



creating  
the  
talent  
edge





Randstad recently sat down with thirteen Fortune 500 human resources leaders to understand their perspectives on the changing talent landscape and the strategies they are putting in place to meet talent objectives. Participating executives came from the manufacturing, telecom, financial services, energy, CPG, retail, professional services and technology sectors. They reported they are focused on four main issues:

- Evolution of the workforce
- Development of STEM skills
- Generational differences in the workplace
- Employee branding

Over the course of extensive one-on-one interviews and a roundtable discussion conducted in 2015, human resources executives unanimously reported that talent issues are of strategic concern to their companies and command an increasing share of senior management's time. Executives reported the threat of competition fuels an imperative to create an EDGE with their talent.

# E

## volution of the workforce

*"We believe in diverse teams. We believe the return, although not financial, is that engagement goes up. We also believe if you hire diversity in leadership roles, they will hire more diverse people."*

Valerie Norton, Broadridge Financial

All of the participants reported a focus on creating more diverse workplaces and had specific recommendations on how to do that well:

### Leadership

Appoint a diverse senior team to demonstrate a clear commitment to equal opportunities. Sempra Energy's Randy Clark noted: "With an upstream commitment, we didn't need a ton of extra resources and have been amazed at change that happens when people know the CEO is looking at every director-level hire and asking questions about what you did to search for diverse candidates." Companies are near-perfect reflections of their leadership. When senior executive teams are diverse, it sends a signal to every hiring manager that diversity is important to the company.

### Recruit widely

Work to attract employees from many sources. Ensure all recruiters — internal and external — clearly understand the company's desire to have a diverse slate of candidates. For example, Margaret McMillan at Autodesk described a program they support which provides them with a non-traditional source of talent. "We are involved with Year-Up. We partner with them to provide employment opportunities to low-income adults. The Year-Up program is about helping a diverse urban talent pool we hadn't historically tapped into and who may not have had exposure to an organization like ours."

### Measure

Make comparisons, produce statistics, find benchmarks and report regularly. Says Randy Clark, "We watch metrics. Every year a report is made to a board committee that deals with succession planning. We report on whether the diversity stats

are up or down. One thing they saw a few years ago was that we were okay at the top levels, but at the director level — which is heavy with engineers and not as many women — they wanted to see more." Reports Leigh Ann Shaffner from Comcast, "Diversity is a hot topic for us right now. It is one of our bonus/stress metrics. Because of this, we have made it a requirement that any director or above position must have a diverse slate to choose from."

### Look within

Develop promising employees who will make the cadre of senior managers more diverse by looking inside the organization rather than recruiting from outside. Executives report that internal hires are more successful than those who come in from the outside and that it is less expensive to retain, develop and promote internal candidates than it is to recruit star talent from the outside. Peabody Energy develops leaders by identifying high-potential women and grooming them for leadership. Selected individuals are assigned to strategic business initiatives sponsored by senior management. Depending on their skills, they may run the initiative or run a work stream. Peabody's Steve Callahan notes that this program not only deepens the company's leadership bench but also improves participants' understanding of the enterprise as a whole, improving their performance.

### Provide support

Whirlpool found that women often decide to stay with or leave the organization about seven to 10 years into their professional careers. This timeframe often reflects the intersection of women's professional and personal lives when a big promotion, for example, coincides with the birth of a child. In response, Whirlpool decided to offer more support to women during this time. "In particular, we are making sure we have the most compelling child care, parental leave and flexible work arrangements. Additionally, we are ensuring our career development strategies support the unique needs of women," reports Whirlpool's Lynanne Kunkel.

Executives reported that when thinking about how to best build effective and sustainable initiatives, they were challenged by several issues:

### Benefits of diversity

Participants related a broad range of efforts that aim to increase diversity in their workplaces. These included efforts to recruit, develop and advance women, people of color, people with disabilities and veterans. Three participants also mentioned initiatives focused on lesbian, gay, bisexual and transgender employees.

For example, Caterpillar established the Women's Initiative Network (WIN) as part of a broader program that supports cultural awareness, mentoring, employee recruitment and community outreach. Caterpillar's Nancy Gates reports that WIN offers various sessions and speaker series designed to support women in the workplace.

Despite the ubiquity of programs like this, executives struggled to describe how investments in diversity generate a return for their companies. They wished they could point to a single metric that "proves" diversity investments increase revenues or efficiency — the two measures by which the rest of their corporations are measured. Instead, surveyed executives made the softer arguments that maintaining a workforce that looks like the customer helps the company better craft useful product and service offerings and that higher diversity creates a mix of ideas and experience out of which innovation springs. They also point out that internal surveys show employee engagement goes up in diverse workplaces and that their companies have a moral obligation to create nondiscriminatory workplaces.

