

# WHAT SUPPLIERS MUST DO TO ATTRACT AND RETAIN TALENT

Suppliers face more competitors than ever when it comes to finding, hiring, and retaining highly talented workers. Since the rumors started that Apple will build an electric car, hardly a week passes without a headline saying the technology giant has hired yet another former Tesla engineer. Google also is aggressively seeking talented executives with automotive experience. Talent acquisition and management has become a field that companies need to leverage to gain competitive advantages and outperform their rivals.

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Suppliers are under pressure to change the way they recruit. They must adapt to pivotal developments within the talent market, such as the new expectations of high-performing, high-potential talent, the rising need to add people with cutting-edge technological skills, as well as increased competition from not only automakers but also well-funded, well-known rivals such as Apple and Google.

They face these challenges at a time when the available talent pool is shallower than ever due to low unemployment, the overall aging of society, and growth of megacities. The global median age is set to increase to 36 from 30 by 2050, according to 2015 data from the United Nations. Slowly vanishing immigration policy boundaries (especially for highly skilled professionals) are further intensifying the competition for talent. This development is fueled by the convergence of once-separate industries. That means suppliers and automakers are vying for the same people as information technology and mobility specialists to cope with the fast move toward connected vehicles that can drive themselves. All this will make it tougher to find new employees with the critical profiles required for future business success.

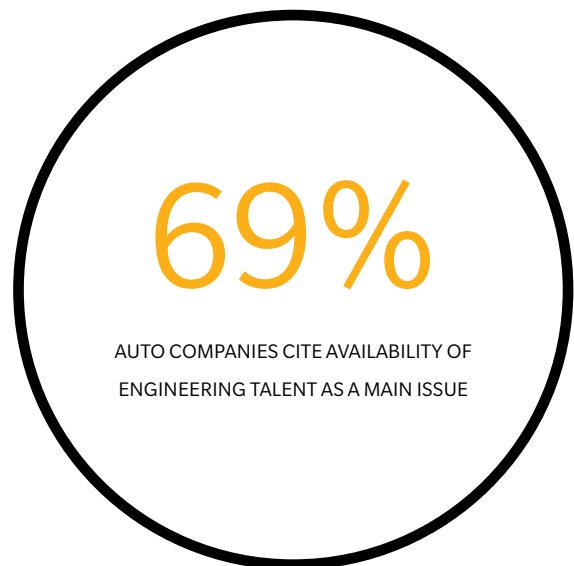
Mercer and Oliver Wyman research shows that more than 69 percent of automotive companies say that availability of engineering talent is a major issue. Nearly 80 percent of companies in the manufacturing sector and 95 percent in the technology industry report a shortage of highly skilled employees.

## NEW EXPECTATIONS

Expectations toward employment are changing, especially among younger job seekers who demand a better work-life balance and more development opportunities than their longer-serving colleagues. Soft rewards, such as appreciation from the company, play an increasingly important role in a young employee's engagement. And research suggests that younger employees will be quick to change employers if their expectations are not met. Today, more than 85 percent of workers are either actively searching for a new job or would be open to a change if contacted by another employer, according to figures from LinkedIn.

These expectations need to be taken seriously and addressed from the initial contact with a potential employee. Managing the entire candidate experience is becoming crucial. Companies need to provide high accessibility, speed, simplicity, and a personal touch during recruiting to create a superior level of engagement with candidates, especially for business-critical profiles and high-caliber people.

For both employers and employees, technology is increasingly being utilized for all aspects of recruiting. Ninety percent of job seekers use their mobile devices to access employment



opportunities, according to Comscore. For selection, video interviews and gamification are already basic tools at many companies. Cutting-edge technology such as big data analytics and machine learning algorithms (MLAs) are starting to spread. Tools such as Mercer Match help predict successful workforce characteristics and accurately select employees easier and faster.

## TOUGH FIGHT FOR TALENT

Automakers and other competitors for talent already are ahead of many suppliers in recruitment because they are better at defining long-term workforce plans. These companies excel at identifying ways to deal with talent gaps so that they can quickly attract high-quality internal and external candidates via active and passive sourcing channels, as well as managed candidate pools.

Leading companies have highly skilled recruiters to find the best talent, ensuring an engaging candidate experience. For example, Google is utilizing big data to re-evaluate its pool of second-best talent to see if they are suitable candidates for other positions. General Motors' so-called "silver medalists" talent pool for runners-up for jobs has identified an extensive list of strong candidates with a high potential if another job opens. Companies such as Microsoft and SAP professionalize active sourcing and use the recruiting process to not only fill a specific position but to also build up a portfolio of potential candidates for other posts within the company. Of course, improving recruiting efficiency through process streamlining and the implementation of companywide cloud-based recruiting systems remains a key task. Done effectively, companies can significantly improve efficiency. A recent example of this comes from Chinese automaker Geely, which reported a 20 percent efficiency gain after implementing its Taleo program.

## THE CHALLENGE TO ACQUIRE TALENT

Most difficult jobs to recruit by country



Source: Mercer Research 2016

## WHAT SHOULD SUPPLIERS DO?

Companies should forecast workforce needs and identify the areas that will pose potential challenges. They need to focus on business-critical, hard-to-hire profiles first. It is also important that recruiting organizations are flexible enough to adopt new trends so they can continue to successfully attract the best talent in the market. The following aspects will prove critical:

- Engage business leaders in the workforce planning process to provide visibility of midterm business plans
- Focus 80 percent of the effort on the roles that are hard to fill and are critical to the organization's future
- Implement data-driven solutions to find the best sources for hiring and the most efficient selection methods
- Proactively identify highly talented candidates from inside

and outside the company (for example, through LinkedIn or internal talent scouting)

- Develop a unique, honest employee value proposition to attract the right candidates
- Make the recruitment journey an engaging, fast, transparent, and personal experience
- Define technology needs to best support the process and engage candidates.

Suppliers face a tough battle in the war for top talent. Today's leading candidates need to be wooed. This puts certain job seekers in a very advantageous position. But with the right recruitment strategy and processes, suppliers will be able to attract and keep the talent needed to ensure the company's continued success. ●