

CANDIDATES HOLD ALL THE CARDS — AND IT IS REWRITING ALL THE RULES

In an extremely candidate-driven job market, it is undeniable who is holding all the cards - and the fierce war for talent requires employers to transform their whole approach to hiring.

The dynamics of the talent landscape has been upended over the past two years. Despite predictions of mass unemployment throughout the pandemic, what transpired was a fierce war for talent and an even greater drive towards transformation and organisational change. In parallel, the COVID crisis prompted a major mindset shift from employees both in regard to what they seek from their employers and realising their own value. One thing has become crystal clear: candidates now hold all the cards...



The power shift is evident across all industries, with even market-leading brands struggling to attract talent. When organisations are managing to engage people in application and interview processes, offers are being turned down at surprising levels. In a unique, fast-moving market, it is becoming increasingly clear that traditional HR practices are no longer fit for purpose. Internal benchmarking is too often out of date, processes

are not agile or engaging enough to capture the best talent, and the gap between employer and employee expectations is wider than ever. At a critical inflexion point where fundamental aspects like company culture, talent pipelines and business values are being redefined for a post-pandemic world, smart companies are realising they need to rewrite the rules.

TENSIONS IN THE HYBRID AGE

At the heart of the friction between employers and candidates are conflicting views as to how work models should look post-pandemic. For all the talk about companies reimagining workplaces for the hybrid working age, people are returning to offices and finding there is a pull towards a

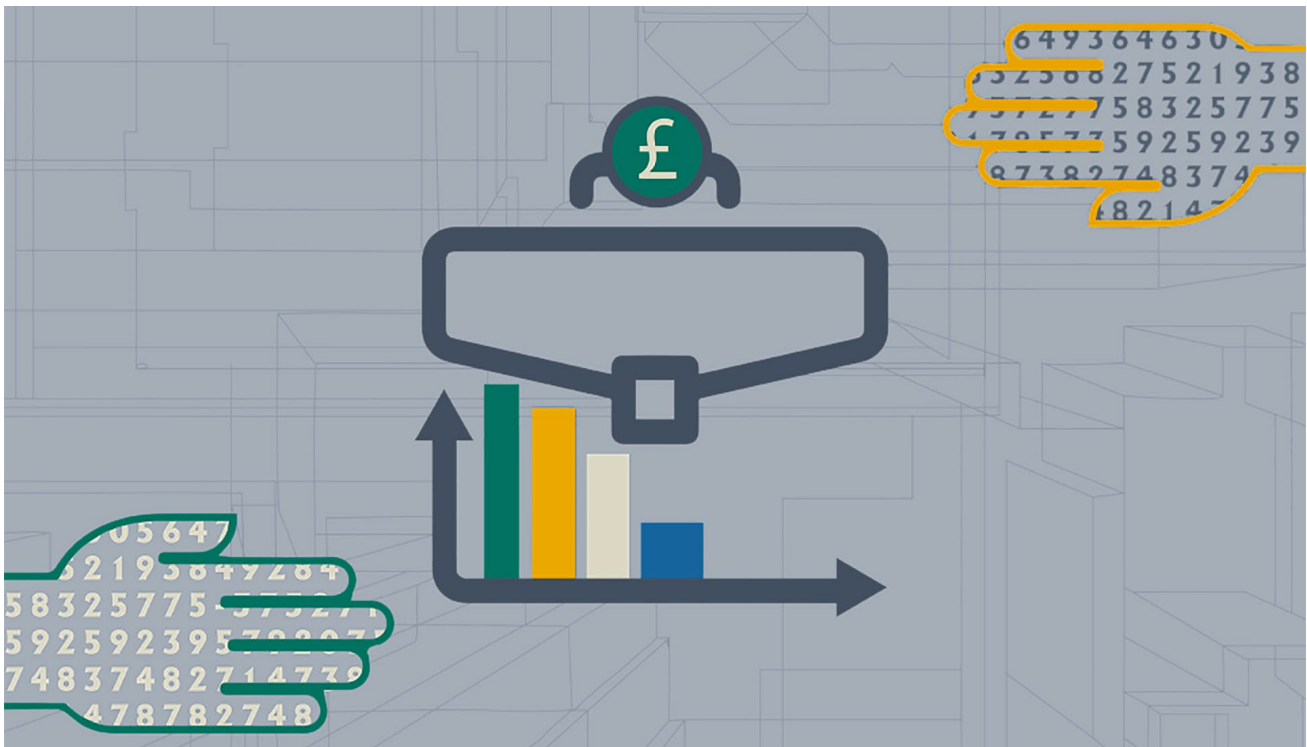
“For all the talk about companies reimagining workplaces for the hybrid working age, people are returning to offices and finding there is a pull towards a mandatory number of days in the office.”

mandatory number of days in the office. Firms, on the other hand, make the legitimate case that a degree of office working is important to maintain culture, innovation, and internal talent development.

Though a number of companies are compromising with mandates to work in the office two or three days per week, this also creates further issues in instances where companies want a candidate to relocate. Moving your whole family to a different country is far more difficult to justify when you are only actually needed in the office a couple of times each week. And if the alternative is to commute, who is footing the bill for travel and accommodation?



