THE COMPETITION FOR EMERGING TALENT IS CHANGING

WHO WILL WIN?

The Intern Group
Realize your potential

MIT Open Learning

> # "
> # Recruiting talent is hard. It's just finding the needles in the haystack.[1]
>
> **– Steve Jobs**

Remote work, combined with rapid technological innovation, was steadily changing the way we do business pre-2020. The global pandemic has accelerated the transformation in how we work by orders of magnitude. This new world offers companies significant opportunities in how and where they recruit, onboard and retain emerging talent.

Steve Jobs famously said, "Recruiting talent is hard. It's just finding the needles in the haystack".[1] In this paper we show that most companies are searching for the same needles, and they are generally looking in the same old competitive haystacks, with sub-optimal results. Successfully onboarding and retaining the best emerging talent also requires companies to adjust how they train and support both their incoming recruits and their direct managers.

As a first principle, though, companies need to broaden their horizons and systematically seek diverse talent from around the globe, including the developing world - talent that, for the first time in human history, is readily accessible at scale due to remote work.

> **"**
>
> # For emerging talent we entirely hire for mindset and culture over skills. We can teach them the skills they need if the attitude and culture fit are right.
>
> **– Grace Hwang,**
> Campus Talent Acquisition Manager, American Airlines

WHAT DO COMPANIES WANT FROM
EMERGING TALENT?

The Intern Group, in collaboration with MIT Open Learning and BritishAmerican Business, surveyed 43 and interviewed a sample of the world's large corporations to understand how they recruit, onboard and retain emerging talent. We use the term "emerging talent" to encompass apprentices, interns and entry-level employees.

Companies broadly agree that diversity, a growth mindset and fit with company culture are the top priorities when recruiting emerging talent (aggregate of blue values in Figure 1). However, while a huge amount of effort and resource is going into assessing whether a candidate's attitude and outlook will be a good fit within the existing team, there is far less time and energy directed at finding the best talent, wherever that talent is located in the world.

