



In Search of Top Talent –
Is an Integrated Sourcing and Relationship Management
Platform the Next Strategic Step for Employers?

An ADP White Paper

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Introduction

Retaining highly talented employees begins with the sourcing and management of the active and passive job seekers in your talent pipeline. In its purest sense, sourcing identifies job seekers and reaches out to them to begin a dialogue, enabling your organization to “connect” with prospects for active job openings, as well as for possible consideration for positions in the future.

For years, sourcing was more reactive than proactive, typically part of a manual environment in which recruiters and HR staff members collected paper resumes, updating them from time to time by phone or letter, and contacting potential candidates to fill requisitions. When you needed to fill a specialized or high-level position, you would call in a “headhunter” to find the person you needed, someone with the right credentials, who was either looking for a new career challenge or could be coaxed to consider one.

The emergence of the Internet introduced us to mega electronic databases, such as Monster, name generation services (e.g., ZoomInfo, Jigsaw, and Spoke Software), and to social or referral-based networking, which appears to be rapidly becoming the preferred “engine” that is filling our talent pipelines. Subsequently, Internet-based social networking sites (such as Facebook, Twitter, MySpace, and LinkedIn) added a new dimension to the “wooing” of talent by building two-way communication between prospective employers and active and passive job seekers, empowering job hunters to “market themselves online by setting up profiles, listing work history and specific skills.”¹ The volume of resumes posted online alone – over 77 million² – demonstrates a huge trust factor in the breadth and capabilities of electronic showcasing.

However, the real story of sourcing and talent management is not that the world has changed. More precisely, the world continues to change – and with change comes a paradigm shift, every so often, that makes everyone sit up, take notice, and look at how they should – or must – do things in a different and progressive way to be and remain competitive.

This white paper:

- 1) examines the impact of culture, technology, and other forces on the task of “sourcing”;
- 2) shows how the process of sourcing (“talent pipeline building”) has changed;
- 3) presents the drawbacks and inadequacies of stand-alone sourcing and talent management solutions; and
- 4) demonstrates why an integrated sourcing and relationship management platform is the next feasible and logical strategic step for employers in search of talent.

Whether the economy is up, down, or recovering, prospective employers with business goals to meet are always competing for the best talent – people with skills that can make a measurable difference in the workplace. What makes *now* so special? Automation and integration have created yet another technology-assisted milestone that demonstrably transforms a key recruiting application and resets the high bar of expectation.

With technology, process, and a business need now aligned, the time for a platform-based approach to sourcing and relationship management has clearly arrived.

Keeping Pace with Business Goals, Cultural Changes, and Demographic Challenges

The roles of employers, job seekers, and recruiters are visibly changing, and these changes are impacting the way organizations hunt for external talent.

- *There Are Fewer New Workers Arriving with New Skill Sets* – An insufficient number of young workers – armed with much-needed 21st century skills – are entering the workforce to fill the growing demand for jobs in a variety of industries.³ According to Stony Brook University’s director of industry outreach, “Nanotechnology, homeland security, biotechnology, none of these specialized areas have even spawned jobs yet. Where is the talent going to come from?”⁴

¹ “Social Networking Technology Boosts Job Recruiting,” Frank Langfitt, NPR, www.npr.org, May 10, 2009.

² “2009 Recruiting Metrics and Performance Benchmark Report,” www.staffing.org, 2009.

³ “New Workers Sorely Lacking Reading, Writing Skills, Report Finds,” Jeremy Smerd, Workforce Management, www.workforce.com, December 19, 2007.

⁴ “Tech firms hit hard by talent gap,” David Reich-Hale, Long Island Business News, Friday, May 16, 2008

- *The Best Talent Has Become Increasingly Mobile* – Job seekers with high-demand (e.g., tech industry) talents are building increasingly “mobile” career paths based more upon their own personal career opportunities rather than out of loyalty to any single employer. According to one talent management observer, “Talent shortages remain...The highly skilled, experienced, and educated will have an increasing edge in employment.”⁵
- *Recruiting Is No Longer the Practice of Filling Positions* – Faced at times with severe competition, recruiters are being called upon to source and open communication channels with active and passive job seekers far more effectively than ever before. Take the case of what happened on Wall Street in September 2008 when large brokerage firms like Merrill Lynch were shedding headcount and Lehman Brothers was closing its doors. “Recruiters say the upheaval at Lehman and Merrill has created an unprecedented opportunity to lure star employees from two of Wall Street’s most well-known brands.”⁶ The best talent went to those who were prepared to harvest it.

