements of the relevant candidates. If a company is in the fortunate position to create a "wish list" of skills, this may well work. The talent shortage, however, is increasingly forcing employers to make compromises or lower their sights when defining desirable competencies. The ideal candidate will be a rarity in future, if they aren't already. This raises the question as to what employers must really demand of a candidate, and what can be learned or compensated for by others. I believe this will be a key consideration in future. Figure 4.5 provides a frame of
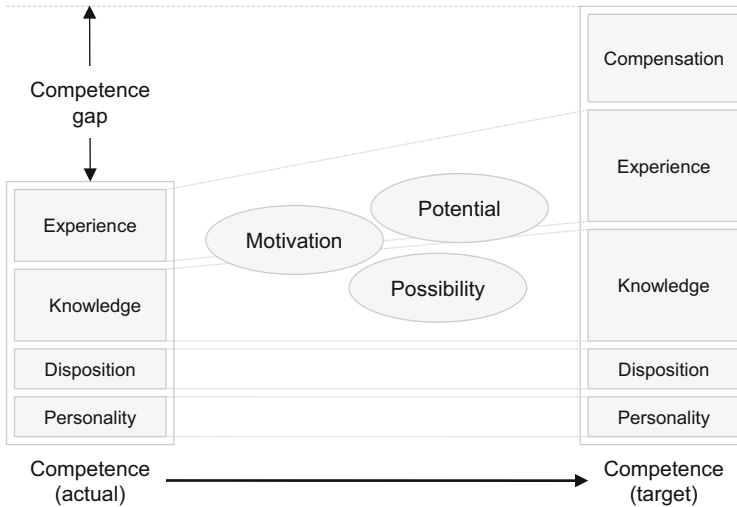
Fig. 4.5   What is the permitted competence gap?

reference to help assess which competence gaps can be permitted when employing a new staff member.

The right-hand side shows the extent of a competency desired by employers (target competence), while the left reflects the competence level of a fictitious candidate. Let's assume the skill being addressed here is the ability to sell services in the B2B sphere. To keep things simple, we'll call it "sales competence". As can be seen, this fictitious candidate demonstrates lower-than-desired sales competence, and the difference is shown as the "competence gap".

So what are the individual components of a competency? Nowadays, there are a plethora of psychological approaches to this question, but I am going to focus on a simple concept, which distinguishes between the components "personality", "disposition", "knowledge" and "experience".

– In psychology, *personality* is understood as being the enduring behavioural patterns people demonstrate in certain situations. Personality is presumed to be enduring, i.e. does not change over time, unless the person experiences trauma which significantly alters their behavioural patterns. Classic personality dimensions include extraversion versus introversion, or the consistent tendency to make decisions more intuitively based on a "gut feeling" versus the analytical, rational assessment of facts. Personality traits are not skills per se. There is no right or wrong behavioural pattern. It can, however, be assumed that personality traits will be favourable or unfavourable to coping with certain challenges, e.g. that a certain degree of extraversion is beneficial when it comes to sales competence.

– People also have inherent *dispositions*. A distinction is made here between cognitive and physical dispositions. The former include intelligence, which is assumed to be innate, though it is the subject of ongoing scientific discourse

(Hunt, 1997). Physical dispositions, on the other hand, relate to physical attributes, such as endurance, strength, and resilience.

– Relevant *knowledge* is another competency component. It primarily means the cognitive availability of factual information which can be constructively retrieved in a given situation. Using the sales competence example, this could be information on products, services, markets or customers, as well as knowledge of sales practices, sales systems or general rules of conduct when making presentations.

– Finally, *experience* is a key component of competence. It's all very well to know how to conduct a presentation, but having relevant experience and successfully demonstrating appropriate behaviour is a completely different story. Experience is based on concrete, prior behaviour, not on theoretical knowledge. The latter can be acquired at seminars; experience is gained through practice.

What is the practical relevance of these thoughts in terms of defining the target group? Whenever I look at a job advertisement for a hard-to-fill position, I increasingly ask myself which of the many listed requirements really need to be met on day 1 of employment. Each requirement further narrows down the target group desired. Does a candidate applying for a software developer's job really need to know certain programming languages, or can it be assumed that good developers will learn new programming languages? Does a candidate applying for a technical sales position really need industry experience, or can this be acquired within an appropriate time frame? During the 1990s, SAP was faced with the challenge of meeting an extremely high demand for personnel, particularly in software development. It was rightly assumed that future developers would need to have something to contribute, namely analytical skills, intelligence and curiosity in complex, business administration problems. In keeping with the Einstein quote that "imagination is more important than knowledge", the company thus employed hordes of physicists holding PhDs who, at the time of their employment, had no idea about business administration. Business management is something which can be learned with time. But intelligence is not—at least that is what was assumed. Business IT specialists were a rare target group even then, while physicists with PhDs were a dime a dozen. Strategic consultancy firms have been thinking like this for years. McKinsey & Company or Boston Consulting Group (BCG), for instance, have always employed people who can contribute intelligence and an enthusiasm for economic problems. Many of the biologists, doctors and philosophers had little or no experience in business administration at the time of their employment.

A similar story applies to some talented, intelligent and motivated candidates, who have trouble finding a job despite the skills shortage. Throughout my career, I have met many people whom, based on my collaborations with them or as part of my teaching work, I would classify as possessing outstanding abilities. Yet they often have difficulties because they don't have the knowledge or experience which employers urgently require right from the first day of employment, even though they would be easily capable of acquiring these.

Let's now return to the frame of reference in Fig. 4.5 and our example of sales competence. The considerations discussed so far raise the question as to what sort

of competence gap employers can afford when employing new staff. If certain dispositions and personality traits are mandatory requirements for successfully filling a position, these should be taken into account when defining the target group, because they cannot be learned. Knowledge and experience are a different kettle of fish. In this respect, employers should critically assess which content really is needed right from day 1. It's a less common occurrence than you might think. The extent to which experience or knowledge can be acquired as necessary depends on three factors:

– The candidates have the required *potential*. Based on their learning development to date, they can be trusted to pick up certain things within an appropriate period of time.
– Candidates demonstrate the necessary level of *motivation* to learn things. Colloquially, we would say that the candidates are "hungry" enough in a relevant area to eventually be able to render outstanding services.
– The company provides the *opportunity* to acquire relevant knowledge and the necessary experience. The company offers a suitable, possibly sheltered learning environment, which enables learning and in which initial errors are permitted. But time also plays a role here. Given the current and future challenges, can an employer afford to wait until a new employee reaches the level of competence required?

The idea of *compensation* shown in Fig. 4.5 also needs to be addressed. Even if it were found that certain competencies could only be developed to a limited extent, it would be worth investigating whether certain competence gaps could instead be compensated by others' abilities. Does everyone in the team really need to have good presentation skills or is it sufficient for just a few to possess them? Successful teams are particularly distinguished by the fact that not all members contribute the same strengths. The weakness of one person is compensated by the strength of another.

If the frame of reference shown here and the ideas portrayed within it are to be taken seriously, people should, as explained above, definitely think about which competencies are necessary in a key or bottleneck function. These competencies should be examined critically, and the question raised as to what is absolutely required on the day of employment and what can be compensated for by others. This opens up a much larger target group on the labour market than when excessively narrow recruitment categories are applied right from the start.

I still have fond memories of an interesting conversation with Stefan Vilsmeier, the young founder and CEO of BrainLab in Munich, one of the most successful international companies in the medical technology sector. When asked what he looks for when employing new talent, his response was spontaneous and convincing: "The people must be determined and headstrong. The rest is all the same to me."

4.4   Relevant Target Groups on the Labour Market

Having established the necessary competencies or challenges within selected key
and bottleneck functions, it is easy to define the target group on the labour market.
Target groups can be described and narrowed down based on different
characteristics.

– What should the profession of key/bottleneck-function candidates be? This
   question relates closely to the type of professional training required, e.g. in
   which subject and which area of specialisation should a candidate hold
   qualifications?
– How much experience should a new employee bring with them, based on the
   years they were employed in a relevant area? A distinction is usually made here
   between university graduates, juniors (up to 3 years) and professionals (more
   than 3 years).
– What sort of industry experience or special experience in certain technologies
   should a candidate be able to demonstrate?

Other criteria can also be listed when it comes to defining target groups.
Examples of these include regional origin or—if the law permits—age, gender, or
certain religious or political interests. Specific staff members from other companies,
primarily competitors, are often also defined as a target group.

After determining the key and bottleneck functions, many businesses will
already be able to spontaneously say who the relevant target groups on the labour
market are. In any case, this is what my experiences and observations have shown.
But I will now describe some approaches which may help define relevant target
groups for key and bottleneck functions. Figure 4.6 shows a simplified illustration
of the discussions below.

Employers can empirically address the question of which target groups were
promising in the past. What were the backgrounds of the new employees who were
previously secured to fill key and bottleneck functions? If the relevant data is not
available, a simple survey of new staff or the responsible recruiters may help. These
target groups can also be called *direct target groups*. For example, business
administration graduates are a direct target group for many auditing companies. It
is assumed that what worked well in the past could also bear fruit in the future. In
light of the growing talent shortage, however, these previous sources should be
critically questioned. It may be found that other, *alternative target groups* must be
addressed in future. Many companies looking for engineers and software
developers are increasingly shifting their focus abroad and identifying Eastern
Europeans or Indians as alternative target groups—a much more difficult task.
Comparisons (benchmarks) with other companies needing to fill similar key or
bottleneck functions are the main tools used here. In cases of doubt, it is
recommended to seek advice from experts, e.g. HR consultants or recruiters.

When it comes to alternative target groups, it is also necessary to assess the
extent to which certain social groups can be incorporated more than they were in the
past. Women or seniors are increasingly coming into focus, particularly in public
and political discussions; studies repeatedly show, for instance, that older staff can
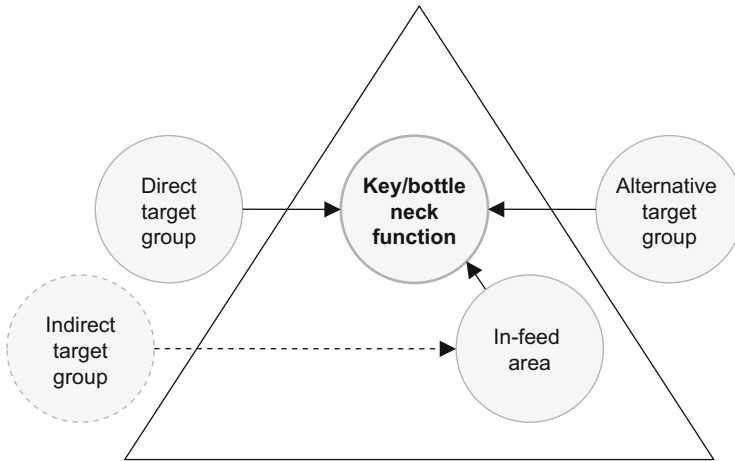
Fig. 4.6 Target groups on the labour market

be relied on to have experience. According to the above considerations on the topic of competence gaps and the possibility of compensating for these through a diverse mix of team members, there are considerable opportunities for filling key and bottleneck functions. Although this aspect of making greater provision for women and seniors is not mentioned further in this book, it must certainly be taken seriously. I will not, however, go so far as to assume that a company can definitively solve its talent problem by incorporating this "untapped" potential.

Along with this direct approach is an indirect one. People will often find that there are so-called internal *in-feed areas* for key and bottleneck functions. These are company functions from which employees have been successfully recruited internally in the past. On this basis, *indirect target groups* on the labour market should be taken into consideration for these in-feed areas. But this method requires patience, and only works in combination with long-term talent development, which is often part of talent management.

4.5   Strategic Workforce Planning

As stated above, the quantitative demand for personnel to fill certain roles plays a key role when defining bottleneck functions. These functions involve high staffing demands which are hard to meet due to conditions on the labour market. No reference has so far been made as to how this demand can be calculated. It was instead implied that this demand was estimated for the future based on experience or simple processes. For some businesses, this may well be okay and in keeping with a pragmatic approach. Readers falling into this category can skip this section. For other businesses, however, a pragmatic, heuristic approach may not suffice. There are companies, which don't rely on vague estimates. These sorts of

employers often have a "risk-averse culture". They want to be able to confidently predict relevant situations wherever possible to ensure they can respond quickly to any shortages or bottlenecks. When it comes to future staffing requirements, they want to leave little to chance, and be able to assess the demand for certain functions at certain times, and the extent to which they are prepared for this. It's a concept known as strategic workforce planning.

Strategic workforce planning seeks to predict the staffing requirements for coming years, particularly for critical functions such as key and bottleneck functions. It doesn't have to be considered part of TRM, but rather as a starting point for defining bottleneck functions and being able to estimate the scale of various TRM measures for the future. The latter of course also applies for future key-function requirements.

Strategic workforce planning has for many years been the subject of constant, controversial discussion in international HR. Some consider it an urgent necessity, and apply intricate data models. Others equate it with looking into a crystal ball, and are dubious about the ability to predict future staffing requirements in the context of a dynamic global business environment. Further complicating the discussion is the general confusion over what strategic workforce planning actually means, and what it should ultimately provide. My explanation below starts off relatively pragmatically, and gradually becomes more complex. It is then up to a company to decide how much they want to take onboard, and adopt a sensible approach. As already mentioned, strategic workforce planning is not a mandatory requirement for TRM, which is why I have put this section at the end of the chapter.

The first question is: how many employees do I currently have in key functions and (potential) bottleneck functions, and how many will there be over the next few years if no special efforts are made? Many companies are already addressing this question as part of their demography management. Most of them know how old their employees are, and can calculate how old they will be over the next few years. This analysis allows them to say how many employees will retire, and when. Apart from a company's demographic structure, the turnover quota within various functions is usually known. If we assume that this will remain stable in future, we can also predict how many employees will voluntarily leave the company over the next few years. Quantitative predictions of retirement and voluntary turnover operate at a very pragmatic, practicable level. These two factors are joined by a third, which directly influences future demand—the company's anticipated growth. This third factor is the source of the first uncertainty, because no one knows how the overall economy will develop, and therefore what the company's economic developments will be in the coming years. Companies nevertheless set goals for this, and can/should properly prepare themselves to achieve them. If, based on the considerations above, we were to calculate the future staffing needs for a function, taking into account (1) losses through retirement, (2) voluntary turnover, and (3) growth, we would be doing something which could justifiably be called strategic workforce planning. Figure 4.7 shows an example using fictitious figures, assuming a turnover quota of 8 % and a continuous growth of 5 %. It begins with 100 employees in this sample function at the start of 2012.

	2012	2013	2014	2015	2016	2017
Number of employees	100	105	110	116	122	128
Growth (5%)	5	5	6	6	6	6
Turnover (8%)	8	8	9	9	10	10
Retirement	3	5	8	3	6	7
Additional staffing needs	16	19	22	18	22	24

Fig. 4.7 An example of simple personnel planning

The previously described method is conceivably simple, although it does require vast amounts of information. This can be a problem at many companies. We overestimate the number of companies which can say how many staff they employ. To put it in more scathing terms: many companies can calculate how many of a particular screw they have in their warehouse with the click of a button, yet cannot say how many sales staff they employ, leave alone how old they are. I certainly know that this applies to some companies. Let's hope this gradually changes in the future. Collecting any relevant information not yet available should be a justifiable expense, at least for key functions.

But let's take it one step further. For key functions in particular, it is evident that employees need to be distinguished by differing degrees of seniority. If, for example, all general managers around the world are viewed as a key function, it is advisable to look not just at the future demand for general managers, but also at the demand for junior employees, i.e. employees with a lower degree of seniority. After all, many companies rightly pursue the strategy of filling key positions using their own staff. In other functions, a distinction is made between the junior, professional and senior level. Sometimes, only the senior-level positions are viewed as the actual key positions within a key function. Taking this differentiation into account, the above considerations can be broadened to cover the various levels. Along with retirement-based staff losses, voluntary turnover, and the desired growth, internal movements also play an important role here. On the one hand, staff at a particular level are lost because they are promoted "up". On the other, these positions can be filled by employees "from below" who are moved up to this level. The external demand for staff at one level is a result of the demand which *cannot* be met by staff from the next level down. These internal movements, as well as the factors causing the demand at a particular level, are illustrated in Fig. 4.8, which highlights the middle level (professional) as an example.

To gain a better understanding, we will initially only examine the employee movements and needs based on the professional level in the example shown here. We know how many staff are currently at this level, and how many there should be over the next few years based on growth targets. Demographic data also tells us the number of employees expected to retire in a given year. And we are familiar with voluntary turnover from experience. These two factors are what cause losses. The number of staff promoted "up" results from the demand at the "senior" level, and

Fig. 4.8 Examining
employee movement as the
basis for strategic personnel
planning
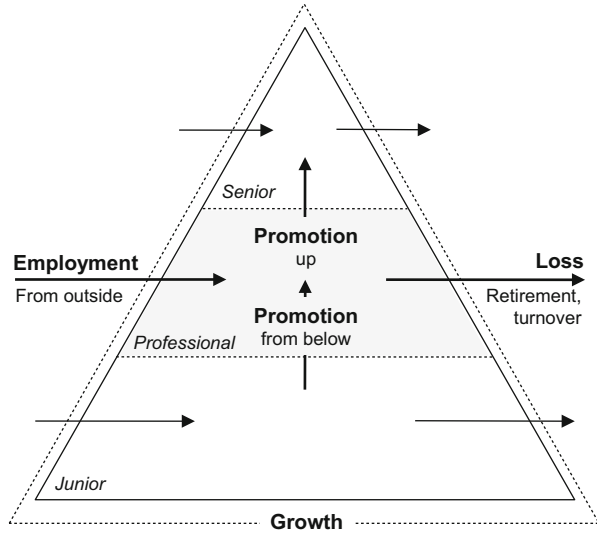
the number of staff at the professional level who become entitled to promotion in a
given year. If the number of staff with appropriate seniority is less than the number
of staff needed at an upper level, it is assumed they will all be promoted.
Promotions, losses and growth are what generate demand at the professional
level. If the number of junior-level staff entitled to a promotion is less than the
demand at the professional level, the rest must be employed from outside.

This form of analysis thus clearly goes beyond the first, simple stage of strategic
workforce planning. Along with the growth, retirement and turnover factors, it not
only takes into account level-based differentiation, but also addresses the
employees' seniority and entitlement to promotion. The latter can be further
differentiated by examining whether or not the individual employees at a particular
level are entitled to a promotion now, in 1 year or in 2 years. These ideas are
incidentally an essential component of traditional succession planning (Cascio,
1998).

Although this approach may appear complex at first glance, I do consider it
pragmatic and feasible. Apart from the necessary employee information, it requires
some arithmetic, a simply structured program or intelligent spreadsheeting. The
calculation is ultimately the least of the problems. As a CEO or managing director, I
would definitely stipulate this sort of analysis for my key functions.

Figure 4.9 shows a simple example of how results can be reported to the
management based on an individual function and a level. These sorts of analyses
are not only interesting, but also highly relevant, particularly because they
strategically refer to important key functions, and are thus pertinent to the
company's competitiveness. HR managers who are able to present these kinds of
analyses and associated solutions to meet requirements will find themselves in a
strong position—in every respect.

Fig. 4.9 Sample
management report for an
individual key function and a
level

	2014	**2015**	**2016**	**2017**
Staff	120	128	132	140
Personnel demand	18	23	28	29
Internal coverage	15	12	8	7
External demand	3	11	20	22
Risk				

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The Employee Value Proposition

5

I often run workshops with managing directors and HR managers on the topic of talent shortage, addressing how small and medium-sized businesses in particular can actively counter this. I ask the participants to jot down the main reason why the companies they represent are attractive employers. The exercise lasts no more than 5 min. We then have a look at the results, and it's a regular case of déjà vu. It appears that, for around 50 % of participants, it is the first time they have actually thought about this question. Let's now imagine a salesperson who sells hydraulic control elements. A potential customer asks him/her why they should buy these elements specifically from him/her, upon which the salesperson admits it's the first time he/she has thought about this question. We wouldn't rate his/her sales opportunities particularly highly.

But this precise situation happens very often in recruitment. In 2011, I conducted a second study analysing the career websites of many German companies. In general, it became clear that the content on most sites is completely random, interchangeable and boring (Box 5.1). Too many career websites start with the replaceable phrase "We owe our success to our people." It is usually flanked by an image of two supposed employees reading something on a laptop.

Box 5.1: Employer Brands on the Internet
I conducted a study examining the career websites of Germany's largest and most attractive employers. It focused on the extent to which these companies clearly portray themselves as employers to potential applicants, and back this up accordingly with text and imagery. It was thus less about the sites' user-friendliness or information content and more about whether a clear employer brand strategy can be identified. In the summer of 2011, a student project group used a structured category system to examine the career websites of 149 German companies as part of a content analysis.

(continued)

Box 5.1 (continued)

The results were rather sobering. Only 23 % of employers' career websites provide a clear, comprehensible, coherent response to the question of why a potential applicant should be interested in the company. In doing so, they essentially concentrate on the idea of particular career prospects. Other aspects relevant to employer branding, such as tasks, products and innovation capacity, are underrepresented. It is worth noting that the smaller and medium-sized businesses scored much worse than the big companies. This is obviously the main area where they have a lot of catching up to do.

Recruiting specialists or securing suitable staff for key and bottleneck functions is essentially a marketing and sales task. It involves convincing talented candidates, which requires clear, authentic, persuasive arguments. In this context, we talk about what is known as the "Employee Value Proposition" (EVP), also known as the "Unique Selling Proposition" (USP) in sales. The next few pages will look at this Employee Value Proposition, discussing how it is formulated and ultimately conveyed, and broadly addressing employer-branding issues.

5.1   The Target Group in Focus

The topic of employer branding has long been discussed in the context of HR marketing (Ambler & Barrow, 1996; Corporate Leadership Council, 1999; Hieronimus, Schaefer, & Schröder, 2005; Trost, 2013). In essence, it involves employers positioning themselves clearly, and utilising their assets to distinguish themselves from other competitors on the labour market. An EVP is devised and used as the basis for various marketing campaigns.

IT giant IBM provides a good example of a successful Employee Value Proposition on its careers page (see Fig. 5.1).

This campaign is directly geared around IBM's Smarter Planet campaign as a whole, and involves solving the future problems of civilised humanity rather than small-scale challenges. The emphasis is placed on the word "Planet". How can traffic be controlled intelligently in the world's metropolises? How can big data be used to utilise alternative energy sources more intelligently? Those interested in the major problems of the world (planet) have come to the right place in IBM. At least that's IBM's Employee Value Proposition. This is just one selected example of successful employer branding. An employer has positioned itself on the labour market with its unique assets, credibly and convincingly conveying its Employee Value Proposition with the help of targeted imagery and text.

It is important to note here that, in most cases, employers are positioned and presented to a broad target group through employer branding. As the above example shows, it addresses IBM as a whole. If you position and present an employer as a whole, you face the challenge of focusing on a common denominator,
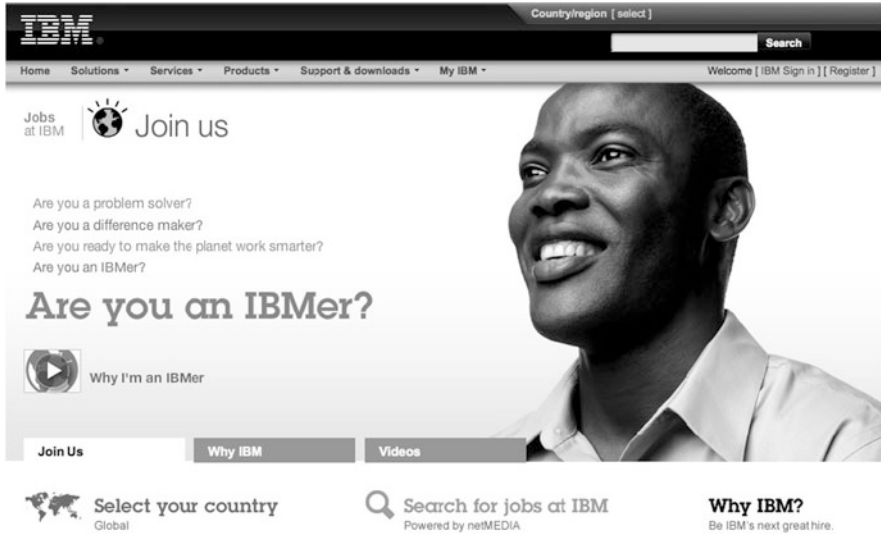
Fig. 5.1   Making the planet smarter. IBM's campaign

on what constitutes the respective employer. There is little or no distinction made between various functions at the company. It's a different story for TRM, where we concentrate on select target groups in order to ultimately fill a few key and bottleneck functions.

Many years ago, Shell started an edgy campaign to recruit engineers. An elaborate film is used to tell the story of an engineer who faces the exciting challenge of opening up hard-to-access oil reservoirs in inaccessible geographic locations. The solution finally comes to him when he goes out for ice-cream with his son, who sucks the hard-to-access remains of his ice-cream out of the glass using a bent straw. This example showed how a very specific company function is marketed using a complex campaign. It also concerns a function in the technical division which people don't immediately associate with Shell. Shell is known for its service stations, and very few people know about the tasks and special features of the strategically important functions at this sort of company.

Although leading German retailer Aldi is not world famous, it makes up for this in Europe. At this company, the function of "regional sales manager" is a key function. Employees in this function are responsible for several, usually six, outlets in a certain region, managing 50–70 staff, and thus taking care of on-site operations. Previously, Aldi's advertising centred around above-average salaries, company cars and career opportunities. The realities of everyday life—time spent at checkouts, weekend work, and the often challenging staff-management tasks— were ignored. This resulted in extremely high turnover quotas during the probation period—a sure sign of unfulfilled expectations, false promises, and misconceptions. Aldi is now trying to portray the everyday work of its regional sales managers in a more realistic light. The focus is no longer so much on what employees in this

position receive, but rather what they have to do. As an overall employer brand, Aldi conveys the messages of success, humility, respect, directness and careers, but the main function applied for on its website is that of the regional sales manager. A 40-s video shows the assets and features of this function in Aldi's typical, minimalist manner, portraying the following Employee Value Proposition: Enjoying variety, making decisions, passing on experience, bearing responsibility, embodying team spirit. These messages are enhanced by success stories from selected staff members.

The difference between IBM's campaign and the Shell and Aldi campaigns lies in the fact that the latter two advertise specific functions, not the companies as overall employers. The campaigns are thus aimed at particular, narrow target groups on the labour market. Target-group-focused Employee Value Propositions are more concrete, more comprehensive, and more task-based, often highlighting the challenges and work associated with a key or bottleneck function.

5.2   Devising an Employee Value Proposition

How do you devise an EVP, and how can this be communicated through TRM? These questions will be addressed in the next few sections. Many of the steps and approaches shown are comparable with those in employer branding. Figure 5.2 shows an overview of the various phases. The first thing is to define the target groups, as described above. This is followed by an analysis phase, whose results primarily serve to determine the EVP. The Employee Value Proposition is then conveyed as part of an implementation phase. We will now examine each of the phases in detail.

The analysis phase involves answering important questions on the Employee Value Proposition. There are many different methods for this, as will be shown below. The following considerations will be explained using a simple example. Let's assume a technology company has identified the international, technical sales department as a key function, and experienced sales managers with a university degree in engineering as its target group. During the analysis phase, the company needs to answer these questions:

– Why is it attractive to work at our company, and particularly in the technical sales division (strengths)?
– Who are our competitors on the labour market when it comes to the technical sales function, and what do these competitors offer (competition)?
– What is important to the target group in terms of employer and job (preferences)?

Let's start with the first question about the *strengths* of the function (here: technical sales) and as an employer. The target group must ultimately be told why it's worth taking an interest in this function and the company. The communication measures which build on this, and their content in particular, must be convincing and, most importantly, authentic. What's needed here is authenticity, not unrealistic promises. In an age of social media and Web 2.0, companies are

Target group definition

Fig. 5.2 — diagram

Implementation
Communication material
Rules & Processes
Validation, Campaigns

Analysis
Employer image
Target group preferences
Employer characteristics
Competition

Strategy
Employee Value
Proposition,
Media strategy
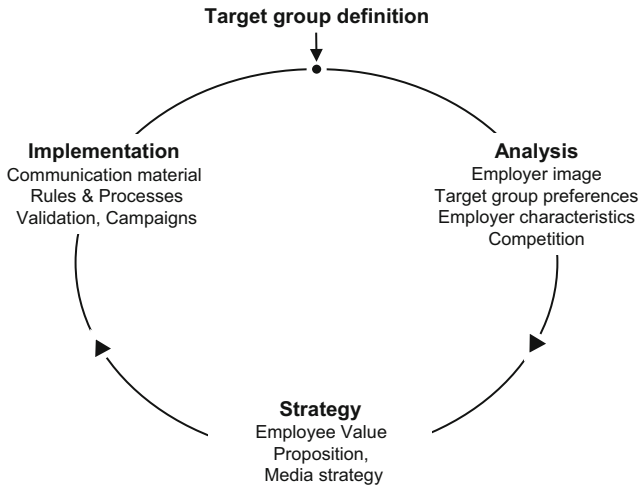
Fig. 5.2 The employer branding cycle

quickly punished if they make Employee Value Propositions which do not reflect the actual work. People will talk about it on the Internet. Employee Value Propositions which don't match reality also have a negative effect when it comes to retaining talented new staff members. Talented employees often leave their employer during the probationary period because the Employee Value Proposition was ultimately not upheld.

The proposition should fit the *preferences* of the target group. It can be assumed that different target groups will have different expectations of an employer or function. The expectations of IT specialists, for instance, will usually differ from those of business administrators. There is certainly a risk of unjustified oversimplification or stereotyping here. Each employee has their own way of thinking and their own personal standards. Experience and countless studies have, however, shown that, although expectations do differ, they are intrinsically comparatively homogeneous, depending on the target group.

We also need to look at the *competition*. At the start of this chapter, I mentioned an exercise I often use with HR managers and managing directors. It addressed the issue of why an applicant should be interested in their company. It is worth noting that the overwhelming majority of interviewees usually say that staff would benefit from a cosy corporate culture at the company. Yet if many employers say that their company has a friendly environment, they wouldn't distinguish themselves from the competition. They would ultimately be putting forward the same arguments as all the others. In order to position a function successfully on the labour market, it's important to set oneself apart from other companies offering jobs in similar functions. This is why the issue of competition when devising the EVP is highly relevant. This aspect of course involves answering the question as to which companies on the labour market are actually competitors.

Employer characteristics	Target group preferences	Competitor strengths	EVP
A	A	A	
B		B	
C		C	
D	D		D
E			
authentic	*attractive*	*exceptional*	
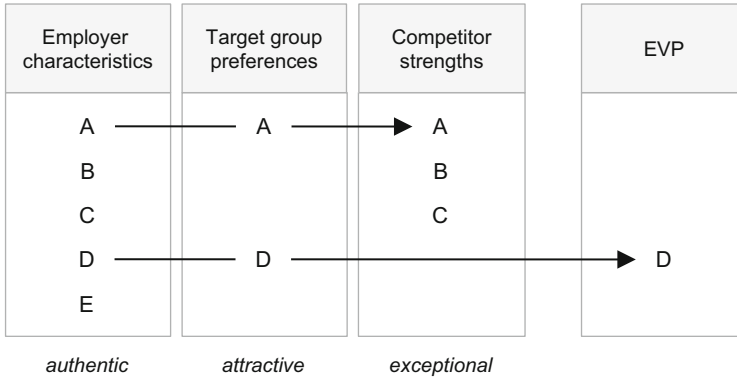
Fig. 5.3 Defining the EVP

Understanding these three dimensions—strengths, competition and preferences—forms the basis for defining an EVP. Figure 5.3 uses a deliberately simplified approach to show how these three dimensions ultimately result in an EVP.

The left-hand column in the diagram contains an abstract list of five employer characteristics which are deemed attractive in a certain function. These may be characteristics such as competitive salary, work-life balance, technical innovations or similar. The second column in this fictitious, abstract example shows that only strengths A and D are really important to the target group, whereby A is also offered by other employers (competitors). Using this logic, the only strength left at the end is D, which is not only authentic, but also relevant to the target group and stands out from the competition. This is a highly simplified diagram. In practice, this exercise is disproportionately more complex. Let's look back at the example above, where a technology company identifies technical sales as a key function and experienced purchasers as a target group. Workshops with internal representatives within this function would be helpful in this case, ideally with salespersons who have been at the company for a while, but also with new staff members. Figure 5.4 shows possible questions which may be discussed in this sort of workshop.

