

RECRUITING TRENDS[®]

News, Techniques, and Strategies for the Recruiting Executive

Human Capital 2010: The Future Is Now

You are called into your boss' office to talk about the future of Human Resources (HR). She tells you that the organization is putting together a five-year strategic plan for each department, and that you, as the HR director, must provide a vision for the organization's Human Capital plans for the year 2010. Although the year 2010 sounds "too far," it is only five years away, and considering the way technology continues to advance exponentially, a five-year plan without flexibility is likely to become obsolete within the first year after it is written. Therefore, this plan should be forward thinking in implementing the technologies and best practices available today, and flexible enough to incorporate any new advances in technology and process-

es that will inevitable become available during the next five years.

With 35 million jobs to be vacated, and 21 million new jobs being created, that makes 56 million total positions to be created in the next 10 years. Thirty million potential employees will be available, "representing a massive shuffling, and a big gap – a real talent shortage," says Jeff Durocher, director of market development, RHR International, a human capital consulting firm. "This is fairly unprecedented," he adds.

While everyone agrees that the organization that can best harness the power of technology will win the recruiting race, nimble adaptability and aggressive recruiting strategies will allow technology savvy recruiters to

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KENNEDY INFORMATION

U.S. Employees Top List as Most Motivated and Committed

Among employees in ten of the largest world economies, workers in the U.S. (and Brazil) are the most engaged with their companies, according to a major new study by ISR, an international employee research and consulting firm. Engagement is defined as the degree to which workers identify with, are motivated by, and are willing to expend extra effort for their employer. Seventy-five percent of U.S. employees are engaged, compared with only 59% in France, the lowest-ranked country.

The four core issues most influencing engagement in most of the ten countries studied include career development, leadership, image, and empowerment. However, the relative importance of each of these core issues varied from place to place. These key drivers are crucial for hiring managers and

Three Dimensions of Employee Engagement

- Cognitive: How employees think about their company
- Affective: How employees feel about their company
- Behavioral: How employees act in relation to their company

Source: ISR

recruiters to understand, as they present a guide to action planning for improving engagement in each country of operation.

"The research suggests that once employees in the U.S. feel constrained in

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New Online Talent Database For Retailers

Alterna Recruiting Solutions, a recruiting firm for *Fortune* 500 retailers, recently launched its searchable online talent database for the retail industry, AlternaLink. AlternaLink enables retail companies like department stores and retail chains to quickly locate qualified job candidates. Through AlternaLink, subscribers can scan for talented recruits from more than 35,000 retail management professionals currently employed at retail companies. The professionals listed in the database typically hold field positions including store, district and regional manager as well as corporate positions. "Recruiters spend as much as 65% of their time on the tedious research and name generation process," says Julie Fontaine, president of Alterna Recruiting. ☒

CareerBuilder.com to Help Government Recruit

CareerBuilder.com, an online job network, recently launched a new section of its site dedicated to serving the online recruitment needs of federal, state and local government agencies and organizations (gov.careerbuilder.com). In addition to reaching qualified public sector workers, government employers can market themselves to a new national audience of private sector workers to fill their open positions. The Office of Personnel Management estimates that 32% of the federal workforce will be eligible for retirement in the next five years. That number rises to 52% when taking into account those potentially opting for early retirement. At the same time, four-in-ten government workers surveyed by CareerBuilder.com say they plan to leave their present positions in the next two years to pursue opportunities inside and outside of the public sector. Although 57% of government workers say they are satisfied with their jobs, 18% are currently looking for a new job on a weekly basis to take advantage of new vacancies. "Government employers are recruiting the same type of candidates we see in the commercial world, but are not actively participating in that recruitment environment," says Stanley Paul, general manager of CareerBuilder.com's government services. ☒

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News, Techniques, and Strategies for the Recruiting Executive

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ISSN: 0034-1827

Annual subscription: U.S. and Canada \$249; International \$289.

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Workers Confidence In Job Market At Highest Level In Two Years

Americans feel more confident about the job market than they have in two years, with a healthy 75% of survey respondents saying there is little or no likelihood that they will lose their jobs in the coming year, according to Right Management Consultants.

