

# **The Global War for Talent: Getting What You Want Won't Be Easy**

June 2007

## Executive Summary

A generational and skills gap, due in large part to the mass of retiring baby-boomers, is forcing companies to view talent acquisition as an organizational priority. This report is a compilation of responses from more than 600 organizations and provides a roadmap for companies who desire to improve the efficiency and effectiveness of talent acquisition through Best-in-Class strategies and pursuits.

### Best-in-Class Performance

Aberdeen used three key performance criteria to distinguish Best-in-Class companies:

- Increased Quality of Hire over the past 12 months
- Decreased Cost per Hire over the past 12 months
- Hired top choice at least 50% of the time

### Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics with respect to talent acquisition. Best-in-Class companies are:

- Nearly twice as likely to focus their talent acquisition efforts on longer-term workforce planning
- Up to more than two and one-half times more likely to have a well-defined process to measure Quality of Hire
- Up to 86% more likely to know which skills and traits make up top performers

### Required Actions

In addition to the specific recommendations in Chapter 3 of this report, to achieve Best-in-Class performance, organizations must:

- Implement processes and tools to ascertain competencies and traits of successful employees, and map those against applicants and/or candidates
- Utilize tools to better understand which job sources provide the best candidates
- Communicate proactively with desired candidates via conventional and more interactive means

#### Customer Callout

*"We are moving aggressively toward measuring Quality of Hire in terms of talent acquisition performance. Quality of Hire is critical for us as employee attrition is a big issue we need to address. Additionally, we are implementing programs that will allow us to better identify if a job candidate will fit well with our culture."*

- Vice President, Human Resources, \$500M+ web services company

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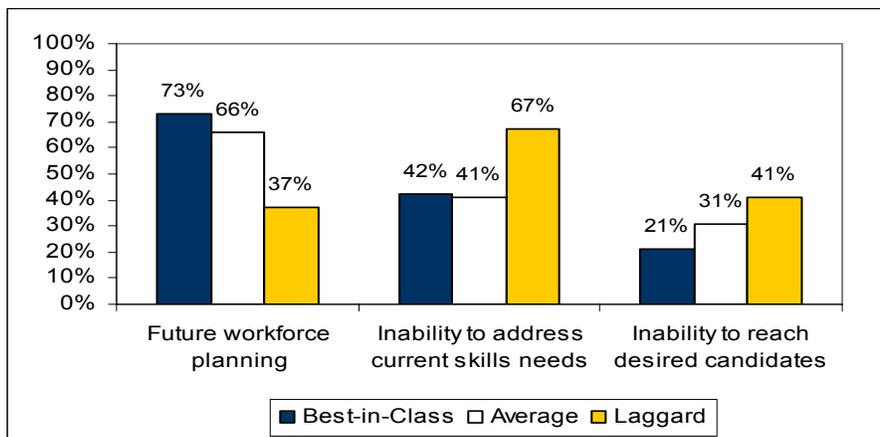
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## Chapter One: Benchmarking the Best-in-Class

### Talent Acquisition Strategies: Aberdeen Analysis

According to **The Aberdeen Report: State of the Market 2007**, the top challenge that companies face when it comes to employees is “finding the right talent at the right time.” As the urgency for organizations to focus on talent acquisition is growing in intensity, so is the need for companies to prioritize future workforce planning. Aberdeen’s latest research supports this, as 62% of companies surveyed stated “future workforce planning” as the top factor driving their company to focus resources on talent acquisition. This same reply, however, varies widely among companies that fall into Best-in-Class, Average and Laggard categories (see Figure 1):

**Figure 1: Top Pressures Driving Talent Acquisition**



Source: Aberdeen Group, June 2007

Despite this focus on future workforce planning, only 47% of all companies indicated they have a talent acquisition strategy, and a much smaller percentage (30%) responded that their strategy is integrated with the company’s overall strategic plan.