Figure 1: Ranking of the companies' priorities when designing and recruiting for emerging talent programs. Percentage (Y-axis) of responses across the five categories (X-axis). A larger blue percentage means higher priority and a larger orange/yellow percentage means lower priority.
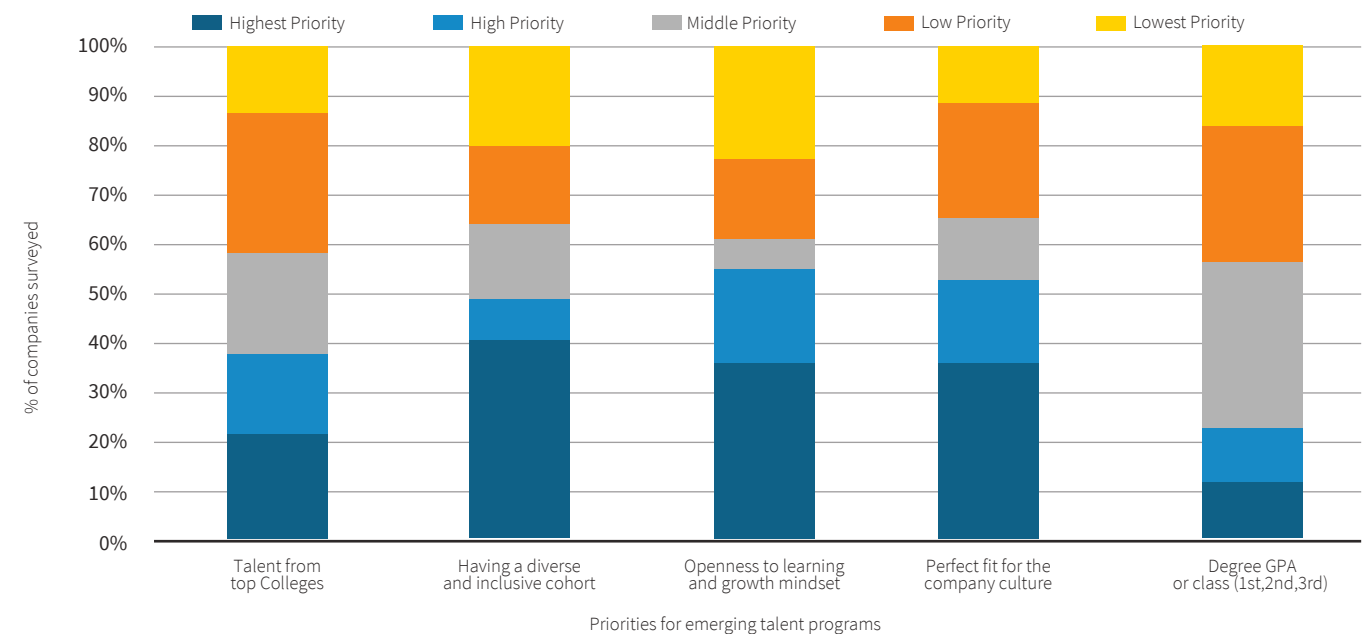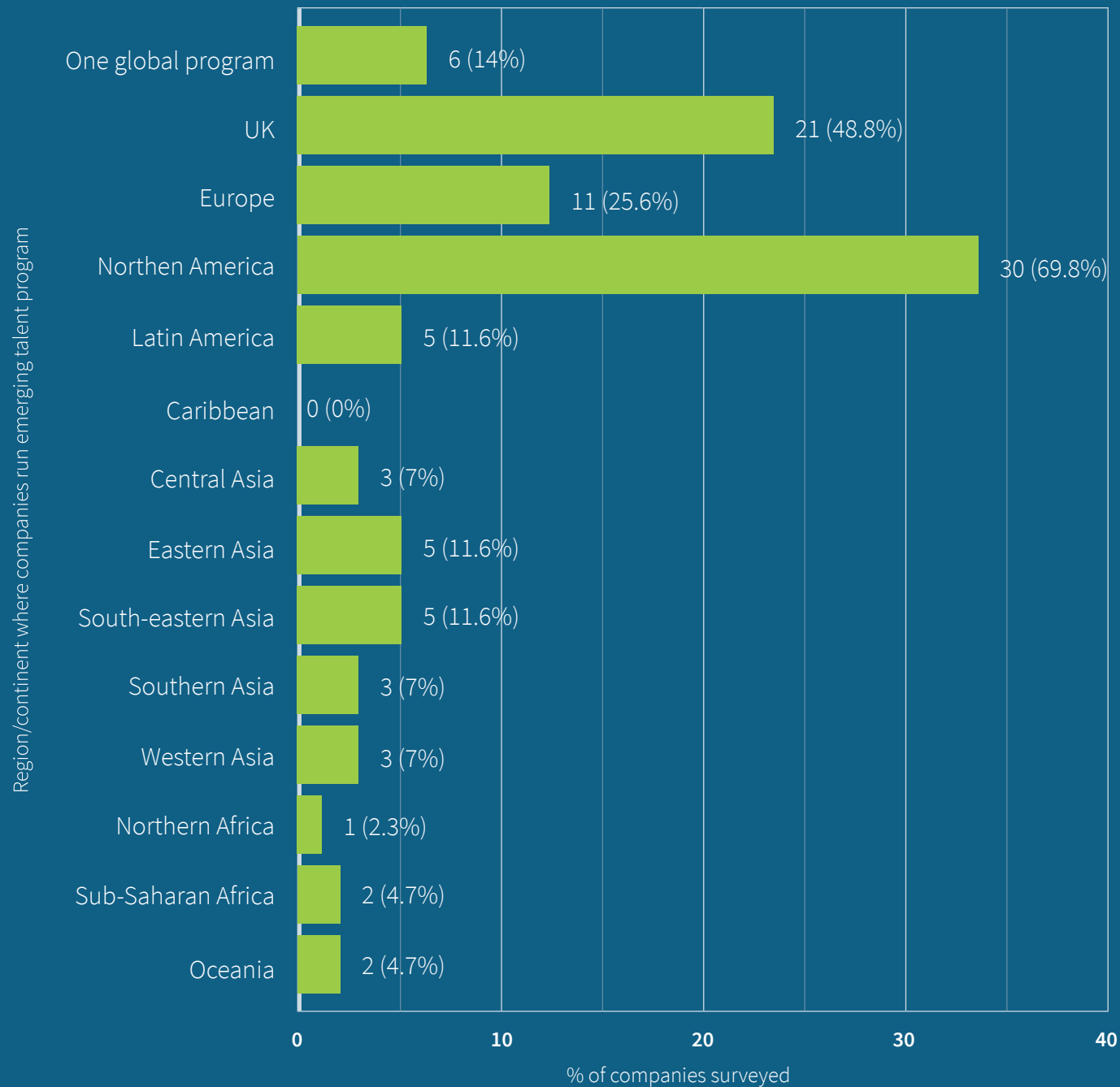
Figure 2: Region/continent where the surveyed companies have recruiting programs (multiple selection).