This workshop outlined in Fig. 5.4 is just one typical form of analysis, which would have to be supplemented with numerous other methods. A whole range of social scientific methods can be applied—a written or verbal survey, structured or unstructured, individual or in groups. Different levels of seniority can also be incorporated into the analysis. Apart from the aforementioned internal representatives from the key function, these include the applicants, former staff, internal or external recruiters, the management board, or managers from the respective function.

In general, TRM particularly depends on intensively and actively examining and understanding one's target group. The method applied is not the most important aspect. There are no limits placed on the creativity with which a target group can be addressed. Apart from the classic methods of scientific research, innovative, open

Content	Question
Strengths	What do you particularly like about your job?
	What are the magic moments in your job which make it really worth working here?
Preferences	If you had to look around for a new job, what would you place particular emphasis on?
	What would be a positive reason for you to want to work at another company?
	To new employees: Why did you choose us?
Competition	If you weren't working here, where would you want to work?
	What do other companies offer that we don't?

Fig. 5.4 Possible questions to be discussed at a workshop with internal representatives from the key function

approaches have also been increasingly used for some time, although this development is still relatively in its infancy. In 2008, I attended an employer branding workshop run by Siemens, in conjunction with the company Brainstore, in the Swiss town of Biel. Approximately 100 employees, students and experts from all over the world spent an entire day performing exercises which involved answering the above questions. But neither questionnaires nor interviews were used. The participants instead did handicrafts, scribbled, played and spun yarns in an atmosphere of openness and creativity. The aim was to first generate as much inspiration as possible, quickly and spontaneously, before considering this in more detail and producing creative value in the form of concrete ideas, which were ultimately weighed up and prioritised. We were all very impressed by the result. I ran a similar workshop myself, which will be described in a later chapter, examining the methodology in greater detail (see Box 6.6).

The analysis phase is followed by the strategy phase, which essentially involves defining the EVP based on the respective key or bottleneck functions. This step is crucial for all that comes next. The EVP is often called the DNA of all HR marketing activities. It is around this that the campaigns, advertising, websites, videos and brochures are geared. Below are six different types of EVPs, outlined using concrete examples. They demonstrate the degree to which positioning can vary.

– "We offer excellent career prospects and above-average salaries." This example is aimed at *benefits*. It promises the interested candidate that they will benefit from attractive services and opportunities if employed.
– "You'll be working in a team of highly qualified, motivated colleagues." Here it's less about what employees get in this function or from this employer, and more about the *colleagues*, people and personalities they encounter.
– "At our company, everyone is equal. Our work is characterised by mutual respect and appreciation." This is a promise focusing on *values*. "If you share these values, you'll feel right at home with us."

- "We're the undisputed market leader in our field." Here it's not about what employees get, whom they meet or how the colleagues have to think, but rather about the *company* itself. These sorts of EVPs usually focus on the company size, success or brands as the main argument.
- "Working for us is like being an independent entrepreneur. "This type of EVP again differs from the previous ones. This type of promise highlights the attractiveness of the *tasks*. "At our company, you can do what you love most every day."
- "Working for us, you'll be helping to make the world a better place." This argument is usually used by companies specialising in fields like green technology or charity activities. Employers pursuing this strategy ultimately offer a greater *purpose* for work.

The Employee Value Proposition can comprise various types, and concentrate on very specific employer characteristics. Figure 5.5 shows an overview of possible characteristics within the different functions.

It should be noted that the above aspects can also be used to consistently discuss certain questions during the analysis phase. Typical examples of these are "What are the three main reasons you want to work here" or "What would be the three main reasons you would want to work for a competitor?"

5.3   From the EVP to the Target-Group-Specific Message

The EVP is initially only the employer's promise in a nutshell. Conveying and communicating it requires concrete proof and stories. This is demonstrated using the example of a leading international manufacturer of high-quality showerheads and bathroom fittings, Hansgrohe. The main headquarters, where 80 % of the products are made, are located in Schiltach, in the middle of Germany's Black Forest. Hansgrohe also has branch offices on every continent. International sales, particularly the management of major accounts, is one of the key functions. Here, the company promises interesting, international projects, as well as identification with top-class brands. At first glance, this EVP doesn't sound particularly clear or concrete. But the products behind the brands are tangible. The international projects have stories, such as fitting out the Queen Mary II cruise liner. Every company must have these sorts of stories to tell. If you ask employees from bottleneck or key functions about them, they will readily recount them. The experiences gained by employees during this time are also referred to as "signature experiences" (cf. Erickson & Gratton, 2007).

A few months ago, I collaborated with the Commerzbank. Together with employees from various key functions, we set about collecting their signature experiences. A corporate account manager reported, for example, of a large car repair shop which had planned to erect a new building. The young colleague enthusiastically recounted how he had fought for financing and made the investment possible for this customer. When the excavators arrived, he felt as if it were

Benefits	Tasks	Company	Colleagues	Values	Purpose
Reward Career opportunities Work/Life balance	Interesting tasks and projects International assignments Innovation Influence	Products/ Services Technological/ Market leadership Company success Location Public reputation Job security Customers	Staff personality Staff qualification level Co-operation Diversity	Corporate culture Leadership quality Trust & respect Work flexibility	Environment & Climate Social responsibility The health of others Quality of life

Fig. 5.5 Employer characteristics

his own project. This story is communicable, tangible, and even emotionally identifiable to outsiders.

Behind every technical innovation are stories involving people who have experienced them and recount them with pride. If a chemist reports on how he developed a new material with special properties after many years, this may not be particularly exciting for me as a psychologist, but will inspire his target group. And that's ultimately what it's about.

Devising the EVP is thus just one key component of formulating the employer's promise. As described above, however, we are still operating at a very abstract level. If, for instance, we were to conclude that a key function would particularly excel through teamwork, it would initially be hard to appropriately articulate and convey this EVP in a general manner. Not all teamwork is the same; it can have many different formats. Does teamwork have a consensus-oriented focus or is it more controversial? Is teamwork reflected in the formal structure within the key function or is it also deeply rooted in the employees' values? Are they big or small teams, national or international? Do the teams operate in a self-organised manner? Anyone familiar with multiple companies will know that this single feature can take many different forms. This applies to all of the aforementioned employer characteristics (see Fig. 5.5). Based on the hypothesis that work flexibility is a feature of the respective key or bottleneck function, I would always recommend working with the affected employees, e.g. as part of target-group workshops, group or individual interviews, to determine the significance of this flexibility specifically and in everyday life. Where and how do the employees experience this flexibility? What are some typical situations which demonstrate work flexibility? What are some anecdotes which highlight flexibility? Those who confront employers with these sorts of questions are on their way to discovering the company's soul—what essentially makes an employer or a function special. Ultimately, it's about finding concrete *proof* of the strengths and features associated with an EVP. This is a qualitative task which requires understanding and interpretation. That's why

Fig. 5.6 From the EVP to the
target-group-specific message

quantitative employee surveys or results from employer competitions are ideal for
formulating a general, hypothesis-like EVP. But spider diagrams and bar graphs
never show what an employer really feels like in everyday life from the perspective
of the relevant target group.

   If descriptions have been written based on the abstractly formulated strengths
associated with an EVP, using proof, stories or examples, this ultimately raises the
question of which specific *messages* are needed to appeal to the target group on the
labour market, because not all proof is suitable for every target group. The above
pathway from the EVP to the target-group-specific message is illustrated in Fig. 5.6.

   Another fictitious example may help explain the different levels shown in
Fig. 5.6. In one key function, work/life balance is established as being the central
EVP. Work/life balance is thus viewed as an employer characteristic which is
realistically and authentically provided in this function, which appears relevant to
the target group, and which is not offered by other employers to the same extent.
This then raises the question as to which specific strengths demonstrate this work/
life balance. Let's assume that, in this example, the strengths are flexible working
hours and a clear family policy. In doing so, we're still operating at a very abstract
level. These strengths are proven by specifically analysing and showing how
flexible working hours or the family policy are represented in everyday life, and
what the company actually undertakes in detail. Possible examples of this could
include trust-based working hours, the opportunity to pursue an individual life style,
the option of part-time work, sabbaticals or similar. The family policy may be
reflected through childcare, reintegration measures for mothers or fathers, or a
guaranteed trainee position for employees' children. One particularly important
factor is, however, how employees experience this flexibility and family policy in
everyday life, what benefit they can draw from this in specific situations, and how
this makes their life easier while also boosting their productivity. All of these are
examples of what is described here as "proof". But not all proof, stories and
experiences are communicated to every target group on the labour market in
equal measure. For university graduates, family-policy aspects may be less relevant

than self-managed working hours in teams, while professionals or candidates at a team-leader or managerial level may be more likely to value family-friendly conditions.

5.4   Conveying the Employee Value Proposition

Once developed, the Employee Value Proposition is then implemented. This primarily involves concretising the content and selecting the right means of conveying the promise, i.e. the "*how*". It is important to note here that this chapter only deals with communication aimed at sparking interest among the target group. A later chapter will examine how communication can also be achieved by cultivating a relationship with the candidate.

The target group can be communicated with in many different ways. Print media was the dominant method in the past, with picture advertisements placed in relevant publications. More and more businesses had a careers website, serving to publicise vacant positions. It was not until later that these sites were also used to convey employer branding content, based on a previously defined EVP. Career fairs have always been one way of making contact and speaking with potential applicants, as has personal one-on-one communication. Over the last few years, we have been seeing the Internet adopt a dominant role in terms of communicating with the target group, involving new forms of communication, such as blogs, online forums and Internet communities. But if we look at the most recent developments, we see social media surging to the fore. Social networks like LinkedIn and platforms like Twitter and Facebook are increasingly becoming the subject of discussions when it comes to HR marketing and TRM.

The aforementioned media differ in terms of how they enable communication between employer, employee, candidates and other persons. Figure 5.7 shows one attempt to systematically categorise classic and more modern media.

The three corners of Fig. 5.7 each show extreme forms of communication between the employer and target group. 1:1 communication implies a very personal form of communication between two individuals, i.e. between an employer and a (potential) candidate. 1:N means a specific authority, whether this be a person or employer as a whole, communicates with a number of people (N), while N:N communication entails mutual communication among many people within a social network. Apart from the company itself, this network may involve employees, prospective employees, candidates, or the interested public. Classic means of communication, such as career fairs, career websites and print ads, are shown in the bottom right. I will not be going into these any further, as people should already be familiar with them. In the top right area are the well-known social media platforms, which will be examined in greater detail below.

Fig. 5.7 Classifying various
means of communication
with the target group
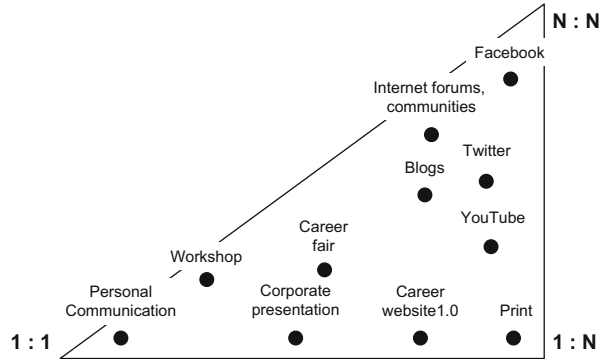
5.5   Social Media

In recent years, there have been increasing discussions on the importance of Web 2.0 and social media in various areas, including in the context of HR marketing and recruitment. The term *Web 2.0* stands for the second generation of the Internet, and was coined by Tim O'Reilly, (2005) following a conference for Internet masterminds. In Web 1.0, i.e. the first generation of the Internet, businesses, persons or authorities in general provided HTML sites which others could read. This equates to 1:N communication, according to which a certain authority, person or institution communicates something and many people listen or read the respective content; one produces, the other consumes. As part of Web 2.0, Internet users are also known as prosumers. They no longer just consume content, but provide content themselves, which is in turn read by others. One of Web 2.0's main characteristics is thus that Internet users themselves contribute to the content (user-generated content). Typical examples of this include Wikipedia, where entries are created by users and not a central committee of experts, or YouTube, where anyone can post videos to the public on anything they like. *Social media*, on the other hand, is a special form of Web 2.0. Facebook, LinkedIn and Twitter (for Twitter, see Box 5.2) are all typical social media platforms. The unique thing about these platforms is that people can contact one another, display and build their social network, and exchange content through them. The interpersonal (social) aspect is thus key. Users not only bring content into play, but also themselves and their relationships, which are then cultivated to varying degrees. Social media has seen dramatic, indeed explosive, development over the last few years.

> **Box 5.2: Twitter**
> Anyone who has created their own account on Twitter can use it to compose short messages of no more than 140 characters. These messages are called

> **Box 5.2** (continued)
> "tweets". Other Twitter users, known as "Twitterers", who are interested in
> these messages can then choose to "follow" you. These Twitter users are
> called "followers". On their personal Twitter homepage, Twitterers see an
> ongoing feed of messages from the Twitterers they follow. If they see a
> particularly interesting message, they have the option of "retweeting" it,
> i.e. forwarding it on to their own followers. This mechanism allows short
> messages to be spread across a network of Twitterers and followers. No other
> communication platform currently enables information to be propagated so
> quickly and in such a target-group-focused manner.

For months now, more and more HR specialists ask me whether they should use
Facebook or Twitter as part of their HR marketing or recruitment. I see great
curiosity, as well as hesitance and concern about possibly ignoring an important
trend. Before I go into Facebook or Twitter in further detail, I just want to provide
some general guidelines on how employers can develop a social media strategy for
their recruitment (cf. also Hoffman, 2009). The individual steps are illustrated in
Fig. 5.8. These guidelines are relevant to all social media activities, and extend
beyond conveying the Employee Value Proposition. This particularly applies to
active sourcing (Chap. 6) and candidate retention (Chap. 7).

Companies who use social media systematically and professionally should first
define what they want to achieve with it. Which target groups is it aimed at? Do
these relate to critical functions and are they therefore of particular relevance? It is
presumably always correct to define targets at the start of an initiative. But in this
context, it's worth an explicit mention. It seems to me that many companies have no
plan and simply follow the "me too principle" when using social media. Concrete
social media goals can include the number of applications you want to generate
through this channel, or an increased awareness among the target group. Some
companies want to interact more intensively with the target group, based on the
number of external comments and Likes on Facebook.

Social media only works if you first listen to your target group. What is being
said about us on the Internet today? What sort of things interest the target group I
ultimately want to appeal to? You only generate a response through social media if
you offer your fans and followers content which in some way represents added
value. When we talk about "added value" here, this does not have the same meaning
as it does in business management. It's not about factual information, but rather
things which are authentic and bizarre, content which comes from the heart or
provides insight into something otherwise hidden. What appears banal at first
glance may appear lively and valuable to the target group. Banal describes the
material you find on the careers website.

I deliberately and succinctly call the third step "Do it". Although valuable
information is now available on what to do and what not to do on the social web,
each step you take into this world will initially be experimental. We can learn a lot

Define targets		**Listen**		**Do it**		**Check & develop**
Define key and bottleneck functions		Incorporate& understand target groups		Define& implement social media activities		Monitor the effect of the social media activities
Identify target groups		Uphold internal framework conditions		Clarify internal framework conditions		Prioritise and further develop social media activities
Set social media goals						

Fig. 5.8 The steps of a social media strategy

from others' experiences, but when it comes to social media, it's all about your own. That's why it's important to check, in a fourth phase, how your social media activities have been accepted in order to then decide which activities will be dropped, which will be modified, and which further developed.

I will examine the relevant social media platforms in more detail below. We'll start with Facebook. *Facebook* is the most frequently visited website after Google. While the Internet is certainly more than just Facebook, and social media also covers other platforms like Twitter, LinkedIn and the rest, if you want to understand social media, you should first understand the mechanisms of Facebook, given the current dominance of this platform.

What's Facebook all about, and what role can this platform play in the context of employer branding and conveying the Employee Value Proposition? To answer these questions, we first need to understand that Facebook is a social space on the Internet in which users share experiences, impressions, opinions, photos and videos in a rather informal manner. Most contact on Facebook is of a casual nature, with the majority of content "posted" and "liked" there being succinct and banal. External observers may sometimes wonder what drives users to put this sort of trivial content on the Internet. How does a community benefit if, for example, a "friend" posts they are angry at their train being late, or shows off a photo of an oversize pizza? The explanation is inherently simple and human. Facebook users continuously see themselves as part of an extended social environment. Just like in real life, where you're often surrounded by people you trust and exchange trivialities with them, you do the same thing as a Facebook user in this social world. You're never alone, so to speak, and whenever you want to get something off your chest, you can. Dialogues on Facebook are thus less professional, profound or particularly reflective, and more mundane, spontaneous and, like most things in life, not particularly earth-shattering. Those who don't recognise this basic idea will not understand Facebook.

Many things in the everyday lives of staff and their connections are just as banal. There are funny elements, bizarre elements, unusual elements, embarrassing elements, interesting elements and noteworthy elements. These are natural components of work. Employees will marvel, rejoice, get angry, be proud of one

thing, and be inspired by another. In today's society, Facebook is the only place where these everyday things are expressed. The photo of the managing director at the company's summer party, with his grilled sausage and weird baseball cap, will not be posted on the careers website. But if, as a company, you want to provide this insight and convey images from your colourful everyday activities, then your only alternative is Facebook. In any case, I have not yet seen any official company website regularly publish everyday photos. This would be embarrassing and unprofessional. But on Facebook, not only is this allowed, it's welcomed. In this respect, Facebook is certainly a good platform for showing a company's human, everyday side through its staff. I believe this is the primary benefit of Facebook in the context of employer branding.

I do, however, have my doubts as to whether employers can reach out to particularly passive candidates via Facebook. This requires an initial understanding of social network analysis. People, including potential candidates and talent, are visible and increasingly networked on the Internet. Activities take place between these users; content is exchanged, evaluated and commented on. In doing so, users organise themselves through the relationships they actively maintain and the groups or communities to which they actively belong. I myself focus on modern topics relating to human resource management, which includes content such as employer branding, talent management, recruitment, and most recently learning 2.0. I share this content via Facebook and Twitter, and have "friends" who comment on it. Other people interested in my content are friends with me or follow me on Twitter. I live in a virtual world in which I am constantly meeting the same people. People with similar interests to me. In social network analysis, this phenomenon is also known as *clusters*—areas within extensive networks, where contact is more frequent due to similar preferences. These clusters are hierarchy-free spaces which are only defined by the relationships between the network participants.

Communication with the target group involves two types of clusters. I call them career clusters and target-group clusters. In *career clusters*, people connect via Facebook, as well as Twitter or other platforms, because they are interested in a company's career opportunities. The other type of cluster is the *target-group cluster*, in which people belonging to a certain target group connect and discuss an issue which unites them all. While Facebook conveys more personal content, Twitter is a platform used much more intensively for professional content. On LinkedIn, representatives of certain target groups connect over all possible issues and discuss these. There are clusters for every topic, although each target group will certainly use social media to differing extents.

So what are the implications of this differentiation in career clusters and target-group clusters? Career-specific pages on Facebook or similar accounts on Twitter are definitely good places for interested candidates, alumni and former practitioners to keep up to date on an employer. These sorts of activities convey an image of being open to new things, which is viewed as positive by many target groups. Unlike static career websites, Facebook enables interaction between the employer and prospective employees, revealing one's everyday, human side. Facebook is ultimately a world in which many talents operate daily anyway, so using this service

is certainly a step in the right direction. Development has reached such an extent that the HR industry is now discussing whether companies even need their own career websites. Many companies are already packing more information, pictures and videos onto their Facebook page than on their own company website. But it remains questionable as to whether or not they reach their target group, and particularly the talented candidates, through career-related pages. Will an experienced logistics expert become a fan of the FedEx Facebook page? This experienced expert may prefer to connect and engage with people on his/her level who have similar professional interests. In light of this, many career clusters thus appear more as target-group clusters of HR specialists who use social media in the context of HR marketing and recruitment.

If communication is to be established with the target group as part of TRM and through social media, this will only work if employers approach the target-group clusters and make themselves heard. The next chapter particularly examines how talented candidates can be found and approached on the labour market. Setting up a careers page on Facebook or a Twitter account to then hope for fans and followers doesn't seem very promising. The actual challenge is making contact with the target group, and this can only be done by someone who themselves is part of this target group, or who is able to understand its content, involve themselves, or speak its language.

Anyone toying with the idea of using social media and Web 2.0 to convey their Employee Value Proposition should definitely think about blogs and YouTube videos.

First a bit about *blogs*. Facebook, Twitter and LinkedIn don't give Internet users much of a chance to demonstrate greater contexts, simply because these platforms don't provide the space for it. Tweets can be no more than 140 characters, and posts/comments on Facebook are not much longer either. Internet users wanting to express themselves online in greater detail use blogs to do so. Today, any user can essentially create their own channel and write about things they consider newsworthy, similar to what news portals do on a regular basis. More and more people are making use of this option. It can be done independently through platforms like Wordpress, or through an established institution, such as one's own company or a public medium which provides the relevant means. I myself am proud and pleased that the German version of the Harvard Business Review (Harvard Businessmanager) has given me my own blog, where I can regularly give free rein to my thoughts and ideas. In precisely this same way, companies can give selected employees the chance to report on their everyday activities at their place of work. This is where the Employee Value Proposition comes into play, because no one can provide more credible, authentic insights into a company's working world than its own staff. Coming back to the earlier technical sales example, blogs can be a good way of regularly letting current technical sales staff have their say, so that the relevant target group can learn first-hand how it feels to be employed in this function. When writing blogs as per the aforementioned examples, there are a few rules to remember.

– Employees who blog for a company must want and be able to do this. This job should never be delegated to colleagues, just because they appear to have time for it. Employees should have enough anecdotes and experience from the company to ensure they don't run out of topics. They must of course be able to write, and enjoy doing so. Here I recommend that employees apply for the blogger's position, thereby presenting this opportunity as a privilege.
– Bloggers need freedom to be able to write what they want. While it is perfectly fine to incorporate internal checks to edit articles—as little as possible—, bloggers must generally have the chance to reveal their own personality through their stories. What drives bloggers is the readers' response, and they ideally achieve this by being authentic and unique, which is something only they themselves can do.
– Blogs must be written by real staff members, never by an agency or central department, e.g. corporate communications or HR marketing. Language is too complex for one person to be able to write for someone else. Only trainees can write like trainees. Internet users intuitively notice whether a blog has really been written by the alleged author.
– Blogs need rules. Some companies, like Yahoo!, have drawn up blogger rules in a wiki, i.e. in a document editable online. This is a wise approach, because it guarantees the required blogger acceptance. Classic rules include those stipulating that no critical internal information, e.g. financial figures or data on secret product developments, be divulged. Bloggers should be personally responsible for what they write, not the company. Well managed blogs are not misconstrued as places for internal criticism or for playing out internal quarrels between employees.

Blogs are a safe, easy way to use Web 2.0. They involve a manageable initial expense, and ultimately address the desire of future generations in particular to gain authentic insights into the working world of specific key or bottleneck functions and companies beyond the polished and usually static career websites and brochures. It is also worth noting here that blogs have a relatively high page rank on Google, i.e. they can be found quickly there. Blogs can thus also help potential employers appear on candidates' radars during their search for information.

Let's now move onto *YouTube videos*. YouTube's short history has shown on numerous occasions that trivial videos can often generate millions of hits. The creators of these videos could not have expected this success at the start. This may initially have little to do with recruitment, but demonstrates the vast potential of YouTube videos to reach out to lots of people in a short space of time, although it is not yet clear, from a scientific perspective, why some videos generate hype and others don't. This so-called viral effect is not something which can be contrived.

In the context of employer branding, YouTube videos provide an opportunity to present oneself as an employer and reach out to a wide audience in doing so. These videos particularly allow certain key and bottleneck functions to be displayed in a clear, targeted manner. As shown in Fig. 5.9, there are essentially four possible types of employer videos, catering to the requirements of authenticity, professionalism and minimum expense to varying degrees.

Fig. 5.9 Four types of
employer videos

	Employees (Producer)	Pros (Producer)
Pros (Actor)	Limited professionalism Limited authenticity	High level of professionalism High costs Limited authenticity
Employees (Actor)	Low level of professionalism Low costs High level of authenticity	Limited professionalism Limited authenticity

Videos can either be produced by employees or professional agencies. On the other hand, the video's cast can also consist of real employees or professional actors. Depending on the combination, the pluses and minuses detailed in Fig. 5.9 are likely, but not set in stone. There is no right or wrong here.

The accountancy firm Deloitte recently ran an internal competition asking employees to make their own videos about their employer. Interestingly, this initiative first started off with specific guidelines stating that the videos had to focus on set topics. This was then rejected by the employees as being "too corporate". The target group was only motivated by the absolute freedom to give free rein to their creativity, producing amazing results. This is typical of the Facebook generation. Employers who formulate their Employee Value Proposition authentically ultimately don't need to worry about whether or not the content fits with the "official" Employee Value Proposition.

Apart from the prospect of viral circulation among the relevant target group, YouTube videos also involve risks. If a video's message is too exaggerated, unauthentic or visually unprofessional (even if it tries hard to look professional), there is a likely risk of it being ripped apart in the online community. This occurs through direct comments on the video, or through comments on Facebook, where videos are shared. Excessive bagging of a video is also known as a "shitstorm".

5.6   Employer PR

My hometown of Tübingen is the base for Gerhard Rösch GmbH, a medium-sized business in the clothing industry. This company, unknown to most people, has a long-standing, exemplary family policy, as well as an entrepreneurial corporate communications manager (Mrs Rösch, the CEO's wife). This employer has won numerous awards for its achievements in the area of gender equality and work/
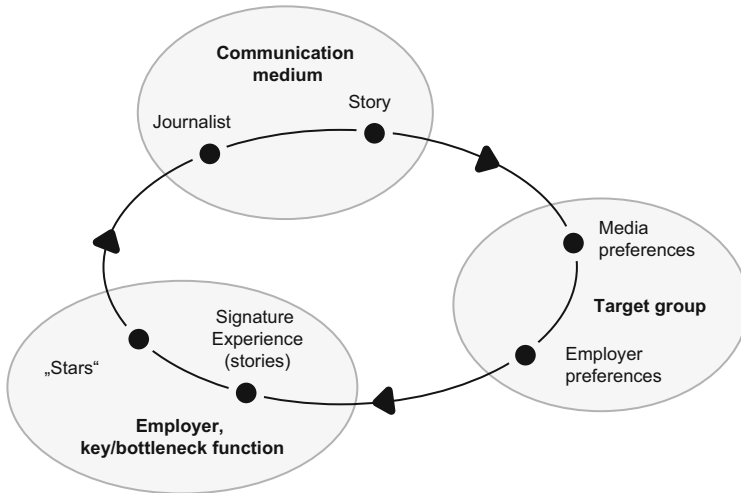
Fig. 5.10   How employer PR works

family balance. It has been able to effectively expose this particular potential in the public sphere. Since I hear the local and regional news every day, I feel closely linked to this employer. I read interviews, newspaper articles, and listen to reports on local broadcasters. Rösch is synonymous with its family-friendliness. It costs this company virtually nothing to have such a positive media presence.

The combination of social media, blogs and news portals today enables greater dynamism in public relations (PR). That's all the above example is about. The resulting possibilities are available to any business, regardless of its size. This concept has been known under the catchphrase of *employer PR* for some time. Figure 5.10 illustrates how employer PR works.

Once again, it starts with the *target group* on the labour market which the employer PR seeks to address. This may be, for example, a certain type of engineer, young people, or even families in the catchment area. The latter are defined by their regional proximity to the employer, while other target groups can be classified based on their professional interest or age. Different target groups frequently have different media preferences, raising the question of which magazines, online portals, blogs, newspapers or any other medium are preferred by the relevant target group. If you yourself are not part of the target group, you don't usually know what the preferred media are, which is why it is absolutely essential to talk to the target group. It is often surprising to see where on the Internet the people you ultimately want to appeal to hang out, or which magazines they read. Many mechatronics engineers read magazines about model construction, or visit similar blogs and Internet forums. Lufthansa German Airlines found that it could find potential flight attendants in magazines for ski instructors (many ski instructors work as flight attendants during the summer).

Apart from media preferences, it is also important to understand the target group's employer preferences. This aspect was already addressed in detail in relation to devising an EVP. So if you want to appeal to young families in the catchment area, it is not only relevant to know which magazine this target group reads, but also which issues interest them in terms of their employer preferences. These may include family friendliness or work/life balance, as was classically illustrated in the above Gerhard Rösch GmbH example. Engineers, on the other hand, are interested in the latest technology within certain specialist fields. It is thus obvious that this target group needs to be served stories on the latest developments.

Once you have understood and defined your target group, as well as its employer and media preferences, you need to determine what you as an *employer* have to offer in relation to this, particularly in your *key functions*. Which stories may be of interest to the public media? Countless examples have already been cited: new technical developments, special customer projects, innovation awards or prizes for outstanding HR policies, the fact that employees can be retained even in difficult times, the professional or personal successes of individual staff members, the opening of a new company building as a result of ongoing success. The list goes on and on. I believe every business has more stories to tell than first thought. These are known as "signature experiences", which are enjoyed by the employees of a company, and which make an employer special (cf. Erickson & Gratton, 2007).

Some companies have stars. International corporate group Virgin is inextricably linked with its founder and CEO, Richard Branson. Branson would have to be the perfect example of how a man can give a company a distinct image through his own manner and behaviour. He sought media presence right from the outset, and this was and continues to be Virgin's secret to success even today. Steve Jobs and Apple was another similar example.

Employer PR is ultimately about "selling" the stories to selected *media*. I know of a company which explicitly set about using employer PR as a means of recruiting staff. On a map, it drew a circle with an 80-km radius, analysing which daily newspapers were read within this area. The CEO personally set himself the goal of appearing as an employer in these selected media at very specific intervals. As with general PR, employer PR is about keeping in with editors and journalists in these media, and building up a long-term relationship with them. PR means seeing these people as customers. They are the ones who accept or reject the stories. The aim is ultimately to be present in these types of media. If this is the case, and a story is published, the company can actively contribute towards ensuring these stories are spread and passed on within the target group. Social media, namely platforms like Twitter and Facebook, is especially helpful here. This is the point where the circle is complete: the story should reach the target group, e.g. in the form of an article, and comply with their employer preferences.

Employer PR provides every business with excellent opportunities to market its key and bottleneck functions, as demonstrated above. But it has also become clear that employer PR requires a certain logic. Companies which have a specific corporate communication function know this. But for the benefit generated by employer PR, the expense is manageable. After all, it doesn't cost anything to

appear in a public communication medium. And this is a particular advantage. The second advantage lies in the fact that stories conveyed in a public medium display a certain degree of authenticity. Readers, listeners or viewers know that a company has limited options when it comes to polishing and embellishing reports.

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Active Sourcing Strategies

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The previous chapter addressed the promotional, communicative aspect of recruitment, i.e. the marketing side in the broadest sense. But, having formulated and conveyed a convincing Employee Value Proposition, we still haven't found a single suitable candidate or potential new staff member. That's what this chapter is about. After discussing some basic ideas and providing a brief overview, I will describe modern approaches to finding talent on the external labour market, ignoring the classic methods of placing job advertisements or hiring executive search firms. Particularly when filling key and bottleneck functions, it is becoming increasingly clear that these traditional, more passive approaches to recruitment are no longer effective.

6.1 Initial Thoughts and Overview

Some employees are not interested in looking for a new job at the moment. These are employees who are either happy in their position, have just started their new job, or, for example, are due to retire soon. These people cannot be reached by any form of recruitment. From the perspective of HR marketing and recruitment, they simply don't exist. We call them *non-seekers*, and they are the opposite of the so-called *active seekers*, who are people making active efforts to find a new job in the foreseeable future. Active seekers read the job vacancies in their local daily newspaper. They visit online job boards or attend careers fairs. There are many reasons why someone actively seeks work. They may have been made redundant, or can no longer tolerate the unsatisfactory conditions at their current job. Or they may be about to finish their studies and have not yet got a job lined up. Active seekers invest time in job searches, because they are under a certain degree of pressure. Unlike the other groups described here, the active seekers are the only ones who apply for a position of their own accord. Then we have the so-called *passive seekers*. This group is the most interesting in a recruitment context, as will be shown below. They are also known as latent seekers or passive candidates. People in this group are currently employed and don't invest any time in looking for

alternative career options. They're happy and not under any pressure. But they keep their eyes and ears open. They will only start thinking about other career options if one is presented to them, so to speak, whether this be as a result of them being recommended for a position, receiving a call from a head-hunter, or being offered a job by a former colleague or friend.

