



# EXECUTIVE TALENT ACQUISITION PRIORITIES 2022



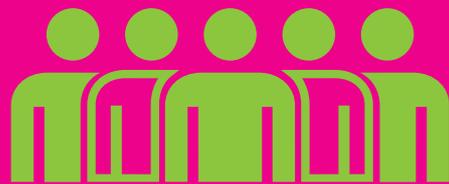
*Wilburys Stratton*

INSIGHT | ADVISORY | TALENT

# INTRODUCTION

OVER THE COURSE OF Q1 2022, WILBURY STRATTON HAS INTERVIEWED EXECUTIVE TALENT ACQUISITION LEADERS ACROSS A BROAD RANGE OF SECTORS.

In our discussions, we sought to define the parameters of Executive Talent Acquisition and uncover the priorities for 2022. Our sources lead Executive Talent Acquisition across the consumer goods and retail, professional and financial services, technology and industrial sectors. Unsurprisingly, the subject of competition for talent was unanimously discussed, as was the question of inclusion and diversity. In the current challenging market conditions, what can businesses be doing to get a head start on their competition and ensure they are developing a representative workforce?



AVERAGE **EXECUTIVE TALENT**  
**ACQUISITION** TEAM =

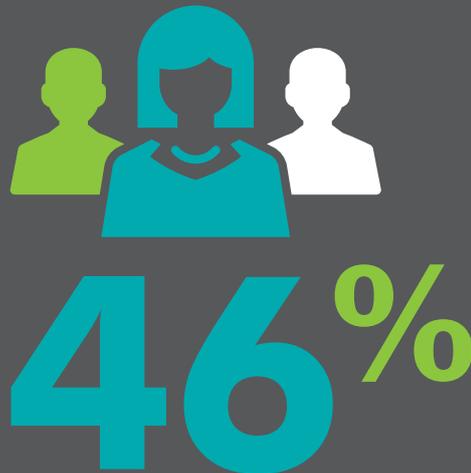
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# WHERE DOES EXECUTIVE TALENT ACQUISITION SIT?

IN SPEAKING WITH THE EXECUTIVE TALENT ACQUISITION COMMUNITY, WE DISCUSSED THE VARYING MODELS OF 'OWNERSHIP' FOR EXECUTIVE HIRING. THERE IS CERTAINLY A SPECTRUM WHEN IT COMES TO THE INFLUENCE LEVELS OF EXECUTIVE TALENT ACQUISITION. AT THE ONE END, IT OPERATES AS A SUPPORT FUNCTION TO ENABLE HIRES; AT THE OTHER, IT HAS COMPLETE CONTROL OF THE EXTERNAL SOURCING OF EXECUTIVE TALENT, ALL THE WAY TO C-SUITE.

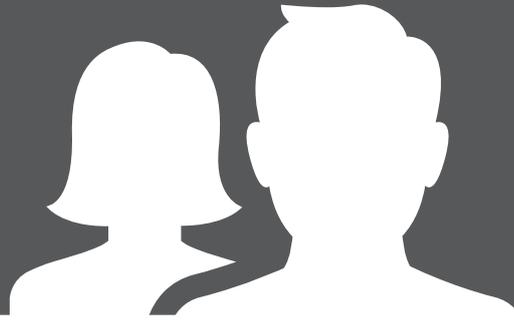
Most organisations take a blended approach, whereby hires considered to be executive level are largely managed and mandated, or delivered directly, by the Executive Talent Acquisition teams, but with exceptions. For example, the CEO or CHRO may take the C-suite appointments and manage these through preferred search suppliers, ideally with the support of Executive Talent Acquisition on matters pertaining to fees, contracts etc. Quite often, however, this process lacks communication and clarity of remit. A number of Executive Talent Acquisition leaders shared their frustration at senior hires taking place outside of their teams: this is often seen to result in high-cost fees outside of agreed contracts and a subsequent lack of standard process.

