WHITEPAPER

RECRUITMENT TRANSFORMATION:

LESSONS FROM THE RL100

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RECRUITMENT TRANSFORMATION: LESSONS FROM THE RL100

LaunchPad is proud to be a sponsor of RL100 this year. Our focus in 2019 is supporting organisations with recruitment transformation.

We've interviewed five RL100 members who have either recently undergone recruitment transformation or are in the midst of change! As the world around us evolves rapidly, businesses need to keep up with the pace of change to ensure they stay ahead of the competition. This often means major transformation projects – which undoubtedly have implications for human resources.

Even in organisations with a strong recruitment function, there is a compelling case for transformation. As you'll read in this paper, businesses need to operate in new markets and new talent pools, they need to develop an agile workforce fit for the future and they need the right technology to support it.

Through this paper, we demonstrate how HR can lead in transformation and influence business success through TA-based interventions.

OUR CONTRIBUTORS

Oli Amos | Global Talent Acquisition Lead, Kingfisher

Oli is responsible for designing the global talent acquisition blueprint across four of Kingfisher's brands and global functions in ten countries. This includes strategy development, global EVP, global TA projects, technology, selection, onboarding and induction. Oli is currently leading a TA transformation project for Kingfisher.

Lee Andrews | Head of Talent Acquisition, IBM, EMEA

Lee is responsible for the strategy and delivery of TA across all IBM business units in Europe, Middle-East and Africa. His goal is to transform teams into recruitment industry leaders by creating exceptional experiences for candidates and clients.

Ben Gledhill | Head of Resourcing, Yodel

Ben led Yodel's resourcing function through a business-critical change and transformation programme. Having joined the organisation after resourcing had undergone two previous transformation efforts, Ben has been responsible for the creation and implementation of a new resourcing strategy including people, process, tech, employer branding and analytics.

Sam Goode | Talent Acquisition Manager, Nando's

Sam is TA Manager for Nando's 420 UK restaurants that are staffed by approximately 2,000 managers and 14,000 'Nandocas'. Sam is passionate about using innovative methods to bring Nando's employee lifecycle and business culture to life. Sam and the team are currently part of a wider project group working on the transformation of Nando's people systems, of which talent acquisition is a key competent.

Jon Warwick | Group Head of Recruitment, Sainsbury's

Jon recently led the transformation project to rebuild the Sainsbury's recruitment function from the ground up. He now leads a lean and specialised team which supports Argos and Argos Financial Services, Habitat and Sainsbury's Bank as well as 1,200+ Sainsbury's stores and support centres.

CONTENTS

- **1** WHY DO WE NEED TO TRANSFORM?
- **DEFINING THE VISION**
- DEFINING THE SOLUTION
- MANAGING TRANSFORMATION
- **5** IMPACTS ON THE TA TEAM
- **6** MEASURING THE IMPACT OF CHANGE
- **TIPS FOR TA LEADERS FACING A TRANSFORMATION PROJECT**



The five organisations we spoke to each have their own rationale aligned to their business goals, but they all boil down to three common business imperatives which we'll explore in this report:

1 ORGANISATIONAL EFFICIENCY

2 COST REDUCTION

3 ADAPTING TO THE DIGITAL ERA

THE BUSINESS CASE FOR TRANSFORMATION

Sainsbury's transformation was driven by diversification through acquisitive growth that included Argos and Habitat. "Recruitment was serving six or seven different customers that were using different processes and technology. Our objective was to bring the businesses closer together and in doing so reduce costs" says Jon Warwick who was asked to reduce both headcount and operating spend by 40%.

Meanwhile, HR at **IBM** has been transforming on a global scale for the last decade, most recently around AI. Since IBM has a goal to be the cognitive and cloud platform enterprise of the world, the story IBM takes to market needs to be the organisation's own story too:

"Twenty years ago, we were part of a small group of companies with enviable brand permission in well-defined software/hardware markets, so we didn't have to be overly proactive or innovative in order to hire successfully." says Lee Andrews, Head of Talent Acquisition, IBM EMEA. "About half of our revenue today is generated in areas we weren't even operating in five or six years ago. So the skills we need to be successful are entirely different, which is compounded by the fact our competitor landscape is much broader and lesser-known".

At **Nando's**, the scale of growth meant that infrastructure hadn't kept up and the business was running on legacy systems, "in some instances no systems. For a business of 17,000 people, that is a scary place to be. Things were slow and clunky and created inefficiency and disengagement for both our hiring managers and talent acquisition team" says Sam Goode.