This distinction between non-seekers, active seekers and passive seekers is very relevant to talent acquisition for two reasons. Firstly, it can be assumed that passive-seeker candidates tend to be better qualified, and enjoy a higher "market value" on the labour market. This is partly why they can afford to be passive. Businesses should thus strive to recruit people from this group. Secondly—and this point is crucial —, employers must themselves actively seek to secure passive candidates. The process here mirrors normal life: if two people want to get to know each other, at least one of them must actively approach the other. If the candidate is passive, the employer must exhibit *active* strategies. And that's precisely what this chapter is about. It should also be mentioned that, due to the increasing talent shortage, we will be seeing more and more passive candidates. Relying solely on active seekers during the recruitment process will particularly make it impossible to fill key and bottleneck functions with suitable candidates.

But what does it mean to source actively as an employer? Being active essentially consists of two dimensions. On the one hand, it means displaying a certain degree of competitiveness. Sales staff will be familiar with this. They have to compete with rivals for customers and clients every day. This is precisely the same thing. After all, we talk about the "war for talent" in our recruitment context. On the other hand, it also means involving the line when sourcing and identifying suitable candidates. The line comprises those areas of a company which are not part of the HR department, e.g. production, marketing or purchasing. Sourcing strategies are thus considered active if the search for candidates is not considered purely an HR task, but rather one which involves all parties affected.

If these two dimensions—competitiveness and line involvement—are combined, we end up with a two-dimensional field showing various sourcing strategies (see Fig. 6.1).

Figure 6.1 positions various sourcing strategies in relation to the two aforementioned dimensions. This classification is based less on empirical findings and more on plausibility considerations. The bottom left-hand corner shows the passive sourcing strategies, which include the classic, textbook approaches such as job advertisements, hiring executive search consultants, or visiting career fairs. In this context, job advertisements are considered as being all advertisements placed with the aim of filling a vacancy, regardless of the medium. These measures are well known and quite prevalent, which is why I will not be addressing them any further. The focus here is instead on the more active sourcing strategies, which will be examined in greater detail in the next few sections.
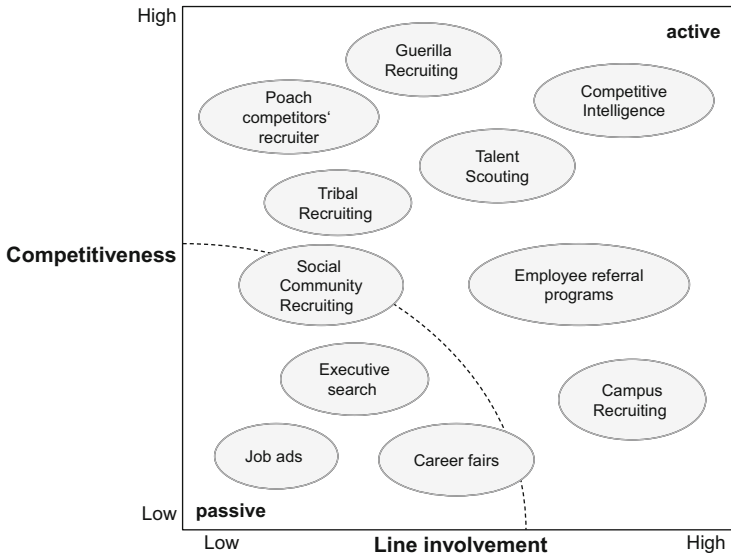
Fig. 6.1 Passive and active sourcing strategies

6.2   Social Community Recruiting

Every Internet user has access to platforms which executive search consultants or recruiters could once only have dreamed of. Many people talk about LinkedIn[1]—a social network platform where millions of users can display their CVs, preferences, strengths and professional contacts. This information is accessible to anyone. Unlike Facebook, LinkedIn has a distinctly professional focus, primarily serving to maintain business contacts, cultivate career opportunities, and engage in professional exchanges.

LinkedIn is a good way to find and contact suitable candidates, so it comes as no surprise that it has quickly become one of the most important career platforms. However, it differs from the traditional Internet job boards in that social network platforms are about finding talent, while job boards are primarily about finding jobs. Platforms like LinkedIn cater to the notion that, in view of the talent shortage, more and more businesses are approaching the candidates, and not vice versa.

Regardless of how you search, or what you search for, you will end up seeing a list of people whose profiles can be viewed in more detail. The most relevant information is:

– What does the person currently do, and what were their previous positions? This information is similar to a CV.

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[1] http://www.LinkedIn.com

– Why is this person on LinkedIn? Even if their profile doesn't explicitly say that they are "interested in career prospects", it doesn't mean they aren't. Passive-seeker candidates don't publicise this, and many active seekers will also refrain from articulating this openly.

– People instead use the "Interests" section to state whether or not they are interested in new career opportunities (they mostly talk of "interest in new challenges"). Others clearly state here that they are not interested in new prospects, and may not even want to be contacted.

– LinkedIn shows the social network connection between oneself and the person found. You will often notice that your own colleagues will already know them, which makes it easier to obtain internal references.

If you find someone of interest, you can contact them directly through LinkedIn. Many HR managers are already aware of all this; indeed some of my own research has shown that the number of HR managers actively using LinkedIn for recruitment purposes is rapidly growing. However, *professional* use of LinkedIn is an area where a major catch-up is required. Apart from the oft cited lack of resources, the main question raised is how LinkedIn can actually be used efficiently. Five aspects should be borne in mind when using LinkedIn: (1) Target group involvement, (2) Personal candidate approach, (3) Prioritisation of candidates found, (4) Systematic documentation of results and activities, and (5) Targeted incorporation of the line. These five principles are explained briefly below.

1. Jobs are changing faster than ever before. There are jobs around today which didn't exist 3 years ago, and other new professions will in turn emerge in the next few years. This is due to rapid technological changes and globalisation. How many people already know what a "SharePoint Implementation Consultant" or a "Technical Writer Mobile Architecture" does and what these jobs involve? Now more than ever, HR staff are dependent on the support of the respective target group. Someone using LinkedIn to look for a candidate to fill the position of "Global Support Consultant Logistics" should seek advice from those who are familiar with these fields or who themselves hold a similar job. Which terms should I use when searching on LinkedIn? Which employers should I look out for? What should a candidate ideally offer? How do I approach a candidate and how do I pitch my vacant position to him/her? These are all typical questions best discussed with internal representatives of the target group before searching on LinkedIn.

2. In an unpublished experiment, we went undercover to contact candidates on LinkedIn regarding various jobs. One approach was to do so in an impersonal manner using a standard letter: "Dear Sir/Madam, we came across your profile and are contacting you regarding …" etc. The other approach was to make personal contact, using the candidate's name and a small personal reference to their CV: "We are particularly interested in your work at …" The response rate for the first, impersonal approach was between 10 and 15 %, while the personal approach obtained responses in 60–80 % of cases. This is a clear difference. The second variant is thus not only more involved, but also results in much greater success.

3. Depending on target function, the LinkedIn search can quickly yield extensive results, making it comparable to receiving lots of applications, although the active search has made pre-selection virtually obsolete. In this case, it is advisable to follow the same approach as for applications, i.e. categorise the candidates in a ranking order, e.g. A, B and C, with the A candidates being contacted first.

4. Anyone who has already used LinkedIn to acquire talent will have noticed that it's relatively easy to lose track of how you've searched and whom you've found or even contacted. After spending an hour looking for candidates on LinkedIn, you should have a clear, visible result. This should not be misconstrued as a cue for unnecessary bureaucracy. Practical experience has merely shown that, without the required documentation, you soon not only get hopelessly bogged down, but also lose interest in the whole exercise. Pragmatically speaking, the solution lies in a simple Excel spreadsheet which documents your search results and activities. Those who still find this too much work should consider outsourcing at least the candidate search, e.g. to a junior consultancy division.

5. Colleagues from the specialist divisions often have excellent networks outside the company, and this is frequently reflected in their own LinkedIn contacts. It is thus advisable to ask selected colleagues for their help when searching for suitable candidates. One option here is for colleagues to advertise vacant positions in their LinkedIn status, providing a link to the relevant online job advertisement. If, for example, you're looking for a candidate for an internal auditing department, you should ask existing staff members from this function to post an appropriate status linking to the vacant position.

Although LinkedIn is definitely the most commonly used platform for social community recruiting, we shouldn't forget about other social media platforms. Twitter, forums and blogs in particular provide interesting options for finding promising candidates. In my view, Twitter is still underrated as a candidate search tool, which is why I will be examining it in more detail below. The possibilities generated by blogs and forums will be discussed further on in relation to talent scouting.

As already mentioned earlier on, I myself am an active *Twitter* user.[2] I follow other Twitterers who alert (tweet) me to HRM content of interest. For me, Twitter is an important channel for keeping up to date on current content following the Web 2.0 principle, according to which I don't go to the information, but rather the information comes to me. So anyone wanting to know who, in my view, has something to say about HRM can look through my account and see which persons I follow. This approach provides valuable access to relevant target groups. There are experts in almost every topic on Twitter. If you're looking for candidates interested in SAP HR, for example, you can use Twitter to keep a lookout for people who regularly post about this. The extent to which these people really have something useful to say is reflected by their number of followers. The number of

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[2] @armintrost.

followers is a reliable indicator of whether or not a Twitterer has an impact in the community—something ultimately only achieved through interesting content. Once these experts have been found, you can be sure that the people they themselves follow will lead you to more experts within related subject areas.

Sourcing candidates through Twitter requires a number of skills which extend well beyond those needed for the LinkedIn search. LinkedIn is essentially a database enabling you to find what you're looking for using set search criteria. On Twitter, however, you have to gain access to a network and identify the key players. A person's skills and experiences are not displayed directly, but are instead reflected by the importance of the Twitterers in their respective networks. You also need to learn to understand the network. If you regularly look for candidates in specific fields, it's worth studying the relevant community over a longer period of time. You should become an active Twitterer yourself and see how this platform works. If you have identified some decent candidates on Twitter, you can follow them and get an idea of their activities. Twitter is also an excellent way of contacting other Twitterers in a simple, uncomplicated manner.

Many HR managers wonder whether it is ok to approach other people on LinkedIn to advise them of a job at their company. They worry about the legal implications. However, headhunting only becomes a legal concern in some countries if you deceive candidates, mislead them, and actively force them to terminate their current employment contract. Depending on the local legislation, matters may become a legal risk if you try to headhunt staff purely to harm competitors.

I see a different issue here. In HR, we have for decades been used to the fact that people apply to companies, and not the other way around. Looking for suitable candidates and actively approaching them is a foreign concept. Contacting third parties takes courage and is not everyone's bag. You have to be born for it, have the right personality, and possess the right skills. In the past, it was convenient to work with applicants who wanted something from the employer. We knew that those who applied had at least some degree of interest. In social community recruiting, this can no longer be assumed.

At this point, it is important to understand that, through social media, the worldwide Internet community has reached a sort of consensus that approaching each other is allowed, and even welcomed, as long as it is done respectfully and fairly.

6.3   Employee Referral Programme

A so-called *employee referral programme* (cf. Berberich & Trost, 2012) is a very powerful tool for active sourcing. The underlying principle is simple: an employee recommends someone from outside the company, e.g. a former fellow student or colleague. If this recommendation results in a successful appointment, the employee who made the recommendation receives a bonus (usually financial). These types of programmes are extremely successful, and are being used actively

by more and more companies. There are a number of reasons for this (cf. Granovetter, 1995; Ullman, 1966).

One crucial reason lies in the scientifically proven assumption that "A-players know A-players". In common speech, we distinguish between two contradicting theories. One says that "birds of a feather flock together," while the other postulates that opposites attract. Based on social psychological findings, we can assume that the first theory is more accurate, although opposites do possess a certain allure. When it comes to the question of who you want as a friend or life partner, you're more likely to build long-term relationships with people similar to you. We know, for instance, that people tend to affirm their attitudes more easily if they mix with others who share their views. Or let's imagine someone with a respectable IQ of 105. If this person had a life partner with an IQ of 120, this could be stressful. But the inverse scenario would be just as stressful, i.e. if the life partner had a much lower IQ. People also look for friends based on whether they have a similar lifestyle and values. Teachers have found that pupils of comparable academic level tend to hang around each other. From my own experiences, I can confirm this is also true for university students. Companies can thus rightly presume that their employees will know other people who are in many ways similar to them. And since the current employees had, at some point, been carefully selected, deemed suitable, and continue to work for the company, it can be assumed that these people will display at least an acceptable level of proficiency (cf. Yakubovich & Lup, 2006).

It can also be assumed that good people will have strong networks (Fernandez & Castilla, 2001). There are many reasons why performance-driven people have better chances of meeting others just like them. People who are successful are perceived by others as being more attractive, and generally find it easier to build up a social network. The social world is, of course, somewhat more complex than what is described here in a few sentences. The aforementioned hypotheses are merely general tendencies, and may not apply to the individual. The crucial point in this particular context is the assumption that, through their successful employees in particular, companies indirectly have access to a powerful network extending well beyond their own borders. Most companies presumably have much better networks through their employees than through the recruiting agencies they work with to source suitable candidates. This potential can be systematically maximised through employee referral programmes.

The reliability of personal recommendations is another reason underlining the importance of these programmes. In the cultural circles I'm familiar with, a high degree of trust is placed in personal recommendations. An employee would not be doing themselves any favours by recommending a con artist purely to pocket a bonus. A recommendation which harms the company is ultimately traced back to the employee who brought the new colleague onboard. Employees know this, and it is expected they will be responsible enough not to want to debilitate the company employing them by recruiting someone inefficient.

But as simple as this idea sounds, there are numerous ways of structuring these sorts of programmes. There is no stock standard employee referral programme. The

various options essentially revolve around the following questions, which will be examined in more detail below:

– Is the recommendation what triggers the process, or are retrospective checks conducted after appointment to see whether or not the candidate had been recommended?
– How great is the incentive (bonus)? Is there one standard bonus, or does it depend on the type of position to be filled?
– Is participation in the employee referral programme voluntary or compulsory?
– Which staff members can participate in the employee referral programme—everyone or only selected staff members?
– Is the employee referral programme used for all positions, or only for selected positions?
– Who approaches the recommended candidates?
– When is the bonus paid out?

One of the easiest ways of implementing an employee referral programme is to ask the new staff member *ex post*, e.g. during contractual negotiations, whether they were notified about the position through a personal recommendation from an employee. If this is the case, the relevant employee's identity is established, and they receive a bonus. Other companies take action much earlier. For example, staff can use a designated portal or Intranet site to enter information about the person they want to recommend: name, email address, target position or function, or details on where and how they met this person. This data then triggers a process during which the recommended person is contacted. New appointments and the information obtained through this process are ultimately compared. Although this second method is much more complex and generates more information (much of which is useless), it does involve a more active approach, because it gives employees an institutionalised opportunity to actively participate in the programme. It's also a way for companies to obtain information on candidates who are perhaps not available at the moment, but may be of interest in future. The two variants can, of course, also be combined.

One key issue when implementing employee referral programmes is the *bonus amount*. According to my own estimates and observations, it is between 5 and 8 % of the gross annual target salary for candidates holding academic degrees. I often hear of discussions debating whether or not a bonus should even be paid out to employees. It is mostly argued that employees should be intrinsically motivated enough and have enough confidence in their employer that they are willing to make good recommendations even without monetary incentives. Practical experience has shown, however, that this very rarely works. We should not underestimate the time and effort involved with making recommendations. Employees have to regularly check their contacts, e.g. on LinkedIn, collect and look through their business cards, think about whom they met when and where, and what sort of impression certain people had on them. They have to consider whether these people are suitable for certain positions. And they also take on a certain degree of responsibility. Making a recommendation is thus much more than just citing a name. Of greater relevance is the question as to whether a standard bonus should be paid, or whether it should

depend on the type of position. Apart from the additional complexity of a variable bonus, there is a lot in favour of this option. After all, the degree of difficulty when filling positions also varies. One guideline could be the target annual salary of positions, which would require transparency at different salary levels. It would be easier to zero in on key and bottleneck functions: the more difficult a position is to fill, the higher its strategic importance, and therefore the higher the bonus. Some companies completely do away with financial incentives and focus on payments in kind instead, while others combine the two. Employees at Adidas, for example, have the opportunity of receiving a Vespa in addition to a financial bonus if they make a successful referral, while at Randstad, staff who successfully recruit new colleagues go into a draw to win a round-the-world trip. The advantage of these sorts of payments in kind is that they can have a viral, communicative effect. The lucky employees talk about their win, or show it off, prompting others to copy them.

Most employee referral programmes operate on a voluntary basis. Although the staff members are asked to recruit new employees, there is no problem if they don't. An increasing number of smaller and medium-sized businesses in some, usually knowledge-intensive industries are, however, running employee referral programmes in which participation is mandatory for all or selected staff members. This approach is only advisable if you are convinced all employees can make a valuable contribution. A compulsory programme sends a clear signal that recruitment is a task to be performed by everyone at all levels of the company, and thus takes high priority. I know of some small consultancy firms which run so-called "referral workshops" or "Rolodex meetings" once or twice a year, where staff meet for 1 or 2 h and bring their business cards with them. They also have their LinkedIn contacts on their smartphones. They then work together to compile a flipchart list of people, which is systematically revised and finalised over the following days and weeks. In other words, they don't wait for the employees to make recommendations, but instead create an institutional framework for actively sourcing staff. It's a similar story at Google. Due to its vast staff growth, Google has long stopped relying on passive recruitment methods—despite its high level of appeal on the labour market – and has instead declared recruiting a task for all its employees. On a set day during the year, all staff focus completely on the issue of recruitment, comb through their contacts, and get in touch with potentially suitable persons. By the evening, each staff member is expected to report on their recruitment activities and successes.

One key question when establishing an employee referral programme is that of *who* can make a recommendation. The initial thought is to give every staff member this chance—this would at least be fair, and everyone would have the same opportunities. But this raises the issue of whether recommendations are actually wanted from all employees, and whether all employees are even able to provide valuable referrals. Every company has its strong networkers; people who have particularly extensive social networks and useful contacts. They usually have several years of professional experience, an endearing manner, and are often highly qualified. Their number of LinkedIn contacts or Twitter followers provides an objective indication of this. Businesses can systematically use this advantage and

actively involve these staff members in employee referral programmes by offering them attractive bonuses for recruiting new staff. In extreme cases, employee referral programmes can even be limited purely to these particular employees. You can also take it a step further and ask employees to apply for this programme, meaning recommendations can only be made by staff members specifically selected for this purpose. This gives the programme an exclusive character—"applying to be a recruiter"—, ultimately narrowing it down to a strong, select group of referrers who can be trained, accompanied, supported and managed accordingly for this task.

This often raises the question of the extent to which HR staff can participate in an employee referral programme. After all, they're officially responsible for recruitment, and it's their job to secure new talent. HR staff members rarely use their personal contacts to fill positions at companies. If they do, however, there is no reason why they shouldn't receive a bonus if this results in a successful appointment. We also see some companies asking applicants, former staff or anyone else to make recommendations.

Another format is based on the *positions* for which an employee referral programme is designed. It is either used to fill all positions, or only those which are assumed to be (or known from experience to be) hard to fill. Decisions can be made together with the relevant line manager, as part of the position-based recruitment strategy. Differentiation is usually a good idea here, as it avoids the wastage associated with a peanut-butter strategy. Position-focused employee referral programmes do, however, require that the vacant positions be communicated to the staff members in a targeted manner. A special Intranet site (pull principle) or active informing of staff (push), e.g. via email, Yammer[3] or other communication channels, is essential here.

As explained above, some employee referral programmes operate on the basis of staff members making a personal recommendation, thereby triggering further processes. It is necessary to clarify here how and, more importantly, by whom the referred person is to be contacted and approached. There are different options for this. The person is either approached directly by the employee who made the recommendation, or they are contacted by someone from the HR department. Alternatively, it may be worth considering contacting this person through an external agency, e.g. an executive search firm. Each option has its pros and cons. The staff member knows the recommended person the best, and is the closest link to them. Employees in the HR department usually exhibit greater professionalism and are better at providing information on formal framework conditions, such as salary or fringe benefits. External agencies, on the other hand, can take the strain off a company when it comes to approaching recommended candidates, and usually do so in a very professional manner. In addition to this is the fact that approaches made by an agency appear less like a headhunter, even though there is no difference from a legal perspective. In the latter case, however, it must be contractually established

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[3] Yammer (http://www.yammer.com) is a Twitter-like website designed for internal company purposes, and is increasingly being used as an effective means of employee communication.

that the agency will not use the valuable contact for placements at other companies. The appropriate method should be chosen on a case-by-case basis; it may even be advisable to combine more than one.

Then comes the issue of *when* the bonus should be paid. There is a wide range of options here. The main question should be what the bonus is actually paid for. For the recommendation itself? For a successful appointment? For a successful probation period? Or for a long-term employment? Some companies already pay a small bonus, e.g. 50 Euros, for a recommendation, which may lead to a high number of largely unqualified referrals. This goes against the principles of an HR department striving for efficiency. It is an approach which ultimately requires a pre-selection phase similar to when applications are received in response to an advertisement. Some industries and companies, on the other hand, are grateful for any kind of contact. My own observations have shown that most companies pay the bonus straight after the employment offer has been accepted by the candidate. Even though it is not clear, at that time, whether the new employee will prove effective, the recommender's task is deemed complete. That staff member is not held responsible for the new colleague's success or failure. After all, this depends on a multitude of factors beyond their control. According to my observations, however, the bonus is often only paid once the trial period has been successfully completed. In many cases, a mixed model is implemented, whereby half the bonus is paid upon job offer acceptance, and the other half after the probation period.

There are some labour markets and industries in which the talent shortage has become so extreme that the companies are prepared to pay very large bonuses if a new staff member is recruited. These sorts of setups run the risk of employees being asked to act more as head-hunters than to do their own job. In these instances, the monetary incentive takes preference over the success of the company. Many countries have seen employee referrals become a whole new line of business, where friends and relatives earn money by referring each other, cash in on and share bonuses, before terminating their contract so as to be recommended to another company and start the whole process again. Fortunately, these cases are rare, but they do give rise to the option of gearing the bonus around the recommended employee's years of service at the company.

The wide range of variants shows how different employee referral programmes can operate. When developing and implementing such a programme, these options should be discussed in detail to ascertain the right approach for the respective company. I would also like to briefly examine two factors relevant to success in an employee referral programme, namely KPIs and the right technology.

Suitable *KPIs* help assess the success of an employee referral programme, systematically improve it, and justify it to the management if necessary. A series of suitable KPIs are explained below:

– One of the most important and obvious KPIs would have to be the number of new staff members hired through an employee referral programme. It ultimately shows the relative importance of this measure in conjunction with various recruiting instruments. The significance of this programme becomes clearer if

we distinguish between new appointments for bottleneck and key functions and the other functions.

– The quality of the referrals can be analysed based on the number of appointments made as a result of the recommendation, compared to the total number of recommendations. A more accurate, albeit also more complex, method would be to examine staff KPIs over the first few months and years. This allows you to assess how many high potentials there are among the staff members recruited through referrals compared to the rest of the workforce. It would be easier to evaluate new hires at the end of their probation period. This should show that employees recruited through referrals rate better after their trial period than those employed through other means.

– The number of referrals in relation to the total number of employees reflects how this programme has been internally accepted. This KPI thus not only becomes interesting, but is also relevant if objectives have been agreed on with employees.

– The total costs resulting from bonuses paid out per year could ultimately also be of interest. If this amount is divided by the number of new staff members employed through referrals, it generates the cost-per-hire for referral programmes. It is particularly useful to compare this with the average costs incurred when using other recruitment methods. The ratio between these costs can help justify the importance of the programme to the management, as the costs of employment through referrals are usually less than the standard recruitment costs.

Depending on the company's size and the complexity of the employee referral programme, the use of suitable technology may also boost the success of the programme. This technology should be able to do two things: On the one hand, it should make it easier for the employee to make recommendations, ideally based on visible, advertised positions. On the other, it should continuously show the current status of the process to the recommender as a workflow. Corporate consultancy firm Accenture provides its staff with a specially designed portal where recommenders can not only track the status of current referrals, but also their previous activities and bonuses. Current vacant key positions are also displayed. Similar public platforms have emerged online in recent years (see Box 6.1), and it is expected that employee applications for Smartphones and tablet PCs (e.g. iPads) will also be available in future.

Box 6.1: Democratising Executive Search
In the past, it was up to companies to determine the extent to which they used employee referrals and institutionalised them through suitable processes and framework conditions. However, there will be online platforms which enable any Internet user to earn money through recommendations. This can rightly be viewed as a form of democratising the executive search, because these

(continued)

Box 6.1 (continued)

sorts of platforms give every user the chance to earn money by recruiting staff. All they need is a browser and a social network. Businesses can advertise jobs and offer a recruitment bonus accordingly. Along with the advertisements, a network (similar to that on LinkedIn) forms the essence of this platform. These networks are a so-called "closed network", where users can only participate if invited by existing users—a very common approach to ensure a network's quality. If a user notices a job advertisement and recruits members from his/her network with just a few clicks, he/she will receive the relevant bonus if this results in successful employment.

There is no doubt that employee referral programmes will be the dominant recruitment tool, particularly when it comes to filling bottleneck and key functions. Nevertheless, this approach is sometimes also criticised.

One of the most common points of criticism is that employee referral programmes are an institutionalised form of nepotism. Indeed, employee referral programmes do give friends, acquaintances and relatives of employees a greater chance of being noticed during a company's recruitment scheme. But whether or not this is ultimately nepotism depends on the actual selection process. There is essentially only a risk of nepotism if candidates are given preference *because* they are considered as a result of a referral, i.e. the referral itself is used as a suitability criterion. Technically, this risk can be averted by not distinguishing between candidates proposed through a referral programme and other candidates (if there are any) during the selection process. The risk does, however, certainly exist at an informal level, as the employees in the HR department and the line responsible for selection may not want to snub the recommender by rejecting "his" or "her" candidate.

The second, prominent point of criticism is that employee referral programmes generate a *monoculture* which is unhealthy for company success. This idea is based on the aforementioned assumption that people primarily gravitate towards others like them. So if employees were to recruit other employees, it would, according to this criticism, lead to an organisation constantly being reproduced with people similar to its existing employees—the organisation as a self-stabilising system. If this is the case, employee referral programmes prevent a company from receiving fresh, external inspiration and achieving the internal diversity now accepted as desirable. However, the extent to which this (in my view, academic) criticism is accurate will not be further examined here.

6.4   Campus Recruiting

When it comes to recruiting university graduates, it has become increasingly apparent that it is worth contacting students as early as possible and maintaining ties with them throughout their studies, so that they can be employed once these are complete. As a professor, I directly witness company activities, at least at our faculty. The deanery receives letters or emails from companies, enclosed with advertisements for internships or jobs, or posters, with requests that they be put up. We have hired a number of teachers. Company representatives make interesting presentations at various events or during lectures, and the companies also attend our annual, internal career fair with their own stands. While this all comes under "campus recruiting", these activities are, at best, rudimentary approaches to the professional variant.

One frequently cited approach comes from Nilgens, Eggers and Ahlers (1996), who describe the complete campus recruiting process, consisting of several stages from initiation of contact to employment (see Fig. 6.2).

During contact initiation, presentations or posters are used as advertising. Actual contact is made at recruitment fairs, and is intensified through internships or similar. If the contact is cultivated over a long period of time, e.g. through dissertations, and things go well, the former student is then successfully employed. The notable aspect of this approach is the method with which the various activities build on from one another. It shows that more than one stage is needed in order to recruit students. This book picks up on these ideas, but applies them using a somewhat different method. Contact initiation is seen more as part of the Employee Value Proposition. The cultivation of relationships is addressed further on in relation to candidate retention. The associated activities are, however, of a general nature, and don't just apply to students. Contact initiation, for instance, is also relevant when recruiting non-students, as is the retention of promising candidates—just to name a few points. The approach described below is therefore different, relating purely to sourcing activities aimed at recruiting students.

The ultimate goal of campus recruiting is to establish direct contact between company representatives and students. "Company representatives" are not so much colleagues from the HR department, but rather staff members or managers holding the same type of jobs targeted by the campus recruiting. Students want to talk to people who are or have been in the advertised positions. This requires a series of measures consisting of three separate components which build on from one another (Fig. 6.3).

They start with criteria-led identification and definition of the target universities wanted for long-term, professional co-operations. The most important step thereafter is to build relationships with professors and students. This network and the relationships are what then help to implement the specific campus recruiting activities.

Let's first talk about *identifying target universities*. As will be seen further on, campus recruiting is an extensive concept which requires significant resources. It is thus obvious that a strategic, focused approach needs to be adopted when

Stage	Scope of Contact
1	Initiation of contact
2	Contact/Approach
3	Contact intensification
4	Relationship building
5	Employment
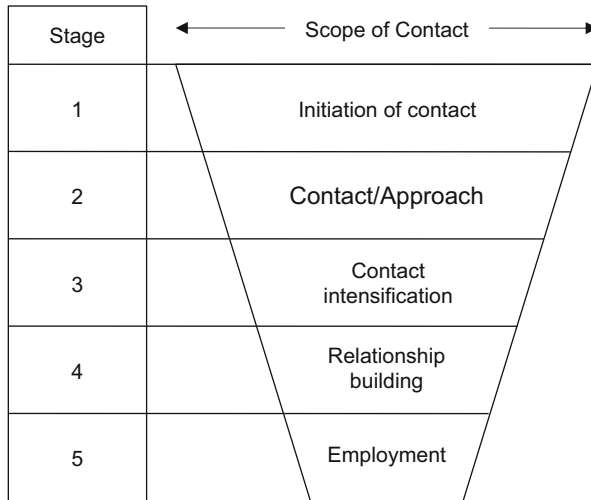
Fig. 6.2 The complete campus recruiting process according to Nilgens, Eggers and Ahlers (1996)

co-operating with universities. I know of many businesses who, when asked about the universities they work with, spout off an endless list of institutions. Most of these lists have some sort of historic background. Someone once did something with a particular university (but nothing since), while another university is on the list because one of the CEOs studied there and wants "their" university on the radar. But the principle to follow here is this: it is better to work with fewer universities and do it properly. A series of criteria should be applied when selecting target universities:

– Do the courses offered by the university meet the requirements particularly for key and bottleneck functions, in terms of content and quality? This primarily relates to a university's faculties and their curricula, and less about the university as a whole.

– Have graduates from the university been employed in the past? This criterion is as simple as it is valid. Analysing the universities from which graduates have been recruited in the past provides useful information on where success can be achieved in future. Alumni and their networks provide the best possible access to a faculty. It is also worth noting here the extent to which projects, dissertations and internships were successfully awarded in the past.

– When building a relationship with a university, there is nothing more helpful than having a CEO, executive or senior manager who has studied there. One criterion could thus be how many managers or staff members have studied at a university, or the extent to which natural relationships with the university already exist at the senior management level. Managers often have temporary lectureships at certain universities.

– There are some universities whose graduates are hotly sought after by numerous companies. This is mainly due to the quality of the graduates and the reputation

Identifying target universities	Building and maintaining a network	Campus recruiting activities
Assessing and selecting a few universities and faculties using clear criteria	Interaction between different roles at the university and company	Conducting specific measures to bring managers in contact with students

Fig. 6.3 Components of modern campus recruiting

of the university. It may, however, be worth consciously approaching other universities or niche faculties. One criterion could thus be the competition: does t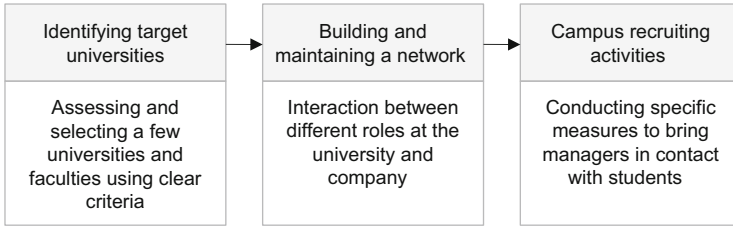he university already maintain significant relationships with other companies in the same industry? If so, this reduces an employer's chances of securing a successful partnership with the respective university.

– It is also worth examining the extent to which a university or faculty is open to institutional partnerships with companies. An initial port of call could therefore be so-called career centres, which more and more universities have institutionalised specifically for corporate co-operations.

– The university's regional proximity may be another criterion. Practically speaking, you take a map, draw a circle with a predefined radius around the university location, and focus on all institutions located within the specified geographic region.

– Finally, cultural suitability can also be a criterion. Some universities have an elitist character, while others produce more casual graduates. Each university has its own implicit set of values, similar to companies. This then raises the issue of how well a university's values fit with your own company culture.