WHERE DO COMPANIES FIND
EMERGING TALENT?

North America and the UK are the main geographies where surveyed companies source emerging talent. This is not a surprise since the companies surveyed have close ties with these locations. We also included companies with a global presence to understand their recruitment share in other regions of the world. Latin America and Asia are scouted by around 10% of the companies while Africa and Oceania make up for less than 5% (Figure 2).

North America (4.7%) and Europe (9.5%) combined represent only 14.2% of the global population, yet most large companies in our research focus on hiring from this relatively small talent pool. Companies have a significant opportunity to increase recruitment from Asia (59,1%), Africa (17.5%) and Latin America and the Caribbean (8.3%), thus broadening their applicant pool by targeting the majority of the world's population.

14.2%

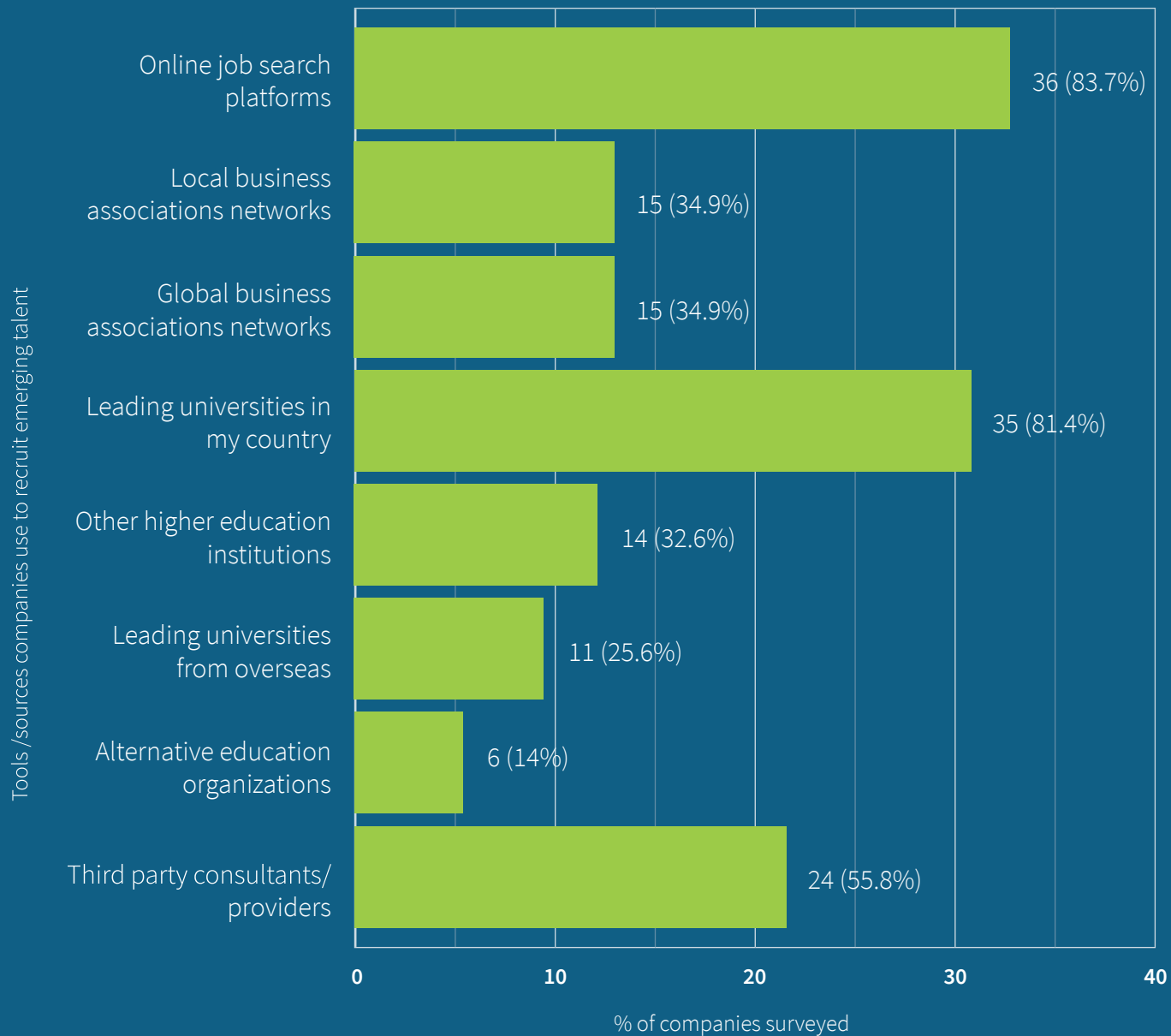North America and Europe's combined
share of the global population.