Ultimately, employers not only need to strike the right balance between home and office working, but they must also make the office a more attractive environment that employees want to come to. That does not mean beer taps and foosball tables, which can in fact create undesirable cultures, but designing and organising work in more flexible and creative ways. Creating a special environment that people want to be in will also attract more talent.



RESHAPING REWARD

While work-life balance has become a key deal-breaker in people moving jobs, money of course is still also important – and once again flexibility is playing a significant role. Historically, firms relied on a balanced package with long-term incentive plans, often on a three-year vesting cycle. Stocks and shares have become less attractive as candidates seek greater flexibility and often see roles as a two- to three-year challenge before they quite possibly look for something else.

We are seeing that candidates increasingly want cash-heavy packages which do not lock them into a long cycle before realising wealth. A number of candidates have even asked for a figure in their offer for when the balance of cash versus long-term incentives has washed out. Flexibility is the name of the game, and if employers want to attract the best talent available, they must be able to offer a competitive package structured for an agile world.

Organisations also need to get the offer right the first time around. Though hiring managers might think a lower opening offer is savvy, candidates will often pull out if they feel they have been lowballed. They do hold the cards, and their impression might be the company either has not listened to them, wasted their time, or does not value the role. Even if the candidate does not immediately back out, it changes the dynamic, making it more difficult to close the gap.

Though easier said than done, to win the war for talent employers must end the mindset of trying to pay the absolute minimum package they think will secure somebody's time and stop relying on rigid pay structures and outdated benchmarking. Certain functions are moving so rapidly that salaries considered benchmarked just a few months ago are already out of date. Day rates are also being pushed up as demand for exceptional talent increases.

When employers witness this, they must reflect on what they are paying their existing talent, not least because if they are paying workers below market rate, it will soon cost more money to replace them.

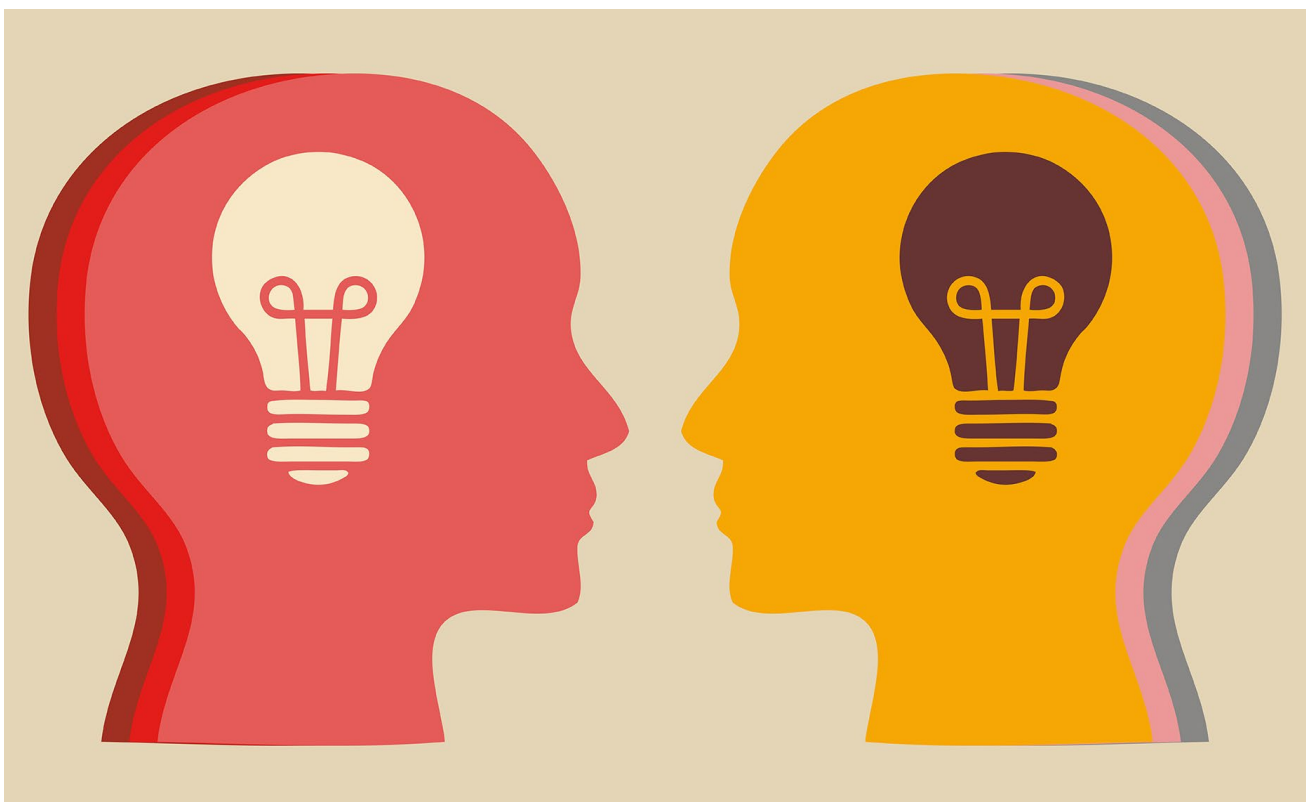
IT'S GOING TO TAKE ROMANCE

In such a competitive talent market, on a global scale, employers need to be actively wooing candidates and their hiring processes must be faster and more agile. Hiring processes need to have more of an emotional connection. One global CPG company Savannah partners with has reflected on this new market and as part of its in-house talent acquisition capabilities it has created candidate networking meetings, chemistry sessions and opportunities to ask questions before even starting the formal interview process. Another Savannah client will regularly WhatsApp candidates from early in the process to create a more personal relationship and build engagement.