An incrementally disparate pool of labor in the marketplace – the equivalent of “free agents” in professional sports – also continued to expand in the U.S. market, as talent from the corporate environment migrated into the world of consulting, sole proprietorships, and independent contracting.⁷ With this migration came a change in culture, customs, and practices.

“The first change is that many candidates will be reluctant to work under the same conditions as usual...Reliance on a single firm for security has already eroded, and this recession will strengthen employees’ wariness about promises and deferred compensation...More people than ever are trying out life as independent workers. Many will not make it and return to the corporate fold, but they will be wiser and better prepared to abandon ship than they were before. Many others will find they would rather work on their own than go back under the very insecure and fragile corporate umbrella.”⁸

Layer-in the culture challenges presented by Generation Y (workers born between 1980 and the mid-1990s) and it becomes more evident that sourcing and the productive management of pipeline talent are going to require a wider solutions kit. According to Bruce Tulgan, co-author of *Managing Generation Y*, “Generation Yers don’t expect to stay in a job, or even a career, for too long – they’ve seen the scandals that imploded Enron and Arthur Andersen, and they’re skeptical when it comes to such concepts as employee loyalty.”⁹

To reach and dialogue with the market’s “free agents,” Generation Y pool, and the large block of passive job seekers (which, according to one report outnumbers active seekers by 4 to 1¹⁰), employers are using more interactive media – such as Internet banner ads, blogging, RSS feeds, text messaging, and various forms of e-marketing. As the CEO of a firm that helps companies use social networking observes, “Social media has brought about so much transparency that if you don’t have a public profile on a place like LinkedIn, people are going to think you have got something to hide.”¹¹

One thing is for sure. As people change the way they want to work, live their lives, and receive information, prospective employers will need to adjust modes and methods to attract, “talk” to, and recruit them.

Is There a “Case” for an Integrated Platform Approach?

Businesses are comfortable with platforms. Many have embraced the practice of platform-based system integration to support a number of business functions. For example, many employers already utilize platforms that integrate time and attendance with the payroll application. Others “feed” human resources and benefits administration with data from a payroll, utilizing a central database.

- Can employers harness the sourcing results generated through social networking, deep Web sourcing, name-generation services, or job-board resumes databases into a reliable systemic solution to “identify, evaluate, and connect” with candidates more efficiently?

⁵“What Recruiting Will Look Like After the Recession,” Kevin Wheeler, www.ere.net/2008/11/06/, November 6, 2008.

⁶“Wall Street Woes Have Recruiters Scrambling as Firms Try to Poach Talent,” Jeremy Smerd and Jessica Marquez, www.workforce.com, September 18, 2008.

⁷“What Recruiting Will Look Like After the Recession,” November 6, 2008.

⁸“What Recruiting Will Look Like After the Recession,” November 6, 2008.

⁹“Generation Y: They’ve arrived at work with a new attitude,” Stephanie Armour, USA TODAY, November 6, 2005.

¹⁰“2009 Job Seekers and Employees Report,” www.staffing.org, 2009.

¹¹“Web of Connections,” David P. Willis, Asbury Park Press, May 13, 2009.

- Can we effectively combine the automation and integration of sourcing, talent relationship management, recruitment processing, and onboarding?
- Can a “platform” approach – that creates a logical base, flow, sharing, and management of talent information – become the next productive standard solution for employers in search of top talent?

The answer on all counts is – **YES!**

With the right technology available to efficiently support integrated applications and processes, the logical choice would be an automated solution that intrinsically integrates the “commodity-based” tasking process of sourcing and the “value-based practice” of talent relationship management within a platform environment. Collectively, both represent much more to a prospective employer than they do alone.

Sourcing Is a Commodity

In an integrated, platform environment, sourcing – which gathers job seeker information from paper resumes to job boards and social networking sites – is treated as a “commodity” that needs mining, delivery, and evaluation. Whether a person is using the telephone to source 20 people a day or electronically “scout” a networking site that turns up a thousand, both are in search of the same end, only in different proportions – a commodity that fills a talent pipeline.

Nonetheless, sourcing is not just any commodity. It’s what “fuels” the practice of relationship management.

Relationship Management Is a Value-Based Practice

When sourcing feeds relationship management, commodity creates and sustains a value-based practice that helps companies to establish and stay in touch with job seekers. The value is in how effectively – and efficiently – you are able to manage a talent relationship – with its twists, turns, starts, and stops – over time.