"Nando's main demographic is 16 to 24-year olds and they're incredibly different now to 16 to 24-year olds when we started in 1987. New generations expect a customer like experience at work and our digital candidate and employee experience just wasn't cutting it."

At **Kingfisher**, the catalyst was a new corporate vision with objectives including growth through a unique product offering, digital enhancement and operational efficiency. One of the hard measures was a £100 million reduction in operational cost over five years. This had implications for TA says Oli Amos:

"We had nine buyers in nine countries speaking to the suppliers. We also had nine TA teams using six ATS platforms, nine careers websites, and nine LinkedIn contracts."

BOTTOM UP OR TOP DOWN?

The transformation projects we've looked at have taken bottom-up and top down approaches, demonstrating that both models generate results. At **IBM** and **Kingfisher**, projects were instigated at the top. At **Yodel**, **Nando's** and **Sainsbury's**, transformation originated within the talent acquisition function.

TOP DOWN

A new CEO was appointed in 2014 with a vision for ONE **Kingfisher**. This was the catalyst for change for Oli Amos' team. Kingfisher's five year strategy includes targets around operational efficiency that apply equally to all teams including talent acquisition.

For **IBM**, transformation was part of ongoing corporate level strategic goals.

"HR at IBM has been undergoing transformation for the last decade. We went from outsourcing, to centralisation, to optimising for the experience. Most recently, our focus has been on Al" says IBM's Lee Andrews who says the drive to transform is aligned to IBM's underpinning

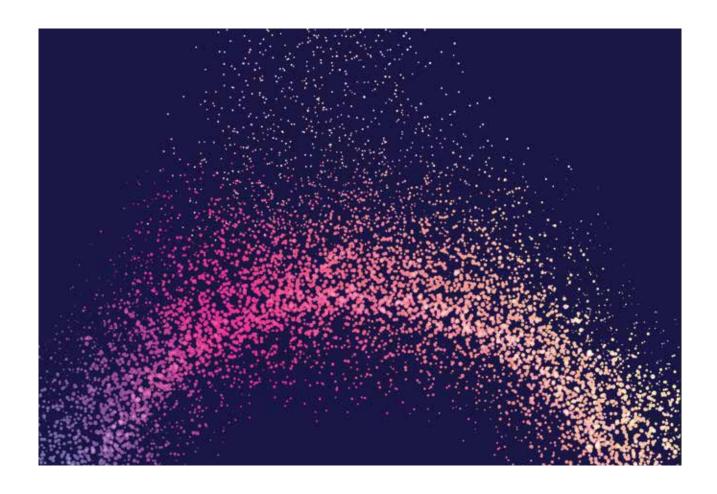
mission "to help its clients transform their companies and lead in their industries", as an enterprise company.

BOTTOM UP

Nando's transformation began as a tech-led project within talent acquisition that had wider implications for the whole business. Jon Warwick at **Sainsbury's** also took a bottom-up 'zero-based' approach.

Jon's philosophy was aimed at re-setting expectations as well as implementing change. His starting point was a blank sheet of paper with very few known quantities: "If you were acquiring a company of this size, how would you build a recruitment model?" Using this approach, every penny needs to be justified and anything that is a 'nice to have' has to be bartered for.

Ben Gledhill at **Yodel** was tasked with transformation by the HRD but the project was driven from resourcing. The approach was bottom-up in terms of change to the operating model and technology, but Ben used the sponsorship of the executive team to steer the project.





DEFINING THE VISION

Once a need to transform has been identified, TA teams need to work with their stakeholders to define what they're trying to achieve. Understanding the drivers of change and visioning the future help shape the solution.

UNDERSTANDING THE DRIVERS OF CHANGE

At **IBM** the transformation was to be driven by domain expertise, personalising the experience and cognitive solutions. IBM recognised that although previously it had an enviable brand position elsewhere, given technological advances, it was now competing for the same digital talent with new, innovative, and exciting start-ups, with big budgets and greater operating agility. As a result, finding the right candidates was becoming a challenge for a team that was "operating with outdated tools in a traditional mindset."

Creating engagement (amongst recruiters, customers and candidates), and more inclusive hiring were the drivers of **Sainsbury's** transformation. Addressing these factors would support retention, employee performance and employee progression.

For **Nando's**, inconsistencies in the recruitment process were having an impact on the ability to measure key metrics and deliver a consistent experience for people looking to join the brand. "Some of our hiring managers were using the systems available quite well and delivering a fantastic candidate experience when an individual came into a restaurant, others didn't really know what they were doing and some were delivering a really bad candidate experience, not through want, but because we hadn't given them the right tools."

