

THE WAR FOR TALENT (ACQUISITION)

How Recruiting became the hottest seat in HR



LEATHWAITE

INTRODUCTION

Show us a recruiter in 2021/2 with time on their hands and we'll likely show you a retiree. The velocity of the post-COVID hiring bounce-back, spanning virtually all industries and geographies, caught many companies cold and took many by surprise. As organizations scramble to meet what is an extreme skill-shortage in some areas, it should perhaps come as no surprise that the individuals tasked with identifying, attracting and on-boarding the capabilities necessary to deliver against the company strategy, should themselves be in **unprecedented demand**.

Below, we examine the ongoing evolution of the Recruiting/Talent Acquisition (TA) function, **and its place as a crucial weapon in winning the War for Talent**.



THE PERFECT STORM

As recruiters' average "Req Load" (number of open roles, or requisitions) and "Time-to-Fill" (days from opening the role to closing the role, pre-notice period) – two of the traditional metrics by which TA functions live & die – balloon relative to normal standards, a sensible question to ask is: Why?

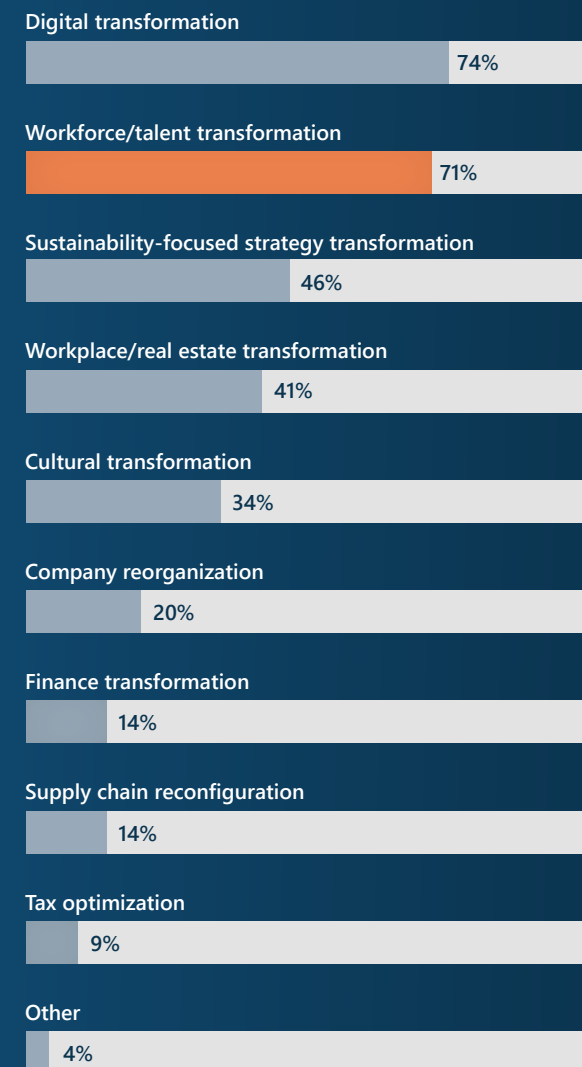
- **Pent-up demand:** Firstly, through the latter part of 2019 and first half of 2020, not a great deal of hiring went on. As companies tightened their proverbial belts and prepared for a prolonged period of the unknown via COVID-19, many froze hiring activities, released staff via Furlough (or similar regional mechanisms) and battened down the hatches. Whilst it would be premature to state that COVID is behind us, as the music tentatively started again in late 2020 through 2021, it was clear that recruiters were being met with a backlog of work in terms of hires that could have been made earlier.
- **Talent Supply Shortages:** The Great Resignation, as coined by Anthony Klotz, is a thing. A Microsoft [survey](#) of over 30,000 global workers showed that 41% of workers were considering quitting their jobs or changing professions this year. People who either permanently or temporarily lost their seat via COVID, have increasingly

arrived at the conclusion that they don't necessarily want it back – at least not in the way companies have traditionally viewed roles and work. Thus, TA has not necessarily had an abundance of low-hanging fruit in terms of people desperate to get back into the ways of old, from which to pick.

- **Capability Shift:** Finally, it has been said more than once that "In the future, everyone will be a software engineer" and many recruiters might answer this by stating that the future is now. Digitization infuses virtually every function in a modern organization of scale, and as such, recruiters need to think more laterally than ever in the sourcing and attraction of talent. Whilst historically, every company had perhaps 3-5 competitors that would keep them up at night, today they might have 20; 5 they know, 10 they haven't heard of and 5 that haven't been established yet. With this in mind, TA functions' view on the talent horizon needs to be better and wider than ever.