### Maturity Class Framework

Aberdeen used three key performance criteria to distinguish Best-in-Class companies from Industry Average and Laggard organizations:

- Increase in Quality of Hire over the past year
- Decrease in Cost per Hire over the past year
- Percentage of 2006 new hires that were the top choice

#### Fast Facts

- √ Best-in-Class companies are **46% more likely** than Industry Average companies **and more than 5 times as likely as** Laggards to have a talent acquisition strategy that is integrated with the company’s overall strategic plan.
- √ Laggard companies are **3 times as likely** as Best-in-Class to describe their talent acquisition strategy or initiative as reactive, emergency-driven, with little or no long-term staffing planning.

**Table 1: Companies With Top Performance Earn “Best-in-Class”:**

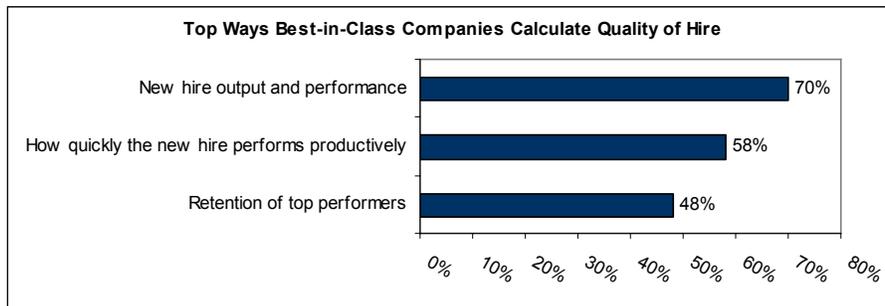
Definition of Maturity Class	Mean Class Performance
<b>Best-in-Class:</b> Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> <li>• 100% increased Quality of Hire</li> <li>• 48% decreased Cost per Hire</li> <li>• 0% increased Cost-per-Hire</li> <li>• 54% hired top choice &gt; 50% of the time</li> </ul>
<b>Industry Average:</b> Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> <li>• 35% increased Quality of Hire</li> <li>• 11% decreased Cost per Hire</li> <li>• 50% increased Cost per Hire</li> <li>• 44% hired top choice &gt; 50% of the time</li> </ul>
<b>Laggard:</b> Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> <li>• 48% decreased Quality of Hire</li> <li>• 0% decreased Cost per Hire</li> <li>• 51% increased Cost per Hire</li> <li>• 26% hired top choice &gt; 50% of the time</li> </ul>

Source: Aberdeen Group, June 2007

## Key Measure of Talent Acquisition: Quality of Hire

The top metric used to measure talent acquisition performance is Quality of Hire. Fifty-eight percent of all companies surveyed measure Quality of Hire; however, the ability to impact this metric varies significantly across Best-in-Class, Average and Laggard companies (see Table 1). Not surprisingly, Best-in-Class companies are more than two and one-half times as likely as Laggards to have a well-defined process to measure this metric. When calculating Quality of Hire, Best-in-Class is most likely to focus on output and performance of each hire (See Figure 2).

**Figure 2: How Best-in-Class Calculates Quality of Hire**



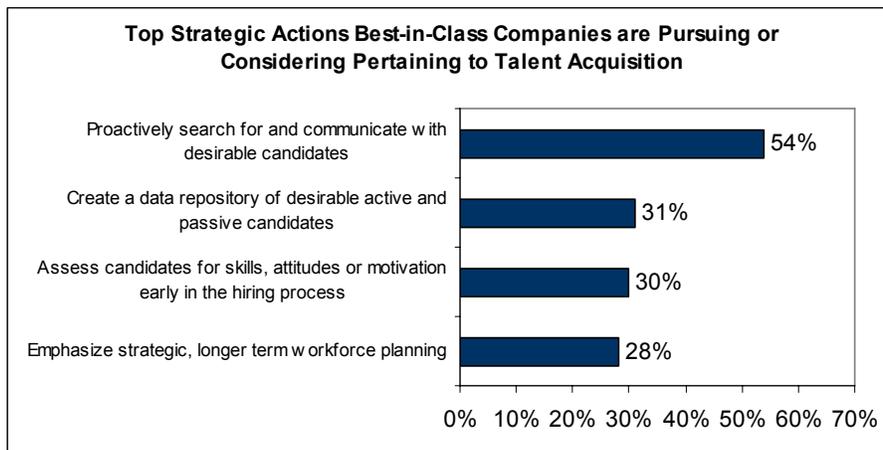
Source: Aberdeen Group, June 2007

## Strategic Actions

The leading strategy related to talent acquisition that all companies are taking is **proactively searching for and communicating with desirable candidates**. However, Best-in-Class companies are also:

- Creating a data repository of desirable active and passive candidates
- Assessing candidates for skills, attitude and motivation early in the hiring process
- Emphasizing strategic longer-term workforce planning

**Figure 3: Top Strategic Actions**



Source: Aberdeen Group, June 2007

The strategic actions taken by Best-in-Class companies also help produce advantages across other Key Performance Indicators (KPIs). For instance, by maintaining a database of candidates that meet the skills, attitudes and motivation they seek, and proactively communicating with these candidates, Best-in-Class are nearly twice as likely as Average and more than four times as likely as Laggards to decrease **Time-to-Hire**.

### Best-in-Class PACE Model

To achieve Best-in-Class performance, as outlined in Table 1, requires a combination of strategic actions, organizational capabilities and enabling technologies that can be summarized as follows:

**Table 2: Best-in-Class PACE Framework**

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> <li>▪ Future workforce planning</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proactively search for and communicate with desirable candidates</li> <li>▪ Create a data repository of desirable active and passive</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaboration between hiring managers and recruiters</li> <li>▪ Utilize email and other communications to promote the company and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Background checking tools</li> <li>▪ Applicant tracking tools</li> <li>▪ Employee referral tracking tools</li> <li>▪ Company career portal</li> </ul>

#### Customer Callout

*"Time to Hire focuses our efforts on the efficiency of the process... and the feedback we have generated says that top talent views the efficiency of the hiring process as a strong indicator of organizational efficiency after the hire. Still too early to address impact on retention, but the initial feedback is very strong from new hires".*

- John W. Healy, Vice President, Enterprise Workforce Consulting, Kelly Services, Inc.

Pressures	Actions	Capabilities	Enablers
	<p>candidates</p> <ul style="list-style-type: none"> <li>Assess candidates for skills, attitude and motivation early in the hiring process</li> <li>Emphasize strategic, longer term workforce planning</li> </ul>	<p>relevant job openings to desirable candidates</p> <ul style="list-style-type: none"> <li>Map desired skills against applicants and candidates</li> <li>Implement an employee referral system</li> <li>Understand which sources provide the best candidates</li> <li>Define common skill set of top performers</li> </ul>	<ul style="list-style-type: none"> <li>Tools to ascertain competencies of top performers to hire people with like traits</li> <li>Social networking technology</li> <li>Workforce analytics tools</li> <li>Online assessment tools for skills, cultural fit and attitude</li> </ul>

Source: Aberdeen Group, June 2007

**Tenure-of-Hire** is another KPI that Best-in-Class companies are able to impact via a combination of actions, capabilities and technology enablers. By leveraging assessment and competency management tools, Best-in-Class are able to hire people who meet the profiles of those who fit and perform well in their environment. Coupling these tools with the fact that Best-in-Class are more than 40% more likely than Laggards to measure the retention rates of top performers results in Best-in-Class companies being more than twice as likely than Average and more than six times as likely as Laggards to increase Tenure of Hire.

#### Customer Callout

*"Previously, and since the talent wars began in the profession in 2002, our focus has been largely on retention. While many other firms jumped into the recruiting game early on, we focused on our environment and employment promise... As a result, we truly do have a great work environment and one of the best retention rates in the profession."*

- Director of Recruitment, \$100M+ CPA firm

#### Aberdeen Insights – Strategy

It is important to note that Best-in-Class companies share many of the same capabilities and technology enablers used by Industry Average and Laggard companies. However, Best-in-Class companies experience consistent advantage over other companies in two areas: 1. Knowledge of what skills they seek (based upon traits of top performers among their employee base); 2. Ability to connect quickly with applicants or candidates who meet those desired traits. By coupling solutions that enable both of these, Best-in-Class companies are able to gain competitive advantage through improved recruiting efficiencies such as increased Quality of Hire and decreased Time to Hire.