Target universities are essentially determined using the same principles as those applied when selecting candidates in strategic purchasing, or when selecting partners as part of professional partner management. People seek to make decisions as rationally as possible, taking into account relevant factors. Apart from ascertaining whether the university produces suitable students, the key criterion when selecting target universities is the managers' willingness to co-operate with an appropriate university, and this is established by the relationships they maintain with a university. The natural ties a company maintains with a university or faculty through its employees should therefore always be the starting point.

I know of companies whose HR departments go to extreme lengths to secure students from select universities, hanging up posters or attending internal university events. Many companies also have managers who choose to work as lecturers, usually because they once studied at a university. Both activities are important in campus recruiting. If synchronised and co-ordinated, however, they would generate much greater added value. That's why I will now more closely examine how a professional *network* can be properly organised and orchestrated. After identifying the target universities, this is the second component of campus recruiting. Figure 6.4 provides an overview of the various roles within such a network.

Fig. 6.4 Roles within a
campus recruiting network
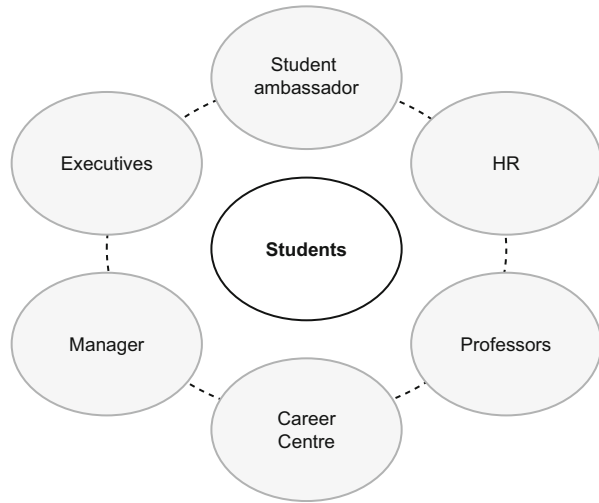
Campus recruiting of course focuses on the students as the relevant target group, and all activities are geared around attracting these. When it comes to reaching out to students, the *managers* from the line play the most important role. This is based on the assumption that students primarily want to talk to people who are currently doing what they themselves could achieve at a company in the long term. When dealing with an IT company, IT students prefer to talk to developers rather than people from the HR department. And these don't necessarily have to be managers with leadership responsibility; they can also be high potentials or other staff members. They are ultimately company ambassadors who can represent their employer to students in an appealing manner with the necessary experience and insights, and are the best at conveying the required degree of enthusiasm for the tasks and challenges. Through their manner and appearance, they represent the corporate culture embraced by a company. They have a good technical understanding, and can duly provide students with information on new technologies, products or markets.

Despite the obvious fact that managers are important to campus recruiting, some HR departments still have trouble motivating them to do what is needed. HR professionals will be familiar with this problem. We ultimately find that HR departments have very limited capacities when it comes to mobilising managers for campus recruiting. Other factors need to come into play here. As already mentioned, managers are primarily, and perhaps only, motivated to engage in campus recruiting if activities revolve around "their" university, in which case they may be very enthusiastic. After all, it means that, after many years, they can return more mature and experienced to the institution they once attended as a young student, and with which they have emotional ties. Managers thus have the opportunity to "give something back" to the university. They pass their wealth of

experience on to the next generation of students, hoping that they will be successful—more successful than students from other universities.

More and more companies are working with selected managers to formulate annual recruitment goals. For example, some managers' target agreements stipulate that they must dedicate 5 % of their time to recruiting students at a university, producing a clearly defined result. They thus don't rely on the managers' intrinsic motivation, but instead seek out those whose manner and experience make them suitable ambassadors. Their participation in campus recruiting is ultimately not left to chance. This shows that the management plays a more critical role than the HR department, which, by nature, is not in a position to formulate objectives with managers. We will examine the management's role further on.

Managers can perform a wide range of tasks as part of campus recruiting. These include making presentations as a special event or during lectures. Professors are usually very open to these sorts of activities, particularly if they favour practical approaches. Temporary lectureships are a more intense form of involvement. Many managers not only enjoy working with young people, but also see the honour in it—after several years, they often receive honorary professorships, and thus the desirable title of professor. In addition, they can supervise Bachelor or Masters theses, or award student projects. Another aspect of professional campus recruiting sees them attend relevant career events at the university, where they represent their employer. Last but not least, they also have the opportunity to actively support student initiatives (e.g. Enactus, see Box 6.2).

Some of the activities are addressed in more detail further on. It is worth mentioning here that universities and faculties are usually open to, and indeed even welcome, manager involvement. Departments geared around practical experience and networking in the industry particularly embrace it.

Box 6.2: Enactus

Founded in 1975, Enactus[4] (formerly: SIFE) is a non-profit, student organisation seeking to involve students all over the world in projects relating to sustainability. Enactus has seen rapid development in more and more countries in recent years, and Enactus teams are being formed at an increasing number of universities. In these teams, students pool their knowledge to address issues such as enabling people in need to obtain long-term employment. To do this, they develop their own business ideas, and implement these in co-operation with the affected parties, often receiving financial and content-based support from reputable companies. These companies in turn have the advantage of being in direct contact with these special students, who not only study for academic purposes, but also demonstrate social involvement. An annual national competition sees numerous judges select and

(continued)

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[4] http://www.enactus.com

> **Box 6.2** (continued)
> celebrate the university team with the best project. The jury consists of
> sponsor representatives, honorary members, and former Enactus students.
> The national winners then participate in the global competition, which may
> be held anywhere in the world.

Executives have a certain allure and appeal for students, particularly if they are
well known business personalities. They thus often act as role models for the young
people. This is particularly the case if they have studied at the same university or
faculty as the students themselves. Thanks to their prominence and appeal,
executives—i.e. managing directors, executive board members and senior
managers—can use methods such as presentations to reach out to a large number
of students, and represent their company as an employer. Through personal
relationships with professors, deans or principals, they can make a significant
contribution by opening doors to further activities at a university. They are fre-
quently members of a university's or faculty's scientific advisory board. At an
internal company level, they are responsible for obligating their managers to get
involved at universities. Furthermore, they are usually in control of financially
supporting student initiatives, such as Enactus or AIESEC.[5]

Companies with a properly thought out campus recruiting process are increas-
ingly utilising the role of so-called *student ambassadors*. These may be employed at
a company as placement students, who attend one of the target universities.
International accountancy firm PricewaterhouseCoopers (PwC), for instance,
hires former interns as "talent ambassadors", who are displayed on a specially
created website, and increasingly also on Facebook. Other students are asked to
contact these ambassadors if they have any questions about career opportunities.
Apart from acting as contacts for their peers, however, student ambassadors also
advise their company when it comes to planning and conducting marketing
activities. After all, students of a faculty or university are the ones who know the
best parties to distribute flyers at, the most beneficial place to put up posters, which
professors are the most open to such activities, and which student organisation
provides the best access to top students. Last but not least, ambassador programmes
are an excellent way of retaining outstanding students for the long term. Students
develop a connection with a company simply by flying its flag for an extended
period of time.

But campus recruiting is not just about co-operating with the student
ambassadors; there are a number of other people who can help provide access to
the best. These include current interns, students completing a thesis at the company,
or new employees. Employers should take advantage of their network. At my
faculty, I constantly see students arranging international internships for each

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[5] http://www.aiesec.org

other by seeking successors for their own internship and thus accessing their network. Employers should also use any opportunity they get to talk to research assistants, tutors, Masters students, and Ph.D. students. These are the very students who often have excellent networks within their faculty.

Professors play an important role in campus recruiting, because they have close ties with the target group and university as a result of their job. They run lectures and seminars in which managers make guest presentations. They supervise Bachelor and Masters theses written at companies, as well as practical and scientific projects carried out in co-operation with companies. Professors know which students produce outstanding performances, and can provide the best estimate as to which of these young people will display talent and potential. If employers thus want to contact students, they need to go through professors. In any case, making contact with professors generates a lot more options. Professors themselves are of a special nature. Many have become what they are because they wanted independence, and value their academic freedom above all else. It is difficult for universities to force professors into campus recruiting activities. It is instead a matter of understanding their interests, and describing to them the added value they would achieve by co-operating with companies. Their preferred business partners are executives, or leading experts at companies who work in areas relating to their research interests.

More and more universities are now running so-called *career centres*—central institutions which, externally, attend to co-operations with companies regarding career opportunities, and internally act as a contact point for students when it comes to internships, career options, or when students simply want advice on their personal career strategies. These career centres are a good way for companies to find out the possibilities a university offers employers in terms of gaining access to students. They can provide information on where and when a university holds career events which allow employers to attend.

As the aforementioned roles demonstrate, systematic, professional campus recruiting can be complex. It requires that employers orchestrate and bring together students, student organisations and ambassadors, professors, executives and managers in such a way that the greatest possible number of suitable, talented, motivated students apply for jobs. This means that targeted training or appropriate framework conditions must be provided to ensure that the players involved with campus recruiting (managers, ambassadors) are capable enough. It is a matter of establishing and co-ordinating contacts where required. All this is usually considered an *HR* task, although this department is not explicitly expected to approach and woo students, unless certain HR officers can represent the company impressively to the respective target group. That's the managers' job. HR creates the framework conditions for managers or employees from the line to enter into a direct exchange with students. Every company involved with campus recruiting is faced with the question of how central HR's organisational role should be. No general answer can be provided here. Of greater importance is the question of how the various roles within a company—i.e. managers, executives, student ambassadors—co-operate. Further roles may even be defined. For example, some companies employ so-called
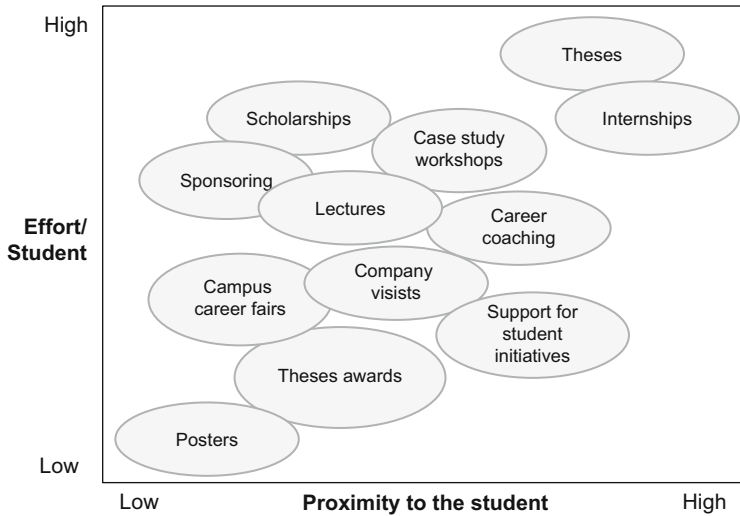
Fig. 6.5 Campus recruiting activities

"Corporate Campus Recruiting Managers", who are responsible for managing all activities and relationships pertaining to campus recruiting. I thus recommend that HR conduct a one-off workshop where all participants discuss the future collaboration, and devise a suitable approach for the company. Thereafter, it is worth holding regular, balanced meetings to address future activities, experiences and successes.

We now come to the third component of campus recruiting, the actual *activities* which can be carried out through the aforementioned network. Figure 6.5 shows the conventional activities sorted by effort per student and proximity to the student.

The arrangement of the various activities in the above diagram is based more on plausibility considerations than solid, empirical findings. The effort per reached student, and the proximity to them, can vary greatly depending on the type of activity. It can generally be assumed that the more intensive the contact with, and proximity to, a student, the greater the effort required by a company to contact the student and enter into a constructive exchange with them. Posters involve little effort and have a vast reach, but don't provide enough contact for employers to leave a long-lasting impression. They don't allow a direct student experience, unless they are followed up by further measures. It's a completely different story for internships, which require personalised, and relatively intense support and liaison.

If we apply the stage-based model by Nilgens, Eggers und Ahlers (1996) (shown in Fig. 6.2) to the measures outlined here, this would mean that an employer would have to gradually battle their way, so to speak, from the bottom left-hand corner to the top right-hand corner. They would start with posters and end with internships and/or theses. But this is not necessarily true in practice. In individual cases, for instance, a brief phase of initial approach, e.g. through a guest presentation, is soon

followed up with an internship. Some students secure a term paper directly through an advertisement or through their professor, and stay at the respective company after completing their studies. Most of the aforementioned activities do not require further explanation. People already know what internships, posters, lectureships etc. are. Two aspects of campus recruiting will, however be of particular relevance, and are worth a mention here. The first entails being able to distinguish oneself from the competition (particularly crucial in future), while the second relates to the importance of going where the best students are.

Employers are especially visible with posters, flyers etc. at universities whose graduates are highly sought after on the labour market. In future, this will require activities which enable companies to somehow set themselves apart from the others. These may be measures differing from those commonly seen at universities in the past.

Most universities, and particularly business faculties, have junior consultancy divisions (Fig. 6.5 includes these under student initiatives). Students in these organisations are often particularly dedicated and open to working with companies. Their services can be procured cheaply, simultaneously allowing companies to make contact with their target group. Particularly motivated students can also be found in initiatives such as Enactus (see Box 6.2) or AIESEC. Countless students involved with these initiatives demonstrate leadership strength early on, and frequently serve as natural opinion leaders. All these are examples of where to find good students and how to appear on the target group's radar through suitable activities.

It is also worth mentioning an aspect not explicitly addressed by this book in the context of campus recruiting, but which is still of central importance—the ongoing cultivation of relationships with promising students. These are measures which extend beyond the aforementioned activities. One typical example dealt with in greater detail further on involves maintaining ties with trainees who particularly excelled at the company, in the hope of securing them as employees once their studies are complete. This idea of candidate retention is key to TRM, and Chap. 7 covers it extensively by examining more than just the student target group.

Finally, I would like to briefly discuss the use of KPIs. Some companies, such as the accountancy firm Deloitte, see these as a fourth component of campus recruiting. One of the most powerful KPIs is the number of employed university graduates who have found out about an employer through one or more of the aforementioned activities. This indicator provides information on the effectiveness of campus recruiting, based on the ratio between the number of graduates gained through campus recruiting and the estimated total costs of the exercise. It is also advisable to distinguish said indicators for the various target universities. An even easier option is to analyse how many newly employed graduates come from each university during the year. These results are particularly useful when compared to the graduates in the target group at the respective universities.

6.5   Talent Scouting

Due in no small part to its ongoing success, the innovative circus troupe Cirque de Soleil has a specific, international demand for new artists. But it does not post any advertisements or hire executive search agencies to cover this. There is no special unit established within an HR department to attend to recruitment. It is instead the task of the existing, employed artists themselves, who spend a considerable amount of time trawling clubs, the streets and anywhere else to seek out talented artists (Taylor & LaBarre, 2006). While these activities are of course also a source of inspiration and a way of learning from audience reactions, they are primarily a means of recruitment.

A similar approach has long been adopted in sport. In their highly interesting book on the New York Yankees' management practices, authors Berger and Berger (2005) describe how trained pros spend their time at provincial high school and university baseball games to find young talent.

This method is known as *talent scouting*, a means of recruitment which has been commonplace in certain industries, such as the arts or sport, for some time. It involves going undercover to observe talented, predominantly young people performing their relevant activities (art, playing football etc.), and evaluating them with a view to approaching them and hiring them if deemed suitable. An increasing number of companies from other industries are now also discovering this method. My impression is that there are more employers adopting it than first thought. Because talent scouting is not openly visible like job advertisements or an employer's presence at career fairs, you may initially think that this approach can only be applied to very few industries, but I will now attempt to show you that, with enough creativity and the necessary logic, it can open more doors than expected.

First comes the issue of how to identify young talent—something many companies have been grappling with as part of their talent management strategies for several years. It involves answering the following question, particularly in relation to internal staff: which employees have the potential to hold key positions for the long term? The colleagues selected are thus often known as "high potentials". The case discussed here, however, relates to people who do not yet work for the company. This talent identification problem is one already being tackled by numerous sports scientists, though no clear recipe for success has been found. The so-called learning curve (see Fig. 6.6) is an initial, promising approach.

The learning curve describes how people develop a skill, whether this be in the form of leadership skills, languages, the ability to play an instrument, or B2B sales skills. The greatest development is observed at the start, and gradually decreases. Many skills also diminish with age. It can be assumed that each person has a hypothetical *maximum possible performance level*. If this is innately high, we call this *talent*. Talent is hypothetical by nature. We can't see it. The assumption made here is that rapid learning development, i.e. a high performance level in younger years or after a short learning period, indicates a high maximum possible performance level. In other words: fast learners have great prospects for long-term

Fig. 6.6 Learning curve
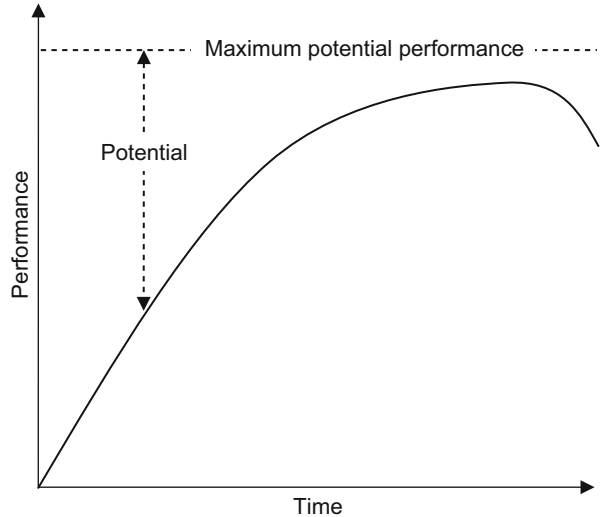
success. The difference between the current and maximum possible performance levels is known as *potential*.

But examining learning development is only one *performance dimension* of identifying talent. There are also the motivational and emotional dimensions:

– The *motivational* dimension assumes that people with a certain talent for something will display a distinct desire for performance and success, coupled with a high degree of discipline.
– The *emotional* dimension is based on the hypothesis that people with a talent distinctly enjoy performing their respective activities. They love what they do.

Talent scouting in a narrower sense involves identifying talent using the aforementioned or other criteria. If you're constantly looking for suitable software developers, you would try to seek out young people interested in development, and assess their talent in order to then approach and recruit them—a method incidentally often applied by game developers. But talent scouting in a broader sense is also used when looking for people already at their peak of their performance abilities. The advantage here is that these people can be employed directly for the relevant task, without any training. Regardless of whether the aim of talent scouting is to find young talent or people already performing at a high level, it follows a systematic process, as shown in Fig. 6.7.

The first step in talent scouting is to *determine the target function*: which position or function should/can talent scouting be used for as a recruitment tool? As already explained, talent scouting is a way of intensely binding resources. This method is thus essentially used for key or bottleneck functions, i.e. when candidate recruitment is of strategic importance to the company, or when the situation on the labour market renders it simply impossible to recruit staff using other means. To a certain degree, this initial step also involves taking into account subsequent process phases, because talent scouting only makes sense if candidates for the respective

Fig. 6.7 The talent scouting process
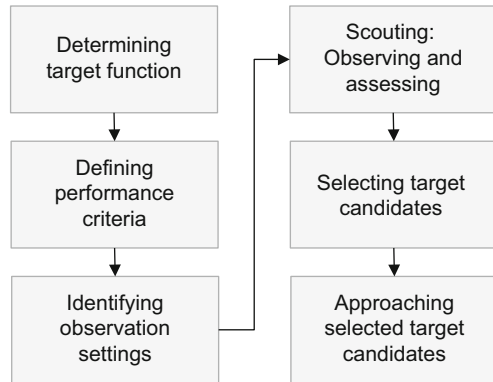
target functions are accessible in their natural work environment, meaning their performance can be observed and assessed.

The next step is to *define performance criteria*: what should be observed, and which criteria should be used to determine whether someone is a promising candidate? The HR manager of an international telecommunications company recently told me what he had done to establish a sales organisation in a country the company wanted to break into. He sent staff to the major cities to systematically gain advice at pre-selected competitor branches. The competitors' advisors didn't know they were part of an "assessment centre" process. And as with any professional assessment centre, the scouts have clear, pre-defined observation criteria: friendliness, technical knowledge, patience, empathy, as well as the handling of critical situations etc. The advisors were sometimes even posed provocative questions for the latter.

A few years ago, I had the chance to accompany a client who, based on prior experience, had found that the best staff at his sales organisation had previously been consultants in the financial services industry. This was surprising, since this customer's sales activities had absolutely nothing to do with financial services. This leads us to the conclusion that future sales staff can be found by examining financial consultants more closely. And they are very easy to observe. It was quickly decided that a selected employee would spend a few weeks seeking advice from numerous consultants, and choose the best ones at the end. In both of the aforementioned examples, consultancy or sales contexts were deemed suitable *observation situations*. This phase of identifying observation situations is undoubtedly the biggest challenge of talent scouting. Rule number one: there are more situations where potential candidates can be observed than first thought. Rule number two: A certain degree of creativity and imagination is required. Most employees who have personal dealings with end consumers can be observed. Employees of many professional groups are active and therefore visible online, e.g. in forums or through Twitter. Scientists' performances can be assessed based on their publications, while experts can be seen in action at conferences. The list goes on and on.

Then come the key phases of talent scouting: *observing, assessing and selecting candidates*. Observations always produce a list of candidates, coupled with the actual observation results. This forms the basis for evaluating the candidates. Taylor and LaBarre (2006) report on Cirque de Soleil, and the meetings where scouts (employees) regularly present their five best discoveries to other employees, sometimes with photos and videos. In most cases, however, the candidate assessment is less spectacular, and rankings are drawn up based on set criteria, so as to ultimately create a shortlist of top candidates.

The talent scouting process ends with *approaching selected target candidates*. The special feature here is that, up to now, the candidates are unaware of their good fortune, and do not know that they have been systematically observed. American recruiting mastermind John Sullivan (2005) reports of a particularly aggressive variant adopted by the FirstMerit Bank. Once competitor candidates had been unsuspectingly evaluated, and reliably deemed as properly qualified people, the decision was quickly made to send them job offers without any prior notice. This method was known as "The Interview-less Hire". Upon contacting FirstMerit to report the obvious error, the irritated candidates were advised that the offers were serious, and were given the option of a consultation there and then: "It's a serious offer. We will gladly arrange a consultation with whomever you wish to speak to. We would love to have you as a new employee."

6.6   Competitive Intelligence

Traditionally socialised recruitment professionals may find the above concepts, particularly those relating to talent scouting, a little strange, since they are used to waiting and hoping for applications in response to job advertisements. Unlike in sales, working against the competition had been virtually inconceivable at most HR departments. Talent scouting already has aggressive connotations. But there is another recruitment approach which goes one step further: competitive intelligence.

I can still vividly remember when software provider PeopleSoft was taken over by its competitor, Oracle, in 2003. I was responsible for global recruiting at SAP at the time, and PeopleSoft was one of our biggest rivals. The SAP executive board thus suggested it was time to recruit the best people from PeopleSoft for SAP. We were aware we had to act quickly. Our problem was just that we weren't prepared for this particular case. Our HR department simply didn't know who the best people at PeopleSoft were. Hiring an executive search firm wasn't much help either. Although we had thought about competitive intelligence every so often, we had never followed through with the idea. In hindsight, I suppose the thought of approaching competitors and their staff so directly and systematically was culturally foreign to us, and conflicted with our values. Yet even today, I am still quite fond of this idea.

Competitive intelligence is based on a simple concept. A list of promising candidates at selected competitors is drawn up through employee referrals, talent scouting, or other sourcing strategies. They may be people who have been contacted

in the past but who were not willing to move at the time. These candidates are then sent attractive career offers at a time when you believe their loyalty to their employers has weakened. Unlike in the previous methods (e.g. employee referral programmes), candidates are not approached as soon as they appear on the radar, but rather only once the chance of recruiting them appears very likely. It is assumed they will be particularly willing to move when their company is experiencing difficulties, whether this be through company takeovers, drastic restructurings, job cuts, or ongoing sales losses. It is not least for this reason that many companies use extensive change projects to focus on employee retention programmes, especially in terms of their top performers and high potentials.

One of the main objections raised here is the notion that it's hardly worth employing competitor staff who are the first to jump ship when the going gets tough. This is based on the assumption that those who arrive in difficult times will leave in difficult times, and that those staff members are not prepared to ride out challenges and take long-term responsibility. But things are probably not quite as cut-and-dried here as first thought. Loyalty to employers doesn't necessarily have to go hand in hand with motivation and commitment.

I was recently told about a milder version of competitive intelligence by the HR manager of an international clothing company. It was less about identifying candidates at competitor establishments and more about where jobs should be advertised in Germany to ensure optimum exposure to the competitors' employees. A trainee compiled an extensive list of all relevant competitors, including their locations and the main media read there, e.g. daily newspapers. This enabled identification of regional clusters, showing where competitors were predominantly concentrated. It was no surprise that a large number of clothing companies were found in areas such as Düsseldorf and surrounds, and the company thus decided to primarily place advertisements in regions like this one—to the dismay of the locally affected HR managers.

6.7 Guerilla Recruiting: Unorthodox Measures

The following examples all come from my native Germany, though the ideas behind them can be applied to any country around the world. What is worth noting, however, is that Germany had previously always adopted a more conservative, cautious and traditional approach to recruiting. In view of this, the examples below may be somewhat surprising. Hofheim is located between Frankfurt and Wiesbaden. This sleepy little town was home to an advertising agency with the catchy name of Pink Carrots (Former "Farben + Formen"). Its ongoing success means the company is growing, and urgently looking for new staff. This team's creativity was proven a few years ago when its employees set off one night and sprayed an (erasable) URL on their competitors' doorsteps: http://www.wirdallesbesser.com ("it will all get better"). Just imagine it: a staff member comes to work the next morning and reads this prominently placed website address. As soon as they get to their desk, they will open a browser and curiously see what

Fig. 6.8 Guerilla recruiting by Pink Carrots

this URL is all about. They are taken to a site depicting the typical vibe at advertising agencies: overtime, poor pay, chronic deadline pressure, lack of appreciation, etc. The employee can identify with this, and suddenly sees a pop-up saying "Resign now and gain an edge!" Taken aback, they are then shown a number of attractive jobs, displayed in an imaginative way (see Fig. 6.8).

Advertising agencies are usually cheeky by nature, and do not shy away from the spotlight. It should also be assumed that they are creative. So it's no wonder that other agencies have also devised attention-grabbing measures, such as Düsseldorf-based agency, Butter. In front of 2,400 people at an awards ceremony held by the Art Directors Club ADC, Butter drew an amused applause when it sent a streaker out on stage, bearing the words "Butter is looking for creative minds with balls" on his chest.[6]

These sorts of measures have recently been know as *guerilla recruiting*. What they all have in common is that they achieve big impact with minimal effort and expense, mainly due to the fact that the activities are unorthodox. Pink Carrots appointed nine new employees as a result of this stunt, for a financial cost of 9,000 Euros. These kinds of activities are of course often deemed as lacking taste, pushing the boundaries of what is ethical or legal.

But it doesn't always have to be so, as evidenced by the Festo example. Festo is a German company operating in the field of control technology and automation, and is particularly known for its innovations in pneumatics. When it came to recruiting its many trainees, it did what many other employers do and held open days for students and parents, usually on a Friday afternoon. The number of guests dwindled more and more each year. The simple reason? According to the target group, open *days* are "uncool". It would be better to instead have an open *night*. So—similar to Pink Carrots—this event was advertised via a URL: www.nacht-der-bewerber.de ("applicants' night"). The URL was printed on banners spanning several metres in length, and placed at prominent locations in the area (see Fig. 6.9). The measure was a total success.

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[6] Available on YouTube: http://www.youtube.com/watch?v=s82im1Ljo2Y

Fig. 6.9 Festo's marketing for traineeships

Every year, thousands of students flock to the graduates' conference in Cologne. Most travel by train, passing through the Cologne convention centre train station. In 2010, Deutsche Bahn, the German Rail Corporation, decided not to have its own stand at the conference. Instead, obliging Deutsche Bahn employees stood at their local platforms handing out little booklets entitled "The company checker—Today, you ask the questions". The graduates were able to use these good-quality, ring-bound books at the conference to note down questions about the employers they spoke with there. And Deutsche Bahn of course made sure it promoted itself as an attractive employer in the "company checker".

In providing all these examples, I am by no means explicitly suggesting you follow them. I do think, however, that businesses would be well advised to consider approaches beyond those found in the usual HR management textbooks. A lot has changed in recent years, in terms of communication and locomotion. Technical advancements have drastically altered the way in which people in the industrialised Western world live and work. But recruitment methods today seem to be the same as they were 50 years ago. Recruitment and HR management in general are extremely exciting, challenging fields. Yet we have hardly seen any surprises or functional innovations here for years. As a professor in HR management, I thus welcome approaches which are cheeky, creative and just different from what we have been seeing in HR textbooks for decades.

Unorthodox ideas rarely emerge within the HR department itself. The staff members in this area, who have for years been used to working with job advertisements or recruitment agencies, don't tend to break new ground. External inspiration is instead called for, particularly from the target group. That's why I recommend holding so-called innovation workshops, where HR can team up with the target group and selected lateral thinkers to come up with new ideas. This requires moderation and creative techniques in an uncontrived, informal environment (see the Haniel/Metro example in Box 6.3).

Box 6.3: Innovation Workshop at Haniel/Metro 2010

In 2010, the Haniel group, which included the world's largest retail company Metro, asked itself what young people would do if they were responsible for HR marketing and recruiting. I was fortunate enough to work with Haniel/Metro on this to devise and moderate a full-day innovation workshop with 60 university students, school students, trainees and interns. It was held in a relaxed atmosphere at the Haniel academy in Duisburg. Throughout the day, individuals or groups adopted a hands-on approach to develop and evaluate concrete ideas on four key questions: How should talented people be made aware of an employer? How do you find good people? How can employers impress them, and how can promising candidates be retained for the long term? The morning primarily consisted of warm-up exercises, e.g. involving participants using a wide range of materials (magazines, pencils, clay etc.) to create their ideal careers website on pin-up boards. Various brainstorming methods were applied to churn out all kinds of relevant issues. In a rapid sequence of exercises, the young people were introduced to the topic and asked to open their minds to it. The motto for the day was "Anything goes". While speed, openness and spontaneity were the main priorities in the morning, the afternoon was about devising concrete ideas on the four afore-mentioned questions, inspired by the morning's results. These ideas then served as the basis for their evaluation, which involved awarding points. The workshop resulted in 240 specific ideas which were separately assessed by the project group at a subsequent meeting, and prioritised in terms of their impact, expense and feasibility.

This day was extremely inspiring and fun for all participants. Apart from the concrete results, the event significantly boosted Haniel/Metro's image. Most people had never expected Haniel/Metro to provide such a fulfilling, lively and constructive day.

Inspired and encouraged by its initial successes, Pink Carrots incidentally came up with another guerilla recruiting stunt, placing deceptively authentic piles of dog poo in front of reputable advertising agencies in Frankfurt. On top of each was a little flag indicating attractive career prospects, coupled with the words: "Another day of not giving a shit?" The main thing is that this campaign was well received by the relevant target group.

At the start of this chapter, Fig. 6.1 showed an overview of numerous sourcing strategies. Most of these have already been explained in detail, except for two: tribal recruiting and poaching recruiters from competitors. For the sake of completeness, I will briefly address these here. Let's first talk about *tribal recruiting*. Many businesses know what happens when they lose a strong employee—many colleagues frequently follow in their footsteps and leave too. These sorts of situations are particularly painful for a company. But they also demonstrate a natural tendency among people and employees to stick to their trusted social

networks. For employers, this means it's often very easy to recruit an entire team through one outstanding employee, or at least a large number of the new employee's colleagues. This opportunity can theoretically be seized by encouraging one single employee (who is actively recruited by the company) to name other colleagues so that these can also be employed, or at least taken into consideration. Professor of HR management at Harvard University, Boris Groysberg, recommends this strategy based on the extensive research he has conducted in relation to employing "stars" (Groysberg, 2010; Groysberg, Nanda & Nohira, 2004). He and his colleagues clearly show that strong staff members often fall apart at a new employer or in a new environment, and no longer produce the results they were previously capable of. Groysberg believes this is due to the change in the affected staff member's social, professional environment, prompting him to conclude that employers should seek to not only recruit individual talent, but also entire functioning teams. It goes without saying that pursuing a strategy of wooing entire teams doesn't necessarily earn a company friends in the HR community. I don't know of any company which freely admitted to actively adopting this strategy. But you should still be aware of this approach, and realise that more and more businesses are likely to start applying it in future.