Explains a senior executive research analyst, “The dynamics of the relationship between the organization and individual changes as the relationship changes.”¹² A company may use social networking to find (source) a passive candidate for a job; then build a marketing campaign to interest the passive candidate in an opportunity or open requisition; connect with like-minded and interested people in the company; and ultimately “sell” a job seeker to engage in the hiring process. When a person is hired, the organization might want to support a collaborative work environment, leveraging corporate social networking as a catalyst to connect workers, share information, and to identify knowledge centers across the organization.

From the moment a job seeker has a passive or active relationship with a company, a seed begins to develop that builds value for the job seeker and the engaging business. Relationship management, as a practice, continues to grow in value when it is part of a more comprehensive life-cycle solution.

Separately, sourcing and talent relationship management are information silos that place severe limits on possibilities that exist with a platform approach. To view sourcing and relationship management as stand-alone processes is like stopping every train short of the station – because the track abruptly ends – and arbitrarily busing passengers the rest of the way. The platform provides the track for the *entire* railroad – built for high speed and easy conveyance and use of information by users (recruiters to top-tier executives) “up and down the line.”

Would an Integrated Platform Approach Make Stand-Alone Solutions Inadequate?

A platform-based solution, by definition, makes *stand-alone solutions* for sourcing and talent-relationship management a partial answer to a larger business need. Stand-alone solutions invite human intervention and perpetuate practices that, from an executive perspective, can cause operational and efficiency problems including:

¹² “Talent Relationship Management – Social Networking Meets Talent Management in the Talent Relationship Life Cycle,” Jim Holincheck, Gartner, Inc., http://blogs.gartner.com/jim_holincheck/2009/02/27/, February 27, 2009. ² “Best Recruiting Practices...,” Dr. John Sullivan, Electronic Recruiting Exchange, October 3, 2005.

Lack of visibility – Solutions that are not integrated can impair the ability of decision-makers to make rapid and efficient choices that require a more complete view of issues.

An environment of inefficiency – Transferring data from one stand-alone solution to another costs money, assigns staff with tasks that should be automated, fosters inconsistency, and embeds unhealthy practices, such as “siloeing” that technology can either improve or replace.

Increased risk – Slow transfer of information can result in missed opportunities to identify the best potential job seekers from available talent pools. If you cannot quickly identify a job seeker as a possible “fit,” you risk the possibility that a competitor for the same talent might be benefiting from the speed and functionality of an integrated solution.

Bottom line: An integrated platform-based solution not only provides a more efficient way to manage sourcing and relationship management, but can help eliminate outmoded practices that can dampen an organization’s capacity to effectively compete as integration accelerates and adds sophistication to sourcing strategy and talent-management practices.

Crossing the Platform Threshold

The one-stop platform-based approach logically embraces the benefits of an integrated environment, allowing a logical flow and sharing of information – ideally from recruitment through onboarding. One of the “catch up” benefits that a platform approach will enable is the ability of a company to effectively utilize the power and value of workforce planning.

The recruiting process clearly stands to benefit from a comprehensive, platform approach, notes the vice president of recruitment at JetBlue Airways.

“Recruiting qualified people is always a challenge,” (Dean) Melonas says. “But it can be made easier when the applicant tracking systems are integrated to other platforms.”¹³

A platform approach can also provide significant assistance in the area of workforce planning that needs a serious seat at the planning table. “At most

companies, human resources is lagging other business functions in its ability to plan. ‘We bring this up with executive groups,’ says Jamie Hale, practice leader for workforce planning at Watson Wyatt Worldwide. ‘We ask why there is rigor in analyses in other functions but not in workforce planning. Companies make huge expenditures without available staffing,’ Hales says.”¹⁴ Companies can readily gain in many ways from an efficient, algorithmic-based platform. It will help them forecast sourcing demands, forecast the impact of downsizing, and provide solid information to business leaders at all levels concerning what skill gaps are left open.

In fact, the “trade secret” of the platform-based strategy does not reside in any single capability, such as conducting searches, linking to third-party databases, and managing a marketing campaign across a wide range of media. Rather, it is the ability to do all of this, and much more, as part of a solution that was *ultimately designed* to give an organization a competitive edge.