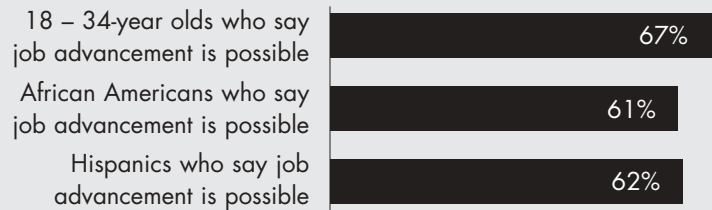
Despite their relative security about their own jobs, Americans still believe the overall job market remains tight. Nearly 80% say it would be somewhat or very difficult for an out-of-work employee to find a comparably paying job. Half of that group – or 41% of all respondents – say it would be very difficult to land a new job at similar pay.

For the first time since Right launched the Career Confidence Index two years ago, the percentage of American workers predicting a rise in the unemployment rate dropped below 70%, to 65%. “In the two years since we have been tracking employee confidence levels, this is the most positive American workers have felt,” says Doug Matthews, executive vice president and head of Career Transition Services for Right Management Consultants. “The most noticeable shift this period has been a drop in the percentage of American workers who believe that unemployment will rise.”

Asked how likely it is that they would advance at their current companies, workers are almost evenly split. Nearly 50% say it is very or somewhat possible, while 49% say it is not very possible or not possible at all. Among that latter group, 29% say there is no possibility of advancement. “Nearly half of American workers do not anticipate advancing with their current employers – and of those, nearly 30% say there is no possibility of moving up at their companies,” Matthews says. “That may indicate a disengaged workforce, or employees who are looking to leave their current jobs.” ☒

Optimism About Career Growth

Younger workers, and black and Hispanic workers, are most likely to report feeling optimistic about moving up at their present companies.



Source: Right Management Consultants

Employers and Colleges Differ on Student Development Needs

Does college student development provide the skills that employers think new hires should possess? Some employers say no, according to a study by the National Association of Colleges and Employers (NACE). In today’s interconnected, fast-paced, and ever changing world, college graduates should have a full complement of related knowledge and skills to become successful workers and citizens, say NACE researchers Smriti Shivpuri and Brian Kim from Michigan State University. But, until recently, they maintain, colleges and universities have focused on the traditional academic goals of acquiring technical knowledge and developing critical thinking skills. NACE’s study examines whether employers’ concerns about skill gaps are warranted based on the valued goals and needs of universities and colleges that educate and develop students, and the organizations that evaluate and employ college graduates.

Although employment of graduates is not the only goal of colleges, it is still important for college administrators and employers to strive for open channels of communication in order to recognize, discuss, and resolve any outstanding discrepancies regarding student development and skills needed for workplace success. ☒

Students as Future Employees: Key Traits Targeted for Development

Traits cited as key by college administrators

- Ethics and integrity
- Knowledge

Traits cited as key by employers

- Ethics and integrity
- Knowledge
- Leadership
- Interpersonal skills
- Adaptability and life skills
- Perseverance

Source: NACE

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CollegeJournal.com
- Cjeka Search
- LeadToHire.com

A CONVERSATION WITH DR. MATTHEW J. SLAUGHTER

Digging Below the Politics of the Great Off-Shoring Debate

“We need to put the facts on the table about why companies decide to off-shore jobs,” says Dr. Matthew Slaughter, associate professor of business administration and researcher at the Tuck School of Business, Dartmouth College. What are the forces causing these workforce shifts? “First, there is the pull of the world wage pool; wages are much lower in developing nations than in U.S. and other advanced countries. Second is the push of the home country demographics,” says Slaughter. It is widely recognized that population growth in next five to 10 to 20 years is going to be much slower than in recent decades.

A significant dynamic in strategic workforce planning is the real change in the labor force anticipated in the U.S. in the near future. With the female labor force participation rates remaining static at about 60%, the majority of workforce gains will be as a result of immigration, not population growth, Slaughter argues. “Many companies are concerned with the increasing competition in U.S. talent, and it’s causing them to think harder about hiring people from other countries.”