In the next chapter, we will see what the top performers are doing to achieve these gains.

## Chapter Two: Benchmarking Requirements for Success

A clear relationship exists between the pressure to address future workforce planning and a well-defined talent acquisition strategy that is integrated with a company's overall strategic plan. Identifying and leveraging the appropriate organizational capabilities and technology enablers will determine the overall success of any talent acquisition initiative.

### Competitive Assessment

Survey respondents fell into one of three categories – Laggard, Industry Average, or Best-in-Class — based on their characteristics in five key categories: (1) process (ability to measure quality of new hires); (2) organization (corporate focus and collaboration among stakeholders); (3) knowledge (insight into what makes a top candidate and ability to reach them); (4) technology (selection of appropriate tools and intelligent deployment of those tools); and (5) performance management (ability of the organization to measure the benefits of technology deployment and use the results to improve key processes further).

#### Fast Facts

- √ Background checking tools are the **technology used most** widely across all companies
- √ Best-in-Class are **twice as likely** to utilize tools that trigger emails to a candidate when a position fits their profile
- √ Over the next 12 months, nearly **1/3 of all companies** plan to start using tools to ascertain competencies of top performers.

**Table 3: Competitive Framework**

	Laggards	Average	Best-in-Class
<b>Process</b>	Process to measure quality of hire is well defined		
	16%	37%	43%
<b>Organization</b>	Communication is expected between HR, marketing and line of business management		
	28%	52%	55%
	Collaboration between hiring managers and recruiters		
	66%	72%	82%
<b>Knowledge</b>	Talent acquisition strategy or initiative is part of an organizational Human Capital Management strategy		
	31%	47%	61%
<b>Knowledge</b>	Sources that provide the best candidates are understood		
	30%	57%	67%

	Laggards	Average	Best-in-Class
	Common skill set of top performers is defined		
	35%	56%	65%
<b>Technology</b>	Talent Acquisition technology currently in use:		
	<ul style="list-style-type: none"> <li>▪ 42% Applicant tracking tools</li> <li>▪ 25% Assessment tools</li> <li>▪ 63% Background checking tools</li> <li>▪ 52% Company career portal</li> <li>▪ 18% Competency management tools</li> <li>▪ 44% Employee referral tracking tools</li> <li>▪ 21% Social networking technology</li> <li>▪ 23% Succession planning tools</li> <li>▪ 20% Workforce analytics tools</li> </ul>	<ul style="list-style-type: none"> <li>▪ 48% Applicant tracking tools</li> <li>▪ 29% Assessment tools</li> <li>▪ 62% Background checking tools</li> <li>▪ 44% Company career portal</li> <li>▪ 35% Competency management tools</li> <li>▪ 45% Employee referral tracking tools</li> <li>▪ 31% Social networking technology</li> <li>▪ 29% Succession planning tools</li> <li>▪ 33% Workforce analytics tools</li> </ul>	<ul style="list-style-type: none"> <li>▪ 63% Applicant tracking tools</li> <li>▪ 38% Assessment tools</li> <li>▪ 73% Background checking tools</li> <li>▪ 55% Company career portal</li> <li>▪ 49% Competency management tools</li> <li>▪ 58% Employee referral tracking tools</li> <li>▪ 46% Social networking technology</li> <li>▪ 37% Succession planning tools</li> <li>▪ 43% Workforce analytics tools</li> </ul>
<b>Performance</b>	Organizational knowledge in the following areas provides insight into ways companies can impact Best-in-Class metrics		
	<ul style="list-style-type: none"> <li>▪ 72% measure Time-to-Hire</li> <li>▪ 60% measure Tenure-of-Hire</li> <li>▪ 52% measure Time-to-Productivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ 93% measure Time-to-Hire</li> <li>▪ 88% measure Tenure-of-Hire</li> <li>▪ 83% measure Time-to-Productivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% measure Time-to-Hire</li> <li>▪ 93% measure Tenure-of-Hire</li> <li>▪ 87% measure Time-to-Productivity</li> </ul>