With technology that combines the power of sourcing, relationship management – and best practices – on an integrated platform, companies benefit from a *totality of capabilities*, including:

- 1) Anticipating and managing the current and future talent needs of your business
- 2) Identifying the talent you need to achieve strategic business goals
- 3) Improving sourcing performance by sourcing strategically, segmenting talent pools, and tailoring value propositions to an individual’s interests and aspirations
- 4) Capitalizing on talent information that was previously scattered everywhere
- 5) Proactively building and leveraging your talent network through effective CRM, proactive networking, and relationship building
- 6) Turning talent strategies into action that helps your business, assisted by 360-degree views of inventories
- 7) Utilizing predictive analytics data to leverage future behavior and trends
- 8) Harnessing the power of sophisticated marketing campaigns – including personalized campaigns across all channels – to grow your connection with key prospects and referral sources
- 9) Providing a competitive edge in identifying and attracting top talent that become good

¹³ “Talent Acquisition: Where’d They Come From?” Gina Ruiz, Workforce Management, www.workforce.com, July 23, 2007.

¹⁴ “Staffing, Down to a Science,” Fay Hansen, Workforce Management, www.workforce.com, April 21, 2008.

- hires with a strong track record of retention
- 10) Reducing recruiting execution costs by utilizing one solution that leverages a central repository approach to manage your sourcing data and talent pipeline

Measure the Value of Your Investment

You measure a system or other solution by applying well-defined, short- and long-term quantifiable metrics to actual performance. These metrics should be aligned with larger business goals. Showing company management demonstrable results not only reaffirms their decision to approve the platform-based approach, but also translates performance into C-Level language.

Short-Term Success

Key short-term metrics should provide an early barometer reading by measuring:

- Time to source a new hire
- Time to fill a position
- Cost-per-hire
- Supervisor/manager satisfaction
- Involuntary losses (90 days and less)
- Voluntary losses (90 days and less)

Long-Term Success

Over the longer term, the emphasis on measurement shifts to an evaluation of retention rates and turnover costs, and may include:

- Involuntary termination rates (6-month and 12-month milestones)
- Voluntary new hire loss rates (6-month and 12-month milestones)
- Retention rates (over a span of 1 to 5 years)
- Turnover rates (all job classifications and high-value job categories)
- Employee turnover expense

Acquiring and retaining the best available talent should be the overall goal of every organization. Measuring the quality of job seekers in your pipeline and those you choose to onboard will help to make your business more successful. For example, with the assistance of an integrated sourcing and relationship-management platform, you can accelerate efficient identification of and communication with a wide pool of candidates, as well as identify trends such as best sourcing channels by type of position.

Aligning your metrics with the goals of your organi-

zation helps to assert the inter-related roles of sourcing and talent management as measurable contributors to the business.

Should You Buy or Build a Platform Solution?

Once you conclude that a platform-based solution is a good business decision, the next logical question is *what is the best way for me to realize its benefits?*

Find the answer that best fits the needs of your organization by reviewing what it takes to build, support, operate, staff, maintain, and upgrade the solution. Key responsibilities – and questions to answer – might include:

- What specific capabilities do we want in the solution?
- Who makes sure the solution works?
- Whom do you call if it does not?
- What is the total cost of ownership?
- How do we implement and deploy the solution?
- Who are the users? How do we train them? Do they need special security clearance?
- Who maintains the system and software?
- Who monitors applicable laws and regulations – and any regulatory changes?
- Who is in charge of system and data security?
- Who assumes the risk associated with technology changes?
- What safeguards must we put in place to secure any sensitive data?

Now, compare your needs and preferences with the benefits and responsibilities of in-house ownership and outsourcing options.

In-House Solution

Employers that prefer *full control*, *maximum convenience*, and *total ownership* are likely to design, install, staff, and maintain an integrated platform using internal resources.

With the *benefits* of in-house systems, however, come *risks* that are inherent to system ownership. Systems will age. Software will require updates. Staff will need to be selected, trained and, in the normal course of turnover, replaced. Moreover, as non-core headcount is heavily scrutinized in most businesses, the expense of having full control,

maximum convenience, and total ownership of a non-core support activity is difficult to justify.

Outsourcing Solution

Companies that seek business solutions that minimize investment and risk focus on outsourcing. Purchasing a service rather than a system helps you to avoid maintenance, upgrading, and overhead costs.

In many service arrangements, the burden of system ownership – handling system operation and security and making technology changes – is the responsibility of the service provider. The service user typically pays a monthly subscription fee. Some service providers “host” outsourced applications for its clients. Using the hosted model, clients access data from the service provider’s secure data facility.