The strategy of systematically *poaching recruiters from competitors* is even more aggressive. By employing a competitor's recruiter, you not only get someone with the relevant skills and experience, but also someone who can contribute their networks and insights into the competitor's practices. By this I'm not implying that, during his/her last few working days at his/her previous employer, this person should save that company's applicant databases and talent pools on his/her external hard drive. I'm instead talking about legalities and things which are unavoidable. A recruiter who moves companies may not want to or be able to format his/her memory either. It's not my place to judge whether or not businesses should actively pursue this strategy of headhunting recruiters. But from an objective perspective, we do of course know that recruiters also change employers, frequently within the same industry.

6.8   Summary and Final Recommendations

The principles of some of the approaches described in this chapter will be familiar to many readers. More and more businesses are using LinkedIn to identify candidates or run employee referral programmes. Campus recruiting measures are commonly applied by most employers. But I would be prepared to wager that the wide range of options and variants presented here go well beyond what goes on at many HR departments. Most businesses' activities are predominantly designed to secure actively searching applicants, but fall down when it comes to recruiting passive candidates. And we will be seeing an increasing number of the latter due to the growing talent shortage.

At the various seminars and presentations where I address the issue discussed here, the biggest response comes from HR professionals, as well as managing

directors. There is certainly no lack of motivation when it comes to implementing new ideas. Most just wonder how to specifically approach active sourcing strategies. And last but not least, HR professionals and managers are faced with the issue of limited time and financial resources. To finish, I will thus briefly outline a few recommendations here.

– As explained above, sourcing strategies can be categorised in terms of competitiveness and line involvement. Both these dimensions act as important guides for companies with regards to their own strategy. How aggressive do we want to be? How much involvement can we expect from the line? These two questions provide a rough, initial framework. Some measures can of course be watered down accordingly. For example, guerilla recruiting doesn't always have to be aggressive. In my opinion, the most important thing is for employers to clearly define their options, and determine the sphere in which they can and want to operate. The company's culture also plays a role here, and is discussed in further detail in Chap. 9.

– Involving the target group and relevant specialist divisions is a real must when it comes to devising your own sourcing strategies. For example, if your critical target group is IT experts, you should discuss possible approaches and their feasibility with representatives from this target group. Explicit reference was made to this in relation to devising guerilla activities. But this also applies to most other approaches, like employee referral programmes or campus recruiting. The more involvement required from the line when implementing ideas, the more advisable it is to call in these divisions when devising sourcing strategies, and incorporate their views.

– As previously suggested, many businesses have already taken some sort of step towards adopting the approaches presented here. But as is so often the case, it's not just a matter of doing the right things, but rather of doing things right. While this recommendation is, admittedly, always correct, my years of observations have shown that a lot is being done without the required sustainability and commitment. You can search for contacts on LinkedIn and approach them in a professional manner. You can create a presence at universities through posters and sporadic presentations, or conduct real campus recruiting based on a functioning network and more effective measures. Not all employee referral programmes are the same. One company may gear these around a "We can do that too" approach, while another company will go all out with its referral techniques and achieve the appropriate success.

Choosing and devising suitable sourcing strategies of course depends on the company's internal situation. I have already mentioned company culture and the willingness of the line to get involved, and will examine these elements in further detail in Chap. 9. Before that, however, other aspects of TRM need to be addressed.

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Candidate Retention
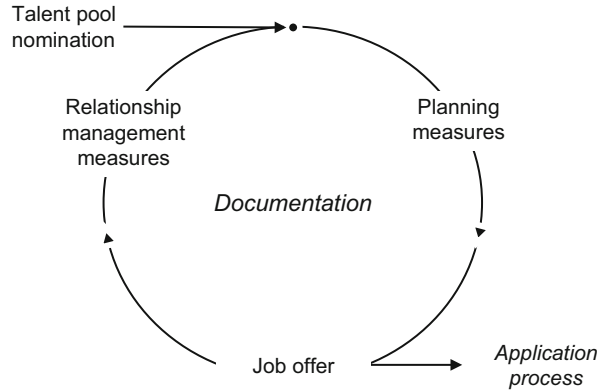
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7

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Having examined the Employee Value Proposition and active sourcing strategies, we now come to the third component of TRM: candidate retention. The essence of the idea is quite simple. You usually only meet good people once in life, which is why employers should make every effort to hold onto any promising candidates they meet and deem suitable for their company. I will use an example to further explain this idea. A student has enjoyed an internship at a company, and was found to be a talented, motivated, socially involved person. The company would like to employ this student straight away, but he/she "unfortunately" needs to complete his/her studies. In this case, candidate retention would mean actively maintaining contact with this person so as to secure them at the company once his/her studies are over. But this is just one example to help clarify the concept.

Below, I will examine how these candidates are selected, where they come from, how a relationship can be actively maintained, and how to keep track of things. As already seen in the previous approaches, the idea sounds simple on paper, but raises a number of questions in practice. The aim of this chapter is to offer more clarity, inspiration and guidance.

7.1 The Candidate Retention Cycle

In the 1990s, and certainly by the early 2000s, more and more businesses started keeping a database of applicants who, although not deemed suitable for the position applied for, were still of potential interest. The applicants would be sent a friendly letter saying "We're sorry, but you don't meet the necessary criteria for this position. With your permission, however, we would like to store your application for future reference. We'll be in contact as soon as we have found a suitable position for you," or something similar. We know what happens next: virtually nothing. I was able to provide conclusive evidence of this in 2005 when I conducted my own study using fake, but high-quality applications. Most databases became data cemeteries, fob-off pools containing a countless number of B-grade applicants. The companies completely lost track of the information, and totally forgot about the

Fig. 7.1 The candidate
retention cycle

Talent pool
nomination

Relationship
management
measures

Planning
measures

Documentation

Job offer

*Application
process*

candidates. Recruiters stopped trusting this data because, apart from some outdated applications, they had no concrete details about the candidates. This failed approach marked the first step towards candidate retention—an attempt to ensure good applicants were not forgotten. At least efforts were now being made to not completely discard people whose applications had been submitted, and whose interest in the company had been noted.

What this approach obviously lacked, however, was the required level of focus on the really good applicants, and the methods and sustainability necessary to handle them. It is thus much more a case of what can be described as a regular candidate retention cycle (see Fig. 7.1).

The talent pool is initially nothing more than a list or database of people with whom employers want to maintain contact. The focus now shifts to relationship management based on an individual or group. In some cases, this means arranging a specific job offer, though it is usually a question of initially planning and implementing other relationship management measures. Information on the candidates in the talent pool must be documented and updated throughout this cycle.

The analogy with a classic sales process is more than just a coincidence. In its broadest sense, candidate retention is a type of sales activity. In a sales process, particularly relating to industrial goods (Business to Business, B2B), a distinction is made between "suspects", "prospects", "leads", "opportunities" and "accounts". Suspects are nothing more than contacts; prospects are contacts to be taken seriously. Leads imply that interest has already been shown by the potential customer, while opportunities mean an offer has already been made. Accounts are customers with whom business is transacted. In the broadest sense of the word, candidates in the talent pool are qualified leads, i.e. people you already know to a certain extent, and who are deemed suitable. They have also expressed at least a latent interest in employment. An opportunity exists when a specific job offer has been presented to the candidate. The term "Talent Relationship Management" alludes to this analogy with sales, where "Customer Relationship Management (CRM)" is becoming a commonly used phrase. I actually think that, in many ways, sales staff would make

excellent recruiters, as they not only have good command of the aforementioned system, but also display the necessary level of motivation to fight for successful contracts, and are thus willing to be patient.

I will now discuss the various aspects of the candidate retention cycle. At this point, I should mention that any complexity which arises is not so much due to the method as a whole, but rather the number of candidates examined as part of this cycle. The next section details who these candidates could potentially be, and where they come from.

7.2 Developing a Talent Pool

There are two relevant aspects when it comes to building a talent pool. On the one hand, there is the question of where the candidates come from. And on the other is the need for systematic prioritisation when accepting candidates. Talent-pool candidates can come from a wide range of sources, of which the following can be taken into account:

– Former *interns*, who particularly excelled during their internship. At most companies, an internship ends with the tutor conducting a detailed evaluation of the intern, stating whether or not he/she is a potential talent-pool candidate. This is generally followed by another assessment, possibly involving the intern making a presentation to a group of managers or colleagues he/she has not yet met. If the intern is able to successfully handle this situation, he/she is accepted into the talent pool. This step and the further candidate retention activities are often considered part of campus recruiting (see also PwC's KIT programme in Box 7.1). The same approach can of course also be applied to students who have written a dissertation or Masters thesis.

– Former *staff or alumni*. Staff members voluntarily leaving a company can either be forever condemned as defectors or viewed as an opportunity. Many former staff leave their employers with fond memories, and can envisage returning to them 1 day (boomerang candidates). The experiences gained by these staff members elsewhere can be hugely beneficial to an employer. During exit interviews, it may be appropriate to discuss a potential return to the company, or at least arrange a meeting after a set period of time (cf. Sertoglu & Berkowitch, 2002).

– Staff who have *rejected a job offer*. In some cases, an applicant rejects a job offer because their personal career plan is such that they initially prefer to pursue another avenue, although they can certainly envisage accepting an offer at some other point in time. This is usually due to external, private reasons, coupled with personal, short and mid-term career preferences. A candidate may first want to spend a few years abroad, or their family situation may not currently allow them to accept an offer. It is a similar story for cases in which promising candidates withdraw their application of their own volition during the selection process.

– So-called "*Second-bests*". During an application process, you will frequently meet candidates who are not suitable for the advertised position, or who are not

as good as some of the other candidates, but who still left an impression on a professional and personal level.

The sources detailed above are the classic ones; there are of course a number of other possibilities. Some companies systematically assess their holiday stand-ins or student trainees. Applying the sourcing strategies described in the previous chapter allows you to identify candidates who are deemed suitable, and who also show interest, but for whom it is not currently the right time to start an employment contract.

It would be a mistake to strive for a vast talent pool if a company is in the fortunate position of being able to successfully utilise many of the aforementioned sources. As explained further on, nurturing relationships over the long term is a complex matter. It's difficult at this point to say how large a talent pool should be, but for a company with 100 staff, I would tend to recommend one consisting of ten candidates rather than 50. For a company with 1,000 staff, a pool of 30–50 would be realistic. But these are merely intuitive estimates. The pool size will ultimately depend on factors such as emotional strain and workforce requirements. The actual message here should be that prioritising candidates is an important success factor for well-functioning candidate retention.

A wide range of criteria can be used for this prioritisation. Two aspects are examined below. On the one hand, a candidate accepted into a talent pool should display a high achievement potential. On the other, preference should be given to those candidates who are of relevance to key or bottleneck functions (see Fig. 7.2).

The most relevant aspect is probably that of candidate potential. It of course only makes sense to maintain contact with people who could be expected to put in above-average performances in the event of employment or after an orientation phase. This then raises the question of how to assess this potential. Similar to what was discussed in the talent scouting context, potential is something hypothetical; you don't always know a candidate well enough to be able to make a valid evaluation. The candidate's previous work, and particularly performance development, also count here, as does his/her estimated level of motivation, as well as enthusiasm. It may not seem satisfactory, but subjective assessment and gut feeling are what is needed in practice. You often have nothing else to go on. To provide some consolation, new psychological research has confirmed that, if you have enough experience, decisions made based on gut feeling are often the best (Gladwell, 2006).

It is easier to estimate the extent to which a candidate would be taken into consideration for a key or bottleneck function. Indeed, some companies only take candidate retention measures for these specific functions. This is where the greatest emotional strain occurs, or where there is the highest strategically relevant risk of an incorrect appointment.

If these two dimensions are combined, we get the system shown in Fig. 7.2. A-candidates are those deemed to have a very high potential, and who are taken into consideration for key or bottleneck functions for the long term. C-candidates, on the other hand, either only display average or high potential, or are purely restricted to

Fig. 7.2 Prioritising
candidates for the talent pool
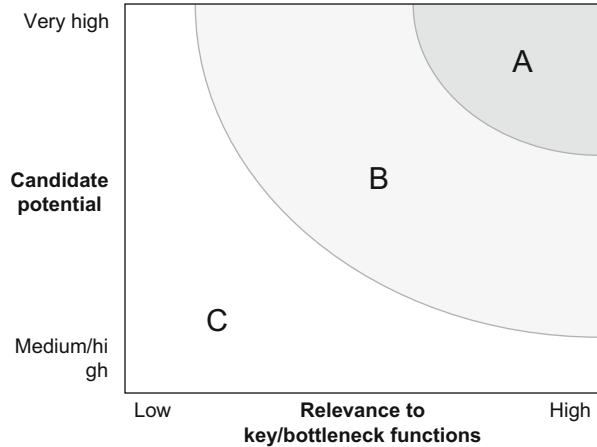
key and bottleneck functions. Following this logic, B-candidates have medium priority.

Box 7.1: PwC's KIT Programme

As is well known, PricewaterhouseCoopers (PwC) is one of the Big Four in auditing, along with KPMG, Deloitte and Ernst & Young. All of these compete for the top graduates all over the world, particularly in the field of business administration. PwC alone has an annual demand for more than 1,000 graduates, and has set up an exemplary TRM system to cover this. This programme has been given the catchy name of KIT, for "Keep in Touch," and focuses on identifying and retaining promising trainees early on. PwC currently meets 30 % of its demand just through this programme. Due to its success so far, however, the targets for the future have now been set much higher.

PwC has a talent pool (it calls it a "talent pipeline") which is divided into four different areas based on the student's current status and performance. The "Joiners" group covers all current interns. The "Advanced" and "Community" groups are the most important areas, consisting of former interns who were assessed very positively. Former interns who put in good performances are allocated to the "Community" group, which, covering 50 % of all talent, is the largest group. Finally, there is the "Contact" category, containing people the company wants to stay in touch with, but who are of a lower priority. The main focus is on the "Community" and "Advanced" groups. The measures taken for the different groups vary accordingly. For example, a 2-day boat cruise was organised for former interns in the "Advanced" group in 2010, addressing relevant topics and providing insights into the working world, but also incorporating a definite fun factor.

One key criterion has not yet been explicitly mentioned, but should be a pre-requisite for all candidates in a talent pool: all candidates should have expressed clear, credible, long-term interest in securing a job, or should at least not have discounted it. Conversely, it makes no sense to maintain a relationship with people who, right from the outset, indicate that they will never be interested in a job, or who categorically discount the prospect of employment now and in the future. But this doesn't mean you can't keep in touch with these sorts of candidates if you think they may be helpful for finding other valuable contacts.

Which brings us to a very crucial point: Candidates should not only know that they have been selected for a talent pool, but also that the company is expressly interested in them. Employers should aim to achieve this by the time they are firmly convinced of a candidate's quality. Nominated candidates should be aware that all retention measures are there to ultimately attract them to the company. There's no point making this a secret. And if a candidate is not happy with this arrangement, he/she should be removed from the pool. Candidates are not dumb, and understand perfectly why, for example, they are sent a card on their birthday, or are invited to relevant events. After all, it's the same in product marketing or sales. Apart from this approach, I believe the clear, convincing message of "We would love for you to work for us—sooner or later" is the best thing you can do when it comes to individual recruitment.

7.3   Retention Measures

One key aspect of candidate retention and TRM in general involves measures which serve to build and maintain a long-term relationship with a promising candidate in the talent pool. In the aforementioned candidate retention cycle (Fig. 7.1), this is implied by the "planning and implementing measures" elements. One special measure also suggested in this cycle is that of offering concrete job opportunities. I will discuss this in greater detail further on.

In some ways, recruitment staff have always adopted a candidate retention approach, albeit on a smaller scale. I hardly know any recruiters who haven't stashed away the applications of selected "favourites" somewhere in a special drawer. And every so often, they will look at these and decide it's time to give the candidate a call, send them an email, or arrange a personal meeting. This is essentially candidate retention, but does not warrant the term Relationship *Management*. Management implies a targeted approach, not doing something with some random candidate at some point when you have some free time. Candidate retention should be well thought out and systematic.

But it similarly does not involve forcing expensive measures on candidates to "lure them over the fence." Two examples may help demonstrate what I'm talking about here. During a job interview, an A-candidate expressed his great passion for a certain new technology in the field of electronic commercial vehicles. One of the masterminds behind this technology is now being advertised as a keynote speaker at a conference. Along with greetings from the development manager, this candidate

is sent an invitation to this conference, with the suggestion of a possible meeting there. Second example: A company's new development receives high praise in the media. The potential Research & Development candidates are each sent a personalised email with the article as an attachment and the phrase: "We're particularly proud of this, and think it will interest you."

You should frequently think about possible activities you can conduct for the candidates in the talent pool. One suitable approach would be to hold a special, regular meeting about this, e.g. once a quarter—as has become routine in the sales industry. They, too, discuss all prospects, leads and opportunities on a regular basis, sometimes even weekly, and decide on the best way to proceed. This planning stage involves nothing more than mere retention measures.

But not every measure is suitable or advisable for every candidate. When deciding on future activities, the recruiting team should follow a few important rules. For example, the initiative should be of clear value to the candidate, and must match a candidate's preferences and interests. If this is not the case, you run the risk of either annoying the candidates, or taking measures which ultimately come to nothing. A company should conduct every retention activity believing it is benefiting the candidate in the long term.

The type of activity should also be geared around the candidate's priority. The higher a candidate's priority (A, B or C), the more you should invest in maintaining a relationship with him/her. This primarily means acting in a more personal manner for higher priorities. These measures are also called 1:1 measures, as they create and maintain a point of reference between two people—the candidate and a company representative. I believe that, when it comes to candidate retention, nothing is more effective than showing personal appreciation and expressing genuine interest in someone.

You should continue to act intensively and personally, even when a candidate has explicitly demonstrated interest in a job. For instance, a C or B-candidate should also be fostered if there is a high probability of securing them at the company. We can once again draw parallels with sales here: More time and effort will be put into sales if an offer is already on the table (opportunity) and the potential customer is in an acute decision-making phase, compared to when a highly attractive, qualified customer is at best merely a suspect, i.e. an initial contact.

Figure 7.3 shows different retention measures, classified accordingly based on the aforementioned criteria. I will examine the various measures in detail below.

Newsletters are of course the obvious option. Whenever I ask workshop participants what they think could be suitable activities, newsletters are almost always one of the first things mentioned. They have a broad reach, because a vast number can be sent out in one hit without investing a lot of time or expense. Modern mailing systems allow mailings to be broken down by various target groups, meaning that graduates receive different emails to former interns or advanced professionals, for example. You can also track how many recipients have clicked on certain mail topics. The possibilities are endless. But newsletters can also quickly be viewed as annoying spam. Only a small number of recipients actually
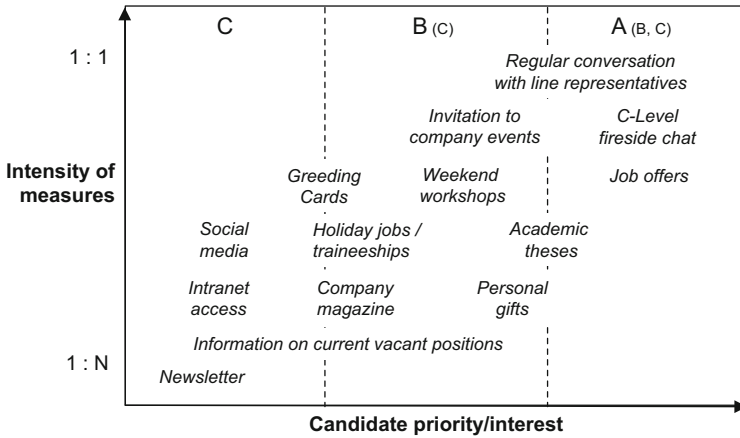
Fig. 7.3 Candidate retention measures

read these emails. The younger generations in particular are using emails less and less, instead preferring posts on Facebook fan pages.

You can inform talent-pool candidates of current *vacant jobs*, although some care needs to be exercised here. If, for instance, you know that a certain candidate cannot be taken into consideration for positions at the company in the immediate future, this has been clearly articulated, and it has been agreed that you will keep in touch over the next few years, it would be downright ignorant to inform them of current vacancies. You would be conveying to them that you have not taken their current status seriously. *Current job offers* should instead only be sent if the recipient has at least expressed a latent interest. Similar to the capital goods sector of the sales industry, the best alternative is to systematically advertise job offers at the right time, but also in keeping with the candidate's preferences.

One simple method of candidate retention is to provide *access to the company's Intranet*. This is usually not the entire Intranet, but rather a mirrored version of selected pages. As in the case of newsletters, there are doubts as to how many candidates actually use this option. But the advantages lie in the fact that this is a pull variant, allowing candidates themselves to decide how much they use it. They are not harassed by newsletters (push variants) etc. This approach at least conveys the notion of mutual trust to candidates, who feel somewhat exclusive, since they have access to information otherwise only available to the company's staff.

Most companies have their own hardcopy *company magazine* or similar media, e.g. magazines designed for customers and partners. An easy way to stay on talent-pool candidates' radars is to simply send them the company magazine on a regular basis. Even though little time and expense is required for printing and shipping, candidates see it as a mark of high quality. This is particularly the case if the magazine is tangible, has interesting content, and is well designed. The disadvantage of company magazines is that they don't provide any candidate feedback. No

clicks or "Likes" are monitored, meaning there is a risk that the magazines will be disregarded without the company realising it.

Personal gifts are a particularly effective way of showing candidates a high degree of appreciation. But this is only so if they really are personal gifts, i.e. not the classic bottle of wine or the CEO's favourite book. The gift should instead relate directly to the candidate's interests. If it also caters to their spouse's or partner's interests, this can even have a double, relevant effect, which is further accentuated if the CEO or other important person from the company includes a personal dedication (written in pen). Ideally, it will be signed by the entire team. This approach is based on the way we act in everyday life when we want to choose a meaningful gift for the recipient which comes from the heart.

In recent times, *social media* has provided good opportunities for keeping in contact with candidates, with the most important platforms being Facebook, Twitter and Google+. Facebook requires that employees wanting to stay in touch with a candidate become "friends" with them, which in turn requires that the candidate share this sentiment. If so, the parties can stay in contact through so-called "posts", "Likes" or "chats". This is at least a way of remaining on each other's radars with minimal effort, keeping a relationship "on the back burner." It's a similar story for Twitter or Google+. On Twitter, you can "follow" candidates and attract attention through retweets. One particularly special feature worth mentioning here, and which will also be examined in greater detail further on, is that, apart from maintaining 1:1 or 1:N relationships, social media facilitates the development of so-called talent communities, where candidates in N:N relationships can collectively keep in touch with one another.

Opportunities for *holiday jobs or student internships* are particularly attractive for university students. If these are former trainees or interns, you'll spare the need for orientation (depending on the position), and the students will gain access to new possibilities for learning.

Giving talent-pool candidates the personal, targeted option of *academic term papers or theses* is a highly effective approach, especially in the context of campus recruiting. It has two crucial advantages. On the one hand, you can get a feel for the candidate in their natural working environment, and the candidate can also experience the company. On the other hand, it allows the company to assist the candidate during the critical phase just prior to completing his/her studies, when he/she typically starts looking around for a job. The likelihood of taking the student on once their paper is finished is thus high. The particular challenge associated with this retention activity primarily lies in pitching the right topic to the student at the right time. You should therefore always be familiar with the preferences and statuses of students in the talent pool.

Greeting cards, e.g. for birthdays or Christmas, are a classic retention measure which really is worth taking. Depending on the target group, this may be a handwritten card or a post on the candidate's Facebook page.

Weekend workshops are especially useful as student retention measures. Although the name suggests it, they don't necessarily have to be held on a weekend. They involve students (usually A or B-candidates) being invited to an event at an

attractive location for 1–3 days, where they address and discuss real, current challenges with experts from the company. One advantage of these kinds of workshops is that they allow the candidates to come into active contact with potential colleagues, and thus familiarise themselves directly with company-related issues. On the other hand, it enables a social network to be formed amongst the students. Collectively, they feel they are already part of the company, because the company, as host and initiator, is the common link. As previously explained in the context of company events, the binding effect of interpersonal relations comes into play here. If the workshop has been a success, the students will "share" their positive experiences through their social networks, e.g. Facebook, allowing the workshops to generate an image-building effect as a by-product. It should also be mentioned that these sorts of events are not explicitly assessment centres in disguise, and this should be made clear to the candidates. The message conveyed to the students must be that the company is already 100 % convinced of their quality, and that the workshop is purely a way of providing them with further insights and special opportunities for learning.

Company events are also popular, e.g. at Christmas or New Year. Some businesses organise their own sales events, to which customers and partners are invited, while informal events are similarly held to mark a wide range of occasions (e.g. birthdays, anniversaries etc.). Some functions provide a unique opportunity for candidate retention, because few things have a greater impact on loyalty than social networks. This incidentally also applies to employee retention. Staff members have no problem leaving their company, and particularly (according to studies) their boss. But the most important reason to stay at a company is usually their colleagues, many of whom have become their friends. If a candidate has the chance to meet potential colleagues, this will have a long-lasting effect when it comes to employment. Despite this advantage, however, this measure must be handled with care. If a candidate is invited to a company event, there should be an innocuous reason behind his/her attendance. Because there is nothing more awkward than meeting a current colleague or boss there, which could require the candidate to provide an explanation. On the other hand, it is completely harmless to invite former interns or alumni, or candidates with whom the company maintains business contact for reasons beyond merely the interest in a mutual employment relationship.

Fireside chats or breakfasts with an executive, i.e. a CEO or board member, are an intensive, personal approach. These sorts of events aren't called fireside chats because they take place by a fire, but rather to emphasis their informal nature. There is no official agenda, and ties are optional. The primary targets are former employees or interns. For the rest, the same degree of sensitivity applied to company events is also required here. It needs to revolve around an innocuous occasion. It may be useful to arrange the meeting under a specific motto, or predefined topic of conversation, which can be brought up with a brief keynote speech.

Finally, there is one powerful and very personal measure shown simply as "*Regular conversation with representatives from the specialist areas*" in Fig. 7.3. Candidates usually have a direct link to the company through one person or a few

people. These may be their former manager or the person with whom the candidate has liaised most during a selection process. Implementing this measure is conceivably routine—occasional phone calls or personal meetings arranged as part of trade fairs or similar events. It is only suitable for very few select A-candidates, and even then only if accepted by both parties. For the rest, this measure follows the same principles of real life, when you try hard to maintain regular contact with certain people, e.g. friends. Conversely, you cannot keep forcing a colleague or manager to stay in touch. Candidates should be pleased to receive a call or the suggestion of a personal meeting.

The above methods are purely a collection of common approaches, which is in no way exhaustive. It should be mentioned here that the measures vary in intensity, and should be suitably applied based on the candidate's acute interest and priority. Having an overview of the number of talent-pool candidates and their priority, coupled with an estimate of the activity expenses, will also help with general budgeting when it comes to retention measures.

Given the plethora of options, companies need to decide on approaches they can ultimately employ on a long term basis, with the necessary rigour and professionalism. There is no general recommendation here. As always, the measures must be suitable for the company and the target groups. The appropriate willingness and resources must be present internally. And, as with the issue of choosing the right sourcing strategies, the clear piece of advice here is to involve the target groups. If, for example, you are toying with the idea of taking retention measures for former interns, you should discuss possible options with your current interns. From experience, I can say that this works best in the form of an innovation workshop, where representatives from the target group are asked to think outside the proverbial square. Because even promising talent are often unfamiliar with the concept of candidate retention. So you should make sure you examine more than just the obvious ideas (e.g. newsletters).

7.4   Documentation

Whenever I discuss TRM in its broadest sense, and candidate retention in a narrower sense, with HR or recruitment managers at my seminars, I consistently find that the actual idea of keeping in contact with promising candidates is nothing new to most of them. Many have always done it. What counts here, however, is the way in which they go about it. Talent Relationship *Management* means targeted, controlled candidate retention. As shown in the candidate retention cycle, the measures and their implementation require clear planning. One key component of professional candidate retention lies in documenting relevant information. This has long been common practice in CRM (Customer Relationship Management), where the main idea is to systematically document all kinds of information, e.g. on customer preferences, previous and future measures, or possible customer requirements, and utilise this when building the customer relationship. My

discussions with many HR professionals have shown that some catching up is needed here.

Whenever we start thinking about documentation, we also face the risk of crippling, unpleasant bureaucracy. I primarily distinguish between useful documentation and bureaucracy by ascertaining whether or not the documentation contains relevant (not just interesting) information. Information not intended for any beneficiary or customer, or which does not help to guide actions, contributes to bureaucracy. So we must first ask ourselves which information is actually relevant to candidate retention. Before examining this question more closely, it is worth noting that a lot of information is already available at the time the candidate retention measures are taken. This is particularly the case for candidate CVs or contact details. Furthermore, a vast amount of the information very rarely changes. These two facts make matters significantly easier. For instance, you generally know the candidate's name from the first point of contact, and this doesn't change too often. It's a completely different story for the previously mentioned retention measures. These change over time, and do not exist when the candidate retention process first starts, thereby requiring greater time and effort for documentation. Figure 7.4 presents the conventional information graphically, and sorts it based on two dimensions: dynamism and life cycle. High dynamism means that the information changes over time, while life cycle implies a candidate's development from initial contact, to talent-pool nomination and candidate retention, to hopefully successful employment. The sorting is not based on empirical findings, but rather on my own considerations of plausibility. The picture may vary depending on the individual case.

Figure 7.4 shows that most information is hardly dynamic, i.e. does not change much or at all over time. In addition, it usually becomes available by no later than when a candidate is nominated for the talent pool. All of the information presented here is generally highly relevant in a candidate retention context. This will be explained further in the more detailed observations below.

Where possible, you should certainly have access to the candidate's *CV*. In most cases, this is already available if it is someone who has previously sent in an application. Whether or not a candidate has potential can often be concluded from the CV alone. And this CV does not always have to be explicitly provided; sometimes only a LinkedIn profile is available. CV details are not just relevant to the candidate evaluation, which is usually performed before the candidate is accepted into the talent pool; they are particularly useful when it comes to maintaining relationships, e.g. to make reference to previous positions.

You should find out about the candidate's *private interests* whenever you can. These include favourite travel destinations, hobbies, sporting activities, and affiliation with certain sports clubs and teams. At first glance, this information may not seem of any use to a potential employer, as it generally relates to the candidate's personal life. But when it comes to choosing the right retention measures, they are particularly relevant, because knowledge of their private interests enables you to add personal touches, e.g. through personal gifts.
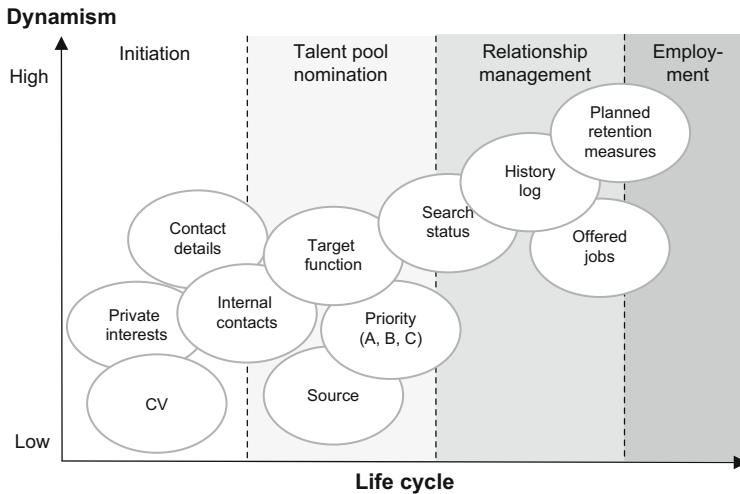
Dynamism

Fig. 7.4 Relevant information as part of candidate retention

The information closest to a candidate is his/her *contact details*, which are absolutely essential to maintaining a relationship. Contact details are dynamic to an extent, because you often meet candidates at a time when they are relocating due to career changes.

Internal contacts are another source of relevant information, and refer to colleagues at the company who have a link to the respective candidate. When planning a candidate retention measure, you should consider which colleagues would be the best to use in a particular case. Of relevance here are the colleagues' names and the type of relationship they have with the candidate.

The exact retention measure chosen should also depend on the candidate's *background*. By this, I do not mean geographic origins, but rather whether or not he/she is, for example, a former intern or trainee, or perhaps an experienced candidate who has come into the mix through an employee referral programme. Background often determines the type of retention measure applied. For instance, events aimed at former interns will only involve candidates who have previously been interns.

The candidate's *priority* is of key importance, and we examined this in the context of developing a talent pool. When describing the retention measures earlier on, I argued that the type of measures, i.e. how much is invested in relationship maintenance, should be geared around the candidate's priority. On top of this, I also stated that the candidate's *search status* is relevant when it comes to determining the retention measure applied. On the one hand, this involves crucially ascertaining whether or not a candidate is currently interested in a new career option, i.e. whether he/she is an active or passive seeker. And on the other, it should demonstrate the progress made in relation to arranging a concrete job for a candidate.

