



# GETTING SMART ABOUT ACQUIRING TALENT



## How Leading Companies like Fonterra are Turning Talent Acquisition into a Strategic Advantage

By Nick Simcock

With increased competition and globalization, it is more challenging than ever to find the right talent—but along with a shortage in talent comes a great opportunity to achieve a competitive advantage. As a result, companies are getting smarter about how they acquire talent. They are making their recruitment operations more strategic by connecting internal and external recruitment activities with succession planning and performance management. They are re-examining how they balance immediate needs and long-term goals, and are improving how they apply people, processes and technology to acquire critical talent.

If you are among the executives looking for insight on how to re-focus your talent operations, there is good news. The experience of forward-looking companies reveals practical lessons that can help you shape a more strategic talent acquisition capability.

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### The Complexity of Recruiting

The first challenge facing today's recruiter is the complexity of recruitment in today's global markets. More effort is required to find and cultivate relationships with potential candidates, leaving less time for transactional and routine activity.

To address this, companies have evolved their recruitment approach, frequently partnering with strategic talent acquisition services providers. The first part of the new approach involves a team of business-facing recruitment experts. These specialists partner with business managers and HR to understand their needs and link into the workforce planning process. Secondly, a team of sourcing experts is dedicated to building the pipeline and executing high-touch candidate programs. Finally, a team of recruiters focuses on the screening, intervening, selection and onboarding of candidates.

Collectively, these specialized sub-teams work together to identify and hire talent in a highly proactive, targeted and efficient manner. The lesson: specialized resources can drive real improvements in speed and effectiveness over the traditional generalist model.

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### Resource-Intensive Talent Acquisition

Another challenge is that talent acquisition has become far more resource intensive than in the past. Resources are needed to develop the employment brand, create employee referral programs, optimize internal mobility, and manage graduate programs and other strategic initiatives.

Making a strategic impact in the face of pressure to reduce recruitment costs is an ongoing challenge. For example, Fonterra, a New Zealand-based, leading global exporter of dairy products, is actively investing in improving its ability to compete for talent at home and abroad, addressing the challenge by implementing a flexible model that can be readily scaled to meet global demand.

In such cases, the number of business-facing (and more expensive) recruiters does not have to increase at the same rate as the less expensive recruitment operations team, which processes and delivers on recruiting requests. For most organizations, such flexibility will prove to be a great advantage by applying the right amount of resources in a market characterized by significant and often unpredictable changes.

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## Internal Recruitment

Internal recruitment has always been a challenge. Even though a company's employees can be its most valuable talent pool, internal recruitment processes typically fail to reach the "passive" internal candidates, and companies often have little awareness of their own vacancies or talent supply. Frequently, cumbersome internal processes and outdated policies make it easier for employees to pursue career opportunities externally.

There are several approaches for improving internal recruitment. An internal skills register can be created whereby internal candidates profile themselves online so that they can be automatically matched to appropriate jobs as they arise. Companies can also attract the attention of passive internal candidates through internal career fairs and "hot job" promotions.

As part of its new approach, Fonterra's recruitment function is set up to ensure a steady pipeline of talent from both internal and external sources. Recruiters can access internal candidate information to assess suitability against external pre-qualified candidates. The use of performance and succession planning information also provides recruiters with a benchmark to assess external candidates.

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## A Strategic Approach to Talent Acquisition for Your Organization

With so many issues and options, how do you begin evolving your talent acquisition function? A good starting point is an assessment of your current talent operations. Key considerations typically include:

- **Cost** - ROI and cost is a critical area. The quality of the outcome is also a vital part of the cost consideration.
- **Model** - What is the best model for your organization? Centralized or de-centralized; insourced or outsourced?
- **Partners** - Are you engaging the right types of partners, such as recruitment suppliers and testing providers? Are they delivering the quality of service you need?
- **People** - How effective is the quality, type, number, expertise and focus of people dedicated to talent acquisition?
- **Process** - How effective are the processes and policies that drive your talent operations? How well integrated are they with other core HR programs such as succession planning and performance management?
- **Technology** - Do your recruiting technology systems deliver the required efficiencies?

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## Insourced or Outsourced: Which Recruiting Model is Right?

Organizations typically look to insource their recruiting function when they are driven by cost and believe they can build a recruitment model internally. In most cases, consulting services will be needed to design and implement the model, and this can add to the cost. In addition, it can take longer to develop the market intelligence to gain a competitive advantage, but for the right organization, insourcing can be a viable option.

An organization would typically seek an outsourced provider when it needs to build its recruitment capability quickly and is looking to leverage the skill and expertise of dedicated recruiters. An outsourced approach can scale up or down quickly in response to market fluctuations. It also provides the resources to help ensure that the talent acquisition function maintains its strategic focus.

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## Moving Beyond Short-term Thinking

While most companies recognize the importance of strategic talent operations, there are usually pressing issues that demand immediate attention. Lacking a strategic talent focus, organizations also sacrifice their workforce planning capability and find themselves unable to establish formal links between leadership and the talent acquisition function.

Breaking the cycle of short-term talent thinking is not easy, nor is it a one-time event. Improving talent acquisition is a process of continuous evolution. This continuous improvement will be essential, because in a market where talent is a core business asset, recruiting is more than an overhead function; it is a critical capability that will drive the success of the business as a whole.



**Nick Simcock** is the Country Leader for Futurestep New Zealand, Korn/Ferry International's outsourced recruiting subsidiary. Based in Wellington, he can be reached at [nick.simcock@futurestep.com](mailto:nick.simcock@futurestep.com).