Irrespective of an organization’s business culture, for many employers migrating to a comprehensive platform offered by an outsourcing provider is likely to boil down to cost of ownership of the technology and the intelligence captured during the sourcing and relationship management stage of talent acquisition management.

Among the outsourcing resources in the market is ADP, a nationally recognized provider of business outsourcing solutions. ADP’s approach – a “platform” strategy that combines sourcing and relationship management – enables clients to source and market to segmented talent pools. Leveraging leading Universal Intelligent Access technology, ADP’s VE Pilot’s sourcing module helps to identify talent and company profiles across Web sources including Web sites, press releases, electronic news services, and RSS feeds. This information and potential job seekers may be added to a talent pipeline.

With VE Pilot, companies can source and market to segmented talent pools developing, strengthening, and deepening relationships with talent. ADP’s solution includes a robust candidate-marketing engine that allows talent pool segmentation and list management capabilities, helping companies determine what it takes to source, recruit, assimilate, and retain the best and brightest talent.

Conclusion

As the U.S. economy struggles toward recovery, the

competition for top talent remains unabated. Finding the best talent for available positions in a flood of resumes can prove to be just as challenging as seeking the best talent from a pool of passive job seekers. The right technology platform can make a difference in both instances – using speed and efficiency to push the capabilities of automation and integration to a new standard of performance.

Employers that embrace sourcing and relationship management through a coherent, integrated platform solution will also be in a favorable position to better connect their recruiting capabilities to the strategic goals of the business. Because there typically is a correlation between best talent and best results, businesses everywhere have a stake in identifying and communicating with high-quality job seekers, and onboarding the talent they need well ahead of a competitor’s courting and offers. “By continuing to engage prospective candidates (job seekers) these companies strengthen their own company brand among others in their industry and remain aware of other trends within their market segment.”¹⁵

As one observer concludes, “Change most often occurs when systems are stressed and have to respond in order to survive. It is at the intersection of pain, technology, and economics that new products and services arise. At first these changes are frightening and require both learning and daring to adopt them. But once accepted and woven into the fabric of daily routine, they become indispensable. This was the case with applicant tracking systems and career sites on the Internet. And it is still evolving.”¹⁶

Take-Home Points

Here is a recap of key points that you should take away from reading this white paper:

- A) Successful businesses compete for the best talent.
- B) Talent acquisition processes are heavily influenced by economic, cultural, and other forces.
- C) Businesses are increasingly using Internet-based, interactive media resources to reach and communicate with active and passive job seekers.
- D) Platform-based solutions, which encompass sourcing and relationship management capabilities with your applicant tracking system, virtually eliminate the practice of “silos” and make stand-alone solutions inadequate.

¹⁵ “5 Reasons to Continue Developing Your Candidate Pipeline,” Pedro Silva, www.ere.net/2009/05/18/5-reasons-to-continue-developing-your-candidate-pipeline/, May 18, 2009.

¹⁶ “Mid-Year Review: Suites, Talent Management, and Social Networks,” Kevin Wheeler, www.ere.net/2006/06/26/, June 26, 2008.

- E) Measuring the short-term and long-term effectiveness of an integrated platform solution is the best way to assess its effectiveness.
- F) Organizations can opt to either “build” an integrated platform in-house or “buy” a hosted platform-based solution from a service provider.
- G) While an in-house solution offers full control, a subscription-based hosted solution allows employers to leverage the benefits of a sourcing/relationship management platform without incurring the cost and risk of outright system ownership.

GLOSSARY OF TERMS

(definitions may vary by organization)

Applicant – a job seeker that engages the hiring process with a goal of filling a specific job or position (various organizations may define an “applicant” in different ways)

Candidate – a person who applies for a specific job and is under active consideration by a prospective employer

Active Job Seeker – a person who is looking for a job and ready to engage the hiring process

Passive Job Seeker – a person who is employed and not actively in the hunt for a new job

Social Networking – a sourcing tool, including Web-based social networking sites, that helps prospective employers identify active and passive job seekers through referrals

Sourcing (Active) – identifying active job seekers that are attracted to your organization and have actively submitted themselves for consideration

Sourcing (Passive) – identifying and building a relationship with individuals that are currently employed within other organizations

Sourcing Tools – include a range of capabilities – from newspaper ads to job boards and social networking – with the objective of gaining prospective job-seeker leads and referrals

Relationship Management – engaging active and passive job seekers that you have sourced and are currently in your talent pipeline

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