

Executive Summary

Question: *We have dedicated resources in the organization who are tasked to lead big shifts within HR, particularly around talent acquisition. How is TA organized at other, global companies? How are operating models, shared services and third parties being leveraged? And how do they integrate internal talent mobility and external recruiting?*

Abstract

Global, high performing companies are seeking to reduce transactional work in talent acquisition and improve incoming employee experiences. One solution for this, is for companies to integrate talent acquisition into their HR Shared Service centers (*Appendix A*). Another solution, is for companies to develop cloud-based HR systems, to integrate talent acquisition with other HR functions globally.ⁱ

Companies may also adopt agile operating models, recruitment outsourcing systems or use AI recruitment tools. No matter what, when going through talent acquisition transformations, companies should consider how to integrate internal talent mobility and the risks associated with new technologies.ⁱⁱ

Cloud-Based Systems and Shared Services

A cloud-based system can be set up to integrate talent acquisition processes with other HR functions globally. As a best practice, companies design global cloud processes before overlaying technologies for specific functions (such as talent acquisition) to ensure all systems match. Cloud systems are generally standard globally and only localized for legal compliance. (Popular cloud-based systems are noted in *Appendix B*). To successfully implement global cloud systems, companies can deploy an HR task force to roll out the technology in diverse geographic locations.

Often complementary to a global cloud-based system, companies may designate one HR Shared Service Center to be in control of a global function, such as recruitment. That service center is then responsible for the entire recruitment process for the organization.ⁱⁱⁱ

Agile Operating Models

Companies may adopt an agile talent acquisition method which focuses on short sprints of hiring cycles. In “Agile TA”, teams hire for multiple openings at once, starting with top-priority hires.^{iv} Hiring managers rotate on and off recruitment teams and are managed “scrum masters,” who assist them in making quick, fluid hiring decisions.^v Data is collected from each cycle to help identify slow processes and build efficiencies.^{vi} IBM and GE are two MNC’s that have set up “Agile TA” operating models. The process is focused on shortened time to fill candidates, enhanced candidate experience, and reduced interview cancelation rates.^{vii}

Recruitment Process Outsourcing

Recruitment process outsourcing (“RPO”) is the practice of a company hiring an external service provider, such as a human resources consultant to reframe their talent acquisition procedures. Consultants can optimize all aspects of talent acquisition, including candidate sourcing, assessment, and offers. RPO can help companies significantly reduce time-to-hire, increase candidate reachability, and promote global workforce cohesion. Many MNCs have employed this model in periods of excessive applicant flow or organizational changes, including Sainsbury’s, Nike, and Citi.^{viii} Top RPO consultants are Alexander Mann Solutions, Korn Ferry and Allegis.^{ix} For solutions RPO vendors have proposed, see *Appendix C*.

AI and Technology: Talent Acquisition

There are over 1,400 HR technologies in the market, 40 of which are focused on AI-assessments that help with sourcing and recruiting.^x As a result, companies are grappling with how to evaluate the current solutions on the market. When implementing AI, organizations should first think about their employees’ end-to-end experience and consider testing the technology in small pilots.^{xi} It is also important to assess whether the solution integrates smoothly with currently technologies or cloud-based systems. Lastly, companies should ask vendors if their AI solutions are proven to produce satisfactory hires. Only about one third of U.S. organizations that currently use AI for recruiting, measure if the system leads to satisfactory hires.^{xii}

AI and Technology: Integrating Internal Talent

There are several ways MNCs can promote internal talent mobility. First, is through automation. Internal transfers require fewer resources dedicated to talent acquisition and are generally a better cultural fit than external hires. As such, one of the top 5 HR AI investments in 2018 was AI that recommends job openings and potential career paths to employees (39% of resources)^{xiii}. For accurate recommendations, employees’ strengths, interests and activities must be properly recognized and documented by HR teams in their internal databases. See *Appendix D* for benchmarking data on industry-wide technology standards for internal transfers. A second way that MNCs can promote internal mobility, is to require that all openings be posted internally. This may benefit the firm, as candidates who apply to internal postings, outperform those self-selected by managers.^{xiv}

Considerations

With the use of technology comes inherent risk, and in the human resources space: unintended bias. In a landmark discrimination case in 2018, video interview software HireVue was found to have an algorithm that unintentionally discriminated against women based on body language and vocal inflections.^{xv} To avoid such cases, it is important for HR professionals to be well-versed in data analytics, and to follow well-defined consistent evaluation frameworks on the efficacy of technology measures. As a nascent practice, the automation of HR talent-acquisition lacks the ability to be evaluated by certain necessary KPIs, such as employee on-the-job success.^{xvi} See *Appendix E* for a chart on evaluation metrics.