At **Kingfisher**, Oli Amos was conscious of inconsistencies in operating models, technology, and agency reliance that ranged from 1% to 100% across business units, in a business that receives circa 500,000 applications a year for 25,000 roles. There was also an inefficiency caused by early attrition in some markets.

For **Yodel**, one of the challenges the function faced was that resourcing was not seen as a strategic driver it "just put bums on seats". This needed to change so that the function could better support the business goal of "delivering promises on parcels". Aware that Yodel had recently been through two previous resourcing transformations, Ben was conscious to address issues in the current resourcing model whilst also aware of the dangers of pushing too much change at once.

VISIONING THE FUTURE STATE

"Automating as much as possible to make better decisions and strip out time and cost" was the vision for Jon Warwick at **Sainsbury's** where two critical pillars of transformation were implementing the change and resetting expectations about what recruitment does.

At **Nando's** the team wanted a model that reflected the continuous journey that is the Nandoca life-cycle. The current model had inconsistencies for example around referrals which are an important talent source for the business. "How does a restaurant reward a referral? How do we track that referral? How do we understand whether that referral works?"

For Lee Andrews at **IBM**, the future state is "powered by AI, driven by humans". IBM sees AI as an enabler to driving efficiencies by freeing up capacity to work on high-value tasks once repetitive tasks are driven by technology.

At **Kingfisher**, the thread running through transformation was collegial candidate experience. "Our candidates are our customers, and because we have such mixed infrastructure, we're providing such a mixed experience, and recognising that it is a potential sales risk" says Oli Amos. "If you treat colleagues in an amazing way, they'll stay longer. And also it drives engagement, and in a retail context, more engaged colleagues sell more."

The team wanted to create 'common ways' to do things across the business from go-to-market and strategic workforce planning, to employer branding and recruitment marketing. This would be founded on a common technology.

At **Yodel**, Ben mapped out the 'as is' and 'to be' states to help plan the transformation journey. The future Yodel model needed to deliver efficiencies in recruitment, improve quality of hire (with a focus on capability), and improve retention through better hiring processes and employer brand building. Ben was keen to look at how these goals could be met using the support of technology.

"IF WE DON'T HAVE
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AND DELIVER A FANTASTIC
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FUNDAMENTALLY, THAT IS
OUR BUSINESS."

Sam Goode -Talent Acquisition Manager, Nandos

- Don't let your vision be clouded by current constraints. Focus on future goals rather than current obstacles.
- Bear in mind that achieving the future state will require more than a systems change. It might require a complete mind-shift change and capability change.
- Unpicking the drivers of change is an important part of getting your stakeholders bought in to your transformation.

DEFINING THE SOLUTION

Defining the solution based on business drivers and a vision of the future helps focus the transformation around goals and workflows. As our project managers discovered, the vision and solution may evolve over time - at some point they need to meet in the middle!

As we discussed with IBM, keeping the vision grounded in 'the art of the possible' ensures the project can move forward with ambitious yet realistic goals. Here we share the elements of defining the solution across key areas of transformation.

GOAL SETTING

Goal-setting is an important part of stakeholder management and ensures everyone's interests are represented and in-line with business goals. Goals also help steer the project through complexities and provide touchpoints for communication.

Sainsbury's had three goals for their transformation: to reposition talent acquisition within the group, reduce cost through consolidating processes and technologies and delivering a stronger recruitment process.

For **Yodel**, the goals for Ben and the team were: efficiencies, quality of hire, and retention. All this was to be delivered through a tech-led solution.

Approaching goal setting another way, the starting point for **Nando's** goals was asking "what does the future Nandoca experience look like?" and how that could be linked to bottom-line performance.

COMMUNICATION STRATEGY

Internal and external communication was an essential part of planning the solution for **Kingfisher.** "Lots of employers say they're telling a compelling story but we want to do more than that. We want to tell the truth, empower our people to tell the truth so candidates know what it's really like to work here" says Oli Amos.

Internal coaching was an important part of the solution for **Yodel**. Coaching managers to be brand advocates and to understand that every single candidate is important needed to be part of the transformation. "Candidates are customers, they are the people we deliver parcels to" says Ben Gledhill.

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IDENTIFYING STAKEHOLDERS

The projects we've looked at involve numerous and diverse stakeholders from CEOs to store managers. What all of our project managers told us is that it's important to have a plan for who to involve and when. Early involvement varied depending on whether projects had a bottom-up or top-down approach.