### Values and effectiveness

Several of the executives interviewed suggested that values were starting to change inside their companies. They see a shift away from affirming certain groups at the expense of others toward a more pure meritocracy where the company's main focus is on creating a workplace where all employees are given an equal chance to succeed on the strength of their contributions. Likewise, they acknowledged that programs that consciously recruit, train, mentor and advance specially affirmed groups of executives are not always successful. The executives suggested, for example, that despite best efforts, there are still shortages of women in senior management positions.

*Key Takeaway: To strengthen company workforces and drive competitive advantage, talent executives create programs to better recruit a broad mix of genders, races, backgrounds and capabilities, and then focus on these populations' training and promotion.*

## D development of STEM skills

*"STEM skills shortages are driving up our employment and recruiting costs."*

Nancy Gates, Caterpillar

Talent executives continue to focus on bridging the STEM skills gap, reporting five key areas of emphasis:

### Supporting secondary education

Companies are taking steps to reach students earlier in their educational careers, connecting with students in high school (and even earlier). They focus on supporting STEM learning generally but are also keen to create the type of one-to-one relationships that will fill their recruiting pipelines over time. Because of the indirect nature of these investments, talent officers struggle to quantify the returns earned by companies that underwrite these sorts of programs. For example, a STEM-mentored student may not end up working for a STEM-sponsoring company, but the student may recommend the company to a friend in college.

### Creating relationships with specialty groups

Companies are reaching out to groups like Girls Who Code (whose mission is to close the gender gap in technology), the Society of Women Engineers and the National Society of Black Engineers. Sponsoring awards is another approach some have taken. For example, Autodesk supports the Grace Murray Hopper award, which honors the developer of COBOL (one of the first programming languages), and Comcast sponsors the First Robotics Competition where international high school teams compete to build the best robot.



### Game theory

Human resources leaders expressed an interest in the rise of games as a way of engaging students in STEM subjects. For example, Broadridge Financial has developed a fantasy stock market game, created in conjunction with the Wall Street advocacy group Securities Industry and Financial Markets Association. Players as young as fourth grade invest \$1,000, and educators report that increasing the consequences of decisions results in accelerated learning rates and increased student engagement levels. To date, 200,000 children have played the stock market game, and the organizers plan to expand the game to at-risk youth in Title I schools.

### Underwriting university research

Companies continue to fund STEM-related college research programs and bring students in-house for internships and research assignments. For example, Xerox has a program for Ph.D. students from MIT, while Capgemini is working with BNY Mellon, Citibank and others to set up programs on cybersecurity for college students. Executives report the goal of these initiatives is to not only source talent, but to also help educators understand how to better develop “employable skills.”

### Rolling out the welcome mat

A number of companies reported they are working to make themselves more attractive to STEM talent. They understand that talent may not favorably compare their organizations with a Google or Amazon from the perspective of pay, hipness or intellectual challenge. Many companies, therefore, are adjusting pay and working conditions accordingly. Others are working to better communicate their desire to employ and nurture people with STEM skills. Several of the interviewed executives reported that their companies are recruiting from outside the United States, particularly in India and Asia. Though more costly, this approach can have the dual effect of filling STEM positions and boosting company diversity. That said, talent executives report that while STEM talent may be plentiful in these geographies, it can be harder to find candidates who also possess the requisite client management and broader business skills.

For its part, Randstad is committed to building the STEM talent pipeline through various initiatives, including connecting with youth to assess why and how they decide to pursue STEM studies or careers. Randstad has also developed a resource guide (see Appendix) and is working with high schools and nonprofits to address the STEM skills gap.

**Key Takeaway:** *To meet a rising demand for STEM-trained talent, companies are building long-term relationships with students, educators, thought leaders and affinity groups.*

## G generational differences in the workplace

*“Our culture is built on years of experience. It would be really interesting to float the idea of reverse mentoring to the 50- and 40-year-olds and say, ‘Here is your 24-year-old mentor.’ ”*

Steve Callahan, Peabody Energy

Senior human resources executives continue to focus on understanding and harnessing the power of the next generation of employees including Generation Y (people ages 18 to 34), often known as “Millennials,” and Generation Z (people ages 2 to 19). Executives report this emphasis is simply a function of demographics. For example, Sysco said it expects its workforce will be 50 percent Millennials within five years. Companies also focus on Gen Y and Gen Z because of the lower costs of younger workers and a desire to recruit the skills that younger workers bring to the table. Asked to characterize the younger cohort of employees, executives said they were:

### Values-driven

One of the interviewed companies surveyed Millennials and found they rank the desire to engage in meaningful work higher than they value compensation. Being purpose-driven, Millennials want to feel their work is significant and that it does not harm the world. Peabody Energy emphasizes its pro-environment policies relative to competitors in order to tap into this key preference in would-be employees. CVS Health shared that when it discontinued cigarette sales, it received spontaneous calls from candidates saying, “We want to work with you because of your bold move and strong purpose-driven culture.”

### Recruited differently

Executives reported that in addition to using traditional forms of outreach when looking for talent, such as recruiters and advertising, they spend an increased amount of time spreading the word on vacancies via social media and interactive communication. Specifically, executives reported using any form of media that can be shared, such as Twitter and Facebook, to mine the power of pre-existing social networks to attract qualified applicants. They also reported relying on the written word less and more on videos. Finally, talent officers are harnessing technology and using products like HireVue to more fully automate the application process to respond to Millennials’ desire to connect with companies online and get real-time feedback on the status of their applications.

### Managed flexibly

Executives reported that Millennials expect their companies to flex to their needs. They want regular progress reports to know how they are doing. They want clearly defined steps on a career ladder, and they want those rungs to be more closely spaced than did their parents’ generation. They express a desire for frequent rotations and varied, steep-learning-curve opportunities. Finally, they want the freedom to work from home or flex their time to affect better work-life integration.

### Intensively developed

Once Millennials are hired, the focus shifts to development. Whirlpool’s Lynanne Kunkel noted that development for this population needs to be accelerated to prepare them for leadership opportunities that will come to them as Baby Boomers retire, and to take advantage of their desire to move quickly. Executives shared that both younger workers and older workers need help learning how to work side-by-side. The keys to minimizing potential problems are to place an emphasis on core values, notably during recruitment, and to sensitize the workforce to generational differences. Xerox created its “My Generation” network, which involves events and education about aligning different generational approaches to work (e.g., working hours). According to Xerox’s Barbara Koontz, thousands of employees have signed up for the program, which aims to help people understand that the company’s emphasis is on results rather than methods.

While executives focus on creating value propositions that are compelling to a changing workforce, some executives wonder if Millennials are genuinely that different from existing staff. Survey results suggest a minority view among executives that Millennials don’t require special care just because of their age. Broadridge Financial recently organized a panel discussion to find out more about Millennials; the company was surprised to hear one Millennial say the generation wasn’t necessarily special, just at a different point in their lives.

*Key Takeaway: Demographic changes and the need for new skill sets require companies to think differently about how they recruit, manage and develop younger generations of workers.*

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## employee branding

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*"We are building brand ambassadors that post on a variety of different channels. We are leveraging our employees as the primary attraction to new hires."*

Scott McMillan, Capgemini

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### Participatory communication

Several respondents, including Autodesk, Capgemini, Caterpillar, CVS Health and Xerox, either currently have or are planning to implement employee branding programs. Some encourage employees to post videos or testimonials of company-related events on social media to help external viewers and new hires understand the company and brand. Others focus more on encouraging employees to talk about the moments in their days that matter to them, their company, their clients and the world.

### Boldly expressed values

At CVS Health, nurse practitioners in their Coram Specialty business unit perform at-home infusion therapy and have a deeply personal interaction with their patients; this positions them to be strong brand representatives. CVS Health's name change from CVS Caremark, along with its move to discontinue cigarette sales, created much excitement and brand engagement. The company has launched a program in which it solicited employees' feelings about both the new brand and what the move out of the tobacco business means to them.

### Employees as brand partners

It is increasingly common to think of line employees, especially customer-facing B2C employees, as brand "ambassadors" whose primary responsibility it is to be the face of the company's wider brand, whether it's being "hip and cool" in a fashion-forward apparel retailer or "handy and practical" in a do-it-yourself chain. Talent professionals caution, though, that executing this strategy with consistency can be challenging as companies get larger and especially when scale comes across distant geographies.

*Key Takeaway: Strong companies work to create alignment between their core values, as expressed in their brands, and the values reflected by their workforces as they serve customers.*



## appendix:

### Randstad's Talent EDGE white paper resource and subject matter expert list

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#### Evolution of the workforce (women/diversity)

Source America, NGO highlighting opportunities for those with disabilities

<http://www.sourceamerica.org>

Deaf Tec, Technological Education Center for Deaf and Hard-of Hearing Students

<https://www.deaftec.org/computer-support-technician>

McKinsey research indicating more diverse workforces perform better financially.