Against this tri-pronged backdrop, it is not hard to see why the Hunters have become the Hunted, and why companies are aggressively competing to build or upgrade their TA functions with such vigor.

CEO Priorities – 2021



*From the Deloitte/Fortune CEO [Survey](#) 2021.

EVOLUTION OF THE MODEL

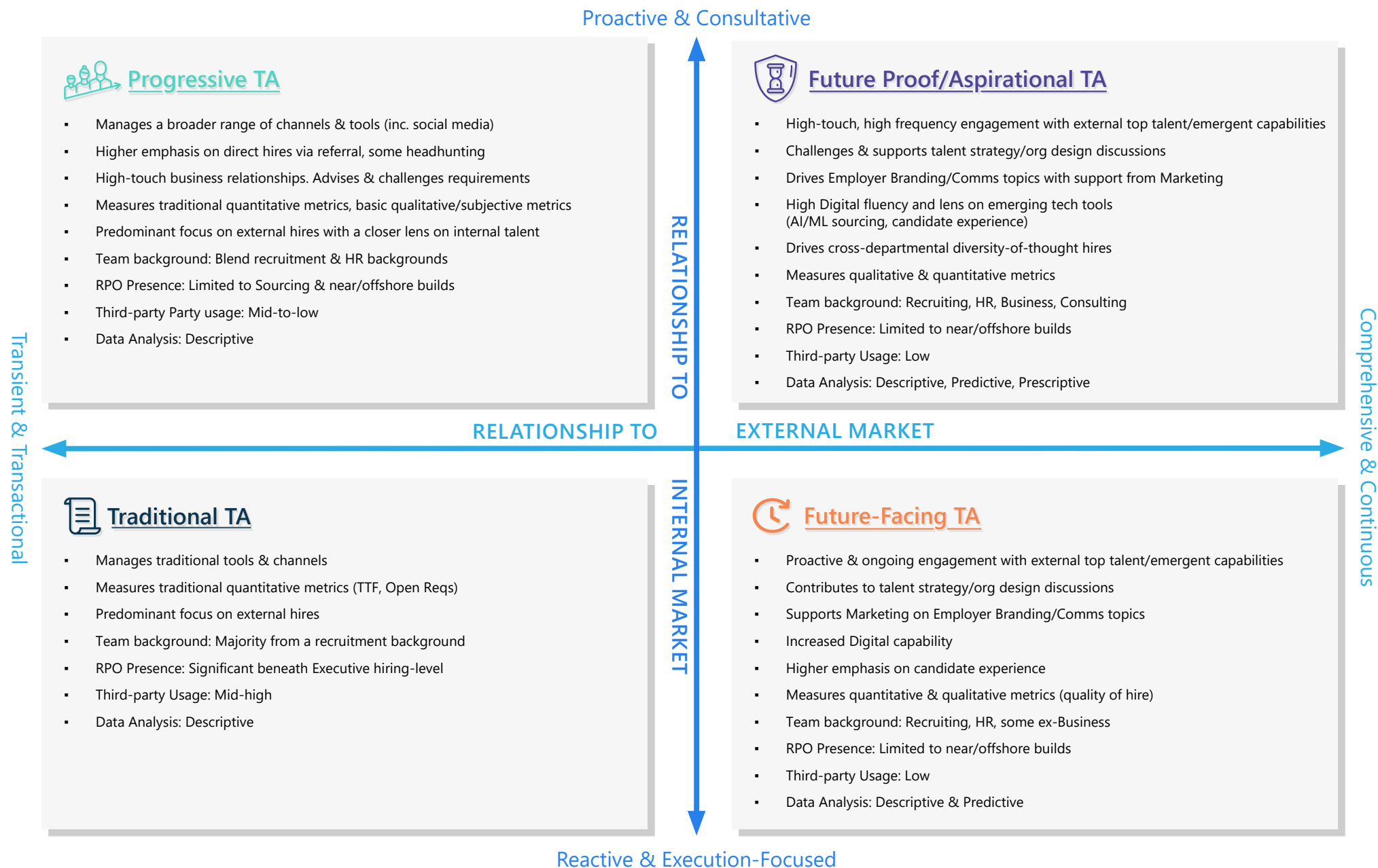
Whether you term it Human Capital Management, People & Culture, People Operations or something else (and indeed whether or not you care), like many other non-revenue functions, HR has historically been something of an easy target for detractors, who would question the tangible Return-on-Investment (ROI) produced by the function. However, If economic growth is a function of capital and labor, the TA function could rightly lay claim to being at the coalface where **securing the resources to drive productivity** (and thus share price or return-on-equity) is concerned.