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- ii Collier, D., & Schallenberg, C. L. (n.d.). HR Shared Services (HRSS): Model and Trends. *CAHRS*, 25.
- iii Cappelli, P. (n.d.). Your Approach to Hiring Is All Wrong. *Harvard Business Review*, (May-June 2019). Retrieved from <https://hbr.org/2019/05/recruiting>
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- vi Barton, D., Carey, D., & Charan, R. (2018, March 1). One Bank's Agile Team Experiment. *Harvard Business Review*. Retrieved from <https://hbr.org/2018/03/the-new-rules-of-talent-management>
- vii IBM. (2019). Recruiting 2020: Transforming your talent acquisition process. IBM Watson Talent. Retrieved from: <https://www.ibm.com/downloads/cas/WMGDAEE>
- viii Miller, S. (2019). Graduate Acquisition for Citi. Retrieved October 20, 2019, from Alexander Mann Solutions website: <http://alexandermansolutions.com/alexander-mann-solutions-live/case-studies/graduate-acquisition-for-citi>
- ix Measuring Up? (2015, November 2). *Korn Ferry*, 11.
- x Keogh, T., & Collins, C. (2019). CAHRS on The Future of Work and HR. Retrieved from https://www.youtube.com/watch?v=BC2QWIA170o&index=3&list=PLdvxLwoHBNn9s9l-VFBRBvU5j_kP4kw1k&t=0s
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- xii Cappelli, P. (n.d.). Your Approach to Hiring Is All Wrong. *Harvard Business Review*, (May-June 2019). Retrieved from <https://hbr.org/2019/05/recruiting>
- xiii Measuring Up? (2015, November 2). *Korn Ferry*, 10.
- xiv Keller, J. (2015). Internal Markets, Personal Networks, and Human Resource Allocation: How Managers Create Value Through Internal Hiring. Wharton School of Business, University of Pennsylvania, 57.
- xv Bersin, J. (2018, November 2). AI Comes To Recruiting: Will Interviews Go The Way Of The Dinosaur? Retrieved October 20, 2019, from <https://joshbersin.com/2018/11/ai-comes-to-recruiting-will-interviews-go-the-way-of-the-dinosaur/>
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Further Reading

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- Measuring Up? (2015, November 2). *Korn Ferry*. Retrieved from <https://www.kornferry.com/institute/measuring-up-a-new-research-report-about-rpo-metrics>