Similarly, sources spoke of roles being mandated outside of their team and then "thrown over the fence" at a later date, or when searches aren't going in the right direction. Naturally, this causes frustration with respect to both process and cost implications. One Head of Executive Resourcing from a large consumer business commented that "the mismanagement of fee and contract negotiation on a C-Suite level role outside of my team blew the entire company-wide cost reduction target, on one hire!"



**OF EXECUTIVE TALENT ACQUISITION LEADERS LISTED CANCELLED SEARCHES AS THE BIGGEST COST TO THE EXECUTIVE TALENT ACQUISITION BUDGET**

72%



**OF PARTICIPANTS ARE STILL MEASURED ON TIME TO HIRE – AND ¾ OF THOSE FELT IT WAS A FLAWED MEASURE**

Organisations where the budget for hiring is fully owned by Executive Talent Acquisition, regardless of seniority, are those where we see most control around process. Here, compensation packages and sign off for hires are not agreed unless they have been through the Executive Talent Acquisition team. In the most embedded teams, the Executive Talent Acquisition leads are responsible for the first interview for all internal and external candidates at shortlist stage. At the very least, this model appears to drive full visibility of what is happening across the business. It also justifies maintaining a larger Executive Talent Acquisition team: across our source population, the largest headcount was a team of four Executive Talent Acquisition leads in an organisation executing around 100 exec hires per year.

Other organisations take a completely different approach, with Executive Talent Acquisition marketing itself as direct competition to external search firms. These teams position their services as an alternative solution to an external firm and charge themselves out at a highly competitive rate – on average this was less than half the cost of a search firm. In this model, Executive Talent Acquisition functions may operate an entirely

different ATS/internal database to the rest of the business to ensure full confidentiality. One source from a financial services business explained that the model works incredibly well in terms of cost avoidance and candidate management. However, several sources who use this model advised that control is needed around what is taken on by the team. As one source explained, “in the team’s infancy we were being used to benchmark internal candidates or to have a general market sweep”. This made sense initially, but the uptake for the team’s services was so positive that their time soon needed to be spent on live searches. The source went on to note that the introduction of a cancellation fee “fixed the problem”, by driving home the message to the business that his team should be used to deliver end-to-end searches.

# DIVERSITY

DIVERSITY CONTINUES TO BE THE NUMBER ONE FOCUS FOR 90 PERCENT OF THE SOURCES WE SPOKE WITH, DEFINED BY INCLUSION IN ITS BROADEST SENSE - FROM GENDER, ETHNICITY AND LGBTQ+ TO DIVERSITY OF THINKING, NEURODIVERSITY AND EMBRACING DISABILITY (WHICH I&D EXPERTS SEE AS INCREASING IN FOCUS).

While most organisations have successfully deployed ever more sophisticated ways to target underrepresented groups, there remains an issue around how to accurately measure the diversity of end-to-end recruitment processes and communicate this internally to leadership teams and in external reporting.

In volume recruitment, stats are tracked from initial candidate application through to hire, whereas at executive level, most organisations capture data from longlist to hire. This means that the diversity of initial market mapping sits under the wire, with such information notoriously difficult to collect at scoping phase. However, given the pressing need for better understanding diversity patterns within exec talent pools, do we need to find better ways of collecting – and crucially, creating actionable insight from – data at scoping phase?

There is also an increasing emphasis on socioeconomic diversity in executive recruitment processes, with organisations seeking to move beyond archetypal ‘red brick, middle class, blue chip’ backgrounds in favour of more varied academic, career and life experience. Is contextual recruitment embedded in leadership hiring the way it is further down the structure? Many sources believe it isn’t – yet – but do see current diversity initiatives as starting to move that needle.



92%

**OF EXECUTIVE TALENT  
ACQUISITION TEAMS  
LISTED DIVERSITY AS  
A PRIORITY FOR 2022**

# 78%

**OF PARTICIPANTS FELT THAT TIME AND LIMITED RESOURCE HAS A NEGATIVE IMPACT ON MAKING DIVERSE HIRES**

We also found that although diversity of thinking and experience was high on the talent agenda, many organisations are poor on follow-through in this respect. Sources admit to continuing to hire from the same talent pools, despite recognising the benefits of broadening the catchment area. Why is this? Is it a lack of appetite to embrace different thinking and cultural norms? Is it the comfort factor of perceived transferable 'value add'? Or is there just a lack of confidence around how to assimilate these hires? Do we need to rethink onboarding to give stakeholders the confidence to think more laterally about where they hire from?



