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The Future of Recruitment & Retention

Introduction

The purpose of this report is to provide an insight into current and emerging Recruitment and Retention practice. A survey was conducted, among senior HR professionals, at the Strategic HR Network event on 24th April 2007 around some of the topical questions focusing on Recruitment Strategies, Online Recruitment, Employer Brand and Retention. The survey was completed by 25 respondents.

Resourcing Strategies

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our Resourcing strategy has buy-in from the board of directors.	24%	52%	4%	20%	
Changing motivations of candidates have made us review our Resourcing Strategy.	12%	44%	44%		
We anticipate recruiting more staff from outside of the UK to find the right talent.	28%	28%	16%	16%	12%

The 76% of respondents who have buy-in from the board of directors represents the importance of aligning your resourcing strategy to your overall business objectives. A fairly significant 20% don't have buy-in from the board, which could suggest that there is still a number of organisations where HR doesn't have a strong enough influence on the leadership of the organisation.

The question around reviewing resourcing strategies raises an interesting point. 56% have reviewed their strategies as a result of changing motivations of candidates. 44% of respondents answered 'neutral' which suggests that either they haven't noted a change in motivations of candidates or they are not in touch with their

target talent pool, or indeed some of the broader market-place trends.

With the skills shortages in the UK it's not surprising that over half of respondents (56%) anticipate recruiting more staff from outside the UK to find the right talent. This reflects the increasing globalisation of the labour market.

"Within the media industry we are facing a serious talent drain. As a result we are going to think more laterally about resourcing solutions." Recruitment & Resourcing Manager, Global Media Organisation



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Online Recruitment

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The quality of online applications is very hit and miss.	21.7%	34.8%	17.4%	26.1%	
Online recruitment delivers the most diverse range of candidates.	8.7%	30.4%	47.8%	13.0%	
In the future, attraction and assessment will be done entirely online.	8.7%	13.0%	8.7%	65.2%	4.3%

There has been a dramatic increase in online recruitment over the past few years. At the latest Enhance Media conference it was reported that the online recruitment advertising market in the UK in mid 2006 had increased by more than 40% from the previous year.¹

Whilst the trend for online recruitment is growing, however, over half of respondents (56.5%) agree that the quality of online applications is very hit and miss. 26.1% disagree with this statement, which could suggest that online recruitment is a better strategy for certain roles or industries.

Although there is a trend towards online recruitment, our results show that there is still a high level of ambivalence with regard to the ability of online recruitment to attract high

quality and diverse candidates. Many organisations clearly have a long way to go in developing an online recruitment strategy.

While there has certainly been a shift in recruitment and assessment being done online, our results suggest that online is only an aspect of the resourcing strategy and a blended strategy with a mix of media is still proving most effective.

“There will still be a need for employer brand development and concentration on Recruitment and Retention strategies - online is the hook not the solution to retention.” Divisional Director HR & OD, London Borough





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Employer Brand

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Corporate Social Responsibility is important to our employer brand.	64%	28%	8%		
Our employer brand is directly aligned to business objectives.	20%	56%	20%	4%	

An overwhelming 92% believe that Corporate Social Responsibility is important to employer brand, which reflects the current thinking that candidates are increasingly seeking to work for an organisation that has a moral responsibility to society and to the environment.

This is backed up by The Guardian's Grad Facts research in 2006, which revealed that 72% of final year university students would have to feel happy with a prospective employer's ethical record.² More and more organisations are putting a CSR strategy in place and are acutely aware of its impact on their employer brand.

76% of respondents recognise the importance of aligning employer brand to business objectives and feel that they are achieving it. This figure emphasises the increasing profile of employer brand within organisations.

Our employer brand is driven by:		
HR	Marketing	Both
30.4%	8.7%	60.9%

30.4% state that HR is responsible for employer brand but the majority (60.9%) have an employer brand strategy that is driven by both HR and Marketing.

Of those companies whose employer brand is driven by HR, 50% believe that this strategy works well compared to 60% of those whose employer brand is driven by a blend of HR and Marketing.

What we are seeing is an increasing reflection that employer brand strategy works best when a number of stakeholders are involved.

Only 55.5% of total respondents believe that their employer brand strategy is working well. Whilst we're seeing some strong indication of the importance of employer brand, there is clearly still a long way to go to getting it right.

"We are trying to bring the corporate strategy more in line with the resourcing needs we are facing." Recruitment & Resourcing Manager, Global Media Organisation

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our employer brand is driven by:					
HR - I believe this strategy works well		50%	37.5%	12.5%	
Both - I believe this strategy works well	30%	30%	20%	20%	
Total - I believe our employer brand strategy works well	11.1%	44.4%	22.2%	22.2%	





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Retention

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
We find it difficult to retain the staff we want to keep.	12%	32%	28%	28%	
We have sufficient initiatives in place to address retention.		20%	24%	56%	
The future workforce will be less loyal than past generations.	37.5%	50%	4.2%	8.3%	

44% of respondents are finding it difficult to retain the staff they want to keep and only 20% have sufficient strategies in place to address retention.

Retention is still a major headache for organisations and while it is widely recognised as an issue, organisations are not doing enough to tackle it.

“We are losing our top talent after 4 years, to competitors or to start their own business.” Manager People & Organisational Development, Global Entertainment Brand

The trend over recent years is that people are not staying as long in organisations. It's no surprise therefore that 87.5% agree that the future workforce will be less loyal than past

generations. A Penna research report entitled 'Itchy Feet' revealed the emergence of a new, self-confident employee who is unsentimental about loyalty.³

Often referred to as 'Millenials', this new generation of workers are demanding the latest technology, flexibility and a corporate brand that reflects their own values.

These employees represent a significant challenge to employers who need to retain, and attract, talent.

“We could definitely focus more on the reasons why people leave the company.” Head of Resourcing, Leading Drink Retailer





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Summary

Our survey has highlighted some interesting trends in recruitment and retention. The recruitment market is changing and employers need to implement strategies to stay ahead of the game. The future of recruitment and retention will be largely influenced by the following factors representing a key challenge for employers:

Changing motivations of employees; 'The candidate is King', constantly reviewing resourcing strategy to meet increasing demands

Corporate Social Responsibility and its impact on employer brand

Employer brand strategy and aligning it to business objectives

Online recruitment strategies to ensure quality and diversity of candidates

The implementation of sufficient initiatives to address **Retention**

How Penna can help

Penna works with leading organisations to attract, recruit and retain the best talent. We bring together expertise across the entire talent lifecycle including:

- Recruitment advertising
- Employer brand development
- Web design and build
- Print communications
- Diversity consulting
- Executive search
- Search and selection
- Interim management
- Assessment
- Talent Strategy
- Engagement

To find out how Penna can help your organisation call 020 7933 8383 or visit www.penna.com

¹ Enhance Media Limited, responsible for the National Online Recruitment Audience Survey (NORAS) www.noras.co.uk.

² The Guardian's Grad Facts 2006

<http://adinfo-guardian.co.uk/recruitment/microsites/gradfacts/gradfacts-home.shtml>

³ Itchy Feet, A Penna research report on employee loyalty, July 2003

http://www.penna.com/newsopinion/research/Itchy_Feet.pdf