



Fueling Organizational Success With Total Workforce Acquisition

EVOLUTION - BEYOND APPLICANT TRACKING SYSTEMS

Workforce acquisition has gained increased recognition as a critical business process that ultimately determines an organization's success. Yet, until recently there have been few integrated systems that enable organizations to unify the workforce acquisition process across the enterprise. Most organizations treat the various aspects of workforce management as separate silos. Hiring salaried and hourly workers remains the domain of human resources, while a procurement department often manages contingent staffing. Diversity initiatives and affirmative action planning may reside with HR, the legal department or an outsourced organization.

Most HR professionals are familiar with applicant tracking systems (ATS), also called candidate management systems. An ATS is a software application designed to help an enterprise recruit employees more efficiently. It is typically used to post job openings on a corporate website or job boards, track résumés and generate interview requests to potential candidates. Other features may include individual applicant tracking, requisition creation, automated resume ranking, customized input forms, prescreening questions and response tracking.

However, an ATS alone does not enable the important leap from efficiency to effectiveness or from tactically to strategically managing workforce acquisition. Simple automation can only make workforce acquisition more streamlined; something more is needed to turn the recruiting process into competitive advantage.

Total workforce acquisition (TWA) is the key to making those important shifts across the enterprise. We define TWA as a strategic and proactive solution that integrates salaried, hourly and contingent workers – past, present and prospective – into a diverse talent pool to efficiently identify and deploy the best candidate. Once a centralized repository of recruiting data is established, comprehensive reporting and analytic functions are needed to extract meaningful information and measure results.

TWA addresses the ongoing challenges of sourcing, compliance and retention while delivering tangible contributions to corporate goals. It further positions an organization to take a holistic view of workforce acquisition and talent management – conferring the benefits of competitive advantage, stakeholder value and return on investment.

RECOGNIZING THE TRENDS

The challenge of proactive workforce acquisition continues to grow. Sourcing, recruiting, attracting, placing and retaining the right mix of salaried, hourly and contingent workers are mission-critical objectives, especially in unpredictable business cycles. Several developing trends speak to the need for a TWA solution and strategy.

Finding the right talent is becoming increasingly challenging. As workers become more specialized, it is more difficult to find the right person at the right time for a given position. Employers need more sophisticated and intelligent sourcing strategies, careful

screening and assessments, and effective processes for determining whether candidates are a good fit for a position. Building and maintaining a searchable talent pool (essentially a database of active and passive candidates) will help an organization fill open positions quickly, economically, and with higher quality. It will also help the organization understand when it makes sense to recruit externally versus promote or develop internal staff.

Companies are increasing their utilization of contingent workers. Organizations are adopting contingent workers as a permanent part of the staffing mix, making the workforce a heterogeneous environment of salaried, hourly and contingent workers. Comprehensive systems that integrate recruiting for these different types of workers and provide a panoramic view of potential sources and organizational issues (compliance, compensation, demographics, etc.) are needed to proactively manage this environment for maximum effectiveness.

Employee retention and internal mobility are key concerns. The challenge of finding the right talent often leads to increased emphasis on employee retention and internal mobility programs. Organizations have long known that the best and least expensive source of talent is from within. Employee retention programs are becoming more widespread as a way to cut costs, improve morale and boost productivity. Organizations would do well to increase internal recruiting using systems that give them insight into the skills, competencies and aspirations of their employees.

Metrics and measures are critical. Advanced recruitment techniques, heterogeneous workforces and internal mobility initiatives require hard evidence of success. Organizations are placing increased emphasis on the ability to measure the outcome of their initiatives in both quantitative and qualitative terms. More important, it is impossible to pursue strategic HR initiatives without a clear picture of performance on which to base plans.

Compliance with employment regulations is complex. Myriad U.S. employment regulations have become compounded with the data privacy laws of many European countries. Collecting equal employment opportunity (EEO) information in the U.S. could conflict with European Union (EU) privacy laws. Complying with affirmative action (AA) initiatives requires careful attention to demographics and diversity sourcing. Instead of reactive compliance measures, enterprises need built-in awareness of their placement goals in their recruiting processes. In addition, employee- and applicant-based lawsuits continue to result in costly settlements for companies that are not actively managing the fair and consistent application of employment practices.

Organizations can address these trends while making the jump from efficiency to effectiveness by adopting and deploying TWA solutions.

REALIZE THE VISION

No organization can expect to go directly from paper-based processes to comprehensive workforce planning – generally, a more gradual route is typical. TWA is realized in the collaboration of people, processes and technology – one step at a time.

We see organizations take different approaches. Many start with a need to ensure compliance with AA/EEO regulations. Once diversity hiring needs are understood, there may be a need for a recruitment management system that embeds placement goals directly into the hiring process.

Similarly, an organization that already has a system in place for hiring hourly and salaried workers may need management of contingent laborers and vendors. Or, organizations with a vendor management system may need to collect AA/EEO data because their temps-turned-perm are considered applicants.

Every step toward TWA is, in and of itself, a complete solution to a specific problem. But when combined with the next step, and the next, organizations gain a powerful, holistic system to proactively manage their workforce acquisition needs.

THE BENEFITS OF TOTAL WORKFORCE ACQUISITION

A comprehensive TWA solution helps enterprises achieve the following benefits.

Attract, acquire and deploy better qualified applicants – In a competitive environment, organizations must immediately respond to dynamic staffing requirements with the right combination of salaried, hourly and contingent workers. By effectively managing both internal and external candidates throughout the entire process, organizations ensure they acquire the best qualified people. They can reduce time to hire by proactively integrating passive candidates into a centralized talent pool, while also executing on diversity and internal mobility goals. And productivity can be improved by automating and streamlining the workforce acquisition lifecycle.

