

Talent

Selection

QUALITY



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AGENDA - IMPROVING TALENT SELECTION QUALITY

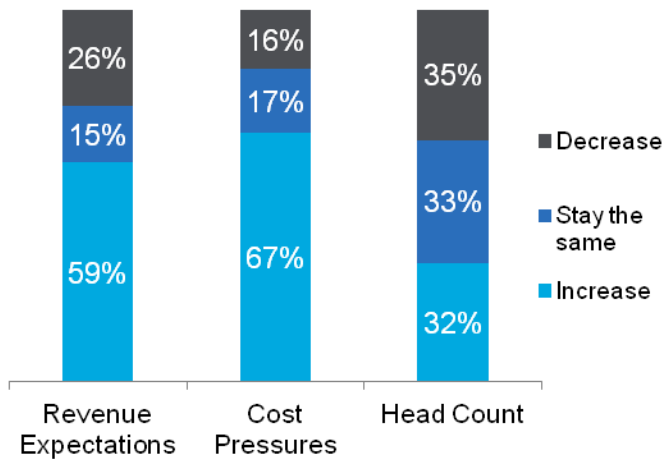
- Quality of selection – why does it matter?
- Nestle business case

Commercial Pressures Continue to Drive Talent Productivity in 2013

Business executive expectations of revenue growth pressure, cost pressure, and head count change

Q3 2012

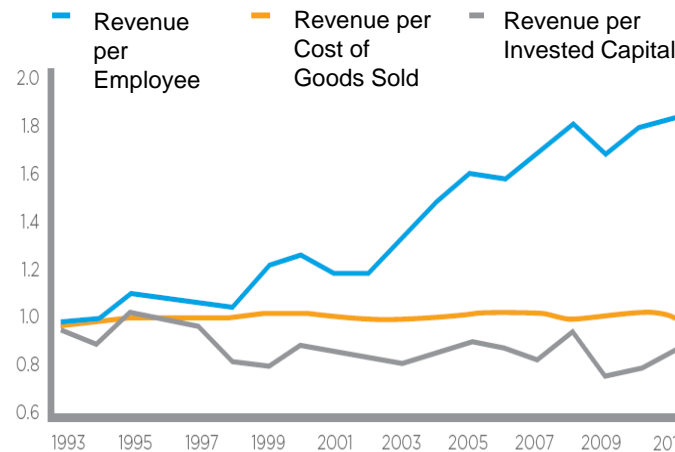
Headcount isn't growing in line with revenue expectations



Trends in key productivity measures, 1993 to present. (Indexed)

Organisations continue to drive to get more from employees

Revenue and cost pressure are not being supported with a matching increase in headcount, putting greater pressure to continue the trend of achieving higher levels of employee productivity

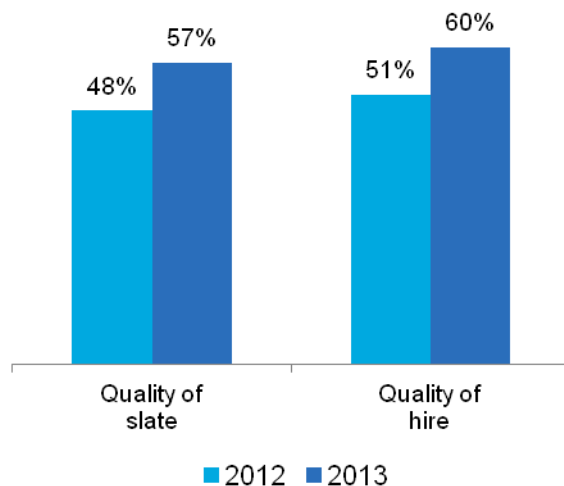


Source: CEB: Executive guidance for 2013, Breakthrough performance in the new work environment

This is Driving Increased Focus On Quality of Selection & There is Room For Improvement

Net percentage of organisations forecasting change in quality of recruited talent

2012 forecast versus 2013 forecast



The percentage of organisations forecasting higher quality exceeds the percentage forecasting lower quality.

