

Strategic Sourcing: Bridging the Impending Talent Crisis

Sector growth at odds with workforce shrinkage

With vigorous growth projections squaring off against workforce shrinkage projections, what is a forward-thinking executive to do? When it comes to sourcing talent, think strategically. The Bureau of Labor Statistics (BLS) projects employment in professional and business services sectors to increase 30.4 percent over the 2002-12 period. As if maintaining the people, process, and systems to meet such fast-paced growth expectations is not a sufficient enough challenge, service sector organizations will be faced with another serious problem – a roomier workplace. In today's employment environment, many executives have difficulty focusing on the impending talent gap. But while there have been some recent revisions to talent gap predictions (down from 10 million to 8 million), there is no time to waste in strategizing for the imminent retirement of 46 million baby boomers over the next 20 years.

With fewer younger people entering the workforce overall, and a lower percentage of young people graduating college, it's estimated that by 2012, corporations will be scrambling to attract 12 million college graduates to fill 18 million positions. The BLS estimates that 65% of American positions require specific skills. So, the demand for growth will not only be shuttered by a lack of bodies, but also will be further complicated by specialized skill deficiencies. The only ones smiling will be top level talent, who will have the luxury of being very choosy about where they work, and will require plenty of incentive to stay put.

Sourcing solutions

The good news is that all the elements of a solution are available to proactive organizations. Some of the elements, like development of front-line employees for promotion, must be reconstituted from traditional 20th century employment philosophies. Twenty-first century automation, on the other hand, is a given. An integrated full complement of old and cutting edge talent management elements, known as strategic sourcing, provides organizations a decidedly strategic advantage.

In the baby boom heyday, downsizing has transformed the life-long career into a relic of the past. Youth is widely valued over experience, with a staggering 65% of executives reporting age discrimination during a recent job search. As a result, younger generations have been conditioned not to expect, nor give, loyalty to an employer. But the coming workforce shrinkage means that proactive organizations must now begin to recreate a culture of long term employment.

A number of 20th century talent management initiatives still remain un-optimized, such as full inclusion. While most large organizations have instituted a policy of valuing diversity and some are more fully engaged, most are not truly leveraging the diversity of their workforce. Marginalized and discouraged workers who have given up looking for advancement are a widely underutilized treasure. Many senior employees could be convinced to delay retirement if they felt truly valued for their wealth of experience. All companies will eventually recognize the need for ramping up these measures, so timing

is of the essence. The quickest way to ensure that all employees reach their potential is to tie their success to their managers' performance evaluations.

Of course, 21st century organizations must go beyond simply resuscitating traditional and existing talent management approaches, no matter how proven or promising. If employees will be remaining in positions longer, it's all the more crucial to make sure those employees are the highest quality available. The implementation of an automated, web-based recruiting and hiring solution allows companies to access the most advanced sourcing and selection tools available to vet the very best candidates from today's still quite crowded fields. Automation brings discipline, structure and consistency to the hiring process, while providing corporate staffing departments the ability to measure their effectiveness.

Strategic Sourcing

The combination of superlative technology and tried and true sustainability talent management methods offers much more than either approach can separately. Strategic sourcing provides a synergy that is able to attract the best candidates, retain talented workers, and achieve greater productivity from employees performing at a higher level. Companies that use strategic sourcing now to position themselves as an employer who offers long-term stability as well as a challenging and growth-focused environment will have a competitive advantage as the talent gap nears. What else is an organization taking full advantage of strategic sourcing able to do?

- Recruit a broader range of workers in more complex organizations
- Attain an advantage in vertical industry tight labor markets through customization
- Engage employees as candidates in the recruiting process to help address retention issues
- Allow HR personnel to focus on and excel at their most crucial responsibilities
- Identify future talent needs
- Establish robust corporate processes, like employee referral programs
- Leverage investment in candidates through ongoing relationship building and pipeline development
- Facilitate audits

When searching for a strategic sourcing provider, there are several elements to consider. A high quality strategic sourcing provider should offer:

- A sophisticated, web-based solution that does significantly more than just keep track of resumes
- Strong and customizable measurement and reporting capabilities
- A rich training and customer service component
- A demonstrated ability to reduce talent acquisition costs and days to hire, while producing a higher quality, more diverse workforce and providing a fast return on investment
- An intuitive format that is easy to adopt and use

- The flexibility to allow you to work at your own pace

A strategic sourcing provider with these characteristics can facilitate the synergistic merging of all available talent management elements into one integrated solution. And that's tomorrow's treasure map for navigating the talent gap while simultaneously meeting steep growth demands.

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