From origins in the traditional Personnel Department, wherein recruitment was a “side-of-desk” role for an HR Manager, filtering and interviewing direct applicants and/or instructing third-party suppliers, the modern TA function has a far more proactive role and visible financial impact in terms of bottom-line.

The recognition of recruiting as a specialist discipline in its own right, led to the establishment of TA as a Centre-of-Expertise (CoE) function alongside recognized CoE topics. The modern recruiting function has evolved to become highly process-driven and transactional, managing a large volume of hires annually, with a significant proportion executed directly – thus producing digestible metrics on the speed of hires made and the financial cost saved to the business.

These business impacts are even more pronounced in the most advanced, future-proof TA functions. Here, not only is third party supplier spend (executive search, agency etc.) minimized, but the function has also developed a holistic view of both external and internal talent, linked to strategic workforce planning, and contributes to everything from employer branding and employee experience to organizational design and future of work. This involves the function having a blended view of both the external and internal candidate markets whilst taking a proactive & forward-looking stance on future capabilities as well as helping drive and challenge organizational design discussions with senior management.

EVOLUTION OF THE MODEL: WHERE DOES YOUR ORGANIZATION STAND?



POSITIONING

As the capability, credibility and impact of the TA function has evolved, so has the positioning of the function. Historically, in large organizations, TA has been positioned at a CHRO-2 level, reporting into the Talent, Learning, & Diversity Cluster (sometimes incorporating Organizational Design), which is logical given the need for connectivity across those areas where filling roles is concerned.

Increasingly, **TA has been elevated** to a CHRO-1 level in many companies, reflecting the value and prominence of the function to the enterprise, yet heightening the need for connectivity and collaboration with the Talent function and other disciplines. Structurally, the common outlier to this is business-embedded Strategic Recruiting, often where recruiting is most directly linked to revenue. Here, in industries such as Alternative Investments (via Asset Gatherers and Portfolio Managers), Private Banking, or other businesses with a significant sales focus, what the role might lack in three-dimensional input into topics such as Org Design and input into internal succession, it more than compensates for with access to business leadership and strategic insight.