What does happen inside a firm when they off-shore jobs? “Conventional wisdom says that anytime a company expands overseas, someone must be losing a job. It says that the outsourcing of IT and similar ‘golden goose’ sectors can only harm the overall U.S. economy.” This however, Slaughter says, is not born out in the data. In a recent study, Slaughter examined annual Bureau of Economic Analysis data between 1991 and 2001 for 2,500 multinational companies.

Slaughter reports that while employment in foreign affiliates rose by 2.8 million jobs, employment in U.S. parent firms increased nearly two-fold to 5.5 million jobs. Slaughter’s report measures the aforementioned growth against total job growth and found that multinational firms were responsible for faster job creation.

While there is anecdotal evidence showing the hardships faced by workers who lose their jobs, “we need to look at comprehensive statistics, not anecdotal evidence,” Slaughter says, when planning strategically for the future workforce needs, as well as for consideration of the overall benefits to the American economy.

Individual companies, and recruiters in particular, need to think about how information about off-shoring their company’s jobs gets communicated to employees and customers. “It’s not the case that only people in certain industries don’t like off-shoring. Most people in the U.S. are wary of multi-national firms. Public opinion research shows us that people, generally, feel the pressures of globalization even if they are not directly affected,” Slaughter says.

When considering whether to off-shore certain jobs, a company needs to ask itself two questions. “What jobs *can* our firm off-shore, given who our customers are, and where we design, research or produce our product or service?” The second question is, “What *should* our firm do regarding the off-shoring of certain jobs?” If plans for off-shoring are not communicated well to a company’s workers, it might not be the most strategic thing to do, Slaughter warns. ☐

Corporate Engines in Neutral

By Roger Herman

It seems like senior executives have their corporate engines in neutral. They're idling, occasionally revving the engine a little to excite their employees, frighten their competitors, assuage stockholders, or just flex their muscles. It's time to shift into gear! Of course, we should recognize that, while a large proportion of companies are in idle – waiting for the fallout from the election, Christmas, or a sign from the heavens, some are already shifting through the gears and chugging along. Interestingly, they are keeping quiet (secretive) about the momentum they are building...getting the edge while competitors sleep.

Recruiters are confirming this phenomenon on a national, cross-industry basis. The situa-

tion in the corporate world is not dissimilar to Mount St. Helens. There is a lot of heat and energy building under the surface, and the signs are increasingly visible. The potential for the volcano to blow is very real, as is the potential for comparable eruptions in the corporate arena. The unrest is hampering productivity and damaging already-fragile morale. To play on the oft-quoted campaign phrase, "It's the economy, stupid," we would argue "it's the leadership, stupid." ☒

Roger Herman is CEO of The Herman Group, a firm of consulting futurists concentrating on workforce and workplace trends and their implications.

Ask The Reference Expert

By Paul Barada

Question: *What's the best way to start a conversation with a reference?*

Answer: By being honest. There's absolutely no reason why a recruiter can't be right upfront about the nature of the call. Identify yourself, the company for whom you work, and why you're calling. It can go like this, "My name is Joe Smith, and I'm a recruiter with the Zinc Company. We are interested in the possibility of hiring Cheryl Jones and she gave your name as a reference. I wonder if we could chat for a few minutes." Right off the bat, you've stated who you are and why you're calling. That should facilitate getting the conversation off on the right foot and in many instances the reference will probably be expecting your call.

Question: *We require candidates for employment to bring in a copy of their diploma as proof they have the degree claimed. What better documentation could anyone want than a copy of the actual diploma?*

Answer: Just about every day I receive unsolicited e-mails from companies willing to sell me a phony diploma. Actually, some diplomas are real, but they weren't awarded to the person claiming the credential - they've been doctored to look authentic. The best way to veri-

fy academic credentials is to call the registrar's office of the school from which the person claims to have earned a degree and ask for confirmation. You can also confirm the accreditation of the school by checking *The Guide to Background Investigations*, which lists every accredited two- and four-year institution of higher learning in the nation, along with the required contact information. Of the more than 4,000 post-secondary schools in the nation, over 78% will verify the degree claimed and/or attendance dates.