TECHNOLOGY

Selecting the right technology is critical to the success of transformation projects. For **Kingfisher**, technology came early, before the operating model. "You can't really drive any large efficiency savings until you change the technology to empower your people" says Oli Amos.

Oli and the TA team consulted the business on their requirements but then asked stakeholders to trust the TA team to research the best tech solution. This process included mapping out how things were done pre-tech and how they could be done in future with better tech.

At **Nando's**, it's been a journey for the team to understand whether they want a technology platform to support the end-to-end 'Nandoca lifecycle' or whether they need more specialist technologies that would require integrations and bolt-ons to make it work for everyone.

Having consulted with the business, the team aspired to launch a new tech platform that would support the entire employee lifecycle. However, due to the complex requirements of the business, the project team at Nando's also needed to consider separate systems for people, payroll, ATS and learning in case one platform couldn't deliver everything they needed.

- Engage suppliers early on and choose your trusted partners to help you realise your vision.
- Be curious! You don't know what you don't know.
- Most suppliers are more willing to integrate and work with your existing suppliers on APIs than you might think, so ask the question.

MANAGING THE TRANSFORMATION

Managing transformation is a major area of learning. Implementation, stakeholder management and communication all need to be managed along with BAU. Each of the projects we looked at have different business drivers but some common elements to managing change.

How long does recruitment transformation take?

Some transformation efforts are ongoing, others have finite milestones and project phases.



MILESTONES: Managing transformation through sprints and setting milestones along the way helped teams stay focused and act in a more agile way than BAU. Regardless of whether change was phased or 'big bang', transformation needed key milestones to maintain pace.

BAU: You still have to keep the lights on! Says Jon Warwick of Sainsburys. **Yodel** created internal project teams so that all team members had an opportunity to contribute. At **Nando's**, they soon realised that the current team could not manage the workload alongside their day jobs. Rather than aiming for transformation to comprise 50% of each team member's job, a specific Talent Acquisition "subject matter expert" has been created who works alongside the broader project team to join together the workflows and focus on project delivery.

MANAGING STAKEHOLDERS:

For **Sainsbury's**, transformation involved putting 90% of recruitment jobs at risk, including Jon's own role. He feels this helped him when communicating the change. It was a challenge to keep team morale up with uncertainty and jobs at risk but Jon kept front

of mind he needed to build an agile team happy to work in a lean model.

For **IBM**, lessons learned included communicating the right amount of information to stakeholders. While Lee says their biggest learning is that you cannot communicate enough, or be transparent enough within TA, they needed to be in control of what they communicated to the wider business to ensure the focus is on the right things - not just the detail.

At **Nando's**, Sam says an important learning for his team was keeping momentum in communication with stakeholders. "We sold them the dream up front and then went a bit radio silent!" This meant stakeholders began to lose faith in the transformation even though the team was busy behind the scenes.

At **Kingfisher**, they've started training managers on how to improve the recruitment experience to help them make better decisions, if managers and leaders can see the benefit and feel invested it helps to bring them along on the TA transformation journey.

REVOLUTION OR EVOLUTION: At Yodel

the team took a phased approach, being conscious that previous 'big bang' approaches hadn't worked. Others took a 'big bang' approach but built in contingency time and milestones to keep complex changes on track.

OVERCOMING CHALLENGES: Getting comfortable with ambiguity, making decisions quickly and being prepared to fail fast and iterate is the advice from **IBM's** Lee Andrews. Sam Goode at **Nando's** says he didn't anticipate the extent of the change management skills required. "Utopia vision is great, but realistic vision around what can be achieved in timelines is better" he says.

"AT NANDO'S WE TALK ABOUT HEART AND MIND A LOT. WE MAKE HUGE DECISIONS BASED ON HEART. THIS PROJECT HAS HUGELY CHALLENGED THAT BECAUSE WE'VE HAD TO USE OUR HEADS, WE'VE HAD TO PUT RATIONALE AROUND IT, WE'VE HAD TO WRAP BUDGETS AROUND IT, WE'VE HAD TO PUT SUCCESS MEASURES IN"

Sam Goode -Talent Acquisition Manager, Nandos

AT IBM, LEE ANDREWS'
AGILE APPROACH, WHICH
INCLUDED DAILY STAND-UPS
AND MULTI-DISCIPLINARY
TEAMS RUNNING FOUR
TO EIGHT-WEEK SPRINTS,
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JUST INFORMED, BUT HAVE
CO-CREATED THROUGHOUT.