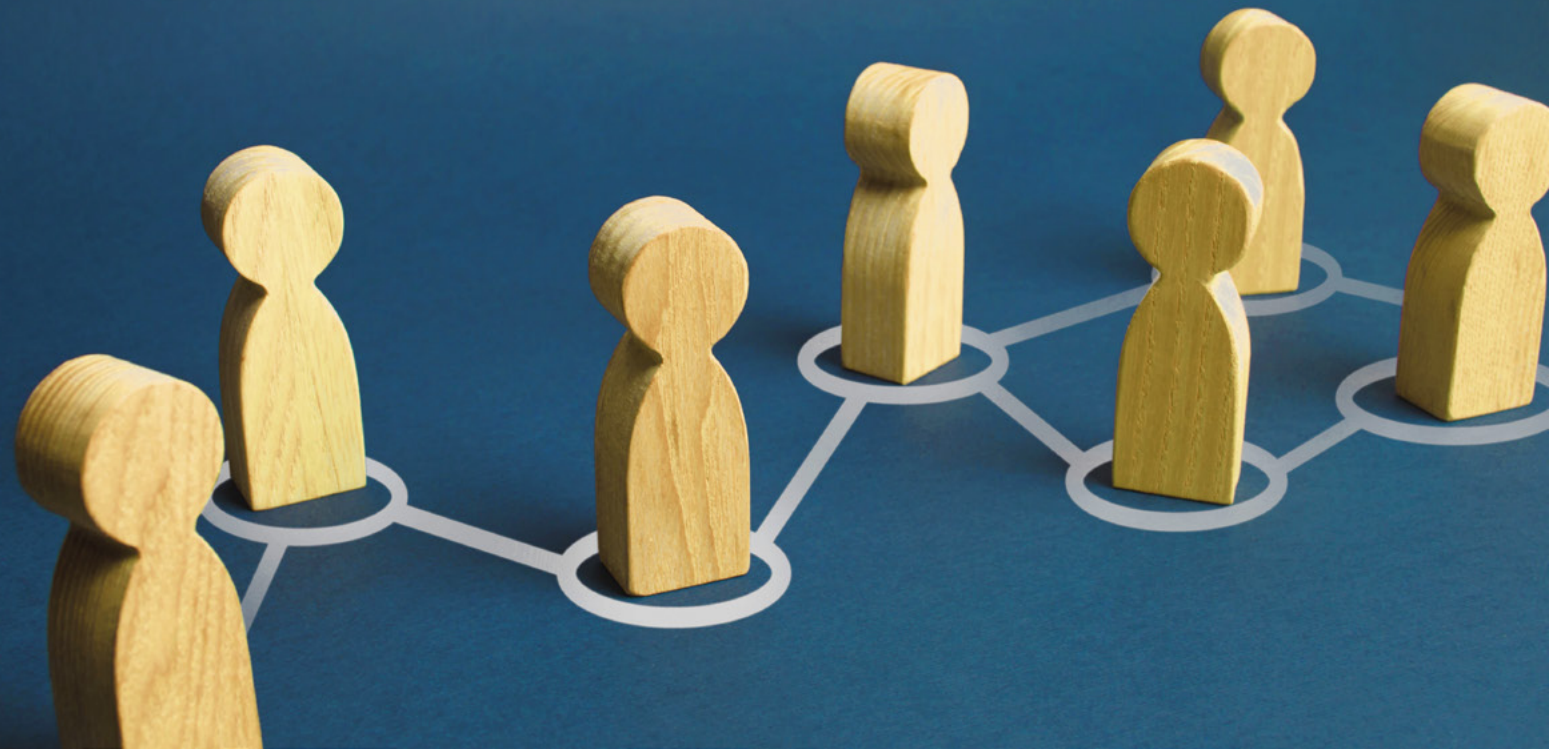
PROFILE

From a skills perspective, the TA function in earlier guises was staffed predominantly (and logically) with recruiters; those that had possibly started life in third-party vendors by way of executive search or contingent recruitment firms. There was also a sense that whilst TA provided a talent source for the rest of HR, with recruiters often moving out to take on other HR roles in Business Partnering, Talent or Learning, there was not necessarily a reciprocal pipeline of other HR people wishing to move into TA, unless sold to them as a tour-of-duty en route to promotion.

It is fair to say that as the perception and positioning has evolved, so has the profile it attracts. Whilst a recruiter skill-set (sales, assessment, process discipline) is still an important bedrock to the function, increasingly there is a far more measured **blend of non-recruiting HR people**, “business” people (non HR coming into the function from commercial or SME roles across the enterprise, wherein prior end-users of TA use their experiences to help elevate it) and people with consulting or marketing backgrounds landing in TA roles. This mix is important to attaining the three-dimensional standards and positioning of the most modern TA functions.

CONCLUSION

Whether or not your company's 3-5 year plan is predicated on more of its existing capabilities necessary to deliver strategy, or shifting towards capabilities it does not yet have, those on the frontline in the war for talent will be vital to the cause. Hanging on to the best people and augmenting their teams will be critical, as will positioning them internally to ensure they add maximum value.



ABOUT LEATHWAITE

Leathwaite is a global executive search and leadership talent advisory firm, delivering a range of Executive Search, Executive Interim, and Market Data solutions. Since establishing the business in 1999, Leathwaite has developed key global client partnerships across a range of industry sectors. Leathwaite has offices in Dallas, Hong Kong, London, New York, and Zurich.

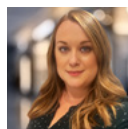
We are guided by one clear purpose: 'To Create Meaningful Change Through Exceptional People', which drives the internal culture of our business.

Our Global HR Practice has deep functional specialism and works with clients to develop competitive advantage through their most critical asset – their people. Whether seeking to appoint a new CHRO/ CPO, talent mapping or succession planning at C-1 level, hiring for example an interim Head of Talent Acquisition to manage an operating model transformation or running searches for HR Leadership Team roles, we support our clients with tailored solutions, high levels of communication and transparency and a firm commitment to the principles of diversity, equity and inclusion.

MEET THE TEAM



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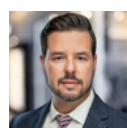
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