Figure 3: Recruiting sources for emerging talent programs (multiple selection).

HOW DO COMPANIES FIND
EMERGING TALENT?

Companies use a range of tools to recruit for their emerging talent programs. Online job search platforms (83.7%) and leading universities in their domestic markets (81.4%) are the dominant sources, leaving relatively untapped other universities at home and almost the entire workforce abroad.
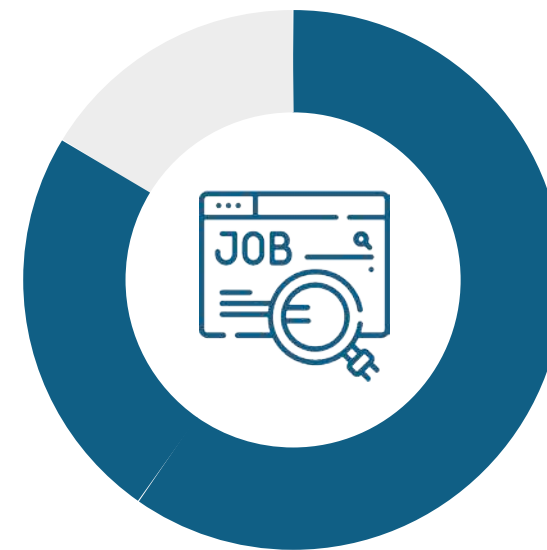

83.7%
Online job search platforms

81.4%
leading universities in their domestic markets

THE KEY CHALLENGES WITH
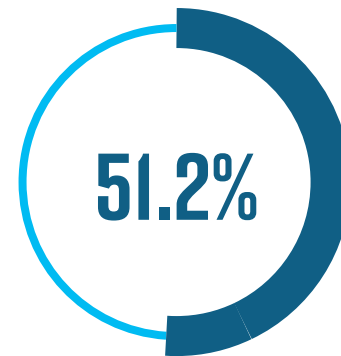## RECRUITING, ONBOARDING AND RETAINING EMERGING TALENT

From our research, talent managers agree that recruiting (76.7%), onboarding (34.9%) and retaining (51.2%) emerging talent is challenging, with the difficulties at each stage being different.

76.7%
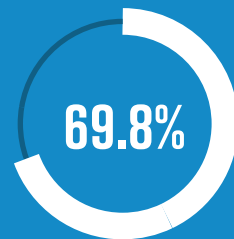
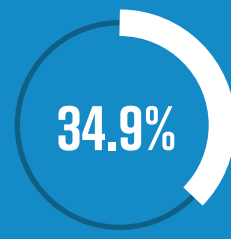Recruiting

34.9%

Onboarding

51.2%
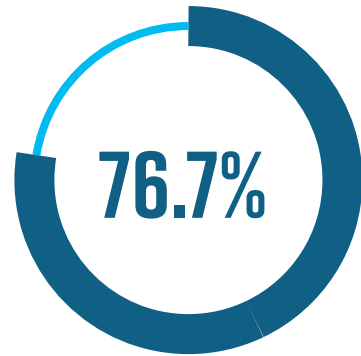
Retaining

RECRUITING

When recruiting emerging talent, key challenges include being able to access a reliable and consistent pipeline of quality candidates (69.8%) coupled with the time that it takes to convert candidates from application to hire (34.9%).

69.8%

Pipeline of quality candidates

34.9%

Application to hire

ONBOARDING

After companies recruit talent, one of their key onboarding challenges is job readiness. Companies report that the majority of emerging talent hires are significantly lacking in the soft skills (44.2%) required to succeed in their role.

With remote work and technology revolutionising the workplace and the pandemic accelerating remote and hybrid working, technological fluency will be important, but companies report that critical thinking, collaboration, creativity and communication skills (the 4 C's) are essential to productivity, leadership and the formation of high performance teams.