Source: CLC, The 2013 Recruiting Forecast

Poor candidate selection impacts employee performance

New hire performance, indexed








Organizations are forecasting a growth in quality of hire. To achieve this there is a need to overcome shortcomings in current selection practices

60% of job applicants don't meet the basic requirements.

Source: CEB Recruiting, Driving to Win-Win Selection Decisions, 2009

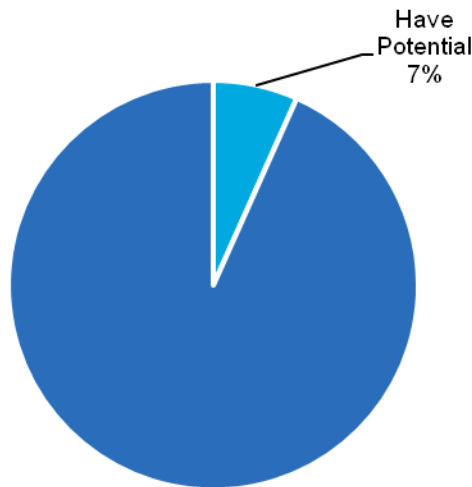
A changing work environment is altering performance drivers and talent profiles

Realities of the new work environment	Implications
 <p>Greater Interdependence</p>	<p>Employees now work with an average of 10 people to get a job done</p>
 <p>Frequent Organizational Change</p>	<p>The average employee experiences a major organizational change every seven months</p>
 <p>Greater Knowledge Intensity</p>	<p>82% of employees undertake work that requires analysis and judgment</p>
 <p>Geographically Dispersed Workforce</p>	<p>The amount of work that happens with coworkers in another geographic location has increased 57% over the past 3 years</p>
 <p>Shifting demographic profile</p>	<p>With retiring “baby boomers” and the entrance of a new generation into the workforce employee work preferences are changing</p>

Root Cause #1: Low Level of Talent & Poor Talent Radar

Few possess the requisite potential

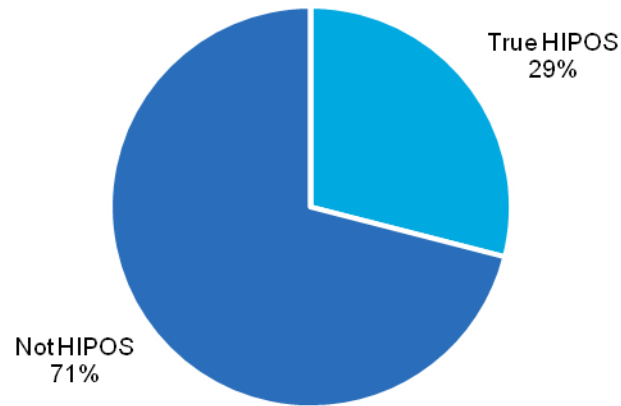
Percentage of managers and professionals globally with the potential to be top talent



Source: The CEB SHL Talent Report.2012.
Burke, E. & Glennon, R.,

Common 'HIPO' identification strategies fail

Employees identified as "high-potential" through common strategies



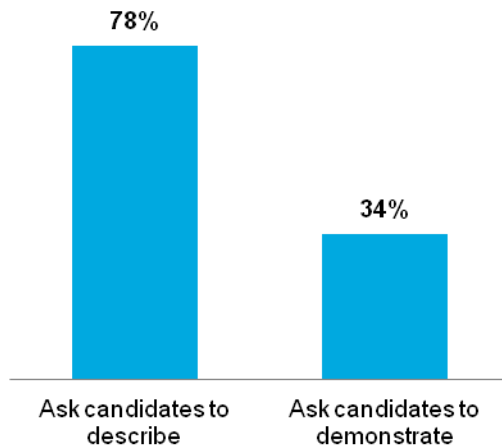
Source: CLC, HIPO Identification Diagnostic, 2008

People with the potential to be top talent are rare, and common approaches to finding them fail most of the time.