These kinds of warm and initiative-taking interactions can cause people not even looking for work to want to move to that employer. Contrast that to the employers still stuck with one-sided processes, such as insisting on wanting to interview candidates quickly but providing only a few half-hour slots, and it is easy to see how those investing in relationships and engagement at this stage can attract more talent.

In parallel, many organisations are choosing to engage with experienced interim executives to see them through complex transformation, but those individuals are not necessarily at home waiting for a call. Speed of process and decision-making are therefore crucial to enjoying greater choice in a hiring process. Good candidates of all types are in high demand and often have multiple interview processes ongoing. The importance of choosing a partner who can give the right support and advice with correct and up-to-date information to ensure you secure the best person for your business, has never been so crucial.

Transparency at the outset is a wonderful way to claw at least some of the power back from candidates. Often HR teams make claims about remote working when the reality is a lot is down to the manager's discretion. Though it also works both ways, and it is not uncommon for candidates to go through an entire hiring process thinking the employer might change its mind about wanting them in the office for four days every week. Creating an environment of honesty about expectations at the very beginning will help everybody in the hiring process.





GIVING PURPOSE

No matter how desirable the work environment is, it will be nowhere near as effective if the company has an undesirable employer brand. Historically, a household brand with a market-leading position could always expect a healthy pool of talent to be eager to join. However, a more socially and environmentally conscious generation has changed that.

A heightened awareness of sustainability and high-profile movements like Black Lives Matter and MeToo have elevated diversity, purpose, and values to the very top of boardroom agendas and candidate priorities. Employees and customers alike now seek to interact with brands which align with their own personal values, and this is reinventing what makes an employer desirable.

Interim executives are also being increasingly driven by purpose and ESG agendas. It is taking some employers longer to realise this than others, with those stuck in old mindsets left wondering why the CVs are not stacking as high as they used to. Meanwhile, candidates will quickly see-through shallow attempts to communicate values and purpose when little of either exists. Brands must define their values and then sew them into the fabric of the business.

But above all of this, candidates want to feel an emotional connection. They're looking for something better. A leader who inspires them. A role they can make a real impact in. A company which gives them pride and purpose. Compensation will always be important, and is evolving quickly, but if organisations can't respond to our changed world and emotionally engage candidates, they won't be able to attract them.

ABOUT THE AUTHORS



Heather Barnes **Partner, Technology & Digital Practice**

A member of the Technology and Digital Leaders Practice, Heather has over 16 years' experience connecting global clients to their future talent to help shape organisational success through significant data and digital transformations.

T: +44 (0) 203 781 7489 **E:** HBarnes@savannah-group.com



Kersty Bletso **Partner, Interim Management, Technology & Digital Practice**

Kersty is the lead partner in our interim Technology and Digital practice. She works closely with technology leaders, and non-technical executives to help deliver varied people centered talent solutions for the evolving business landscape. She works across FTSE, PE, Fortune 500 AIM, TSX and SMEs globally. She is a passionate advocate for Diversity and Inclusion within technology and in helping organisations bring digitally savvy NEDs and advisors into their business.

T: +44 (0) 203 781 7428 **E:** KBbletso@savannah-group.com



Katie Chevis **Associate Partner, Human Resources Practice**

With over a decade's experience advising the HR function, Katie is well networked across the community. Her track record covers GHRDs, business partners and each of the centres of expertise. Whilst Katie is based out of London, her track record is truly global having worked as much outside as inside the UK. Alongside her specific placements, Katie has advised countless professionals on their own personal development and career planning.

T: +44 (0) 203 781 7497 **E:** KChevis@savannah-group.com



Naomi Barton **Associate Partner, Human Resources Practice**

Naomi is a member of the People & Culture practice at Savannah group, with over 15 years' experience recruiting HR professionals, she has deep and broad functional expertise and a great track record of successfully placing individuals across all industries. As well as throughout the UK, Naomi has a strong track record across Europe, US, Middle East, and Asia Pacific. She is a passionate advocate for diversity & inclusion within leadership and supporting organisations to secure truly game changing HR talent.

T: +44 (0) 203 781 7443 **E:** NBarton@savannah-group.com



Mary Driscoll **Partner, Interim Management, HR Practice, Operational Leaders Practice**

Mary has over 14 years' experience, with particular expertise in placing experienced and senior Interim Transformation specialists to support periods of change, and to improve Operations and HR performance.

T: +44 (0) 203 781 7483 **E:** MDriscoll@savannah-group.com