44.2%
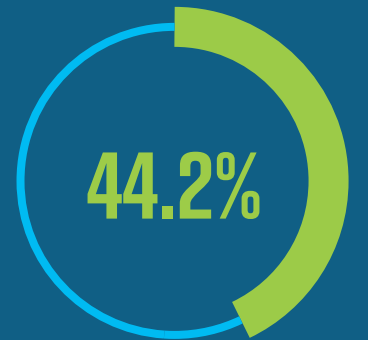
Soft skills

RETAINING

Almost every company in our research invests in soft skills training for their emerging talent (88.4%) and reports significant progress in upskilling recruits (only 2.3% do not provide training of any kind).

Nevertheless, this training does not secure talent retention - the main challenges to retention include offering competitive salaries (41.9%) and internal professional growth opportunities (41.9%).

88.4%

Soft skills training for their emerging talent

41.9%

Offering competitive salaries

41.9%

Internal professional growth opportunities

Employing talent from the developing world to work remotely, but paying above market rates, can reduce the challenge of competing on salaries in domestic markets. This approach allows forward-thinking companies to pay very competitive salaries while reducing global "brain drain" and increasing income tax revenue for developing world countries.

34.9%

58.1%

7%

% of companies surveyed
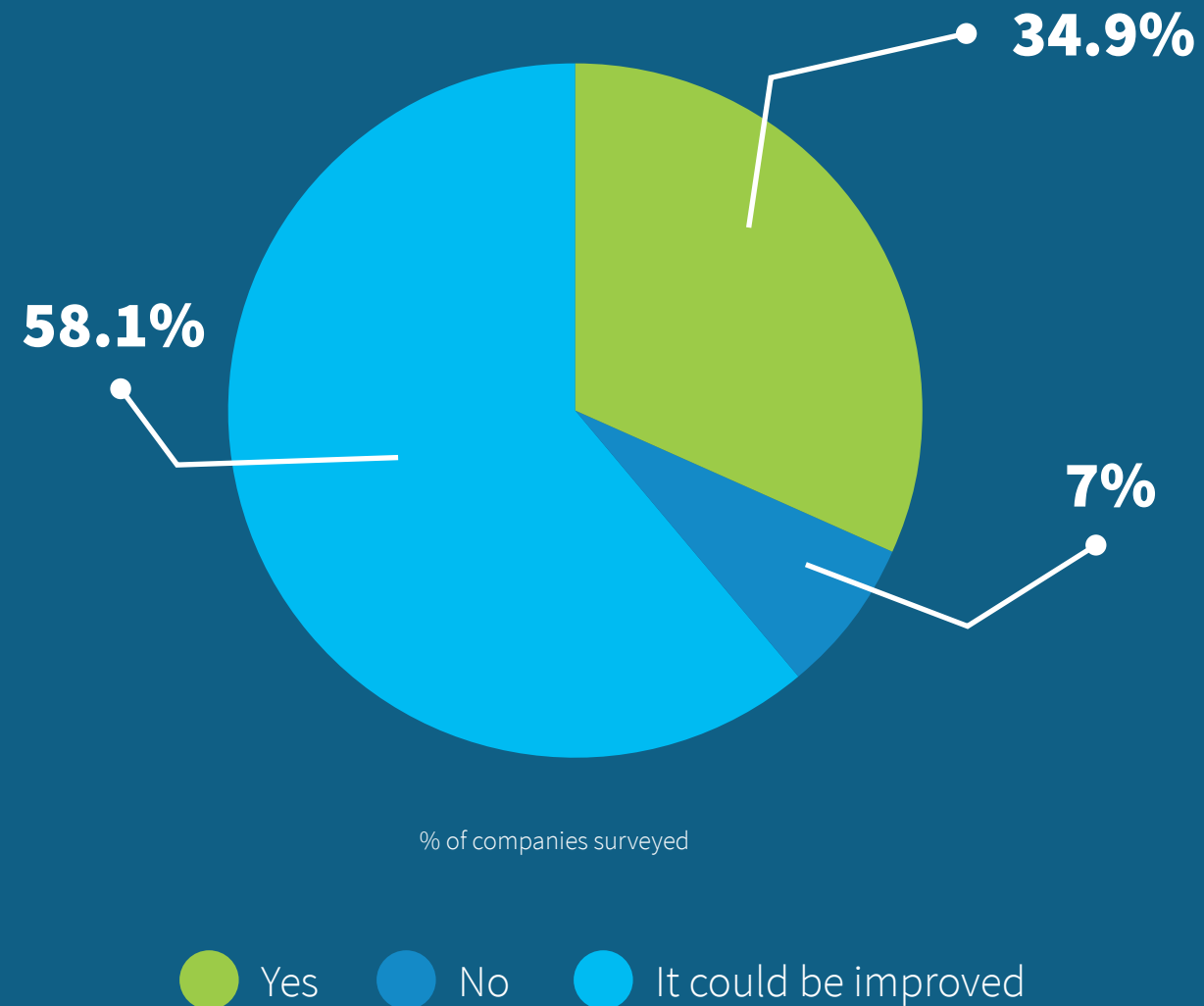
● Yes ● No ● It could be improved