Root Cause #2: A Two-way Information Breakdown

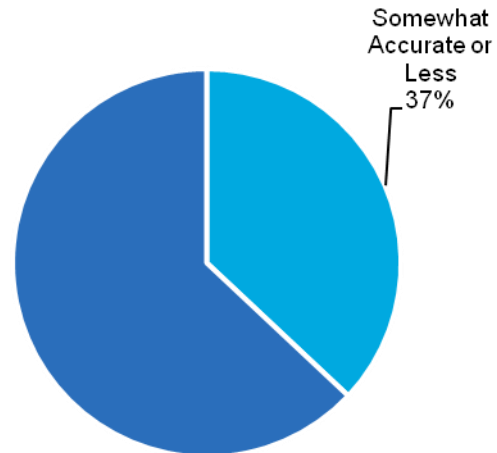
Hiring managers look for 'tell', and not 'show' evidence

Percentage of hiring managers using each method



Lack of accuracy on demands of the new role

New hire rating of the accuracy of the information provided by the organisation



Hiring managers do not acquire enough accurate information from candidates on their capability to do the job and candidate don't receive enough accurate information on what the job actually requires

Source: CEB Recruiting, Driving to Win-Win Selection Decisions, 2009

Root Cause #3: Hiring Practices Can Fall Short

Poor hiring practice, including ignoring assessment insights, is leading to poor hiring decisions

“The Pressure Cooker”

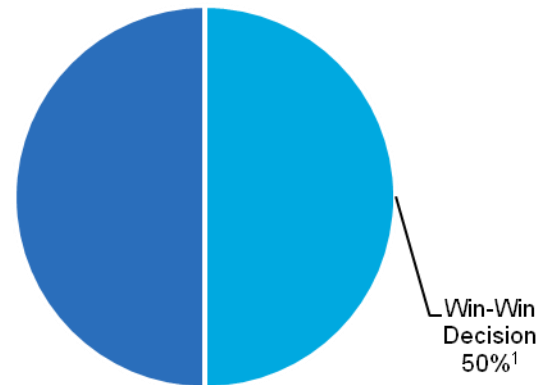
- 40% of hiring managers report seeing peers hire below-average candidates to fill a position quicker

“Deciding in a fog”

- Only 3 in 10 managers manage to obtain accurate information on the candidates skills for the job.
- Nearly 2 out of 10 hiring managers place no weight on other available data inputs (such as assessment results)

Leading to poor hiring decisions

Breakdown of Hiring Decisions by Confidence



Poor hiring practices are evident and often driven by pressure to fill roles and a low quality supply of suitable candidates. This is a contributing factor in the chances of getting a high-confidence recruiting decisions being no better than a coin flip.

¹ Win-Win Decisions are those where both the organisation and the new hire are confident the right decision was made.

Source: CLC Recruiting, Best in Class Selection strategies, 2008. Talent Selection Survey.

Source: CLC Recruiting, Driving to Win–Win Selection Decisions, 2009

What the Best Companies Do

- ✓ Manage job applications efficiently.
- ✓ Reduce the high cost of recruitment.
- ✓ Maximize productivity.
- ✓ Compare their people with those of their competitors.
- ✓ Ensure the right people are in the right places to deliver the business strategy.