Question: *Sometimes a reference will have really negative things to say about a former co-worker. How can you tell if they're true or not?*

Answer: By talking to more than one reference. Although it doesn't happen all that often, occasionally a job seeker will ask someone to be a reference thought to be a friend, but who turns out not be - at least for the sake of providing an objective assessment of past job performance to a prospective employer. That's why talking to at least three references is so important. ☒

Paul Barada is the president and founder of Barada Associates, Inc., a reference and background checking company. Email him your questions about reference and background checking at TheReferenceExpert@yahoo.com.

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best leverage their skills, and thus pull ahead in what is sure to be a decade characterized by a tight labor pool, and dramatic changes in the way recruiters conduct business. How are forward thinking recruiters planning for the future? “By making a five-year plan that is flexible and that allows for adaptability,” says Rich Sierra, president and CEO of LeadtoHire.com, an applicant management system.

Any viable five-year plan has to portray its recruiting function as a business enterprise. So, what can HR do to position itself as a strategic business partner within their organization? “Raise their game. They are steeped in the caring tradition of HR,” says Durocher. “HR says, ‘We can’t do these things because of all the people issues we have.’ But your CEO is going to say, ‘We’ve got to, so how are you going to help us? If you’re going to be deterrent to us, we don’t want you here.’ Top HR people are asking themselves, ‘What does the business need, and how is that going to affect my people?’”

Metrics that measure time to hire and number of hires should be a thing of the past. “Recruiters shouldn’t just be thinking about how many openings they have to fill. “They should be ask-

ing more questions back, like, ‘Where are the openings going to be? Why are they in these areas? Why are we hiring 50 people now? Explain to me why this particular business unit is hiring these ten people?’” says Mike Veronesi, managing partner at Project Hire Holdings. These more strategic questions allow recruiters to think more broadly about the needs of the organization, and in so doing, better position itself as a business partner. “I can communicate better to candidates if I can explain to them the value of the position I’m hiring them for – if I can show them how the position fits into the organization’s business plan,” Veronesi says.

There is deep value in strategic recruiting, Veronesi says. “Many recruiting functions are developing themselves into strategic partners internally – revamping and transforming their HR infrastructures by turning HR into a profit center instead of a cost center,” Veronesi says. “Organizations like ours can help firms earn profits by enabling them to refer ‘B, C, and D candidates’ to other corporations’ HR departments, and thus make money for the organization – essentially turn the HR department into an external hiring agency. Motorola, for example, bills its business units quarterly for the cost of the hires they make. If HR makes money, they send a check back the business units.”

Another strategic shift occurring within progressive recruiting functions is the move to “take over the culture portion of the organization, the most critical component of any company,” Veronesi says. “SouthWest Airline is a good example of this; it’s a corporation known to have a strong corporate culture.” By aligning one’s hiring practices with the culture of the organization, partially by using advanced screening technologies, recruiters have a better shot at hiring the right candidate. Retention, as well, is a big winner when recruiters are able to calibrate their hiring to match the organization’s culture. “It is no longer about recruiting people, but about managing talent – knowing what sort of people are needed at a broad level, and then sourcing accordingly,” says Elaine Lees, vice president of Human Resources at Unicru.

“The cost of attaining a resume went from seven dollars per candidacy a few years ago, to just pennies today. The biggest disruption to the
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Eight Trends Changing the World of Staffing

These trends reflect changes that, in many cases, have already occurred, and that are virtually certain to continue. Each trend would substantially change staffing practices in the U.S. if it occurred in isolation, but when considered as a whole, the impact of these trends on future staffing methods will be monumental.

1. Workplace Polarization into Skilled versus Unskilled Jobs
2. Scarcity of Skilled Labor
3. Workforce Aging
4. Geographically Distributed Workforces
5. Increasing Employee Turnover
6. Shifting Employee Attitudes
7. Fluid Organizations
8. Internet Staffing

Source: Shifts in the Talent Landscape,
Steven T. Hunt, Ph.D., Unicru

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old recruiting paradigm is the drop in the cost of learning about a candidate's availability," says Diya Obeid, CEO, JobDiva Inc. "None of the Fortune 2000 companies have learned yet how to benefit from it effectively. The sourcing component alone, should today, be about 1% of what it used to be."