Source: Aberdeen Group, June 2007

## Organizational Capabilities and Technology Enablers

The essential ingredients of a well-designed talent acquisition strategy include process, organizational knowledge, and technology enablers that translate to competitive advantage by coming together to form a working solution.

- **Process**

Best-in-Class organizations are nearly twice as likely as Laggards to focus on **longer term workforce planning**, and more than one-half of Best-in-Class were found to integrate their talent acquisition strategy with the company's strategic plan. This is reinforced by the fact that more than one-half of Best-in-Class have a defined process of communication between HR, marketing and line of business management. On a related note, Best-in-Class organizations are also more focused on impacting Quality of Hire, as 43% have a well-defined process to measure this metric. These processes enable Best-in-Class to have greater insight, more control and a faster, more consistent response to talent needs.

- **Organization**

**82% of Best-in-Class** list "collaboration between hiring managers and recruiters" as a capability that enables talent acquisition. When it comes to the owners and influencers of a company's talent acquisition strategy or initiative, all classes of companies mention HR most frequently (and nearly on an equal basis). However, within Best-in-Class companies, recruiting and staffing departments are 56% more likely than Laggards to own or influence this strategy. Also, 55% of Best-in-Class companies include company management in this process. Without a clear process for collaboration, or directive from top management, this line of communication may not exist or may not be emphasized on a consistent basis. On a more holistic level, 61% of Best-in-Class responded that their talent acquisition initiative is part of an over archiving HCM strategy.

- **Technology**

Best-in-Class utilize talent acquisition technologies to enable **insight** and **action**. They are two and one-half times more likely than Laggards to use competency management tools to profile and ascertain ideal traits and skills to recruit. Best-in-Class can then leverage these findings to drive the methods through which they reach and connect with (i.e. social networking, search engines and email) and assess people who meet these criteria. Tools such as applicant tracking systems (used by Best-in-Class 50% more often than Laggards) and employee referral tracking tools (used by 58% of Best-in-Class) can then be leveraged to gain

### Fast Facts

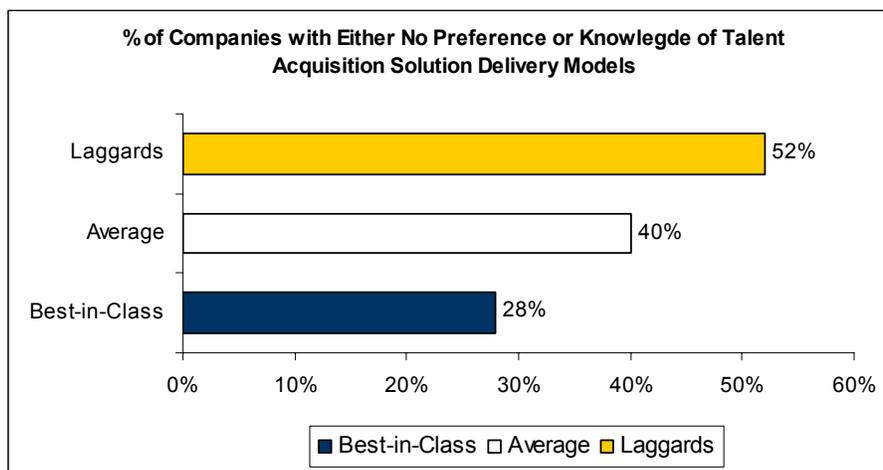
- √ Over the next 12 months, roughly **1/3 of Best-in-Class** companies plan to start using enterprise collaboration tools that enable real-time information exchange and notifications
- √ Best-in-Class companies are nearly **three times as likely** as Laggard companies to hire their top choice more than 76% of the time
- √ 47% of Laggard companies either **don't know or don't measure** the percent of new hires who were the company's top choice

insight into which recruiting sources provide the best candidates. When it comes to talent acquisition solution delivery models, 1/3 of Best-in-Class prefer software as a service (SaaS), but the market remains indifferent (see Figure 4).