# 60%

**OF EXECUTIVE TALENT ACQUISITION TEAMS ARE MEASURED ON DIVERSE HIRES AND 15% OF THOSE ASSESS THE DROPOUT RATE OF DIVERSE CANDIDATES THROUGH THE INTERVIEW PROCESS**

# STREAMLINING THE RECRUITMENT PROCESS

ANOTHER AREA OF FOCUS FOR MANY ORGANISATIONS IS STREAMLINING THE RECRUITMENT PROCESS. THIS REFLECTS BOTH A NEED TO MOVE MUCH MORE QUICKLY IN AREAS WHERE TALENT IS IN HIGH DEMAND, AND TO CREATE THE MOST COMPELLING CANDIDATE EXPERIENCE. AS DEPENDENCE ON TRADITIONAL EXECUTIVE SEARCH CONTINUES TO REDUCE, SHOULD WE REASSESS HOW WE ENGAGE WITH CANDIDATES AND HOW WE SEQUENCE THE INTERVIEW AND ASSESSMENT PROCESS?

A good process must combine robust assessment of capability and fit with a well thought through 'courtship' strategy. To take just one example: how good are we at getting the right people involved at the right time? Clearly, this impacts not just pace and agility but also diversity of thinking among the interviewees. One source noted that careful selection of the stakeholders involved, and thoughtful sequencing of the process, had enabled his team to "punch above its weight" in recent C-suite hires.

The age-old debate continues about which assessment tools to use and when. For example, the emergence of online options at an earlier point offers an alternative to the traditional costly and time-consuming half-day assessment with a business psychologist. However, sources

talked about the challenge of stakeholders using external assessment processes as a 'tick box' exercise to indemnify hiring decisions, rather than taking the insights and thoroughly probing fit and understanding potential derailers. As we look to streamline the recruitment process, do we need to rethink the executive assessment methodology – could we do more inhouse using CPP, Hogan or other similar tools?

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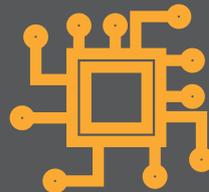
**OF EXECUTIVE TALENT ACQUISITION LEADERS LISTED TALENT PIPELINING/SUCCESSION PLANNING AS A KEY PRIORITY FOR 2022**



## **BENCHMARKING INTERNAL TALENT:** FULL SEARCH VERSUS TALENT MAPPING PROCESS

A RECURRING TOPIC AMONG ALL OUR SOURCES IS THE ISSUE OF HOW TO EFFECTIVELY BENCHMARK INTERNAL TALENT AGAINST THE MARKET, PARTICULARLY IN SITUATIONS WHERE THE INTERNAL OPTION IS CONSIDERED STRONG AND VIABLE. THE TRADITIONAL ROUTE TO BENCHMARKING TYPICALLY INVOLVED COMMISSIONING A FULL SEARCH PROCESS, WHICH INCURRED SIGNIFICANT COST AND OFTEN RESULTED IN AN OVERLY ELONGATED PROCESS AND ZERO TANGIBLE VALUE ADD.

Sources highlight a shift in the appetite of leadership teams away from undertaking unnecessary searches, and in favour of lighter-touch ways to explore the market. Key to this approach is talent mapping and pipelining: effectively, providing the initial research phase of a search to fully inform stakeholders on alternate candidate pools. Several sources went so far as to state that the days of business leaders commissioning costly searches without oversight are coming to an end. Across the board, greater central oversight of Executive Talent Acquisition spend – combined with greater appetite from the C-suite – is driving a clear trend towards talent mapping and pipelining.