CEB

SHL Talent
Measurement

Nestlé Business Case

Improve Quality of Talent selection

QUALITY OF NEW TALENT - DEFINITION



TALENT SELECTION QUALITY MEASUREMENT and STATUS 2012



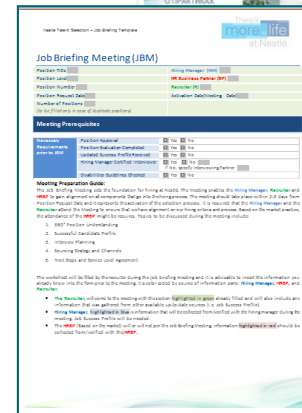
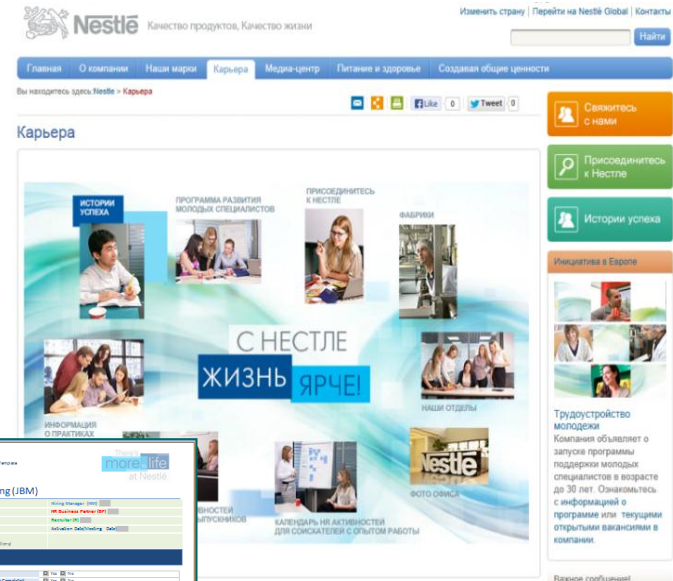
Measurement	2012
Line managers' satisfaction with the newcomer's performance	●
Expectations of the newcomer created during recruitment process meet the reality of the job	●
Newcomers' satisfaction with onboarding process (1 st week)	●
Newcomers' satisfaction with induction	●
First year turnover	●