As already explained, one criterion when prioritising candidates in the talent pool is that of a candidate's relevance to a key or bottleneck function. In this respect, it is worth documenting the *target function or position* appropriate for each candidate. This information becomes highly relevant by the time you make concrete job offers to candidates, or want to invite them to certain trade conferences. Scores of businesses also use this information as part of their HR planning. Once you have a long-term estimate of the future staffing requirements for specific functions, you are faced with the question of how many external candidates you have in the pipeline, so to speak. This is a good indication of how well prepared you are to fill future vacancies, particularly key and bottleneck functions.

The candidate retention process should also involve documenting which measures have already been taken. This is shown as "*History of previous activities*" in Fig. 7.4, and essentially means keeping a sort of log book on what was done when, how and with whom, whether a candidate has been invited to a company event, whether he/she showed up, and what the implications were. *Jobs offered* are a special type of activity, which you need to keep track of at all times. This information is based on the past. When it comes to future planning, it is important to document the next steps or next *planned measure*, detailing when a certain activity is to be performed by whom, and how. In a broad sense, this is the candidate retention to-do list.

The documentation ideas discussed above show that systematic TRM relies on specifically incorporating vast amounts of information. While this might be obvious at first glance, every business must ultimately decide for itself which information is actually relevant in order to end up successfully. I am merely trying to provide a comprehensive overview here. I know of companies where, apart from the information which already exists (the left side of Fig. 7.4), candidate retention documentation is reduced to a simple Excel spreadsheet, coupled with a log of previous activities in a Word file. At this point, it is once again worth mentioning that the time and effort associated with candidate retention and documentation should only be spent on a small group of select candidates. Earlier on, I already drew attention to the fact that candidate retention is a complex, time-consuming matter if it is to be done properly. Given the discussion above, I would now like to explain why this targeted focus is so important.

7.5 Talent Communities

I believe the concept of candidate retention is derived from talent databases. As already suggested, recruiters have always made a point of storing the applications of select candidates in a special drawer for future reference. According to what I have heard from many HR professionals, however, this is done rather sporadically and randomly. The idea was then given a boost with the introduction of electronic applicant tracking systems or e-recruiting, which enabled easy storage of applicant details. This frequently resulted in "fob-off pools" of candidates who could not be accepted at the time of their application. In the meantime, we have learned that
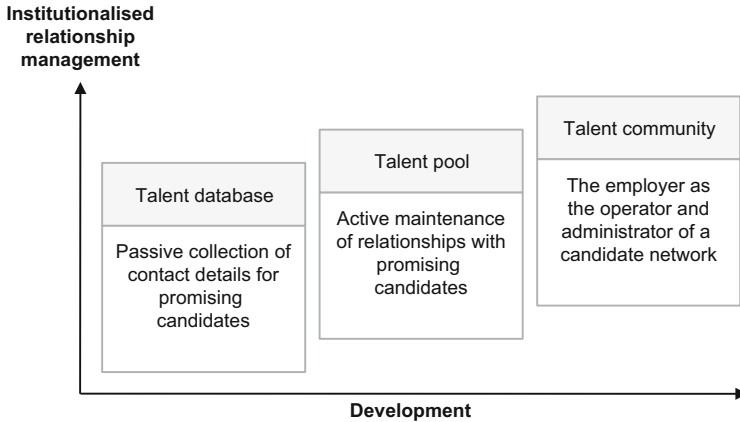
Fig. 7.5 From talent databases to talent communities

candidate pools need to be systematically "managed", and that there needs to be a set method and logic when it comes to maintaining relationships for the purposes of candidate retention. This notion gave rise to the talent pools described earlier, where it was implicitly assumed that relationships are either 1:1 or 1:N relationships, or at least that contact between employers and candidates was initiated by one or more people at the company. Many companies will adopt this approach in future. It has potential, but is still behind in terms of catering to most staff-seeking employers.

In time to come, people will start considering an approach which extends beyond talent pools. It is known as *talent communities*. The unique thing about this concept is its aim of retaining candidates through N:N relationships, i.e. trying to bring candidates together by getting them to identify with the company, aided by measures taken by the employer (see Fig. 7.5).

Talent communities are based on the simple assumption that a bond can be created through multiple interpersonal relationships. We see this at universities, where former students (alumni) maintain ties with their university because they keep in touch *with one another* over the long term. The university is the common link here.

Some companies only develop talent communities for selected former interns, bringing them together at attractive events or providing an online platform which facilitates and promotes exchange à la social media. For example, Munich car manufacturer BMW has been running its own Internet platform called "Fastlane", where students enrolled in technical degree and Masters programmes can interact with one another and BMW. Bachelor degree students also have access to their own platform called "SpeedUp". The Fraunhofer Society operates a similar portal known as "myTalent" for school students interested in mathematics, IT, science and engineering. The portal has already recorded well over 1,000 active young users since its launch.
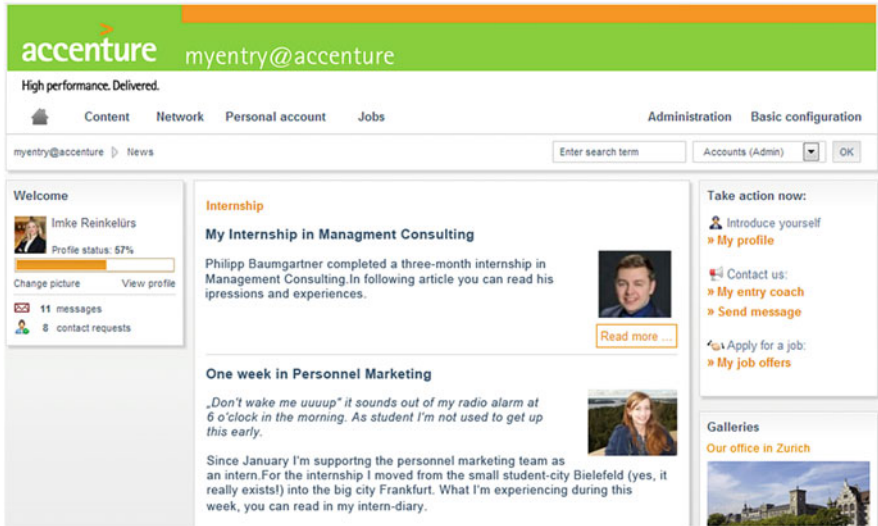
Fig. 7.6 Sample screenshot of Accenture's talent community (*Source*. Intraworlds)

These sorts of talent communities need to offer participants exclusive added value. After all, platforms such as those described above are competing with many others, like Facebook or LinkedIn, and there is naturally a limit to the number of sites people are willing to actively engage in. As with all social media platforms, the added value of such sites rises depending on the number and quality of other participants, which is why it is important to reach the critical mass, or the "tipping point", as it is called in social network jargon (cf. Gladwell, 2001). This is only achieved if a network appears attractive to the target group, and if the participants are definitely interested in establishing a long-term relationship with the company operating the platform. For this reason, extremely popular employers like BMW find it much easier to build up such communities. Figure 7.6 shows a sample screenshot of a talent community.

Typically, users of Internet-based talent communities can create a personal profile and connect with other participants, enabling direct communication. They can also join topic-specific groups which predominantly revolve around technical discussions. These groups are moderated and run by representatives from the company operating the platform. Such platforms also give employers the chance to advertise target-group-specific events, or offer dissertation opportunities, internships or selected jobs of relevance to the respective target group. In essence, however, employers primarily act as catalysts here, encouraging activities within the network.

Having explained the main features of candidate retention throughout this chapter, I would now like to make a few final comments before moving onto the next chapter about the positive candidate experience. The ideas discussed above described a recruiting machine of sorts. We found that the notion of maintaining

relationships is more complex than first thought. And it could be a similar story for applicants and candidates if they knew all that went into the measures to which they are subjected. The aim is clear: to attract good people, and retain them for the long term. But starting off with this as your sole motivation and goal will ultimately end up in failure. The term "retention" is itself misleading. I use it because it is commonplace, just like the term "employee *retention*". You cannot retain or bind people, and nor should you try to. People are free, or want to be free. And it is just as impossible to truly retain candidates. You can attract them to your company at some point, but this only works if the outcome, i.e. the employment contract, is also beneficial to the candidate. It is this mindset which must be adopted before any moves are made. Candidate retention is thus only successful if you firmly believe that a job at your company would be the best thing for the relevant candidate. The ideas presented so far in this book are not intended to "lure them over the fence" in any way, and I don't want any of the approaches to be misinterpreted. I know of many companies who find it extremely difficult to secure talented employees. And I also know that most companies—by this I'm mainly referring to the many small and medium-sized employers—have excellent jobs on offer, but that these are not very visible on the labour market. Candidate retention is a good way of approaching future, potential colleagues with the confidence many companies are entitled to display.

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The Positive Candidate Experience

8

The way we deal with applicants and candidates was forged during a time when there were more applicants than jobs, and our thoughts and actions are more engrained in this perception than we may initially care to admit. The term "applicant" itself implies that the potential employee has to struggle and fight for a job. But for some time now, we have found ourselves in a different era, where it's the employer who wants something from the candidate, and has to go to great lengths to secure him/her, especially when it comes to key and bottleneck functions.

This chapter examines a different way of thinking, which is essential for anyone wanting to keep up in the competition for talent. Ever since I have been involved with HR marketing and recruiting, I have always focused on the previously described aspects like employer branding, sourcing strategies and candidate retention. My experience has taught me, however, that the way in which we deal with people interested in a job harbours great potential for small and medium-sized businesses in particular to stand out from the crowd. I found that the recruiting process ultimately boils down to three criteria. In order to secure talented candidates, you first have to be quick—or at least quicker than the competition. Secondly, you need to be transparent. The candidate should always know where he/she stands, what the situation is, what the next steps are, or why a particular test is being conducted. After all, employers need to show personal appreciation for the candidate, and this is probably the most important criterion.

These aspects have recently been known as the "candidate experience." Note the similarity to marketing and consumer behaviour jargon, which commonly refer to the "consumer experience."

8.1 Speed, Transparency and Appreciation

The younger generations are particularly used to speed thanks to social media. For example, it is expected that an SMS will be replied to within minutes. Posts on Facebook are considered old after just a few hours. When we think back to how postal communication operated 20 years ago, we see how rapidly things have sped

up in recent times. But an application or simple attempt at contact made by a candidate is not the same as an SMS or Facebook post. Senders of course know that decisions will take longer in these cases. If a professional response is received within a short space of time, this is usually a significant competitive advantage. However, application response time is just one example of an area in which companies can be fast.

When dealing with applicants, companies should put all their cards on the table wherever possible. "We'll get back to you this Thursday" sounds different to "we'll get back to you as soon as possible." On the one hand, application processes are experiences characterised by a high degree of uncertainty for applicants. This is the nature of the beast, to a certain extent. On the other hand, employers can add several elements of certainty, which are ultimately regarded highly by the candidates.

During a recruitment seminar I held many weeks ago, an HR manager, discussing candidate retention, expressed concern that this would put companies in a compromising position. His argument was that, if applicants know they are sought after, they ask for a higher salary. When it comes to recruitment, I don't think anything could be more effective than conveying to the promising candidate, in every thread of communication, that the company wants to employ him or her. In these times of talent shortage, we simply cannot afford to adopt any other approach. Personal appreciation means expressing this to the candidate, and negotiating things on his/her level. In instances where candidates are rare, it is primarily the candidate who decides whether he/she takes the job. The employer's choice is playing an increasingly subordinate role—a situation which, in my view, many companies don't yet want to embrace.

As an employer or HR officer, you may feel you already have the three aforementioned criteria under control. I have learned to be sceptical of this, however, because I see that most companies continue to think the way people did 20+ years ago. After all this time, I am still yet to find a better way of expressing my views than through the story of Thomas the engineer (see Box 8.1).

Box 8.1: The Story of Thomas the Engineer
Thomas is 31 years old. He studied electrical engineering at the Karlsruhe Institute of Technology, and obtained his degree with distinction. During his studies, he was able to gain international experience as part of a 6-month internship in Shanghai. After graduating, Thomas joined an automotive supplier as a trainee, soon becoming a sought-after expert, particularly in the field of electronic control systems. He quickly learned how to work closely with customers on international projects, and spent a lot of time in the USA. After 3 years, at the age of 28, he moved to Detroit, USA to work as a project manager in the research and development department of an American car manufacturer. Thomas' career was going very well, and it was clear

(continued)

Box 8.1 (continued)

he had a bright future. Three years later, he returned to Germany with his two children and his American wife.

Apart from his outstanding references, and extensive experience and knowledge, Thomas is the sort of person others love to work with. Collaborating with him is always constructive, demanding, but also humorous. Over his young career, Thomas has been able to build a very strong international network. Outside of work, he is a passionate rock climber, and plays saxophone in his recently founded band, "Soulengine".

Thomas has his own website, where he engages with colleagues and friends, runs his own blog, and promotes his band, among other things. It also contains his CV, with the annotation "I'm looking for a new challenge in Germany", and "Companies apply here". Clicking "here" takes you to an application form for employers. Thomas doesn't want applications by email; he responds to these by asking people to instead make things easier by applying online.

Having set up this form, together with the application request, Thomas went on holiday for 2 weeks. It was important for him to launch this application procedure before going away, since he would be out of reach during his break.

The application form itself is very extensive. And that's how it should be, to ensure Thomas gets a good idea of an employer. It contains questions about the company and its business success. There is also the option of uploading management reports from the last 5 years. Mandatory fields ask employers to name company contacts whom Thomas can get in touch with to obtain references. Other essential elements include fields explicitly asking about the company's particular strengths and weaknesses as an employer. The interested employers can of course submit information on job offers, and insert relevant job descriptions in designated text boxes, together with detailed salary information, contact names etc. If a company applies to Thomas, this process will take around 2 or 3 h. While this may seem very time-consuming at first glance, this is how Thomas wants it, because it acts as the first step towards assessing whether or not a company is serious about its application.

After 2 weeks' holiday, Thomas comes back and checks how many applications have come in. It looks good; 52 companies have applied. An automatic confirmation of receipt has already been sent to these companies. It is now time to examine their attractiveness as employers. In doing so, he quickly notices that he doesn't actually need most of the information, and that he usually ends up deciding relatively spontaneously as to whether they are suitable or not. It takes many weeks to send a letter of refusal to each rejected company. So as not to be left vulnerable, he doesn't provide reasons. He

Box 8.1 (continued)

doesn't have time to go into the details of each application. He endeavours to be friendly, while maintaining a distance. And that's the right thing to do, because he doesn't want to burn any bridges for the future. For the sake of simplicity, he eventually decides to use a standard letter.

He wants to find out more about three companies, and composes a personalised letter for each of these: Daimler, Porsche and BMW. He sets aside 2 days which fit into his schedule: the 23rd and 24th of March. To BMW, for example, he would write: "Dear Sir/Madam, I am pleased to advise that you have made it to the shortlist. We will meet at Albert-Einstein-Straße 17 in Stuttgart at 9 am on 23 March for a personal interview" etc. He encloses a map with directions.

Mr Kanter from BMW accepts the appointment and arrives at Albert-Einstein-Straße 17 (Thomas' house) on the dot of 9 am on the 23rd of March. Thomas is not alone. His wife is there, as is a good friend and his mother. And that makes sense, because, ultimately, Thomas doesn't want to make the decision on his own; he also values the opinions of those closest to him. His mother, in particular, had always provided him with good advice on important life matters. Thomas has made several copies of BMW's application documents, and each of the participants has a complete set on the table in front of them.

"Did you find your way here ok?". As he shakes hands, Mr Kanter tries to memorise the names of those present. He learned this from a book he had read by the authors Schröder and Hase, who wrote that this is an advantage. But he still finds it hard.

They get straight to the point, and Mr Kanter is given a grilling. "Tell me a bit about BMW and what it's like to work there"; "Why is BMW convinced it would be a good employer for me (Thomas)?"; "What are BMW's greatest weaknesses as an employer?". Mr Kanter has come well prepared, and knows he must not give honest answers to any questions about BMW's preference for Catholic employees. But the test he is being put through is unsettling him somewhat. For example, he is asked: "Which colour best reflects your company's management culture? Yellow, blue, green or purple?". But Mr Kanter does his best. He chooses blue—it fits the best with Bavaria.

After 2 h, the interview is over, and Thomas bids a friendly goodbye to Mr Kanter, who still has a niggling feeling of uncertainty. At no point did Thomas indicate whether the interview was going well or badly. The only thing Mr Kanter did notice was that Thomas' wife would occasionally place her pencil diagonally on the table, while the others would suddenly appear less interested. But everyone was very friendly the whole way through. Thomas tells Mr Kanter he will get in touch soon. Mr Kanter knows Thomas can't give an exact date; he has to assume that other companies have also

Box 8.1 (continued)

applied. And that all takes time. Mr Kanter doesn't dare ask about the reimbursement of travel expenses, but that's not a problem—it can be discussed later on.

Three weeks later, he still hasn't heard back. This doesn't initially appear to be a problem. But after 6 weeks, the long awaited email arrives.

In the end, Thomas chooses Porsche. Mr Kanter from BMW and the friendly lady from Daimler receive a letter of refusal. In many ways, Thomas also feels bad about the rejections, and writes in his email that he found BMW and Daimler to be highly attractive, but that he had to make a decision. He offers to keep in contact, and shows he is serious by sending a contact requests on LinkedIn to Mr Kanter and the Daimler lady. After all, both companies visibly fought hard for him.

On the 30th of April, Thomas sends Porsche a friendly email as follows: "I am pleased to advise that we will be working together. Please find attached a draft working contract, which I would ask you to sign by the 14th of May".

The story of Thomas the engineer demonstrates a change of perspective. It is the companies who instead apply to a dream candidate. Many situations in this story seem odd. Thomas' behaviour is sometimes even perceived as arrogant. But many companies today act just like Thomas as part of their recruiting activities. Employers create the illusion that they are the ones who make the decisions, and who set the pace and rules.

That's why I advise that every employer looking for talented candidates rethink their recruiting process and put themselves in the candidate's shoes, from the job advertisement to the first days of employment. This can be done as part of a specialised workshop, ideally with the involvement of some selected new employees. I am yet to find a company which has not discovered a number of often small but effective measures as a result of this exercise. Concrete suggestions will be made in the next section.

8.2 The Recruiting Process

All the steps of a standard recruiting process will be systematically explained below (cf. Fernández-Aráoz, Groysberg, & Nohria, 2009), with each phase focused on the question of: How can I, as an employer, achieve more speed, transparency and appreciation? Let's start with the job requirements.

If you look at typical, randomly selected job advertisements, e.g. on online job boards like Monster or in print advertisements, you will notice how the various aspects have been classically weighted. Next to the job description is a generic text about the company, but the main sections relate to the tasks and requirements. This weighting alone sends a clear message: "This is what we want from you. This is

what you have to give the company, and this is what you have to prove in order for us to take you into consideration." It is of course perfectly fine to describe the tasks and requirements here. But in most cases, there is not enough convincing information on what the respective job actually has to offer. Let's just briefly imagine an unsolicited application in which an applicant essentially states what he/she expects from the employer, but barely says a word about what he/she can offer. This applicant would rightly be dismissed as arrogant. That's why, even in the job requirements, you must—in contrast to what is suggested by this classic HR management term—think about the attractive features offered by the job, and then express these prominently in the advertisement. This would be an initial step towards appreciation, implying that "We don't just make demands; we also have something to offer."

In recent years, more and more companies have been implementing so-called e-recruiting systems, which enable applicants to apply online. It usually involves standardised online forms. Email applications do not fall under this category. Ever since, there has been unresolved debate on the HR scene as to whether online applications should be compulsory, or whether other formats, such as the classic paper application or applications by email, should still also be permitted. I don't want to get into this discussion here, but I do have a clear opinion when it comes to filling key and bottleneck functions. Employers should not specify any particular format, but should instead be happy about any application received. In some cases, there may not even be an application, because the company already knows the candidate and is convinced of his/her suitability. If so, appreciation means making the applicant welcome, opening one's doors to him/her, and not getting so bogged down with formats.

But if you do allow online application, and provide candidates with easy access to it, you must make sure the process is as simple as possible. My students regularly complain to me about how complex application forms are. They often need over an hour just to transfer their CV information to the form. This is off-putting, and makes the applicant wonder—rightly—about the relevance of all the requested information in such an early stage of the application. Shouldn't it just be enough for applicants to upload their CV as a PDF or link it directly to their LinkedIn profile? In classic recruiting, it is standard practice to initially check an application's completeness as soon as it is received. Only once this administrative hurdle is out of the way can further steps be taken. This concept dates back to a time when people actually dealt with hardcopy applications. The Internet makes this much simpler, and enables a step-by-step approach, where very little information is needed in order to start thinking about the next stage. For key and bottleneck functions in particular, I thus recommend consistently limiting the application form to information which is really relevant—and not just interesting—to pre-selection.

If you receive an application for a key or bottleneck function and, based on an initial impression, conclude that the applicant may have potential, the company should be alerted to this. The employing manager or managing director should then pick up the phone, call the candidate, and invite him/her for an interview. This is admittedly an extreme scenario, but is at least worth thinking about.

This notion leads us to an even more important aspect, which primarily relates to speed. Every HR professional is familiar with cases where a job description needs to be approved on a Friday afternoon because the employing manager is then going on an extended holiday. That can never work out well. The key factor at many businesses when it comes to time-to-fill is the line managers' response to incoming applications. Anyone placing a job advertisement should expect that people will send in applications, so it's a good idea to block off some time for interviews by no later than the day the advertisement is published. HR business partners are advised to establish a Service Level Agreement with the respective manager regarding this matter early on. For managers, viewing incoming applications is usually of secondary importance behind professional, business interests. They have the applications printed out, and look through them on the aeroplane when they have nothing better to do. It is worth considering some solutions here, as this problem is highly relevant to the concept of speed. One of the harsher options would be to continuously measure manager response times, and refer any "black sheep" to the management board. I know an automotive supplier from Germany's Franconia region who has been successfully employing this method for years. Or you can make things easy for the managers by sending selected applications to their tablet PCs, where they can make decisions in just a few touches. This would be the futuristic option. Along with interview dates, you can also block off convenient times for applicant assessments in advance, and then conduct these together with the HR department.

A potential candidate for a key or bottleneck function should never be set a fixed time and place for the interview. Both of these should be arranged by mutual agreement. This already appears to be common practice when it comes to the time, but employers can also display flexibility in relation to the location. After all, it would be very considerate to say: "We can also come to you, or meet somewhere halfway if you prefer." In the end, most candidates will prefer to go to the company's premises because they want to see inside their potential future workplace, but the gesture alone has a significant impact. I find on-the-spot telephone interviews highly unprofessional. Applicants could be at the meat counter at the supermarket when an interview is sprung on them. Out of respect, and so as not to fob the employer off, they rush to a quieter corner near the vegetables to discuss something as important as the future of their career.

There are many different ways of gaining applicants' admiration. I recently visited a company which has personalised digital signs in its visitor car park. When I got there, the parking bay reserved for me had a sign bearing my name. This made me feel instantly welcome, and I expressed my delight at the start of the meeting. I was told this was the approach they adopted for promising applicants. Previously, there would have been a flip chart in the reception area welcoming applicants by name—but only using last names, for privacy reasons.

Applicants then arrive at the interview and find a group of people from the respective company. They all have a copy of the application documents in front of them, and have been able to get an idea of the applicant (hopefully beforehand). It is often only at this point that the applicant finds out who will be participating in the interview. Having read the relevant guide books "How to behave in an Interview",

he/she knows it is now time for the important exercise of committing the participants' names and positions to memory. In academic speech, this would be classified as a type of information asymmetry, where the interview participants know much more about the applicant than the applicant knows about them. If the employer has already listed the names of the participants in the invitation, it can be assumed that the applicant will have googled these people in advance. But you can also meet the candidate halfway and provide a profile—one page with a picture and brief CV—of the participants in the invitation, conveying the message that "We know lots about you, so you should also know a bit about us." Alternatively, you can include links to the participants' LinkedIn profiles (if available) in the invitation.

There are countless guides available on the market explaining how applicants should act in a job interview—How do you shake hands? When do you sit down, and where? What is the appropriate clothing to wear? Yet I hardly know of any decent guides which discuss how interviewers should act, apart from the more aptitude-related essays on the validity of various interview formats and questions. But in today's society, I believe these sorts of guides are equally important, because it is an area in which classic mistakes are repeatedly made. The employing manager spends a disproportionate amount of time talking, reporting endlessly and passionately on new technologies, markets etc. All the applicant can really do is listen politely. This will then be viewed favourably: "He/she always nodded in agreement," or negatively: "He/she didn't say anything." The list of typical errors is long. An applicant is expected to have researched the company in advance. In light of this fact, what do we make of a manager who has obviously not bothered to think about the applicant before the interview, and is only studying his/her application for the first time in the interview itself? Every applicant is urged to turn his/her mobile phone off during the interview, but how often do applicants have to put up with individual interview participants showing more interest in their smartphones than in the applicants themselves?

Figure 8.1 shows an excerpt from a YouTube vide entitled "Interview Dos and Don'ts".[1] It's a typical tutorial for applicants addressing classic interview situations, with an extremely professional approach. Who is the interviewer and who is the applicant in this picture?

We instinctively identify the young man as the interviewer because he is sitting comfortably at a desk and has been able to take his jacket off, while the young lady has to sit up straight on a measly little chair. This is supposed to be a guide for applicants, yet the person playing the interviewer is doing almost everything wrong. Most people watching the video won't even notice. It would be interesting, or at least worthy of reflection, if the roles were reversed. In an interview, the overall situation should be such that the interviewer and applicant interact on the same level. And this begins with the formalities.

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[1] http://www.youtube.com/watch?v=S1ucmfPOBV8 (last viewed on 1/9/2011). It is also worth reading the viewer comments.

Fig. 8.1   Who is the interviewer and who is the applicant here?

But the interview content is more important. It's not just the employer who has questions. The applicant has also prepared some: Is the company right for me? What does this company offer me that other employers don't? Why is the company particularly interested in me? In this respect, it would be professional to discuss the interview agenda with the candidate at the start, and check that all relevant aspects have been sufficiently covered.

We have so far only talked about interviews. But what about assessment centres (ACs)? I am encountering more and more HR managers who dislike the idea of ACs. And rightly so. As is generally known, ACs are among the selection processes deemed to have the highest predictive validity. This is particularly so for ACs which involve assessing candidate potential, e.g. when selecting trainees. This relies on generic skills, such as communication, ability to think analytically, or leadership skills. On the other hand, many ACs are structured in such a way that candidates are positively "put through the wringer." The sole or central purpose of an AC is to provide the company with an evaluation of the candidate's suitability. In times of talent shortages, however, this focus is hardly appropriate. After all, it shouldn't just be a matter of whether the candidate is suitable for the company. The candidates should also draw some benefit from the experience by being given an opportunity to learn something about themselves and the company: Are the tasks at this company suitable for me? Is the company right for me? What are my strengths, potentials and weaknesses? I think that, in future, ACs will have to place more emphasis on candidate benefits to ensure the method is not only accepted by the party concerned, but is also viewed as profitable for all participants. Perhaps there will be a time when students organise ACs for companies, where managers with jobs to offer have to prove themselves through various exercises.

Many aspects mentioned here were already being discussed 30 years ago by Schuler and Stehle (1983), who pooled them together under the term "social validity." These two masterminds classify social validity as being all measures and criteria which help make a selection scenario acceptable for applicants. One criterion particularly worth highlighting here is that of transparency. Applicants should understand the purpose of various exercises and tests conducted as part of an AC. Ideally, they will be able to see the obvious validity in the selection processes applied. There are some processes which display a certain degree of predictive validity from a scientific perspective, but which appear to have little relevance to candidates. This is the case for graphological processes, where correlations between selected characteristics and handwriting have certainly been proven in scientific validation studies, but which do not conclusively demonstrate the extent to which an applicant's handwriting can provide insights into his/her future productivity (cf. Domsch & Ladwig, 1996). There are also statistically developed processes, which lead to so-called heuristic rules, and indicate that, for example, from a purely statistical perspective, people who regularly drink red wine and read newspapers achieve greater professional success. But you would never ask a candidate whether he/she drinks red wine or reads the newspaper. There is similar debate over the validity of projective processes like the Rorschach test or personality tests with odd questions.

Bungard (1992) raised the issue of reactivity effects in relation to ACs, stating that candidates in an AC form hypotheses on what observers want to see in an exercise. They then behave accordingly, based on their hypotheses. I saw firsthand how wrong candidates can be about this in an exercise I conducted many years ago with participants of an AC run by a major German bank. I asked 30 people who had taken part in an AC what they thought the focus of the respective exercises was. The participants' assessments differed greatly from the AC's content structure. So there is nothing wrong in explaining the purpose of an exercise to candidates before they commence it. If candidates are able to act as required in the respective situation, this will ultimately work in their favour. After all, it should be assumed that employees also want to get an idea of the various scenarios arising in the professional world over the long term.

Another aspect of transparency relates to the recruiting process itself. It is professional to tell the candidate what the next steps are and when they will take place. The candidate should be reliably informed as to when he/she can expect both a decision and feedback. False promises are precisely the wrong approach. If, for some reason, things take longer than planned, just let the candidate know. He/she should be ok with this. The most important thing is that he/she can count on receiving information. It is also generally considered professional to provide details on the recruiting process, where possible. PwC, for example, clearly states on its website what applicants can expect if they decide to apply.

I know of companies where the interviewers have agreed to give each other a signal during the interview if they decide they want to take the candidate on a tour of the company straight afterwards. Company tours are a good way of creating ties with the candidate early on, particularly if he/she is given the opportunity to get in

contact with potential future colleagues. But this is not done for every candidate; only with those who have left a positive impression in the interview.

The HR manager of a wonderful company in the heart of the Black Forest recently told me the following story: When the company was in talks with a dream candidate for a hard-to-fill position (production manager), the candidate's partner was invited along for the second interview. The town's finest hotel room was booked for the occasion, complete with a nice basket of fruit and a handwritten card from the managing director. After the more official formalities, they went out for a meal, and since the couple came from Paderborn (a town in the German state of North-Rhine Westphalia), they later met up with another couple originally also from Paderborn, who had moved to the Black Forest, and who told them about the excellent living conditions in the region, particularly for children. It all worked out well in the end—for everyone. This is a great example of how a candidate's partner or spouse can be involved in the selection process. I am actually seeing more and more companies starting to invite partners/spouses at least to the second interview. After all, the candidate rarely makes the final decision on his/her own.

Once a candidate has finally been selected, there is the question of how best to inform him/her of this. My recommendation here is clear: it should be done by the employing manager by telephone. At this point, all that needs to be said is that you would love to work with the respective candidate in future, and that the dealings so far have been very positive and promising for all parties involved. All the formal, more administrative details are advised by an HR professional by a set date, ideally that same day or at a time convenient for the candidate. The personal notification from the employing manager costs little in terms of time and effort, but conveys a huge amount of personal appreciation. Depending on the candidate's priority, you can also consider having a senior manager or executive make this call.

Now comes a phase which often proves to be difficult, namely contract negotiations. You should lay all your cards on the table here, and ask the candidate to do the same. If you have acted respectfully and professionally with the applicant up to this point, you can also expect this of the candidate during this phase, of course. Specifically speaking, this means talking with a promising candidate about whether they agree with the contractual provisions. In doing so, it is important to ascertain any areas of concern: "Are there presently any aspects holding you back from signing the contract? If so, we should get these out in the open now."

We often find that the candidate is hesitant to sign—usually due to the fact that he/she "has his/her finger in more than one pie". Here, too, we can expect him/her to uphold a *mutually* set deadline. He/she may be waiting for a clearer sign from the employer to say that the company is 100 % convinced of his/her abilities. Microsoft reports that, in cases involving a particularly coveted candidate, Bill Gates was personally given a signal, upon which he called the candidate himself: "Hi John, this is Bill Gates speaking. We definitely want you to work for Microsoft! Is there anything I can do for you to join our company?" (Bartlett, 2001).

A lot can still happen in the phase between contract signature and the first day of work. An experienced HR professional will tell you that, even if a candidate has accepted an offer, you can never be 100 % sure they will actually turn up on the first

day. As the competition for talent grows, it will become more common for candidates deemed as certainties to withdraw from their formal job offer. This is an extremely painful experience, which is why employers are advised to take various candidate retention measures (as described in Chap. 7) during the phase between contract signature and the first day of work. Apart from these measures, such as Intranet access, company magazines, or invitations to an upcoming company event, there are other special measures which are only appropriate for this particular point in time:

– The future workmates are asked to connect with their new colleagues on social media, such as LinkedIn, Facebook or Twitter.
– The future new employee receives a programme of activities within the first week.
– The employing manager calls the new colleague a few weeks before his/her first day to say "we're looking forward to welcoming you!"
– The new employee receives his/her company phone weeks before his/her first day of work, with the information that he/she can contact the company at any time if he/she has any questions.