HIGHEST NUMBER OF DIRECT HIRES ARE MADE IN THE **TECHNOLOGY** (INDUSTRY)



LOWEST NUMBER OF DIRECT HIRES ARE MADE IN **CONSUMER** (INDUSTRY)

# SUCCESSION PLANNING

IN ADDITION TO INCREASED DEMAND FOR TALENT MAPPING SERVICES, WE ARE ALSO SEEING THE EMERGENCE OF A TREND FOR SUCCESSION PIPELINING.

Organisations are increasingly focused on assessing the talent base against future needs, rather than just current or anticipated gaps, with this forming a critical part of a forward-thinking and business enabling talent strategy. This spike in succession pipelining reflects an emerging requirement from Boards to see evidence not just of internal succession plans, but strong succession options from the external market. How good are Talent and Talent Acquisition at working together to answer this question? Our survey says 'not very', with most sources lamenting that Talent and Talent Acquisition do not work in close enough partnership.

There has always been debate around the optimum depth of succession for Executive Board roles and C-suite minus one. What is the ideal in terms of depth of succession? Should it vary based on role and availability of talent? We have worked with FTSE 100 businesses where there is a minimum requirement of two succession candidates for every EB role and for operationally critical roles across the organisation. Conversely, we have seen plenty of cases where there is an acknowledged lack of internal talent to meet succession needs, leading to panic hiring and costly fees. Several of the Heads of Talent Acquisition we spoke to cited building external succession pipelines as a key priority for 2022, as futureproofing the talent base becomes increasingly visible at Board level.

# THE **GROWTH** OF INHOUSE RESEARCH

**61%** OF HEADS OF EXECUTIVE TALENT ACQUISITION WE SPOKE WITH ALREADY HAVE INHOUSE RESEARCH CAPABILITY, AND A FURTHER **20%** HAVE PUT BUILDING IT HIGH ON THE AGENDA FOR THE COMING YEAR. THE MAJOR TECH BUSINESSES SUCH AS AMAZON, GOOGLE AND FACEBOOK WERE EARLY ADOPTERS OF INHOUSE RESEARCH AND THIS HAS PAID DIVIDENDS IN TERMS OF THEIR AGILITY IN TALENT PIPELINING, PACE OF HIRING AND ACCESS TO REAL-TIME TALENT INTELLIGENCE.

With an increasing focus on direct hire – currently just above 50% of our sample use this method – access to specialist research skills is becoming more imperative, and competition for this talent in certain sectors is intense.

In the case of large multinational companies where executive hiring volumes are typically higher – most notably in Technology and Financial Services – there is a clear business case for creating inhouse research capability. But in other environments where hiring patterns are harder to predict, flexible resource is required. What is the right balance between inhouse and external research? Can the former be disruptive in the same way the latter can?

Talent Acquisition leaders who have invested in building inhouse research have also needed to invest in upweighting their candidate management system, or building/buying in an entirely separate software to ensure robust functionality around data retention. Across our survey population, the most commonly used platforms for talent pipelining and direct outreach were Avature and LinkedIn Recruiter. Many were frustrated by the cost of LinkedIn Recruiter and their inability to 'own' the data but felt that there was a lack of better alternative options.

# CONCLUSION

Faced with continually evolving labour trends, global workforce shifts and the desire to create competitive edge, it is necessary for Executive Talent Acquisition Leaders to balance a broad range of priorities in seeking to drive increased effectiveness.

Clearly, there is no one size fits all approach.

However, our research concludes that there are common themes shared across the market: an ongoing focus on diversity; how to build and maintain external pipelines for succession planning; striking the optimal balance between direct hire and use of search firms; how to cost effectively benchmark internal talent; and how to maintain control of spend and process. To deliver across this range of strategic priorities and meet the demands of BAU recruitment, it is imperative Exec TA Leaders display a high degree of agility to ensure the function is as proactive as possible to stay ahead of the curve. Change is without doubt continuous not episodic, and those who are able to anticipate future trends or market turbulence and align in house models quickly, will inevitably reap the rewards in the future.