- Define the expertise you will need to realise your vision and build a team of subject matter experts.
- If the project can't be managed along with BAU, consider how team members can be rotated on project teams or whether new external change management resource will be required.
- Fail fast and learn quickly.
 Transformation projects will have setbacks. Being comfortable with ambiguity and prepared to iterate is essential.



IMPACTS ON THE TA TEAM

For the TA team, transformation should mean huge benefits. But, in the short term, uncertainty creates worry for team members. In some cases, jobs may be put at risk and job roles will change as technology takes over mundane and repetitive tasks. Once teams move through the transformation their jobs are more rewarding and add more value to the business.

Enabling TA to be more strategic

At **Yodel**, transformation changed perceptions of the resourcing function. It is now viewed as "commercial and strategic" says Ben Gledhill. There were some headcount losses that included recently-appointed field-based recruiters as the team moved back to a centralised model. "They were difficult conversations, but the mantra was easy" says Ben. "This is a symptom of what can happen if you don't get transformation right the first time. People can only deal with so much change."

"My team loves recruitment and they love finding amazing people for our business, but they're spending 40% of their time updating spreadsheets" says Sam Goode of **Nando's**. "In the future they'll be able to think more broadly about the world they work in rather than being reactive. We know that active candidates are not providing us with what we need, we know that technology will lift some of the strain."

On a bigger scale, **Nando's** has an ambition to be an enabler to social change: "In South Africa, we have a fundamental philosophy to help vulnerable people into work and we are working on how we do this in our UK market. At the moment we have no ability to measure that impact, to even react to people. We believe that technology will be an enabler to that" says Sam.

Oli Amos presents a similar picture of **Kingfisher**. "We have many people doing jobs which are admin heavy, and not adding a huge amount of value" says Oli. "In the future we will need the TA team spending far more time managing a talent pipeline of people who buy into our vision."

"You'll always need amazing communication and influencing skills to have great conversations with hiring managers, to talk to them about the market, skill sets, and have great conversations with candidates". In the future, says Oli, TA jobs will become more interesting, more global and more value adding – meaning a better place to work.

- Carry out a gap analysis of your team based on the skillsets you will need post-transformation.
- Bring your team on the journey with you so they are assured that transformation will bring positive change to their roles.
- Keep front of mind the role technology plays to enable your team to focus on skills that are uniquely human.

MEASURING THE IMPACT OF CHANGE

"Measuring the impact of change is about demonstrating that talent acquisition is not a not a cost centre, but a profit centre" says Ben Gledhill, Head of Resourcing at Yodel. So what metrics are organisations using to measure the success of transformation?

A range of transformation metrics



YODEL'S CHATBOTS ARE SAVING THE TEAM 10 TO 15 MINUTES PER SCREENING. THE TEAM CALCULATED THEY'D GET ROI IN CHATBOT TECHNOLOGY IN THREE WEEKS. BEN'S TEAM SPENDS THIS TIME ON ACTIVITIES SUCH AS INTERACTING WITH CANDIDATES AND NEW STARTERS.

MEASURING TANGIBLE SUCCESS

For **Sainsbury's**, key metrics for the transformation project are workforce cost (which has been reduced by £1m) and recruitment operations cost (which has been reduced by £1.5m). Their ambition for year two is to reduce agency spend.

At **Kingfisher**, and for many retailers a reduction in attrition has many benefits including reduced costs and sales growth. The team will be focused on improving this metric by recruiting right-fit hires, increasing hiring manager capability and onboarding them successfully.

Yodel identified tangible and intangible cost savings. Intangible metrics included factors like time savings created by removing manual tasks from recruiters' workloads and recruiters not having to travel to do inductions or print out material for assessment centres.

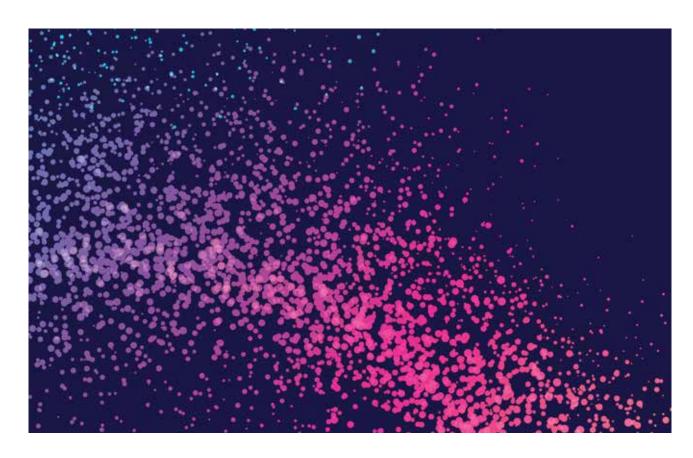
Ben worked with the commercial and finance teams to put "pound signs" on metrics to demonstrate ROI and to show cash being brought back into the business. This "gave TA a little bit of steel, we're working like any other business group and showing our commercial worth. We are not a cost centre, we are a profit centre" says Ben.