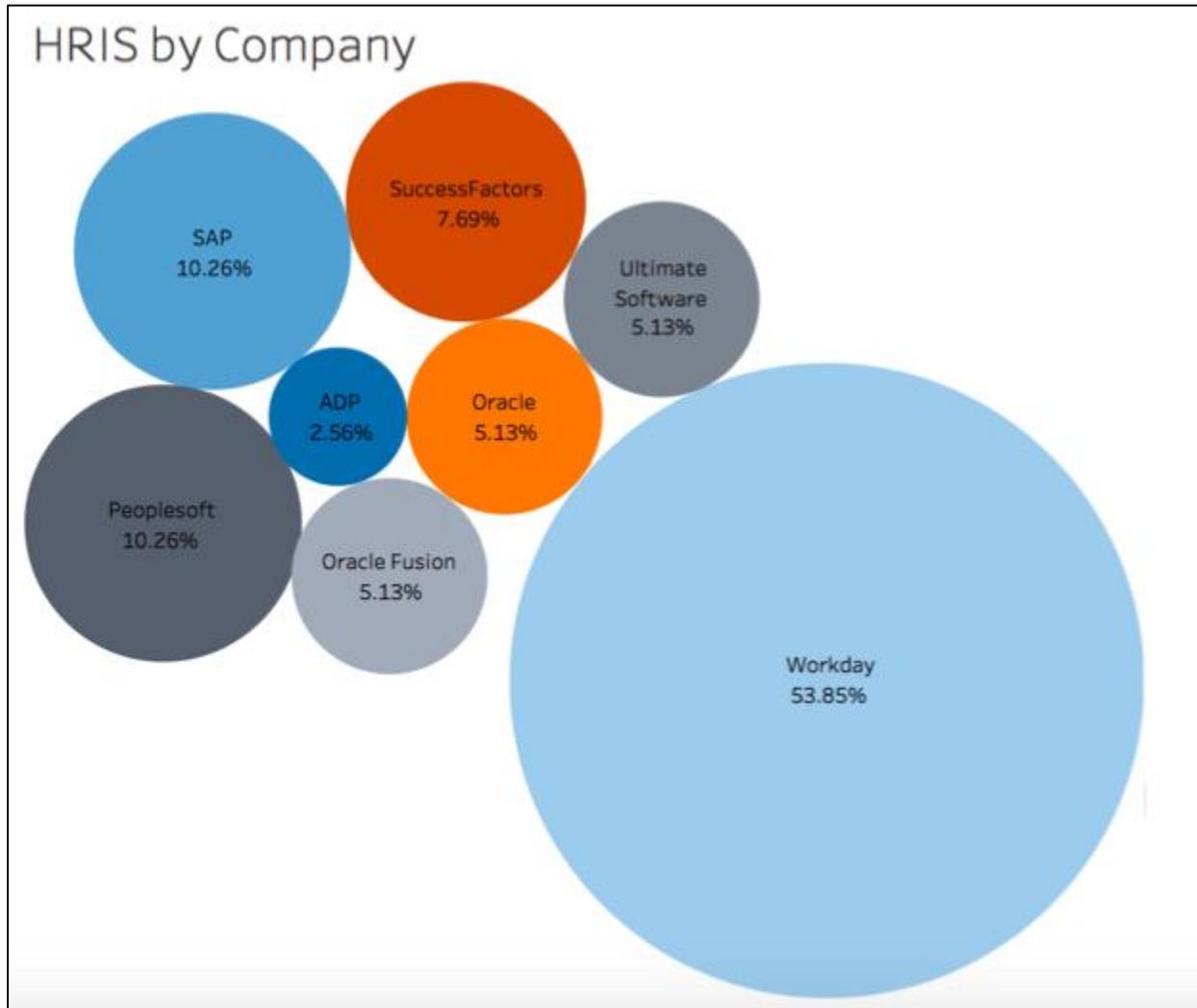
Appendix

Appendix A: How Companies are using Shared Services in Talent Acquisition.xvi

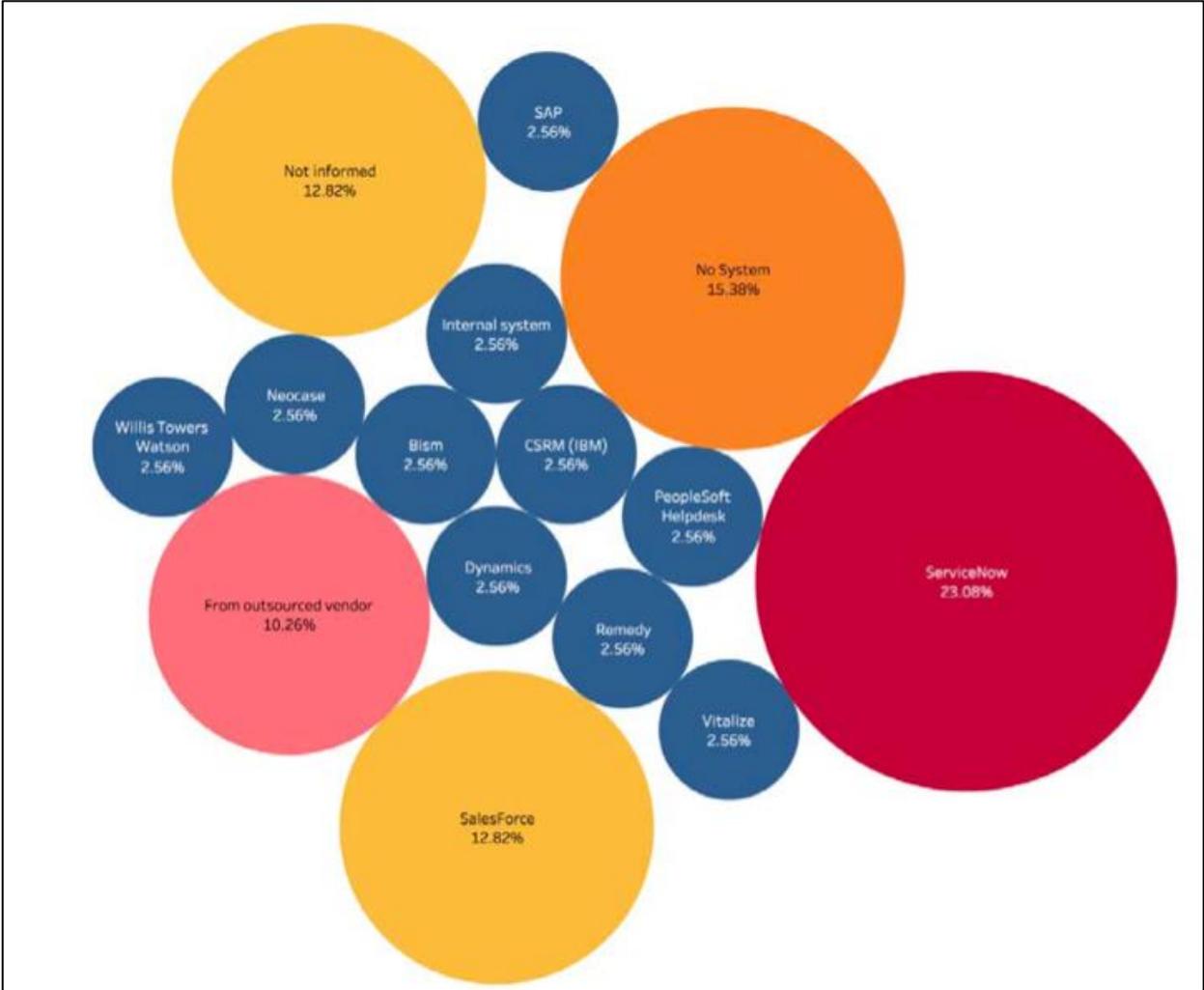
Recruiting
Recruitment process outsourcing
Interview scheduling
Background checks
Offer letters
New hire paperwork
New Hire processing (via Workday)
Onboarding Services
Chatbots that conduct interviews