- **Performance Management**

There is a clear correlation between companies that measure Time-to-Hire, Time-to-Productivity and Tenure of Hire and their ability to impact Cost-per-Hire and Quality of Hire. Understanding Time-to-Productivity provides insight into the types of people (and competencies) that are able to step into the job and perform well more quickly. Knowledge of Tenure of Hire lends further evidence to this and, combined with information about “sources of hire,” can help a company target its recruiting efforts more successfully. Finally, knowledge of Time-to-Hire allows a company to measure the efficiency of its job requisition to job filled process and enables a company to have more control over Cost-per-Hire.

**Figure 4: Percent of companies with No Preference or Knowledge of talent acquisition solution delivery models**



Source: Aberdeen Group, June 2007

### Aberdeen Insights – Technology

Best-in-Class organizations take a more holistic look at talent acquisition than Average and Laggard companies. Best-in-Class focuses attention and resources on technologies that empower their organizations to define the competencies they desire, reach the people they seek and understand what works and what doesn't work. This serves Best-in-Class companies well as they have greater insight into immediate and anticipated talent needs and are able to respond proactively to these needs with highly targeted

### Aberdeen Insights – Technology

campaigns geared towards sources that provide the best candidates. This is supported by the fact that Best-in-Class (versus Laggards) are 32% more likely to use employee referral tracking tools, more than twice as likely to utilize analytics tools to make more informed decisions, and more than 60% as likely to use social networking technology to connect with their targeted audiences. Best-in-Class are also more than twice as likely to know which sources provide the best candidates.

## Chapter Three: Required Actions

Whether a company is trying to move its performance in talent acquisition from “Laggard” to “Industry Average,” or “Industry Average” to “Best-in-Class,” the following actions will help spur the necessary performance improvements:

### Laggard Steps to Success

**47% of Laggard companies** either don't know or don't measure how often they hire their top choice. Laggards are focused primarily on current staffing needs, yet they are 60% more likely not to be able to address current skills needs. Laggards are also nearly twice as likely not to be able to reach or connect with desired candidates, and up to 50% more likely to experience inefficiencies in managing the talent sourcing process. Additionally, while 38% of Laggards responded that Quality of Hire is their top metric pertaining to talent acquisition, only 16% have a well-defined process to measure Quality of Hire. This means that Laggards primarily focus on a subjective determination when it comes to Quality of Hire, rather than taking a more objective view that can be tied to business metrics that matter.

In order to address current needs, increase recruiting efficiencies and improve overall talent acquisition efforts, Laggard companies need to:

- Focus on future workforce planning versus mainly here-and-now issues. Also, implement a talent acquisition strategy or initiative that is aligned with the company's overall strategic plan. Continue collaboration between hiring managers and recruiters, and establish communications between HR, marketing and line of business managers.
- Focus on Quality of Hire and put in place a clearly defined process to measure this key metric. Also, maintain focus on the output and performance of each hire. Begin to measure Tenure of Hire, and increase focus on the retention rates of top performing employees and their performance on training and/or assessment tests.
- Seek to define the skills and traits that are common among top performing employees and those most likely to drive the aforementioned metrics. Look to use an objective means to identify candidates that meet the desired profile. Utilize this profile information to actively seek out, map against, and track ideal applicants and candidates. Then, tie the productivity of the selected candidates back to the key metrics. Assessment tools, applicant tracking systems and competency management tools will aid in this effort and should be considered.