[http://www.mckinsey.com/insights/organization/why\\_diversity\\_matters](http://www.mckinsey.com/insights/organization/why_diversity_matters)

SHRM article reviewing diversity and workplace dynamics

<http://futurehrtrends.eiu.com/report-2015/profile-of-the-global-workforce-present-and-future/>

#### Development of STEM skills (science, technology, engineering, math)

FIRST - For Inspiration and Recognition of Science and Technology

<http://www.usfirst.org>

The First Robotics Competition (FRC)

<http://www.usfirst.org/roboticsprograms/frc>

Society of Women Engineers, SWE

<http://societyofwomenengineers.swe.org>

National Society of Black Engineers, NSBE

<http://www.nsbe.org/home.aspx>

Skills USA

<http://skillsusa.org>

Geek Girls

<http://geekgirls.com>

Girls Who Code

<https://girlswhocode.com>

Year Up, provides internships to low income young adults

<http://www.yearup.org>

Securities Industry and Financial Markets Association (SIFMA), Wall Street based capital market advocacy group

<http://www.sifma.org/about/>

NPower, mobilizes the technological community and provides opportunities to build technological skills

<http://www.npower.org>

The City University of New York (CUNY) Workforce Alliance, with the Federal Information Systems Security Educators Association (FISSEA) and SIFMA

<http://csrc.nist.gov/organizations/fissea/2015-conference/presentations/march-25/fissea-2015-cicio.pdf>

Junior Achievement (JA), a national non-profit that teaches work-readiness and financial literacy skills to students in grades K-12

[www.juniorachievement.org](http://www.juniorachievement.org)

The Nepris Platform, a platform allowing STEM-based volunteers to virtually share knowledge to a classroom of students, explaining a particular career or adding insight into a class lesson/project

Stem Education Coalition

<http://www.stemedcoalition.org/>

STEM.org

<http://stem.org/>

STEM Connector

<http://stemconnector.org/>

STEM Center – Excite – Energize – Excel

<http://www.stemcenterusa.com>

Robotics for Society

<http://www.ieee-ras.org/about-ras>



### **Generations**

Employee Engagement for Gen Y and Z  
<https://www.randstadusa.com/workforce360/workforce-insights/employee-engagement-for-gen-y-and-z/244/>

Employee Retention for Gen Y and Z  
<https://www.randstadusa.com/workforce360/workforce-insights/employee-retention-for-gen-y-and-z/242/>

Randstad's Managing Gen Y and Z in the Workplace  
<https://www.randstadusa.com/workforce360/managing-gen-y-z/>

### **Employee branding**

Authentic Organizations – blog post  
<http://authenticorganizations.com/articles/employee-branding-enterprising-selves-in-service-of-the-brand/#sthash.mbxuMPfe.dpbs>

Paper on Employee Branding by Indiana University's Kelley School of Business – Positioning Southwest Airlines through Employee Branding  
<https://www.auburn.edu/~johnsrd/4160/Readings/Southwest%20Employee%20Branding.pdf>

### **Company subject matter experts**

#### **Equality, Diversity and Inclusion**

Lynanne Kunkel, Whirlpool  
Nancy Gates, Caterpillar  
Steve Callahan, Peabody Energy  
Randy Clark, Sempra Energy

#### **LGBT**

Margaret McMillan, Autodesk  
Leigh Ann Shaffner, Comcast

#### **Veterans**

Lynanne Kunkel, Whirlpool  
Steve Callahan, Peabody Energy  
Mark Griffin, CVS Health

### **Unconscious Bias**

David Whan, John Deere

### **Employees with Disabilities**

Nancy Gates, Caterpillar  
Mark Griffin, CVS Health

### **Parental Care Policies**

Steve Callahan, Peabody Energy

### **Development of STEM Skills**

Margaret McMillan, Autodesk  
Scott McMillan, Capgemini  
Leigh Ann Shaffner, Comcast  
Barbara Koontz, Xerox

### **Generations**

Michael Fischer, Sysco  
Randy Clark, Sempra Energy  
Barbara Koontz, Xerox

### **Employee Branding**

Margaret McMillan, Autodesk  
Scott McMillan, Capgemini  
Nancy Gates, Caterpillar  
Mark Griffin, CVS Health  
Barbara Koontz, Xerox



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