Importantly, the team communicated in the language of the business: "There's no point talking to a CEO or shareholder about time to hire" says Ben. "You need to talk to them in language that is impactful at their level. So we linked quality of hire to our corporate strategy of delivering promises on parcels which is linked to our consumer brand and therefore to greater success in business development. That got their attention!"

For **IBM** success is measured by increased speed, efficiency and quality, and a reduction of cost, all of which are tied directly to business results and which have been achieved through an increased focus on experience. For example, **IBM** has completely rethought its onboarding programme. It's now a digitised pre-boarding programme which starts the moment a

candidate accepts an offer. From then on, individuals are embedded in a digital community that is intuitive and cognitive and helps them prepare to hit the ground running day one.

- Take as many measurements pre-transformation as possible to allow you to measure the 'as is' state against the future desired state.
- Be clear on how you expect those measurements to change and over what timeframe.
- Don't shy away from measuring metrics that are harder to measure, they can be the most powerful in demonstrating ROI.



7 TIPS FOR TA LEADERS FACING A TRANSFORMATION PROJECT

Finally, we asked our contributors to share lessons learned from their own transformation projects. Here's what they had to say.

1. DEFINE WHAT'S IN SCOPE AND WHAT IS OUT OF SCOPE

"We're dreamers and we run for dreams. And we probably land 80% of those dreams which is why Nando's is amazing. But, when we're talking systems and processes and the impact on so many people, it helps to be crystal clear about scope from the outset" says Nando's Sam Goode.

2. TAKE OFF YOUR RESOURCING HAT

advises Ben Gledhill. "Look at how other departments work. How do they create their user experience? How do they use tech? TA's problem is we try to fix TA problems with traditional TA solutions". We need to think outside the resourcing bubble.

3. THE RIGHT TECHNOLOGY IS

PARAMOUNT says Sainsbury's Jon Warwick. If you cut corners you may end up compromising and using a system that doesn't benefit everyone. Getting it right requires research. According to PwC, for every new technology that came online in recruitment in 2012, approximately 50 will come online this year.

4. KEEP THE PACE

"Focus on quick wins and your mid to long-term strategy concurrently" advises Lee Andrews of IBM. "We lose competitive advantage adopting traditionally sequential approaches. Instead, embrace agile ways of working - pilot quickly and often, be willing to fail fast, learn and iterate."

5. PREPARE FOR THE UNEXPECTED

says Ben Gledhill. "Give yourself more time, build in contingencies, there will always be a GDPR or API query that could delay the project. We had exactly these issues with the implementation of our chatbot tech." he advises.

6. HAVE A COMMUNICATION

STRATEGY "When you announce change, the only thing people think about is what's the impact on me? What's the impact on my family? What does it mean for my career? We're all human" says Oli Amos of Kingfisher so it's important to communicate. "But, there is a danger associated with over-communicating says Sam Goode because you end up selling a dream that doesn't yet exist."

7. LAND THE PLANES

"We have learned the importance of prioritisation. In 2018 we initiated a diverse group of >100 initiatives, but our teams were struggling to consume them in a meaningful way." said Lee Andrews of IBM. "We now speak regularly about 'landing the planes' in order to focus the team on a narrower,more impactful set of priorities that deliver results incrementally".

THANK YOU

to all our contributors for sharing their stories and advice. If you'd like to hear more about how we're helping organisations manage transformation, please get in touch.

As sponsors of RL100 this year we'll be talking more about recruitment transformation with the UK's 100 most influential resourcing leaders.

ABOUT LAUNCHPAD

LaunchPad's recruitment technology platform brings together the best of breed assessments, the latest in video interviewing technology, automation, reviewer insights and predictive analytics to optimise your hiring process - allowing you to create a seamless candidate experience, improve the reliability of your hiring decisions and hire the best candidates, faster, all from one platform.

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