#### Customer callout

*"As a services company, our people are our most important asset and our competitive advantage. Ensuring we have the right people with the right competencies and skills at the right time is paramount to our success. Changing market and customer requirements require a flexible and dynamic talent acquisition strategy. Thus, we are pursuing a continuous sourcing model reliant upon leveraging and extending our reach via social and viral networking. We are modeling our talent acquisition process after a sales process in which our candidates are our prospects, our Applicant Tracking System is our Sales Force Automation infrastructure enabling constant communication. Our ability to build and sustain a healthy pipeline aligned to our business forecast will be the measure of our success."*

- Jay Schaufeld, Director,  
Global Human Resources,  
Akibia, Inc.

## Industry Norm Steps to Success

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**44% of Industry Average companies** hired their top choice at least half of the time during the past year. However, during that time frame, 50% of Average companies experienced increased Cost per Hire while only 35% increased Quality of Hire.

To continue to shrink the gap between Average and the Best-in-Class performance, Average companies need to:

- Leverage internal human capital. Utilize competency management tools and skills assessment tools to ascertain traits and skills of top performers. Also, place more emphasis on employee referral programs as your employees are most apt to know who in their network meets the profile of those your company seeks to connect with.
- Gain greater insight into what impacts key KPIs – workforce analytics tools should be considered. This knowledge will help improve Quality of Hire and Cost per Hire. Also, increase emphasis on retention rate and put in place a process to track and promote Tenure of Hire.
- Augment and/or increase the use of applicant tracking tools in order to understand the sources that provide the best talent.
- With the knowledge of who meets your ideal applicant profile and where the best sources for these candidates exist, utilize email and other interactive communications vehicles (i.e., social networking tools) to promote the company and relevant jobs to desired candidates.

## Best-in-Class Steps to Success

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**61% of Best-in-Class** organizations responded that their talent acquisition initiative is part of the company's overall HCM strategy. Although they come out ahead of Average and Laggard companies in talent acquisition metrics, such as Quality of Hire, Cost per Hire, Tenure of Hire, and Time to Hire, Best-in-Class companies hired (on average) just over half of their top choices for the positions filled.

To continue to improve, Best-in-Class should build on what they currently do and look to facilitate investments in processes or solutions that allow deeper, more actionable insight into what works and where they can achieve new leadership:

- Continue to focus on key metrics and look for ways to improve. For example, nearly 2/3 of Best-in-Class consider Quality of Hire the top metric to gauge talent acquisition performance, but less than half have a well-defined process to measure this metric.
- Continue to be proactive with outreach to candidates that meet the ideal employee profile(s). Pursue talent acquisition just as

marketing and sales pursue prospective customers. Just because someone may not be a near-term employee, that person may fit a desired business profile down the road. The applicant today may turn into an employee, customer or referral tomorrow.

- If it's not done so already, integrate talent acquisition strategies with the Human Capital Management (HCM) strategy. Integrate relevant data from the pre-hire process into other HCM elements (i.e., on-boarding and employee performance management) to gain insight from recent hires into ways to enhance the company's attractiveness to ideal candidates. Also, consider succession planning tools to help managers identify future talent gaps and plan for them now – this will help improve Time-to-Hire and will provide the foundation for development plans that, in turn, will impact Tenure of Hire and overall retention.
- Implement tools that facilitate work flow so that data gathered in both the pre-hire and post-hire phases can be leveraged across the organization.

#### Aberdeen Insights – Summary

The need to find and hire talent is certainly nothing new. However, given the changes to the demographic and geographic composition of today's workers and the knowledge base that will become absent with an estimated 80 million retiring baby boomers over the next decade, companies are faced to view talent acquisition more strategically and with greater urgency. All of this adds up to a more costly, time-consuming pursuit for talent. As the global war for talent continues to gain momentum, companies with a well-defined, proactive and insightful talent acquisition strategy will strengthen their competitive advantage and continue to win.

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## Appendix A: Research Methodology

Between May and June 2007, Aberdeen Group examined the use talent acquisition strategies and solutions at more than 500 organizations.