Reduce litigation risks – Complex employment and reporting regulations place organizations in jeopardy of non-compliance. A TWA solution improves the collection and reporting of affirmative action, equal employment opportunity and minority supplier statistics. By integrating affirmative action placement goals and EEO data gathering into the solution, organizations can gain immediate feedback on how well they are fulfilling their diversity and reporting initiatives, while showing progress on their affirmative action initiatives.

Measure, analyze and plan – By actively monitoring and measuring effectiveness, organizations gain insight into the operational metrics that fuel informed business-critical decisions. Increased visibility through consolidated reporting can result in improved forecasting, monitoring and control throughout the organization.

THE COMPONENTS OF A TWA SOLUTION

In a TWA solution, workforce acquisition processes and applications operate as part of a holistic and analytical approach to managing the workforce within and beyond the enterprise. The key components of a total workforce acquisition system include:

Recruitment Management

Recruiting processes can be complex, non-linear and administratively detailed – contributing to error and inhibiting timely hiring. These increasingly complex and administrative tasks are being performed by HR departments with fewer resources and smaller budgets, making it nearly impossible for HR professionals to devote time towards strategically building and managing productive and diverse workforces. Nevertheless, company executives demand that human capital be managed in a predictable, cost effective and responsible manner.

Web-based recruitment management systems can help HR teams simplify and control the hiring process, improve efficiency and lower costs. A role-based system allows different individuals involved with the process to interact with the system in a way that enables them to do their jobs most effectively. Recruiters can obtain full access to requisition information while tracking each stage of the recruitment process. Hiring managers can create specific requisitions and participate in the approval process, increasing the rate at which candidates move through the hiring process. System administrators can control user security and set individual levels of security access. And candidates can be kept informed along the way.

A recruitment management system can help drive down costs through increased recruiter productivity, automated job board posting and billing, and managing headcount to budget through requisition approval processes.

Vendor Management

Labor is one of the largest line items on an organization's income statement, yet measuring the cost of labor is still elusive for many companies. Not many CFOs can easily identify how many contractors are engaged at their organization; what the current contractor labor costs are; or what they are forecast to be. Nor is there any systematic tracking of contractors and their associated company property (laptops, badges, etc.) once they join an organization.

Vendor management systems use e-procurement concepts and technologies to help companies manage spending on contingent labor, improve relationships with staffing vendors and control contractor on-boarding and off-boarding processes. The best VMS systems provide companies with the ability to negotiate preferred rates with vendors, manage tiers of suppliers, and electronically screen and assess candidates. The system typically also includes the ability to track contractor time and expenses, manage the distribution and collection of corporate assets, and perform billing and reconciliation. Vendors have the ability to respond immediately to open requisitions and the system tracks which vendors consistently supply high-quality contingent workers.

AA/EEO Compliance and Diversity Planning

Large federal contractors must comply with AA regulations and produce multi-location affirmative action plans in a timely and accurate manner. Affirmative action planning is a time-consuming process during which many assumptions and decisions must be made prior to performing the calculations and producing reports. Understaffed HR departments are simply

not equipped to deal with the variations in requirements across labor markets, job group categories and reporting structures. With increased regulation, the workload for AA/EEO compliance professionals has dramatically increased in recent years.

Most employers must also report EEO statistics and many organizations appreciate that diversity is an important and desirable corporate goal. A required TWA component is a system for managing and improving AA and diversity planning. AA reporting software solutions minimize the work of HR staff while ensuring accuracy and completeness that guarantee technical compliance and mitigates risk. Organizations can also leverage AA/EEO data beyond compliance for use in diversity analysis.

Workforce Planning

As organizations bring together systems for recruitment management, vendor management and affirmative action compliance, they can progress to proactively managing their workforce. The range of information provided by these systems (see analytics and reporting) makes it possible to predict workforce needs based on key indicators. Understanding upcoming requirements allows organizations to make educated decisions on the optimal mix of workers and the timeframe in which they are needed.

At this point, a TWA solution is fully contributing to the organization's strategic goals by allowing HR to fine-tune the workforce. Rather than responding to needs one-by-one, an organization can see developing trends (retirements, workforce realignments, etc.) and formulate targeted and appropriate responses.

Analytics and Reporting

Analytics help define and interpret the big picture, while reporting enables viewing certain data in an easy-to-understand format. Many solutions provide powerful reporting features without delivering the true workforce intelligence that comes from analytics.

A TWA solution that includes analytics takes data beyond reporting and delivers information that can drive strategy and decision-making. The key components of a TWA solution cannot be fully leveraged without the ability to pull, track and deliver data from each existing system. By combining data from the various sources within an organization (recruiting systems, financial systems, human resource management systems), analytics can deliver critical, decision-making information in a timely manner.

DELIVERING TOTAL WORKFORCE ACQUISITION

Implementing a TWA solution is a careful combination of technology and processes that increase effectiveness, reduce cost, and promote visibility. In particular, it requires four key competencies – these are the ability to:

- Integrate - by sharing information and processes with other HR-related systems across the organization.
- Collaborate - by bringing together the people who need to be involved in the process, including recruiters, managers, job seekers and stakeholders.
- Mitigate - by reducing your company's risk of litigation and regulatory violation through integration of diversity and compliance into the hiring process.
- Evaluate – by measuring quality of hire, and looking at your most effective recruiters, sources, processes, assessments and staffing agencies.

A TWA solution can raise HR to a level where it tangibly contributes to corporate strategic goals and has a measurable impact on the bottom line. When HR has the appropriate infrastructure in place to be effective and proactive, it enables HR professionals to become more strategically engaged in managing and leveraging human capital.