Are HR recruiters willing to accept new technologies or are they resisting change? "My experience is that HR is not resisting change, but that they are having difficulty making sense of the highly fragmented space," says Karen Doherty, president and co-founder of Zenhire. "There are new services popping up every day. My contention is that HR is looking for a simple solution that's not over engineered, and that can measure results." ☒

Success Strategies for Aggressive International Recruiting

Future management leaders will be coming from Asia, and organizations need systematic processes in order to harness this new opportunity.

- Create a culture that is accepting of multi-cultural and racial diversity.
- Know where the talent needs are within your organization. Conduct strategic planning and internal gap analysis.
- Build networks and think out of the box. What types of associations do I need to be involved with? What recruiting venues and online tools should I engage to lay down the tracks? What universities have exchange programs? What type of exchange programs do we have in our organization to send people overseas for work or school?

Source: Jeff Durocher, RHR International

U.S. Employees Top List *(continued from page 1)*

their opportunities, they will begin to seek opportunities with other companies. The message to leadership is clear: to encourage long-term retention of people, it is most important to offer people challenges that will allow them continually to develop their skills."

ISR's global study and report on engagement demonstrates large variations in the relative importance each of the dimensions assumes in the 10 countries, making it clear that, for multinationals, a universal strategy to improve employee engagement driven from the corporate center is doomed to fail. Organizations must adapt to different cultural values and norms when it comes to attracting, motivating, and retaining staff. ☒

Employee Engagement Differences Among Countries

- U.S. employees are the most likely to connect to their organizations through an intellectual bond – i.e., to believe in the goals to which their organization aspires and to accept the values it articulates. Canadian employees, by contrast, are tied to their companies much more through an emotional attachment, e.g., a sense of pride in the organization.
- The single most important workplace issue affecting employee engagement in the U.S. is the availability of long-term career opportunities, refuting the notion that American workers are no longer interested in being loyal to their employers.
- On the behavioral aspect of engagement, U.S. employees are the most likely to exert extra effort on behalf of their employers; French employees are the least likely to do so.

Top Three Drivers of Employee Engagement

- Career development: "The company offers me long-term career opportunities."
- Leadership: "The company maintains high ethical standards."
- Leadership: "Management makes sufficient effort to solicit the opinions and thinking of employees."

Source: ISR

Confidence in Employment Market Rebounds

After September's dramatic two-point drop, the *Hudson Employment Index* rebounded in October climbing 1.6 points to 108.5, marking a more positive hiring trend. This rise in worker confidence in the employment market brings the *Index* back near its record high of 108.9, set in August. Key factors attributing to the rise in the *Index* include an increase in the percent of workers reporting that their firms plan to hire. In October, 34% of employees nationwide reported that their companies plan to hire in the coming months compared to 32% who made that same claim in September. ☒

Class of 2005 Cautious about Job Prospects

College seniors have low expectations of finding employment by graduation, according to CollegeGrad.com's survey on employment expectations for the Class of 2005. Only 29% of college seniors recently surveyed expects to find employment by graduation. The remaining 71% expect their job search to continue through the summer, for six months or even longer following graduation. Some students attribute their low expectations to a poor job market. However, new college graduates with business, engineering, and computer-related degrees have the most promising job outlook

this year, according to a new report published by the National Association of Colleges and Employers (NACE). Accounting, electrical engineering, mechanical engineering, business administration, economics/finance, and computer science top the list of majors they plan to hire at the bachelor's degree level. An earlier NACE survey found that employers expect to increase their college hiring in 2004-05 by 13% over 2003-04, and the current survey reinforces that positive outlook, according to Marilyn Mackes, NACE executive director. ☒

12-Year Low Turnover Rate Among College Graduates

Employers say turnover among their new college hires has dropped to its lowest rate in 12 years, according to a survey conducted by the National Association of Colleges and Employers (NACE). On average, employers responding to NACE's *2004 Employer Benchmark Survey* reported that nearly 6% of their new college hires left their organizations within one year of being hired, making it the lowest one-year turnover rate reported to NACE since matching the rate reported in 1992. "The tight job market could change," says Marilyn Mackes, NACE executive director. "Our most recent hiring report shows that the college job market is improving. As the market gathers strength, it's likely that we'll see that turnover rate move up, too," she says. ☒

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