- Line managers' survey
- Newcomers' survey
- HR data
- Exit interviews

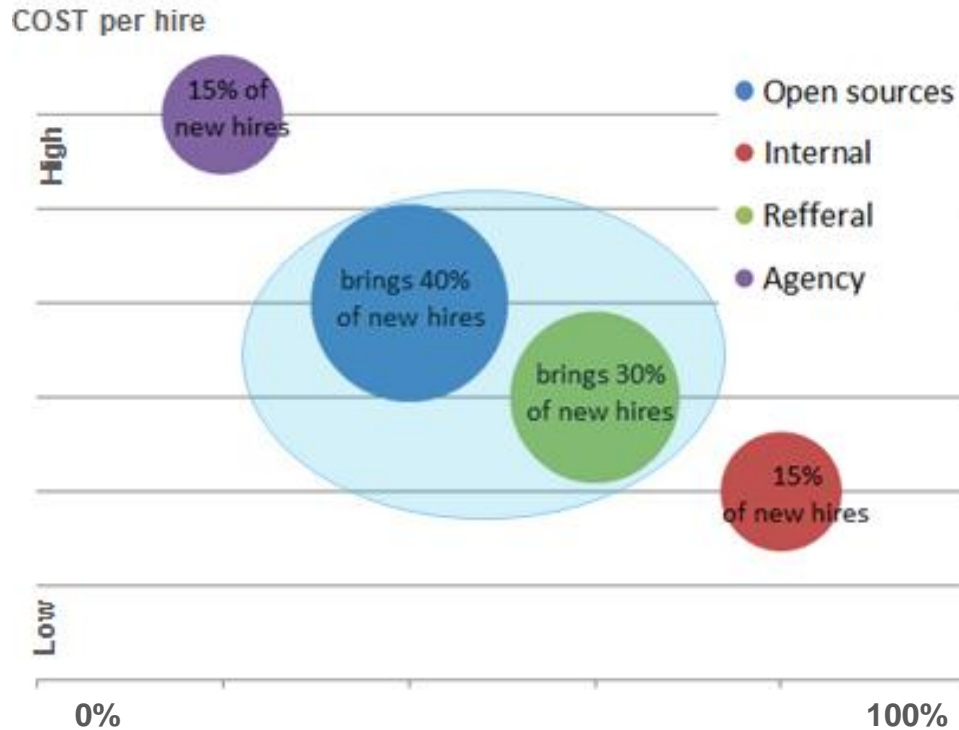
TALENT SELECTION QUALITY PROGRAM

2013 Objectives

- Increase % of quality candidates on early stages through
 - ✓ employer brand promotion
 - ✓ sourcing channels development
 - ✓ on-line Nestle tests introduction
- Ensure better ideal candidate profile understanding
 - ✓ 'kick off meeting' tool & 100% job searches with kick off
- Making sure newcomers have
 - ✓ Tools, accesses required for the job on the first day
 - ✓ Objectives for the trial period set during their 1st working week & feedback from line managers



SOURCING CHANNELS DEVELOPMENT 2013



Nb of employees who stayed with Nestle more than 1 year vs total hired thru channel

Open sources development

- Sourcing channel guide for recruiters
- LinkedIn enhancement

Referrals

- Internal communication on referral program
- Focused referral communication

ON-LINE NESTLE TESTS INTRODUCTION - PRESCREEN QUALITY AS EARLY AS POSSIBLE

More than 65 000 applications annually from
different channels



Develop a simple tool to evaluate quality of
candidates at early stages (prescreening)

NESTLE ONLINE TESTS IMPLEMENTATION

NESTLE ONLINE TESTS

Were developed and tested

100% candidates are tested before interview with **HR**

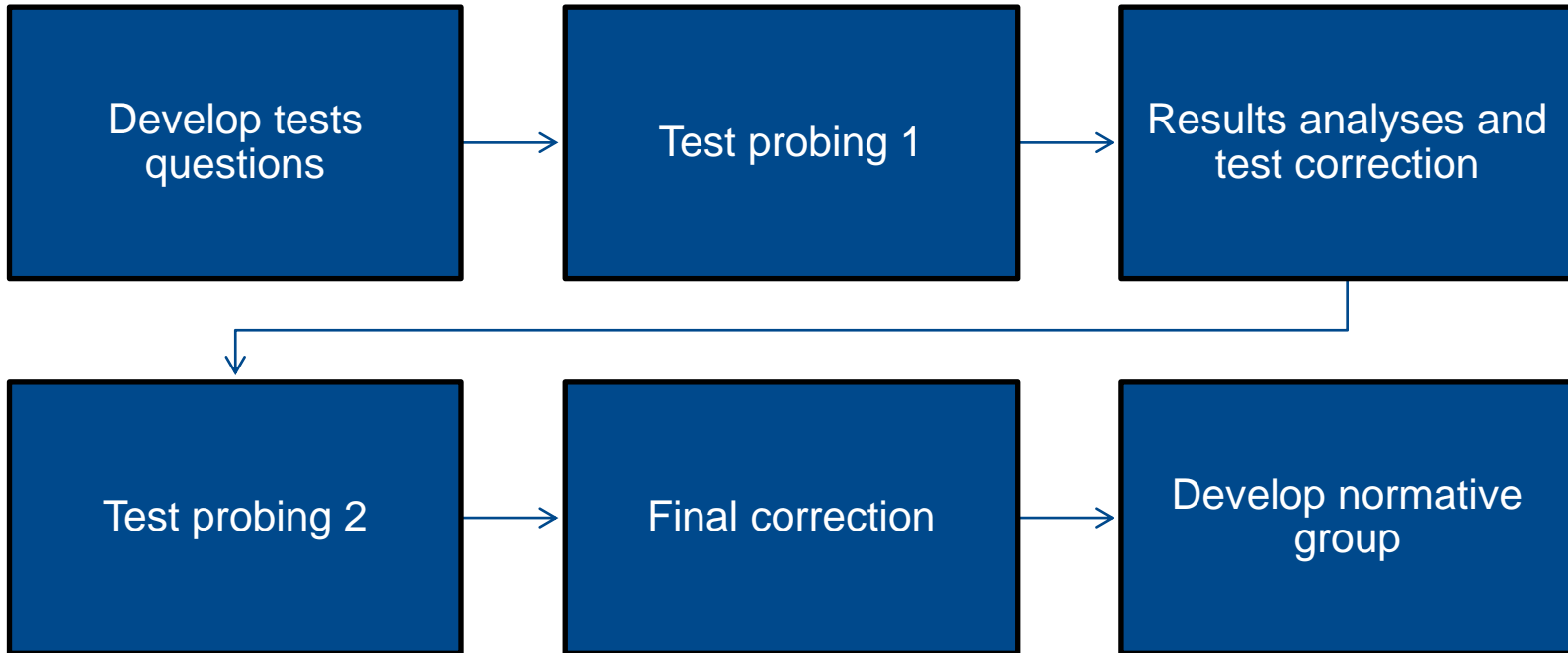
Predicts success in future role*	Way to evaluate
.63	Ability tests + Competency based interview
.51	Ability test
.51	Competency based interview
.35	Biography
.26	Recommendation
.18	Professional experience