Respondents completed an online survey that included questions designed to determine the following:

- The degree to which talent acquisition solutions are deployed in their organizations
- The structure and effectiveness of existing talent acquisition implementations
- Current and planned use of talent acquisition solutions to aid operational and promotional activities
- The benefits, if any, that have been derived from talent acquisition initiatives

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on talent acquisition strategies, experiences, and results.

The study aimed to identify emerging best practices for talent acquisition usage and provide a framework by which readers could assess their own management capabilities.

Responding enterprises included the following:

- **Job title/function:** The research sample included respondents with the following functional areas: Human Resources (35%); Sales (10%); Strategic Development (8%); Operations (8%); Marketing (7%); Information Technology (6%). 19% had executive suite level titles (C-level or President), while 10% were vice-presidents, 22% were director-level, and 32% were managers.
- **Industry:** The research sample included respondents from a variety of industries. High Technology/Software was the largest segment with 28% of the sample. Finance, Banking and Accounting accounted for 14% of respondents, followed by Health/Medical/Dental Services (9%); Retail (9%); Transportation/Logistics (8%); Education (8%); Industrial Equipment Manufacturing (7%); Publishing/Media (7%); Telecommunications Services (7%); Computer Equipment and Peripherals (7%); and Construction/Architecture/Engineering (7%). Other sectors responding included Aerospace/Defense, Automotive, Insurance/Real Estate/Legal Services, Distribution, Public Sector, and Telecommunication Equipment.
- **Geography:** The majority of respondents (78%) were from North America. Remaining respondents were from the Asia-

Pacific region (8%), Europe (10%), Middle East (3%), and rest-of-world (1%).

- **Company size:** 23% of respondents were from large enterprises (annual revenues above US\$1 billion); 31% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 46% of respondents were from small businesses (annual revenues of \$50 million or less).

Solution providers recognized as sponsors of this report were solicited after the fact and had no substantive influence on the direction of the “Global War for Talent: Getting What You Want Won’t Be Easy” report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

**Table 4: PACE Framework**

**PACE Key**

Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:

**Pressures** — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)

**Actions** — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product/service strategy, target markets, financial strategy, go-to-market, and sales strategy)

**Capabilities** — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing)

**Enablers** — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)

Source: Aberdeen Group, June 2007

**Table 5: Maturity Framework**

**Maturity Framework Key**

The Aberdeen Maturity Framework defines enterprises as falling into one of the following three levels of practices and performance:

**Best-in-Class (20%)** — Talent Acquisition practices that are the best currently being employed and significantly superior to the industry norm, and result in the top industry performance.

### Maturity Framework Key

**Industry norm (50%)** — Talent Acquisition practices that represent the average or norm, and result in average industry performance.

**Laggards (30%)** — Talent Acquisition practices that are significantly behind the average of the industry, and result in below average performance

In the following categories:

**Process** — What is the scope of process standardization? What is the efficiency and effectiveness of this process?

**Organization** — How is your company currently organized to manage and optimize this particular process?

**Knowledge** — What visibility do you have into key data and intelligence required to manage this process?

**Technology** — What level of automation have you used to support this process? How is this automation integrated and aligned?

**Performance** — What do you measure? How frequently? What's your actual performance?

Source: Aberdeen Group, June 2007

**Table 6: Relationship between PACE and  
Competitive Framework**

**PACE and Competitive Framework How They Interact**

Aberdeen research indicates that companies that identify the most impactful pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute.

Source: Aberdeen Group, June 2007

## **Appendix B: Related Aberdeen Research**

Related Aberdeen research that forms a companion or reference to this report includes:

- *August 2006 Onboarding Benchmark Report: Technology Drivers Help Improve the New Hire Experience*
- *June 2006 Talent Acquisition Strategies: Sourcing and Assessing the Best of the Best*
- *March 2005 Enterprise Talent Management: Hiring Smart, Hiring Right*
- *The Aberdeen Report: The State of the Market 2007*

Information on these and any other Aberdeen publications can be found at [www.Aberdeen.com](http://www.Aberdeen.com).

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