After all, the first few days at the company are a critical phase for the new employee, who should be extended a deserved welcome on the first day. There of course needs to be an orientation plan for the initial days and weeks. The employing manager must set aside sufficient time for the new colleague right from the start. All this may well seem a matter of course, but I am mentioning it because I hear of too many horror stories from people's first days of work, including that no work station had been set up for the new employee, or that the team knew nothing of the new employee's arrival ("Hello! And who would you be?").

As stated earlier on, I advise every company to thoroughly examine its recruiting process in terms of speed, transparency and appreciation, from a candidate's perspective. The many ideas described above dispense with the requirement for completeness. The examples cited come from my own practical experience and from numerous discussions with HR professionals. I have found that most employers possess considerable potential for improvement here. And as most of the examples show, it is often the small, simple things which can ultimately make a difference. I have seen that small and medium-sized businesses in particular have the agility and flexibility to successfully implement measures overnight.

In some cases, there may be the impression that my recommendations and examples advocate "putting the candidate on a pedestal" and completely indulging him/her. That's not what I mean. When it comes to recruiting practices at many companies, I believe there is a difference between the requirements placed on the applicant and the requirements placed on oneself when dealing with the applicant. All recommendations and examples are ultimately intended to help you communicate with each other on the same level, and be faster than the competitors when fighting for talent. Nothing more, nothing less.

8.3   Consistency

This chapter has so far focused on the criteria of transparency, speed and appreciation. While these are the most important aspects of a positive candidate experience, it is also worth adding an overriding criterion here, namely that of consistency. This aspect plays a special role, because it involves examining things at a meta level, since it's less about individual, singular measures and more about the application process as a whole. The examination is initially geared around an employer's website, and everything that follows as part of the subsequent recruiting process. The technical format of the application process is the primary focus here, as will be explained below.

Career websites continue to be the most important recruiting channel for most applicants. Whether candidates are actively seeking jobs, or have passively been alerted to an employer through campus recruiting or an employee referral programme, sooner or later they will visit the career website to see what the employer is about and what sort of jobs it offers. The career website is thus an important gateway into a company's working world.

Previously, career websites were primarily sites providing information on vacant positions. This is still the case for many companies, although the sites have now been enhanced with additional details and pictures. But companies which really take recruiting seriously see the career website as something much more. It not only provides information on vacant positions, but is also a key instrument of employer branding, where employers can convey their Employee Value Proposition to well defined target groups in an authentic, attractive and unique manner. Modern career websites also offer candidates convenient ways to apply online. This is where the so-called back-end comes into play. Applications are professionally accepted by the company, forwarded on and assessed. This is then followed by interaction with the applicant, which, in ideal scenarios, extends well beyond the mere confirmation of receipt.

The entire process, from the Employee Value Proposition, to the job search, application and interaction with the applicant, to candidate selection and employment, should not only be quick, transparent and respectful towards the applicant, but also consistent throughout the applicant experience. A lot can happen here, and in unfavourable cases may result in an applicant choosing a different employer. But many companies still have a lot of catching up to do when it comes to consistency. The following scenarios seek to explain this.

A large number of companies already have excellent websites when it comes to employer branding. They not only convey a clearly articulated Employee Value Proposition, but also feature matching imagery and text, creating an impressive, uniform look. There are testimonials, nice videos, and of course a link to the company's Facebook page. Everything is ok so far. But when interested parties start looking for jobs, or decide to apply online, they feel like they are in a different world. What previously looked fancy, lively and attractive now becomes a clinical, technical process which seemingly only involves providing the information requested. Gone are the pretty pictures. In many cases, the colour scheme no longer

even resembles that of the initial impact. This experience leaves users in no doubt that they are now navigating through a technical solution.

A candidate may have heard about an employer through campus recruiting or LinkedIn, and the company has made it clear it is interested in him/her. In most cases, a discussion ensues, and the employer already has access to CVs or references. But when it comes to now following the "official" channels of online application, this all seems to be a thing of the past. He/she feels everything which has happened up to this point has been forgotten about. He/she is back to being a small fish in a big pond. All previous talks have been personal and friendly. What follows now are merely confirmations of receipt and status emails which, in the worst case scenario, address recipients as "Dear Sir/Madam". It all seems very technical and bureaucratic.

The company conveyed a relaxed, open impression through personal contact and employer branding. The website used an extremely informal tone, and the people on there appeared very casual. But what do applicants find when they go through the application process? Are the emails just as casual when interacting with the candidate? How are candidates received and treated in the interview? Does the impression conveyed by an employer on the landing page of its career website match the everyday reality at the company, and how is this displayed during the first few days at the company, e.g. as part of onboarding?

Employers are advised to make sure their recruiting process is consistent. In doing so, it is essential they put themselves in the shoes of an attractive applicant and examine the process from this person's perspective. What messages need to be conveyed at the end in terms of the Employee Value Proposition, and how do the various stages fit in with this? Figure 8.2 shows the typical steps in a recruiting process, from employer communication, to application, to initial experiences gained when working at the company.

Creating consistency is multidimensional. On the one hand, it involves the overall channel and content of communication with the applicants. How do I approach the applicant? What sort of language and style do I use? What impression do I as an employer want to ultimately convey? On the other hand, it's about the design and look. Colour scheme plays an important role here, as does the repeated use of consistent imagery on the website, on job advertisements or as part of correspondence. Finally, there is a technical dimension. Many technical solutions in the field of e-recruiting have their own default look. But this hardly ever matches the design required by a consistent process. In this case, it is advisable to use appropriate add-ons or the available adjustment options.

8.4   Measuring Success Through Candidate Surveys

If an employer sets itself goals relating to a positive candidate experience, these need to be measurable. Selected KPIs actually help employers get better here, and identify where they have potential for improvement. There are a number of possible KPIs, such as time-to-fill, which shows the average time needed to fill a position.
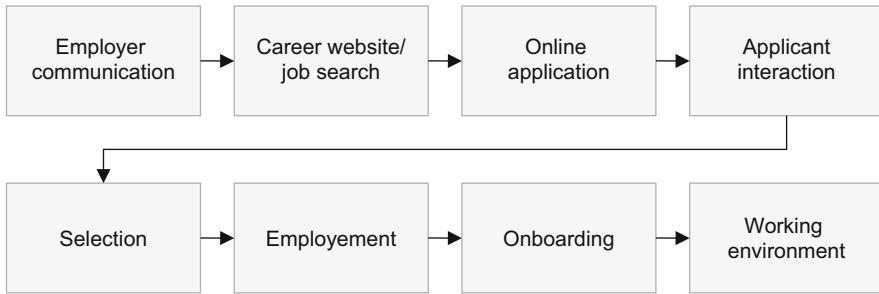
Fig. 8.2   Relevant stages of a consistent recruiting process

You can measure employee turnover during the recruiting process, or track how many applicant acceptances are ultimately received. But since the main aim here is to assess the recruiting process from the applicant's perspective, a structured survey is the best way to go).

When I took charge of global recruiting at SAP AG in 2001, surveys of new hires were one of the first measures I implemented. Not only would I do this at every opportunity, I would also expressly recommend this to every company. We called it the "New Hire Survey". On their seventh day of work, new employees all over the world would automatically receive an email invitation to participate in a survey. A personalised link embedded in the email would lead them to an online survey containing items on the following questions:

– How did you hear about this job?
– During your initial contact with SAP, did you receive sufficient information about the next steps of the recruitment process?
– During the interview(s) did you have enough chance to represent yourself?
– Did you get clear feedback about the reasons why SAP decided to make you an offer?
– Were you satisfied with the time to offer?
– Were you kept up to date about the status of your application at all times during the recruitment process?
– Did you know what would happen on your first few days at SAP?
– Did you feel welcome at SAP?
– Which company would you have been interested in if you had not joined SAP? Why?
– What were the top five reasons for your joining SAP?

The responses varied over time, but always maintained a rate of at least 80 %. All over the world, new employees are obviously more than willing to report on their perspectives, experiences and impressions during the recruiting process.

The New Hire Survey continuously provided us with extremely valuable information, which was not only interesting, but also relevant to the employer brand, recruiting process and initial employee orientation activities. The results were analysed globally based on the various country-specific organisations to ensure
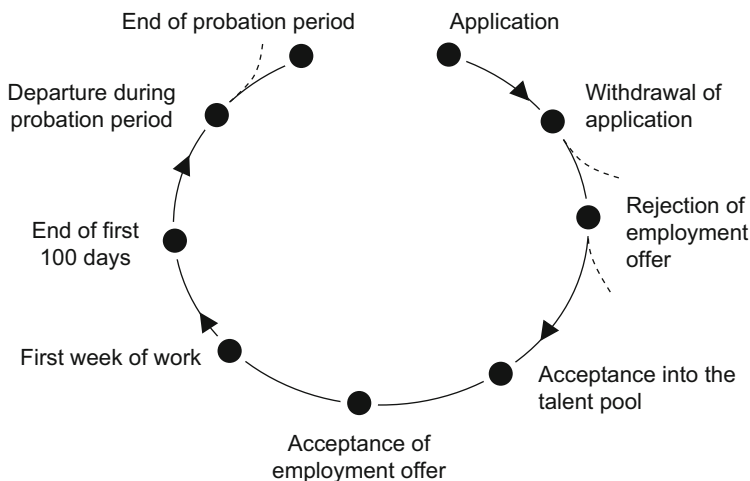
Fig. 8.3   Incintents that may tricker applicant surveys

all recruiting organisations had access to the latest results through a special portal in real time. This was rated extremely positively by all those involved, and used as a valuable feedback tool. The particularly delightful thing about an approach like this one is the fact that, once the proper infrastructure has been set up and the survey has been launched, you can constantly receive data without taking any further action. It's a bit like a perpetuum mobile, which, once started, just keeps going.

Since the New Hire Survey had been so successful, we took things further and added a so-called "Hiring Manager Survey". Whenever a contract was signed with a new future employee, and this event was monitored by the organisational management division, the hiring managers would receive a survey invite. To ensure the survey didn't become too much of a chore, we limited it to every tenth new appointment. We used it to record how satisfied the managers were with their co-operations with the HR department, knowing full well that the success of a new appointment is always a joint effort.

As if this wasn't enough, we then added in another two surveys. Selected applicants were thus surveyed at random once their applications had been received. The main aim here was to determine how applicants had heard about SAP, and how they rated the application process. A special survey was triggered whenever a candidate withdrew his/her application or rejected an employment contract. It is worth mentioning here that, by the time you get to these sorts of surveys, you have to co-operate with a neutral third-party authority.

There are a number of different events throughout an applicant's life cycle which can be used as opportunities to survey applicants, new employees or participating managers. Figure 8.3 shows the various stages of this cycle. Each point can potentially be seen as such an opportunity.
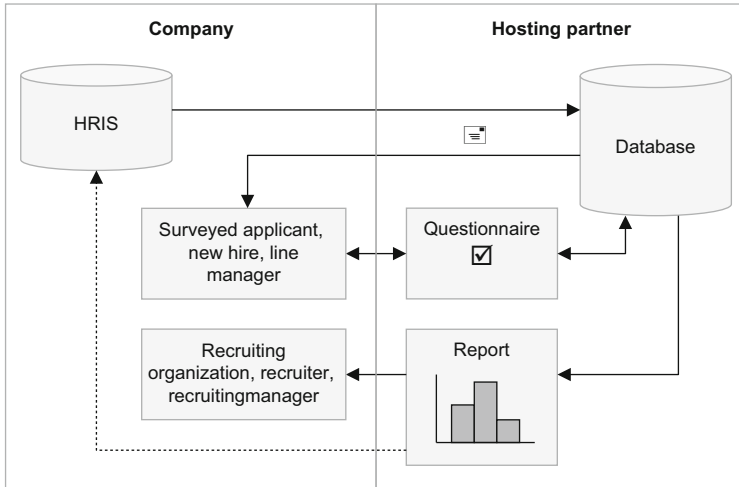
Fig. 8.4 Interaction between systems, employers and hosting partner during applicant surveys

As with all KPIs generated during HR controlling, these must be relevant to specific levels of authority within the company. Only when KPIs bear a clear reference to set aims are they of significance. The above ideas should be considered as sources of inspiration in this respect. After all, there are a lot of things you can do, but only those which are relevant will really be constructive here.

Conducting such surveys, particularly at large companies, requires an extensive HR information system and an organisational management scheme which monitors the aforementioned opportunities or events, such as the appointment of new employees or their first days of work. Small and medium-sized businesses usually benefit less here, as the number of survey participants is small. The flow of information, the participating systems, and the interaction with an external hosting partner is illustrated in Fig. 8.4.

The HR information system manages an event, such as the employment of a new staff member. This information is sent to the partner, who stores it in a database. From there, a survey invitation is sent to the new employee, and the online-questionnaire is in turn hosted by the external partner, who records the responses. The analysis results are then provided by the partner, and can be viewed by people like the recruiting managers.

As already mentioned, this approach is an ideal scenario corresponding to the practices adopted at SAP. But there are much easier options available, particularly for small and medium-sized businesses.

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Framework Conditions

9

This final chapter will examine framework conditions for successfully implementing TRM. I have so far presented content-based concepts and approaches. But these are not implemented in an isolated manner; they are always implemented in a context which can be beneficial to varying extents. I specifically refer to five aspects here, starting off with the management's obligation. TRM requires that the management back and actively support the associated measures. As already mentioned in relation to candidate retention, TRM needs a special organisational structure, particularly in the HR department, where there are certain roles and interdependencies. TRM also requires specific, often unusual skills of its major players. A technical infrastructure, namely information technologies, may also help with implementation. TRM is increasingly taking place in an international context, raising the question of how central or localised actions should be. Finally, we take a look at the monetary benefit of TRM. TRM measures will only be received well by the management if they promise some sort of benefit, which is expressed in the language best understood by the CFO.

9.1 The Management's Obligation

Throughout my career, I have had the opportunity to get to know many businesses and their recruiting activities. This has allowed me to meet numerous employers who have been successful in the competition for talent. But the majority of businesses struggle to fill key and bottleneck functions. I don't have any empirical data, but my experience has taught me that there is a crucial difference between the first group of employers and the second. Those businesses which have been successful in their recruitment endeavours view recruitment as a strategic aspect deserving top priority. The HR professionals there are fortunate enough to work with management boards who are fully committed to this area. In recent years, I have also spoken to many HR professionals who are totally convinced of the approaches described in this book, but who regularly concede that such measures could not be implemented at their company, or could only be implemented to a

limited extent, because they would not be supported by the management. This section is thus explicitly aimed at these HR professionals. They don't have to accept their fate. Instead, I believe it is the HR department which is responsible for highlighting the need for TRM and fighting for good ideas. Other functions, such as marketing, sales, logistics or production, do the same if they want to be successful in the long term. I will offer some help and advice on this below.

Following extensive organisational changes in recent years, Professor John Kotter from Harvard Business School repeatedly highlighted the need for a "sense of urgency" (Kotter, 1996). In his 8-point approach, he demonstrates that a lack of emotional pressure is one of the main reasons for unsuccessful transformations. This idea can be applied directly to the problem addressed here. Managing directors sometimes underestimate the importance of intense efforts in recruitment because they have no "sense of urgency". CEOs often live in their own world, distanced from problems arising at an operational level. Company founders in particular are, by nature, supremely confident in the ability of their company as an employer, and wonder why people aren't flocking to work there. In other words, they believe their company is the centre of the universe. They can recognise demographic developments, and are familiar with the changing age pyramids; they have seen them often. But I fear that they have not yet grasped the extent of the demographic developments, and their consequences for the labour market.

Kotter states that even just the physical environment in which executives and CEOs operate, with all their expensive paintings, carpets and lavish interiors, makes them believe everything is alright in the world. We also know that good news is more likely to reach the managing directors than bad news. This is not because managing directors are ignorant, but rather because employees and managers are usually hesitant to send bad news up the ranks. They are all instinctively familiar with the "Kill-the-messenger-of-bad-news" phenomenon.

The "groupthink" effect (cf. Janis, 1982) is frequently discussed in social psychology, and especially in group dynamics. This form of group thinking describes the overly dominant tendency of groups to seek a consensus, and thus systematically isolate themselves from information emerging within their environment. It is a phenomenon which particularly occurs when a group, e.g. the management or executive board, is headed by a charismatic, domineering leader. History has shown that this phenomenon can lead to catastrophic misjudgements and decisions.

The main problem in terms of recruitment lies in the fact that very few companies have actually experienced real crises as a result of this. The talent shortage is only creeping up gradually, and hardly anyone has suffered an earth-shattering disaster. In the past, this was also helped by the fact that the task of filling difficult positions was outsourced to executive search firms in a knee-jerk reaction. The problem was thus passed on to external parties, and people no longer felt forced to work on their own structures or methods.

After all, recruitment activities at many companies operate on more of a short-term basis, i.e. from vacancy to vacancy. This vacancy-focused attitude, as described in Chap. 3, often results in structural faults being overlooked. The

individual vacancy is seen as the problem; not the overarching approach to filling vacancies in general. The fact that a vacancy has not been filled rarely gets reported to the management. In the end, however, this will initially be addressed with isolated solutions.

The aforementioned situation becomes all the more dramatic when the HR manager is not a member of the management board. If, in addition, recruitment activities are performed by a dedicated recruiting and HR marketing team, the management may seem virtually inaccessible to the leader of this team.

In view of this, I will now present some specific methods as to how the management can generate emotional pressure. We follow the rule that you should never go to a CEO with a problem unless you have already prepared a solution. The solution was described in detail in Chaps. 4–8. We're now going to look at the problems.

If you are having difficulties filling key and bottleneck functions as a result of the talent shortage, you can try to express this in numbers, as we tend to view these more objectively. Relevant KPIs can be classified based on the four fields of action described earlier on (Chaps. 5–8).

The Employee Value Proposition or employer branding seek to convincingly raise a target group's awareness of an employer. One simple, relevant indicator which highlights problems is that of applications received. There is an unofficial rule of thumb which states that, every year, a company should receive as many applications as it has employees. These figures are proportionally less for key, and particularly bottleneck, functions. It is much more useful to compare applications received over time, i.e. comparing the number of applications received today and in the past. This sometimes shows dramatic declines. But things get even more dramatic when only qualified applications are taken into account, i.e. those deemed as potentially suitable during pre-selection.

Apart from incoming applications, the Internet also offers a number of access statistics, although most of these are quite unspecific and thus shed little light on key and bottleneck functions. The company's webmaster will always be able to provide figures relating to hits on the career website and its sub-pages over time. Given the Internet's growing importance, stagnation means decline in this case.

When it comes to sourcing strategies, there are other ways of presenting the current situation using numbers. The main aim is to show that conventional approaches cannot/can no longer achieve the success desired. You can work with incoming applications here if they can be attributed to specific approaches, e.g. you can analyse how many applications have been generated by certain ads (such as traditional print advertisements). You can also use KPIs relating to efforts made in campus recruiting, employee referral programmes or other approaches, which we examined in detail throughout Chap. 6. These sorts of indicators seek to highlight the untapped potential of such sourcing strategies. If, for example, the yield from employee referral programmes is less than 10 % when employing professionals, it means there is a lot of catching up to do. Companies which use referral programmes often achieve rates of 50 % or more. The same applies when securing graduates through campus recruiting measures.

In terms of candidate retention, it is advisable to analyse how many former trainees and dissertation students have ultimately been taken onboard. The rate here should be at least in the double-digit range.

When examining the candidate experience, one option is to conduct a survey of new employees, similar to that described in Chap. 8. This could simply be a spot survey of employees who have joined in the last 6 months. Alternatively, or in addition, you can work with so-called "mystery applicants". For just a few hundred Euros, junior consultancy divisions are more than willing to infiltrate fake but authentic-looking applications into the application process. Things get particularly interesting when the information in these applications is based on staff members who had been employed in the past, which ensures that the "applicants" are potentially suitable candidates. Starting on the day of "application", these junior consultancy divisions assess the company's response speed and method, though this approach usually ends once an invitation to a job interview is sent. When I make presentations to managing directors and executives, I usually advise them to apply to their own company under a different name and with their dream CV, upon which the blood drains from the faces of the chief HR officers in the audience.

So-called quick wins are a simple yet elegant way of testing the effectiveness of selected measures. Quick wins are activities which involve little effort or expense, but which still prove to be quite beneficial, and rarely require the management's consent. You can thus discuss, as part of a workshop, which measures will primarily be applied to sourcing, candidate retention and the positive candidate experience. On this basis, the measures—or at least pilot tests—can be sorted in a portfolio using the variables of benefit and expense (see Fig. 9.1).

While I don't see many quick wins for the Employee Value Proposition, it's a different story for the other three areas. I will outline some ideas on this below:
– Referrals are actively obtained, and the relevant bonuses offered, in order to fill certain, selected positions. The first step would thus not involve implementing a comprehensive programme, but rather simply testing out the idea on a smaller scale.
– A target university is identified for a selected area, upon which the full repertoire of professional campus recruiting is carried out. This only requires the involvement of a few dedicated faculty representatives.
– Social community recruiting is tested out for a couple of vacancies, e.g. via LinkedIn or Twitter. I know of companies where interns have tried this out using every trick in the book.
– Guerilla recruiting involves acting on a simple idea. To avoid unnecessary irritations here, the idea may relate to a defined target group, e.g. students of a specific university.
– A wide range of candidate retention measures are tested out on a small, manageable group of dream candidates, e.g. former interns, for a position which has so far proven difficult to fill.

We don't worry about any ideas relating to the positive candidate experience at this point. Most ideas in this context involve little effort or expense, and merely need to be put into practice.

Fig. 9.1 Quick Wins
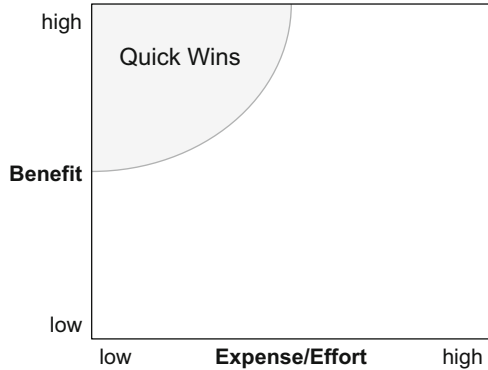
When it comes to social media, I have seen many examples of young, bold colleagues implementing an idea without explicitly asking for permission. Many CEOs are highly critical of social media, which makes it difficult to explain the importance of these platforms to them. It is therefore often better to just demonstrate this through visible results and the associated success.

A bit of politics, using simple but effective and usually hidden rules at the company, sometimes helps raise awareness about TRM at a strategic level. I would briefly like to discuss two ideas here.

CEOs are people who usually think in a very competitive manner, otherwise they wouldn't be where they are. And that's a good thing. They can thus often be inspired by an idea if they are made aware of what their direct competitors are doing. I myself have come across many CEOs who were very taken with the idea of an employer brand, not because they completely understood the concept, but because they were shown what their direct rivals had achieved in this respect. I don't want this to sound as if I am belittling managers. On the contrary. I have great respect for their work and responsibility. But every so often, the child within the man (since it's usually men) emerges: "I want that toy too".

The second idea involves getting informal opinion leaders within the company onto the TRM bandwagon. Every company has people regarded highly by the management, not because of their formal position within the hierarchy, but because they have gained the trust of the top-ranking decision-makers over many years. Their views are respected, and they often act as informal advisors. At meetings, they have the unofficial power to unravel or promote an idea with a single sentence. Some of these informal opinion leaders have a natural affinity with HRM-related topics. Every HR manager has their sights set on certain people within their company. It is worth getting such people onboard with TRM, and actively involving them as advisors when formulating TRM-related approaches. If you are able to get informal opinion leaders to actively and visibly express their positive views on TRM, it is one huge step closer to the management and overall success.

9.2   Organisational Conditions

Apart from convincing the management, certain organisational framework conditions also need to be taken into account to ensure successful TRM. In the previous section, I mentioned that, although many HR professionals are impressed with the ideas raised by TRM, they often lack the necessary support from the senior managers. But I come across just as many CEOs whose views are the reverse. They state that they would support an upgrade of their HR marketing and recruiting activities, but lack the necessary pre-requisites for this, particularly in terms of their HR organisational structure.

In actual fact, TRM requires other skills and competencies, particularly from those employees responsible for recruitment. Whether these employees work in the HR department or elsewhere is initially irrelevant here. Figure 9.2 compares past and future skills, though this should not be misunderstood as meaning that what applied in the past no longer applies today. Most of the future skills and competencies should instead be viewed as supplements to the past ones.

In the past, recruitment primarily involved selecting the best applicants using valid, professional methods. Recruiters would spend most of their time looking through applications, conducting interviews or organising ACs. While these tasks will continue to exist in future, the focus will increasingly shift towards talent acquisition, especially for key and bottleneck functions. It will thus be less about selecting applicants and more about receiving applications. This will require knowing the target group on the labour market, understanding it, and being able to address their preferences. The idea of approaching candidates and actively appealing to them is a completely new and foreign concept to many recruiters, who are used to waiting for interested applicants to come to them rather than finding passive candidates, contacting them, and establishing permanent ties to the best ones. In light of this, they will need to be able to build relationships and convey personal appreciation in their dealings with candidates, while also acting quickly. Networking will thus play a key role in every aspect—in the Employee Value Proposition, in the active candidate search, and in candidate retention. This will additionally require future recruitment managers to know how to handle social media, with emphasis not only being placed on their ability to use it in a methodical and strategic manner, but also their experience with platforms like Twitter, Facebook and LinkedIn.

My former supervisor and Head of Global HR at SAP, Les Hayman, presented four relevant types of HR professionals. He distinguishes between the traits Polite, Policy, Partner and Player.[1] In his insightful blog, he describes HR professionals as "the nicest people at the company". Every day, they attend to problems, listen, and reply to all their emails. He classifies this level of HR professionals as "polite". Policy describes a level where HR professionals take charge of upholding internal

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[1] http://leshayman.wordpress.com/2010/08/26/hr-polite-to-police-to-partner-to-player/ (last accessed on September 9, 2011)

Relevant skills in the past	Additional skills today
Selection	Sourcing
Vacancy-focused approach	Talent-focused approach
Managing active applicants	Searching for and appealing to passive candidates
Knowledge of human nature	Knowledge of the target group on the labour market
Use of recruitment technology	Use of social media
Administrative reliability	Speed and appreciation
Internal service provider	Internal co-operation partner
Friendliness	Competitiveness

Fig. 9.2 Recruitment manager skills then and now

rules and agreements. As partners, they co-operate with managers and employees from the specialist divisions. Players are those who actively make things happen, to ensure the company is as competitive as possible. I believe many recruitment departments today still have plenty of nice staff. Apart from the fact that recruiters will have to strategically gear their work around key functions in future, and thus devise suitable measures and structures, they will also be expected to be more competitive. Recruiters will have to see themselves as sales staff, hurting competitors on the labour market and implementing cheeky ideas such as those cited in relation to guerrilla recruiting. Recruiting managers will become partners and directors of extensive recruitment measures, orchestrating co-operations between managers and staff, particularly as part of candidate sourcing and retention. This is primarily due to the fact that TRM requires a high level of involvement from the line. The days where a hiring manager would submit his/her briefing, and the HR department would set off to supply the candidates so that the manager could ultimately select the best, are finally over, especially when it comes to filling key and bottleneck functions.

Another aspect I would like to include in the organisational framework conditions relates to the *recruiting culture* at the company. This essentially revolves around two questions: Is the recruitment an issue which is given a high priority by employees (not just the HR department)? And, is the recruitment of new staff seen as a task to be performed by all employees? At many companies, it is common to see issues which are actually relevant to all employees "lumped" onto certain departments or committees. During the 1990s in particular, the Total Quality Management system showed that quality cannot be assured simply by making a quality department responsible for it. It was instead found that quality is a matter for every single employee. Today, many businesses have diversity departments, women's affairs officers, departments for health and the like. There's nothing wrong with this; it's similar to a recruitment department forming dedicated teams to tackle a specific issue. The critical error, however, is to think that, by doing so,

the issue is now in safe hands and no longer relevant to the affected workforce. These sorts of teams play a co-ordinating, leading or enabling role, and are not there to absorb full responsibility for the respective issue. The same will apply to the recruitment practices of the future.

For salespeople, every conversation they have, whether this be at conferences, networking events or even in private, is a sales pitch. They are constantly sniffing out opportunities. For employees at a company with a distinct recruiting culture, every conversation is a job interview. Whenever they meet someone, whenever they have a beer with someone at an event, they have this question in the back of their mind: Could this person be a suitable employee for our company?

This is where the management, with the support of the HR department, needs to do some persuading. But this alone will not do the job. The employee referral programmes described in Chap. 6, coupled with internal communication measures, are particularly helpful here. More and more companies are setting recruitment targets with their managers; not in the form of employment figures, but rather in the form of activities, e.g. as part of campus recruiting or in relation to customer retention, where their involvement is particularly required. It is now clear that structural measures, such as employee referral programmes or target agreements, are one thing, while a recruiting culture is indeed another. Thanks to psychology, we know that attitude has hardly any influence on someone's behaviour. Conversely, however, we also know that behaviour definitely influences the attitude of those who act, or are prompted to act, in a certain, appropriate manner.

The idea of continuously, actively searching for candidates or maintaining relationships with promising candidates is simple and is understood by most managing directors or HR professionals. The musings in this book, however, have shown how diverse and extensive TRM can ultimately be. One aspect which can contribute to the complexity of TRM is its *organisational structure*. A key question here is: who owns the talent? This question ties in with many others which need to be answered in order to successfully implement customer retention: Who is responsible for maintaining the relationship? Which department has the "right of first refusal" if one of the hopefuls in the talent pool is interested in a job at the company? Is it, for example, the manager who brought the relevant candidate into the mix in the first place? Do all the recruiting staff now have to carry out candidate retention measures? And who ultimately keeps it all together when different divisions are all pulling at a candidate?

Audi has long been known for its well-planned TRM scheme. The demands are huge. Over the next few years, recruiters at Audi will have to employ a considerable number of engineers in the field of alternative drive technology—presumably more than what is currently available on the labour market. It's a herculean task, and probably a nightmare for most recruiters. Audi successfully puts into practice everything I have described so far, from the Employee Value Proposition, to active sourcing strategies, to systematic candidate retention.

Its HR structure includes so-called "Talent Relationship Managers", who are responsible for filling key and bottleneck functions. The traditional recruiting areas
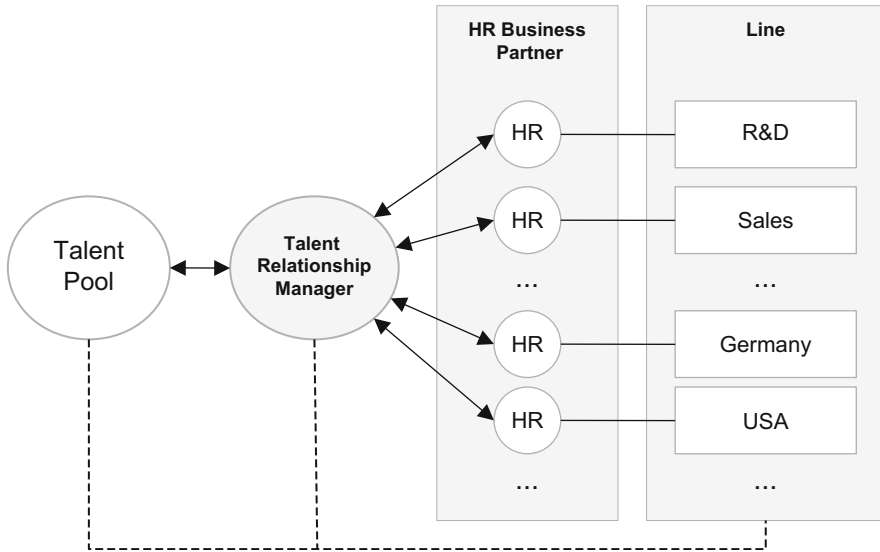
Fig. 9.3 Interactions between the Talent Relationship Manager, HR and the line

are responsible for all other functions, i.e. for the majority (production, administration etc.)—just as they have been in the past. In doing so, Audi rightly follows an important idea according to which a recruiter who fills an (easy-to-fill) position in the production department in the morning cannot attend to a key position in the afternoon. As this book attempts to explain from the very first page, filling key positions requires completely different strategies, as well as a fresh motivation, a different mindset, and special skills. But most of all, it requires a completely distinct, closer proximity to certain target groups on the labour market. A TRM crew attends to very specific functions. Figure 9.3 shows the possible interactions between the Talent Relationship Managers, the local HR areas, and the line.