**SHL Russia & CIS analyses*

NESTLE ON-LINE TEST

- ✓ General ability test
- ✓ for all position levels
- ✓ online
- ✓ takes 21 min
- ✓ Random 28 questions to evaluate both verbal and numerical information
- ✓ «Bank» - 96 questions (60/36)
- ✓ Is efficient at the stage of CV screening and phone interview

STEPS OF THE PROJECT



SELECTION CRITERIA

Normative group

Nb of people 101. 55% female, 45% male

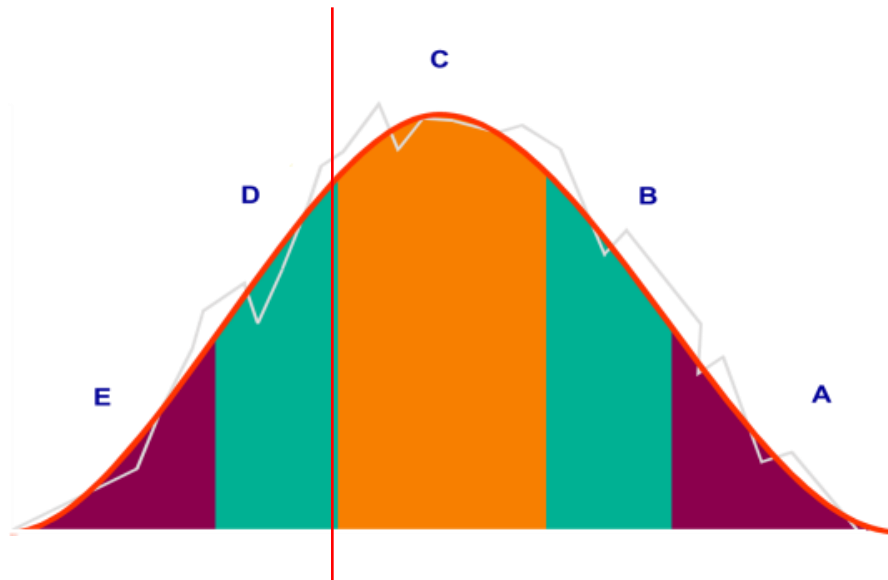
Age: 20 - 47 (average - 31)

Work experience: 0 to 10 years

Education: 99% with higher education












Different roles and position levels

30%



TALENT SELECTION QUALITY PROGRAM

2013 RESULTS

	2012	2013
Line managers' satisfaction with the newcomer's performance		
Expectations of the newcomer created during recruitment process meet the reality of the job		
Newcomers' satisfaction with onboarding process (1 st week)		
Newcomers' satisfaction with induction period		
First year turnover		  by 13%