Figure 4: Distribution of responses to the question: Are line managers given adequate mentorship/ coaching/training in how to manage and support talent?

DON'T FORGET
THE MANAGERS

A key data point from our research relates to the current level of support that managers are given while developing emerging talent: 58.1% of respondents stated that coaching and mentorship training for managers could be improved. The old adage that "people leave bosses, not jobs" suggests that addressing this shortfall in manager training could significantly improve the success of emerging talent programs. Such training becomes even more important when bringing in global, diverse talent with a wide mix of backgrounds and experiences. It is clear that managers are crucial to the success of emerging talent programs.

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of respondents stated that coaching and mentorship training for managers could be improved

The old adage that
people leave *bosses* not jobs

"

We're teaching managers to trust more and control less, which is crucial when you are managing diverse talent in a remote-friendly environment.

– Natalia Echeverri,
Talent Attraction and Development Manager at Grupo Bancolombia

> "We hire globally, but it's essential that each team member buys into our culture and understands our clients, which can only truly be done face-to-face. We solve this by bringing our remote teams to our various US offices periodically.

– Anthony Casciano,
President and CEO of Siemens Financial Services, Inc.

THE REMOTE ELEPHANT
IN THE ROOM

A large number of companies report that they would look to source emerging talent from more diverse pools (see Figure 1), but geographical proximity remains a stumbling block. The world has been forced to work remotely for nearly 2 years, but the jury is still out on whether an entirely remote worker, especially at a junior level, can be truly integrated into a company's culture and set up for success in their career: 41.9% of survey respondents told us that the biggest challenges in onboarding emerging and diverse talent include those related to remote work. Such a challenge requires as much of a mindset change as a policy one. Remote work looks like it is here to stay, but face-to-face time and face-to-face relationship building might always be a critical component of business.

There are ways to solve this problem. Many of the leading 'remote only' companies in the world factor in ways to allow for in-person meetups, and this need not be any different for remote emerging talent programs and hires. The benefit is that when in-person time is built into the program, it can be focused on relationship and team building rather than business-as-usual work delivery.