Appendix B: Cloud Based Systems

A 2017 Cornell Study of 44 high growth organizations, found the below Human Resource Information Systems to be most popular:



The same study found the below Case Management systems to be most popular. These systems manage tickets, employee/ HR interactions, and measure customer service metrics.



Appendix C: RPO Consultant Problem-Solution Model

Problem	Solution	Commentary
Too many applicants	Implementation of AST, a resume screening software to prioritize best-fit applicants	-AST is used by Citi ^{xvi} -Could discriminate against non-first language speakers -Need regional algorithms and AST operators -Applicants could discover algorithm and “game” the system by using specific keywords in resumes
Language and cultural barriers between applicants and recruiters	Algorithm selecting appropriate matches for interviews	Requires regional and specialized recruiting teams
Lack of diversity in applicant class	Reliance on virtual interviews or increased recruiter diversity training	TalVista and Cielo are specialist RPO vendors in diversity recruiting
Time-to-hire too long	Overhaul job marketing	Sole goal of RPO consultant is to reduce time-to-hire ^{xvi}
HR overwhelmed by administrative tasks	Automation of administrative tasks	-Ubiquitous in retail settings, as jobs typically have high turnover -Outsourcing tasks to third-party -Using software to automate tasks (ex. Workday)
Not attracting enough applicants	Overhaul job marketing, encourage internal hires	Ee and role competencies must be up to date in database
Recruiters overwhelmed by first-round interviews	Automated first round interviews	Biased algorithm concern (HireVue)
	Applicant aptitude tests	Bias concern

Appendix D: HR Professionals have Leveraged Technology to Encourage Internal Hires

Problem	Technological Solution	Commentary
Not attracting internal talent	Internal job boards	Used by most companies
	AI to recommend job openings directly to Ee	-Used by Cisco -Based on Ee competency database
	Advertising job openings on company intranets	Form of internal marketing
Too many internal applicants	Use of internal job matching software	Pymetrics is a top internal job matching platform ^{xvi}
Not placing internal hires in the proper roles	AI to recommend job openings based on Ee profile	Must track and log Ee competencies accurately

Appendix: HR Metrics

In the following figure, one can see specific HR metrics that are not being used to measure the effects of technology implementation. (The below metrics are incalculable due to a lack of historical data): ^{xvi}

Wanted Metrics Not Currently Being Used	
	Total
Increased quality of candidate pool	44%
Retention	42%
Job views	36%
Diversity of candidates	33%
Interview to offer ratio	33%
Employee referrals to hire ratio	31%
Cost per hire	24%
Offer to acceptance ratio	24%
Cost per Click	22%
Source of hire	22%
Number of applications	16%
Time to hire	11%
Number of hires	11%