To pre-empt the answer to the above question regarding who the talent belongs to: the talent belongs to the company represented by its Talent Relationship Managers, not the local HR units or the line. They co-ordinate the active sourcing strategies, plan retention measures, and sometimes even implement them. The Talent Relationship Managers keep track of everything going on in the talent pool. Things therefore revolve around a central function, similar to what we see at many companies, for example when it comes to filling top management positions or developing top junior talent. The Talent Relationship Managers of course also maintain close ties with the local HR departments—the "HR business partners", as they are known today. Broadly speaking, these local HR departments are the customers of the Talent Relationship Manager. The HR business partners in turn render their services for the line or local divisions (e.g. R&D, sales or the respective national organisations) for which they are responsible. In a narrower sense, the Talent Relationship Managers and local HR departments should work closely with

one another. The HR staff help nominate candidates. They convey their quantitative and qualitative personnel requirements within the key and bottleneck functions. And conversely, the Talent Relationship Managers update them on the talent pool's status, and particularly on the availability of sought-after talent. A close co-operation is indeed required when it comes to offering candidates jobs at the right time. Figure 9.3 also indicates a relationship between the line and Talent Relationship Managers. The line representatives help the Talent Relationship Managers search for new candidates, as already explained in relation to active sourcing strategies. They also play an active role in developing and implementing candidate retention measures.

The role structure illustrated is that of an ideal scenario. I am aware that things can look very different in real life. The simplicity of this structure cannot always be maintained at large, global organisations, where central and local approaches are mixed together, and everything doesn't always operate in the co-ordinated, consistent fashion shown here. For instance, there may be a global approach for global key functions, while an internship programme is run locally and almost independently in a specific country. I have worked long enough in a global function to know the challenges of this position. At the same time, I have always been convinced of the advantage of local approaches. Things should be created and decided on in precisely the areas where the challenges lie, for it is here that the motivation and intelligence required to make good decisions can be found. But filling key positions is of course often a global challenge which seeks global, central solutions, and thus requires a global organisational structure. I will discuss this international aspect in more detail later on.

9.3   Information Technology

Technologically speaking, small businesses with mostly manageable talent pools are served well by intelligently organised and well structured Excel spreadsheets or Access databases. As a company's size increases, however, the complexity of TRM rises exponentially. Chapter 7 described documentation requirements in the context of candidate retention, demonstrating that large volumes of information need to be kept track of in professional TRM. This doesn't just apply to information relating to the individual candidates, but also to the activities which are planned and implemented with them as part of candidate retention (see also Box 9.1). Information technology in TRM should thus primarily enable relevant candidate data to be managed, and retention measures to be planned and controlled. In doing so, it should support the segmenting of target groups, which is ultimately also crucial for executing and assisting with certain retention measures. Modern TRM solutions thus facilitate target-group-specific mailing activities or the organisation of events, as seen in present-day event management.

> **Box 9.1: Students@Bosch**
> Robert Bosch GmbH gives selected students who have particularly excelled in an internship the opportunity to participate in a student programme known as Students@Bosch. Members of this talent pool enjoy numerous benefits. Apart from invitations to career-related events, dissertation options and internships abroad, the students also receive personal support and advice as part of career consultations with experts, or undertake mentoring with contacts from the line. This is essentially a classic candidate retention programme for students.
>
> What the students don't know, however, is that this programme is based on a sophisticated technical system which manages life-cycle-oriented information on their current and future status. Each student has specific milestones during their student life, such as internships and dissertations, or is in the middle of an orientation phase. If the company knows where each student is currently at, it can make targeted offers at the appropriate time. The system reminds the managers of these life-cycle milestones, and helps implement suitable measures.

The ideas discussed in the previous section on organisational conditions showed that TRM involves co-ordinating various players. Managers from the line help with the active sourcing and with certain candidate retention measures. HR business partners articulate quantitative and qualitative workforce demands, and use candidate profiles from the talent pool to fill current vacancies. They also source candidates for a talent pool. These are all typical examples of how information is exchanged and shared between different levels of authority within an organisation as part of TRM. A modern TRM solution thus enables role-specific perspectives on information relating to the respective role. The respective players have specific rights, e.g. to data management, based on the different roles illustrated in this system.

Most TRM solutions are so-called add-ons to existing e-recruiting systems. This makes sense insofar as conventional e-recruiting systems automatically display applicant/candidate profiles by default, and illustrate relevant process stages, particularly for candidate selection. In recent years, the majority of e-recruiting systems have developed in such a way that they efficiently enable the management of incoming online applications. It can be said that the focus was more on the application than the applicant here, since most systems dealt with the handling of the application itself, i.e. receipt, forwarding or evaluation. But using an e-recruiting system to achieve maximum efficiency is merely *one* strategy. In essence, it is based on the question of what people want to achieve by introducing an e-recruiting system in the case examined. A more important strategy in the context of TRM does not lie in maximum efficiency, but in securing the best candidates, and this primarily revolves around quality (cf. Trost, Frickenschmidt & Keim, 2009). If a promising candidate applies online for a key or bottleneck

function, this should involve a completely different process to those put in place for other applications. As mentioned in Chap. 8, the aim is to convey the most positive candidate experience possible through speed, transparency and appreciation. Applying for these critical functions must be very simple, and take very little time. The incoming applications are processed individually and personally by the company's HR department and the line. When employing an e-recruiting solution, it is thus an essential requirement that strategies be applied in a targeted manner.

Apart from the classic application receipt process, modern TRM solutions also include recording candidate information gained through various sourcing strategies, such as employee referral programmes or social community recruiting. These solutions enable information from LinkedIn to be transferred directly to an appropriate candidate database. In the context of HRM-related data, Otter and Holincheck (2008) note that the extent of recorded data will grow exponentially in future, with the percentage of information managed voluntarily by staff or candidates themselves increasingly outweighing that collected/managed by HR. Even today, the information employees enter on sites like LinkedIn is usually more up-to-date, more extensive and more reliable than the data found in their companies' HR information systems. A future trend will see candidates able to enter TRM-related data themselves or use interfaces to such systems and platforms where they do this naturally. This idea is already being implemented successfully in the talent communities described in Chap. 7.

It is expected that numerous sub-systems or individual applications of a TRM system will soon gain access to their respective users via various mobile devices, whose degree of relevance will depend on the role. For example, candidates will be accessed via Smartphone apps, and managers more so via tablet PCs such as iPads. The integration of different platforms, combined with GPS and other technical possibilities, will make for exciting approaches, including as part of TRM, in future. There will be Smartphone applications (apps) for employee referral programmes. Through GPS or applications like FourSquare, the ability to integrate data from talent pools and connect it to LinkedIn will allow managers or employees to see that a promising candidate is currently in the same city, bar or airport. The users, whether they be candidates, HR professionals, managers or Talent Relationship Managers, will access data without knowing where it is stored; they will be accessing an external infrastructure. At this point, serious consideration must be given to the concerns raised by HR professionals, data protectors and workers' councils, who see the lack of control over the data in this so-called cloud computing system as a risk.

9.4   TRM in an International Context

All companies' historic roots can be traced back to a specific city in their homeland. This is where they develop their business until orders eventually start coming in from abroad, usually initially from neighbouring countries. If these are large, global

accounts, customers will require presence abroad, in their city. Even in this early phase, companies will often begin to establish production, sales or development sites in order to be closer to the customer or save on costs. It is at this point that the HRM is first faced with international challenges; they have to look for production managers to send abroad, or transfer employees from the headquarters to locations abroad in order for them to pass on their technical knowledge and cultural values there. HRM continues to be a task addressed in the country of origin. Increasing international presence and growing national subsidiaries prompts a rise in the demand for local HRM activities, resulting in the establishment of decentralised HR departments with local HR managers and teams. During this phase, it is often found that the decentralised units within HRM work relatively independently from one another, with their own recruiting strategies, processes and instruments. At some point, however, it becomes clear that certain HRM processes need to be synchronised, activities pooled, and operations standardised in general. Cost reasons usually play a key role here. By now, if not earlier, a business' HRM will face the dilemma of decentralisation versus centralisation. And they will eventually learn that some HRM activities need to be centralised, while certain other responsibilities must be assigned to the decentralised units.

Bartlett and Ghoshal (1998) illustrated a method for classifying different internationalisation strategies, which perfectly describes the development process of a typical company. They initially distinguish between international, multinational and global strategies. In response to the specific problems associated with each individual strategy, they propose the transnational option as the fourth and their most preferred solution. These four approaches will be described and interpreted below in relation to HRM, and particularly TRM.

Companies with an *international* strategy operate from their home headquarters, essentially aiming to transfer the product and process innovations developed at their head office to the various national subsidiaries. There is an implicit assumption here that things are devised at the main headquarters and implemented in the various countries. The head office is not only the central unit in a formal sense, but is also established as such in the minds of the employees. As already mentioned, companies try to use this strategy as part of their HRM to apply innovations, as well as the company culture, to the different countries through expatriates. It is thus no surprise that the HRM employees at such companies, who are responsible for international affairs, are primarily focused on international assignments. Recruiting remains a largely local matter here, with the exception of filling top-management positions abroad, which usually involves co-operating with HR consultancy firms established locally or abroad. It is interesting to note that employees at these sorts of businesses actually use the word "abroad", whereas this is not, or no longer, the case at global companies, as I will demonstrate further on. At these businesses, TRM ideally takes place in the home country, which essentially refers to the fact that key and bottleneck functions are based there. This is also true if, for instance, the talent shortage forces employees to be recruited from abroad. The approaches described in this book can be applied in the same way when recruiting foreign employees, although employers will face particular challenges when doing so. Employee

referral programmes will naturally reach their limits if the company's own staff don't know many people from abroad. In general, when recruiting foreign talent, it is advisable to co-operate with local partners, e.g. recruiting agencies and executive search firms familiar with the local markets.

At companies with a *multinational* internationalisation strategy, country-specific subsidiaries are treated as independent units. These sorts of companies focus on decentralisation, and therefore local differentiation, which is based on the justified assumption that different countries have different cultures, and that the customers will therefore have different preferences. A multinational strategy is thus the opposite of a one-size-fits-all approach. While a central recruiting function is certainly conceivable at companies with a multinational focus, it is rather uncommon. In normal cases, there will be a decentralised recruitment division where the countries themselves are responsible for employing new staff. Multinational recruitment operates on the principle that the individual countries know best which new staff member they need, and how they can reach local target groups. They are also in the best position to assess the candidate's qualifications. Furthermore, applying HR marketing and selection methods often involves local, cultural factors best catered to by a decentralised recruiting function. For example, an applicant in China may face interview questions which would never be asked in Spain, and vice versa. TRM operates on a local basis when it comes to multinational recruitment. It is up to the countries to decide how they go about this, whether they create talent pools, and how they define and articulate the Employee Value Proposition. They each have their own university programmes. Some will have an employee referral programme, while others will not. The entire spectrum of TRM measures described in this book can essentially be applied here, but ultimately, TRM remains a local initiative tailored to the relevant local requirements, and controlled by the local HR managers.

According to Bartlett and Ghoshal (1998), companies with a *global* strategy pursue the aim of optimum integration. Markets are classified as global if the companies operating within them act globally and as single units. The word "abroad" loses importance in the employees' minds because they consider themselves part of a global market. The main focus here is on utilising economies of scale in various areas of the company, e.g. purchases, production, marketing or sales. The same may apply to numerous HRM functions. In recent years, for instance, many companies have endeavoured to pool operational HRM tasks together in so-called Shared Service Centres, and thus save on costs due to economies of scale. It has also been found that international HR management instruments need to be applied when leading international teams. A manager in charge of an internationally diverse team simply cannot be expected to apply different standards depending on staff nationalities, e.g. when conducting the annual performance review. The need for global uniformity and transnational co-ordination of HRM measures is, however, also strategically motivated, because certain challenges arising in relation to HR strategy are global and require global solutions.

Fig. 9.4 Local, international, global or transnational TRM, based on target groups and functions

	Local target function	Global target function
Local target group	Local TRM	
Global target group	International TRM	Global TRM Transnational TRM

In TRM, this initially raises the question of how global the key or bottleneck function due to be filled is (target function). On the other hand, we need to clarify whether this involves global or local target groups (target markets). The answers to these questions determine whether local, international or global TRM measures are to be applied (see Fig. 9.4).

If you try to fill local key and bottleneck functions with candidates from a local target group, this is considered *local TRM*. Broadening your target group in order to recruit foreign candidates for a local target group is classified as *international TRM*, while *global TRM* consists of a global Employee Value Proposition with global communication measures. Candidates are sourced in all participating countries and beyond. Talent pools are internationally diverse, even if they include local sub-segments.

Classifying approaches as local, international, global or transnational TRM may appear very simple at first, but there will always be mixed/transitional forms in practice. The transnational variant is described in more detail further on.

Global TRM follows the same logic used by many international corporate groups as part of their manager development schemes. The top level involves so-called executive development programmes which bring together high potentials from all over the world, and organise and implement the relevant development measures with these aspiring top managers centrally and transnationally. The local responsibility within these programmes merely consists of nominating high potentials based on pre-defined standards. Global TRM, on the other hand, is much more complex, partly due to the fact that the many different measures, as described in this book, are difficult to co-ordinate at a global level. Implementing and running a global employee referral programme is hard enough in itself, given the cultural differences between the countries. Having said that, successful TRM also requires proximity to the target groups and candidates, which can hardly be achieved by a central unit within the company.

This leads us to a fourth strategy, which Bartlett and Ghoshal (1998) call the *transnational* solution. They rightly state that, although local differentiation has its advantages, it also involves disadvantages which can be resolved by international integration. They thus suggest a strategy which seeks to strike a balance between the two approaches.
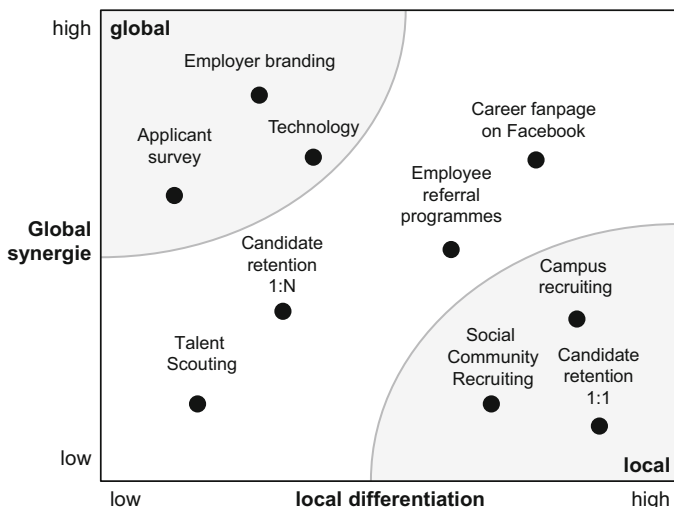
Fig. 9.5 Balancing TRM measures between global synergies and local differentiation

If you try and implement a transnational strategy in TRM, you first need to understand two basic premises. On the one hand, you will only be able to fill key or bottleneck functions in places where these exist, i.e. in places close to candidates and the target groups. This is also the sole way to guarantee staff and manager motivation to source, approach and establish ties with candidates for critical functions on site. On the other hand, transnational TRM can only be taken into consideration if comparable key and bottleneck functions need to be filled at multiple locations, because only then does an international strategy make sense. If these two basic premises are met, a balance can be struck between various TRM measures and activities as illustrated in Fig. 9.5.

To gain a better understanding, let's assume a multinational starting point, where HR organisations at various locations each perform local TRM. This decentralised format enables maximum differentiation. On the one side, you have activities performed within local TRM, which don't necessarily require differentiation, since some things can still be standardised and seamlessly applied to other countries in the same way. Not everything you do as part of TRM needs to be adapted to local conditions, as reflected by the *local differentiation* dimension in Fig. 9.5. It may thus be very important for some activities, and less so for others. One typical example is the technology used; not everything about this needs to be localised.

Other TRM activities offer potential for synergy effects. Some decentralised units are often able to act more effectively and affordably as part of TRM when selected activities are pooled together, and organised and co-ordinated from a central location. Not every country needs to reinvent the proverbial wheel for everything they do; indeed sometimes it's worth defining joint standards and processes, as illustrated by the *global synergy* dimension in Fig. 9.5. One classic example is that of developing an Employee Value Proposition and using it to build

an employer brand. In most cases, decentralised units even ask the head office to develop international standards which can then be applied locally.

If we sort the various TRM activities along these two dimensions, we see the picture shown in Fig. 9.5, which is designed to serve as an example. It will look different for each company, whether this be in relation to content or to the layout within the portfolio proposed here. I simply want to clarify the idea upon which this concept is based; the implications are obvious. Activities in the top left corner should be globalised, while those in the bottom right should be treated independently and locally as per the multinational strategy. The space in between is a transition area, requiring partnership models with compromises and certain local freedoms. This area is difficult to manage, because it involves shared responsibility and transnational co-ordination, both in defining and implementing measures.

I have myself been the head of a central recruiting function for long enough to know that it is hard, indeed virtually impossible, to roll out measures in the various countries from the company's home base. The usual headquarter/branch office conflicts arise. Instead of satisfying decentralised units inside-out from the head office, experience has taught me it is always more beneficial to operate on an outside-in basis using local needs in order to then pool these together in the interests of the local units.

9.5 The Monetary Benefits

One of the key framework conditions here is to see TRM as a source of monetary benefit. The return on investment (ROI) can be calculated by comparing it with the investment and operational expenses. In general, I consider it essential to speak the CFO's language, even in HRM. While you may instinctively think that HRM is a "soft" discipline with many human aspects which cannot be illustrated financially, this is a dangerous attitude to adopt. We tend to underestimate the possibilities of calculating benefit in HRM, whereas we overestimate those in other areas. Anyone with sufficient experience must admit that, even in "hard" disciplines, such as production, logistics and purchases, not all calculations and appraisals are as valid as they may initially appear. These areas also involve a lot of estimation, on a daily basis.

When it comes to estimating ROI, you can use a model which is not only relevant to TRM, but rather to all approaches within HRM, and I encourage every HR manager to adopt it. Figure 9.6 below illustrates this model.

Every HRM initiative should be based on a specific *problem*. This may sound obvious, but I often come across activities where there is ambiguity about the problem which actually needs to be solved. People first find the solution, then look for a suitable problem. In terms of the TRM solution, the problem is clear: existing methods will not suffice if you want to achieve the success you desire when filling key and bottleneck functions.

From a business management perspective, however, a problem is only a problem if you can identify *costs caused by the problem*, which may be real costs, hidden

Fig. 9.6 Flow chart for
estimating ROI in HRM
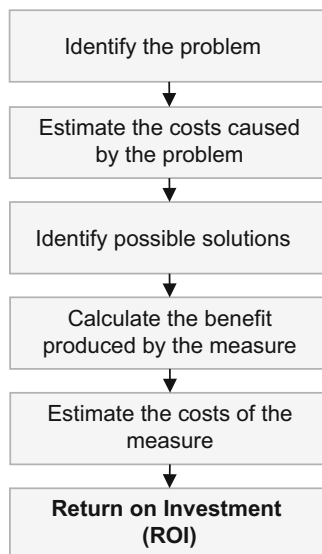
costs, or even opportunity costs. We are then also faced with the question of which
costs are generated if you continue on as before—i.e. without TRM. This is a very
crucial aspect, which is admittedly more complex to explain. We use an approach
coined by HRM mastermind and founder of the well-known Saratoga Institute, Jac
Fitz-Enz (2009). He investigated the issue of how to express an employee's average
value contribution using one single number, ultimately devising the following
formula:

$$HCVA = \frac{Revenue - (Total\ costs - HR\ costs)}{FTE}.$$

HCVA stands for *Human Capital Value Added*, and represents an employee's
average value contribution. The total costs include all of the company's overheads,
while HR costs primarily consist of all salaries and extras. As is generally known,
FTE stands for Full Time Equivalent, and describes how many staff members the
company would employ if their working hours were expressed in full-timers. How
can we interpret this formula? We must first rightly assume that the value generated
by a company every year can be expressed through its sales. Products and services
are only worth as much as customers are willing to pay for them. This value is not
only generated by the employees' performance, but also by the material contained
therein and by machinery. The latter can be estimated based on all costs not
classified as HR costs, i.e. the total costs minus the HR costs, as shown between
the brackets. A bouquet of flowers is worth a specific price because material, tools
and infrastructure all go into the product. The rest of the value is attributed to the
florist's creative work, and thus corresponds to the added value generated by the
employee. In order to determine the average added value of a full-time employee,

the total added value generated by the employees is divided by the number of FTEs. It is interesting to calculate the HCVA for various companies. The data is usually available. In the end, you find that companies operating in very knowledge-intensive industries have a particularly high HCVA, which is not surprising when you think that most of their added value is generated by their employees.

To clarify this further, we will now use the example of a fictitious company with the following parameters:

– Sales revenue: 200 million Euros
– FTE: 2,000
– Total costs: 180 million Euros
– HR costs: 140 million Euros

If we apply the formula for the average HCVA per employee according to Fitz-Enz, we get the following:

$$HCVA = \frac{200,000,000€ - (180,000,000€ - 140,000,000€)}{2,000} = 80,000€.$$

This average value contribution of 80,000 Euros per FTE is a total value without any distinction based on function or performance. It describes something very general, like the average sales per employee or the average profit per employee. This value therefore merely acts as an initial starting point for the company. To proceed further, however, we need to make a distinction beyond the Fitz-Enz approach. Two assumptions are particularly relevant here:

– The value contribution of employees in key functions is higher than that of the staff members in the other functions. After all, this is the very criterion which defines key functions (see Chap. 4).
– The value contribution of employees is directly dependent on their performance. For example, the value contribution of efficient employees is higher than that of inefficient employees. This is a generally accepted fact.

Based on the total HCVA and the two assumptions above, we are now faced with the question of how much greater the value contribution in key functions is compared to other functions. This same question is raised in relation to various employee value contributions, depending on their performance level. Two more assumptions need to be applied here to proceed with the calculation.

– The value contribution made by employees in key functions is double that of employees in other functions.
– The value contribution made by a high-performing employee (A-player) is 50 % higher than that of an average employee (B-player). Conversely, low-performing employees (C-player) only generate half the output of an average employee.

These assumptions can be expressed simply and in figures using *factors*, as shown in Fig. 9.7.

The key element of the factors displayed in Fig. 9.7 is not their absolute amount, but rather their relation to one another. I am not aware of any objective approaches when it comes to estimating these factors. I recommend holding relevant discussions with internal or external experts and the authorities (e.g. the

| | Low performance | Average performance | High performance |
	C	B	A
Key functions	1	2	3
Other functions	0.5	1	1.5

Fig. 9.7 Factors express the relative value contribution of different employee groups

management) who will ultimately be responsible for accepting the analysis. As mentioned earlier, the former development manager estimates the difference in productivity between top developers and average developers at a factor of 10,000, making the estimates above appear rather conservative.

In addition to the above estimates and assumptions, quantities must also be determined in order to ultimately analyse the HCVA in detail. How many staff members are employed in key functions? And how many staff members are classified under the three performance categories? If, on the one hand, we assume that 10 % of staff members work in key functions, and on the other, that 10 % are inefficient (C-players), 70 % are average (B-players) and 20 % are efficient (A-players), we get the amounts shown in Fig. 9.8, based on the example above (2,000 FTE in total).

If you have properly estimated the aforementioned parameters, you can calculate the HCVA per employee category (HCVA$_{kp}$) as follows (k stands for the respective category (key function or other), and p refers to the respective performance category):

$$HCVA_{kp} = \frac{Factor_{kp} \times FTE_{kp}}{\sum_k \sum_p Factor_{kp} \times FTE_{kp}} \times HCVA.$$

The resulting value shows the *total* added value generated by the employees per category. If you divide this by the number of FTEs per category, you get the average HCVA per category and employee. The results (in 1,000 €) based on the example used here are reflected in Fig. 9.9.

The factors defined above are reflected in the value contributions per employee within the various categories. The employee contributions within the key functions are twice as high as those of employees in other functions. The relationships between the different performance levels are also consistent with the assumptions on which this analysis is based. We can now estimate recruitment problems and their financial implications.

– If you only fill a key function with a C-player instead of a B-player, this means an annual lost value contribution of (139,000 €–69,000 €) 70,000 €.

		C-players	B-players	A-players	Total
	%	10%	70%	20%	100%
Key functions	10%	20	140	40	200
Other functions	90%	180	1.260	360	1,800
Total	100%	200	1,400	400	2,000

Fig. 9.8 Estimated FTEs in the individual categories

	Low performance (C)	Average performance (B)	High performance (A)
Key functions	**69**	**139**	**208**
Other functions	**35**	**69**	**104**

Fig. 9.9 Sample HCVA calculations per employee category (in thousands of €)

– But employing an A-player (208,000 €) instead of a B-player (139,000 €) increases the annual value contribution by 69,000 €. If you are unable to achieve this, it conversely implies a loss equal to this same amount.

Although the analysis may initially appear complex, applying the HCVA estimates is very simple, as evidenced by the two examples.

If you now want to estimate the *benefit* of an entire TRM initiative, you must first focus on the quantitative HR requirements and an *estimate of the effectiveness* of this initiative. A simple calculation based on the previous example may clarify this (Fig. 9.10).

The above example assumes that a company wants to employ 20 new staff in key positions every year. In light of the assumptions above, it will recruit 2 C-players, 14 B-players and 4 A-players. These estimates are based on the presupposition that this distribution will be achieved if previous recruitment methods continue to be applied. With TRM, it is assumed you can gain two more A-players for the price of one C and one B-player. If we look at the resulting employee contributions in this context, we see a 208,000-Euro difference in benefit.

But there's an easier way. In the calculation in Fig. 9.10, the employee contribution for the 20 new staff members is 2,916,000 Euros. If, to keep things simple, we assume that TRM would enable the recruitment of employees who would put in 5 % more performance, this would increase the benefit by (2,916,000 Euros × 5 % =) 145,800 Euros a year.

Those who find it complicated to calculate financial benefits using the employee value contribution can use an even easier approach which does not require an HCVA analysis. You can assume that an employee's value contribution is at least as much as the HR costs it generates, otherwise the employee is not worth it. While

		C-player	B-player	A-player	Total
Without TRM	FTE	2	14	4	
	HCVA/FTE	69	139	208	
	HCVA	138	1,946	832	2,916
With TRM	FTE	1	13	6	
	HCVA/FTE	69	139	208	
	HCVA	69	1,807	1,248	3,124
Benefit					208

Fig. 9.10 Example of calculating the benefit of a TRM initiative (all HCVA data in 1,000 €)
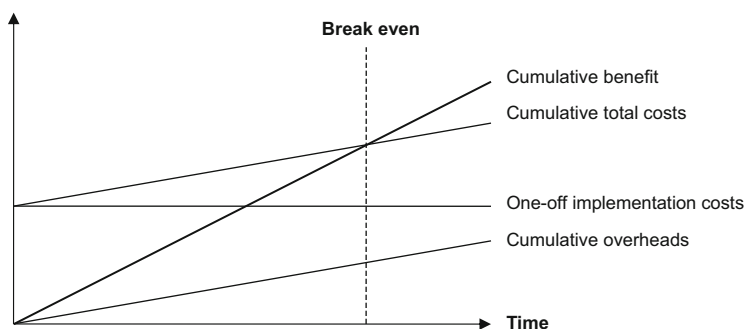

Fig. 9.11 Calculating the break even

this may not be appropriate for every single employee, it is as a whole—at least for profitable businesses. Let's assume a company employs 100 new staff in a year, and the HR costs for these 100 staff members equal a total of 8 million Euros. In this case, we could also assume that TRM will allow us to recruit employees who provide a 5 % higher value contribution on average compared to when we try and employ staff without TRM. This would therefore generate a benefit of (8,000,000 € × 5 % =) 400,000 € per year.

Having analysed the annual benefit of TRM, we can then determine the *ROI* by comparing the annual benefit with the costs incurred, as established when calculating the break-even. Figure 9.11 illustrates this approach.

The implementation costs cover all costs associated with developing, designing and launching the TRM scheme. These include formulating an Employee Value Proposition, introducing a technical infrastructure for TRM, or calling in external advisors to design TRM processes and activities. Apart from subsequent optimisation measures, they are one-off costs. Ongoing costs or "overheads" are also incurred, e.g. for communication campaigns, dedicated TRM staff, or ongoing candidate retention measures. The overheads accumulated overtime and the one-off

implementation costs produce the cumulative total costs, which are pitted against the cumulative benefit generated by TRM. If the annual overheads are less than the annual benefit generated by TRM, the cumulative benefit will eventually be higher than the cumulative total costs. The point when this happens is known as the break even, and it is from here onwards that the measure starts to pay off.

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Conclusion

<div style="text-align:right">**10**</div>

Recruitment has changed drastically in recent years, and will continue to do so, even though many companies are still lagging well behind here, particularly when it comes to filling key and bottleneck functions. The increasing talent shortage creates a new power relationship between employee and employer. Previously, it was the applicants who had to impress. As part of their career plan, they had to be clear as to their preferences, strengths and talents, and what their motivation level was. They had to actively look for a job. They studied the careers sections of relevant newspapers, and browsed through online job boards. They tried to establish long-term relationships with interesting employers. In the end, they would do their best in the application process, and demonstrate their best assets, both at a professional and interpersonal level. All this—impressing, actively searching, building relationships and portraying a positive image in interactions—is what employers now need to learn. This is the natural consequence of the latest developments on the labour market, where those companies who act faster, more creatively and in a more self-contained manner gain massive advantages in the "war for talent".

You don't need to do everything mentioned in this book. But, when it comes to filling key and bottleneck functions, I would advise every employer to specifically clarify which path and methods may be suitable, and which would not. As a managing director, I would ask my HR manager the following questions: What are we doing to present ourselves as an attractive employer to the target group? How do we find and approach suitable people? How do we keep in contact with the good ones? And how do talented candidates experience our recruiting process? And on top of all this, I would ask how successful we are in the respective disciplines. If you yourself are an HR manager or responsible for recruitment and HR marketing, you should prepare yourself for these questions if you are not already in the fortunate position of being able to present these aspects clearly.

For several years, I have been noticing how the topics in this book are being addressed dynamically on the HR scene. I would not have been able to write this book if some good approaches hadn't already existed. I have also observed the development of a new generation of HR professionals, whose self-image and hunger for new pathways distinguishes them from previous generations, to a certain

extent. They give their HR management a new, more colourful complexion, and help this important field emerge from the shadows. Many of these guides are featured in this book, even if they are not mentioned by name. But this is still just the beginning, and there are exciting times ahead. The increasing pressure will generate creativity—ideas and approaches I will certainly be intrigued to see.

About the Author

Born in 1966, Professor Armin Trost lectures and researches at the HFU Business School in Furtwangen (Black Forrest) in Germany. As part of his research, lecturing, and consultancy, he primarily focuses on talent management. He previously also had a professorship at Würzburg University of Applied Sciences and was head of worldwide recruiting at SAP for many years. As a partner of the consulting firm Promerit AG, he has successfully been advising companies of all sizes and industries on strategic Human Resource Management issues since 2006. Armin Trost is not only known as the author of numerous articles and books, but is also a trend-setting speaker at leading conferences. In 2013, he was named one of HR's 40 leading figures for the fourth time in a row by German HR magazine, Personalmagazin.

In short: Dr Armin Trost is a Professor in Human Resource Management at the HFU Business School in Furtwangen, Germany, and a partner in corporate consultancy firm, Promerit. He is considered a leading expert in talent management and is known as a convincing speaker and author of numerous specialist publications.

About the Translator

A native English speaker from Australia, Emily Plank has been working as a freelance translator since 2007. Having studied French and German from an early age, she has always been passionate about foreign languages and has been fortunate enough to travel extensively throughout Western Europe on numerous occasions, including a stint in Spain studying Spanish and teaching English. After graduating from the University of Western Australia with a Bachelor of Arts in French, German, and Linguistics in 2006, she completed a Certificate of Translation (Spanish to English) and set about establishing her own business, E-Translations, with an international client base. Her career has since gone from strength to strength and her work has been featured in numerous publications and websites. Emily Plank prides herself on her ability to translate in a wide range of fields and registers, and her clients have come from industries as diverse as tourism, law, medicine, commerce, and, now, HR.