41.9%

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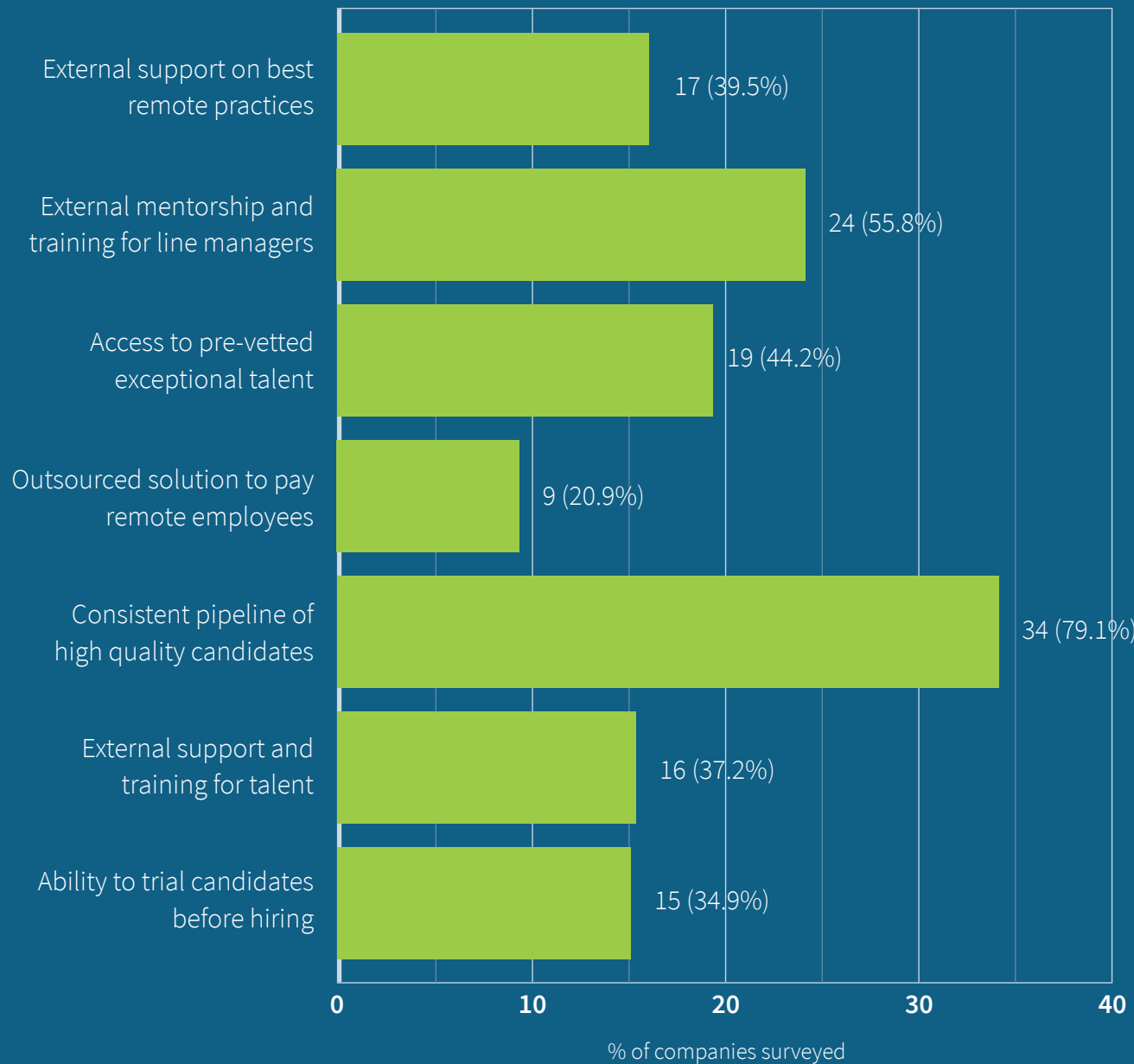
Figure 5: Possible solutions to increase the likelihood of hiring remote, entry-level, diverse talent from across the developing world and underserved communities (multiple choice).

WHO WILL WIN THE COMPETITION FOR EMERGING TALENT?

Recruiting and retaining emerging talent is difficult, but the companies that set themselves apart all have a consistent set of traits in their programs. It's crucial to extend the search beyond the familiar universities in domestic markets - this big step increases enormously the pool of talent from which to hire. The challenge is finding and engaging with unfamiliar universities. The companies who do this will significantly increase the diversity of their emerging talent programs.

However, the obstacle for increasing the diversity of emerging talent programs is more than just finding the participants. Opportunities are not equally distributed, and rectifying this problem is not as simple as creating equal opportunity at the point of recruitment. Companies that think beyond recruitment and consider onboarding, management and retention of these hires will succeed in developing truly successful and diverse teams.

As highlighted before, it is also crucial to further support and develop managers to enable them to adjust their approach for the new and diverse talent that will be coming to the fore in a remote-friendly world. Without this training, recruitment could improve but retention would suffer.

For companies that want to access diverse emerging talent pools, MIT Open Learning and The Intern Group are working together to create a consistent pipeline of top talent from around the globe, including the developing world. Our program will train both global talent and managers, maximising job readiness and setting new recruits up for success. If you would like to find out more or participate in our pilot program please contact Co-Founder & Head of Impact at The Intern Group, Johanna Molina - *johanna@theinterngroup.com*.

REFERENCES

1. Fortune (2008). America's most admired companies: Steve Jobs speaks out. March 2008. Accessed in October 2021. Available at https://archive.fortune.com/galleries/2008/fortune/0803/gallery.jobsqna.fortune/7.html

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AUTHORS' CONTRIBUTIONS

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