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T A L E N T N E T W O R K

Talent Acquisition Budgets: How to get exec buy-in

How to get **exec buy-in** for talent acquisition



The right level of investment can turn your talent program into a strategic, business-impacting function and help to drive bottom-line. However, getting budget approval from your executive team for talent acquisition is rarely straight forward.

How do I build the business case to secure investment in talent acquisition?

The first step is to review your entire talent acquisition function and consider spend in three core areas:

- ✓ **people,**
- ✓ **processes,**
- ✓ **and platforms.**

As a talent leader, it's your job to understand the resource needs across the whole company.

Look at what's needed from an operational and growth perspective and base your talent strategy around this. If you put it in these terms, key stakeholders will better understand the resourcing and hiring needs – and the budget request that goes along with it. Consider a layered approach to your estimate so you can show executives that it's negotiable.

A compelling business case is critical to gain that all-important approval. We've created a toolkit with actionable insights, takeaways and workbooks to help you get sign-off.



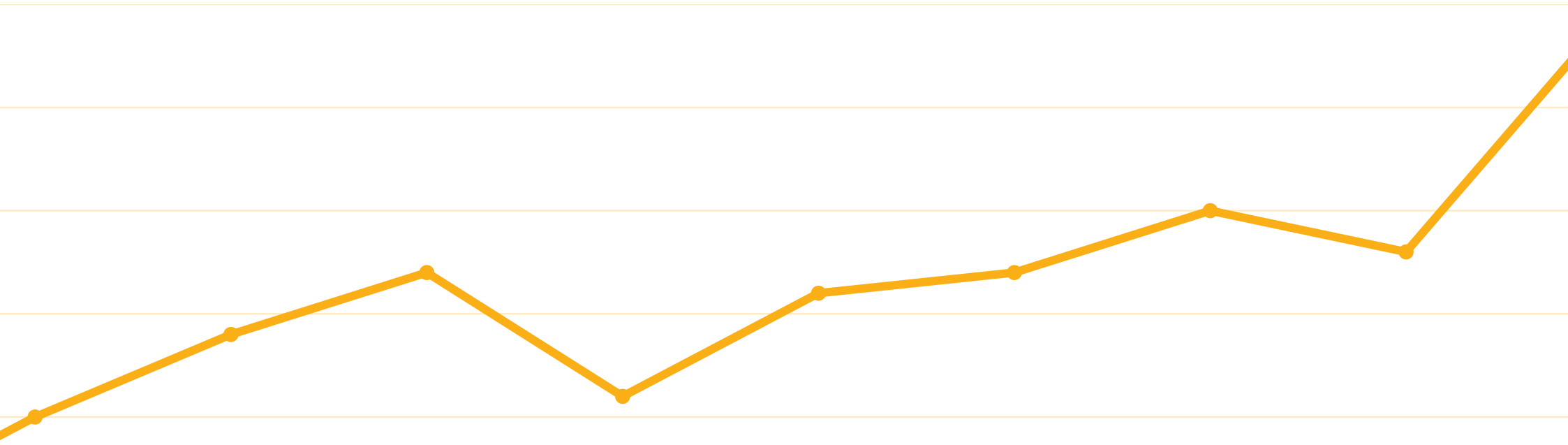
Why Is a Long-Term Approach to Talent Acquisition Critical?

In the past, during periods of uncertainty, a lot of companies made knee-jerk reactions when it came to talent acquisition. Some froze hiring completely, while others cut their talent acquisition budget in half. The reality is the ups and downs in business cycles are trending shorter than they used to be. Historically, a recession could last for a few years, but now it might be months. For example, the recession that was brought on by the COVID-19 pandemic lasted just two months in the US, according to the

National Bureau of Economic Research. It was the shortest recession on record in the country. The last recession in the UK was in 2020. It only lasted for the first two quarters of the year and this was despite the UK experiencing its biggest fall in GDP on record (20.4%) between April and June that year. However, many organizations still take drastic action when a recession takes hold – some make layoffs and then struggle with high demand when the market picks up. It sounds obvious, but if companies don't



have enough employees, it can cause dips in production, which can then contribute to supply chain issues (and this can have an impact on inflation). A measured approach, therefore, is critical when the market fluctuates again. In the event of another downturn or period of economic uncertainty, talent leaders should work closely with HR teams and the wider business to ensure there are still talent acquisition resources in place who are ready to hire when the time comes.



PEOPLE

Tailor your messaging based on audience.

When trying to secure executive buy-in for investment in talent acquisition, you'll notice each stakeholder has different concerns. Adapt your message appropriately to show your talent acquisition strategy addresses their individual top concerns.

Complete? Yes No

CEO

- maximizing growth
- increasing bottom-line
- securing top talent
- differentiating from competitors

COO

- maximizing growth
- disruption due to implementation phase
- change management

CFO

- profit margins
- lowering spend
- ROI
- impact on bottom-line

CTO

- ROI of talent acquisition tech
- integration issues
- user experience
- security implications
- implementation periods

HR

- access to talent
- data protection
- compliance
- L&D budgets

Procurement

- cost
- profit margins
- preferred supplier list status
- cost reductions



Work with key stakeholders across the business to understand their objectives and ensure the talent strategy is aligned.

Compile a list of the skillsets they'll need to hit their objectives in the short, medium and long term. Be sure these considerations are incorporated into your workforce planning strategy. Revisit and recalibrate as needs shift.

Complete? Yes No



Talent acquisition should be viewed as more than an investment — it's a revenue generator. People are your No. 1 asset, and without them, your business simply wouldn't exist.

Draw up a list of potential roadblocks in your talent acquisition strategy.

Talent leaders should be honest about any obstacles they foresee impacting the talent acquisition strategy and proposed budget. This will show stakeholders that you've taken a considered approach by thinking through all possible scenarios.

Complete? Yes No

Compare the benefits and costs associated with keeping talent acquisition in-house versus outsourcing.

If your talent function would benefit from additional resources, determine the difference in cost building it in-house versus outsourcing. You can have an informal chat with a recruitment process outsourcing provider (RPO) to get an estimate of how much it will cost to outsource talent acquisition (you can also sign an NDA if you'd prefer). If you're leaning toward outsourcing, consider an **RFP for RPO** to get a more accurate estimation as RPO providers tailor their solutions based on unique business needs.

Pro tip: Ask whether the RPO provider is expected to provide a tech stack as this could mean you can reduce your technology budget.

Complete? Yes No

Ask potential RPO providers to share case studies and/or customer references to help you build your business case.

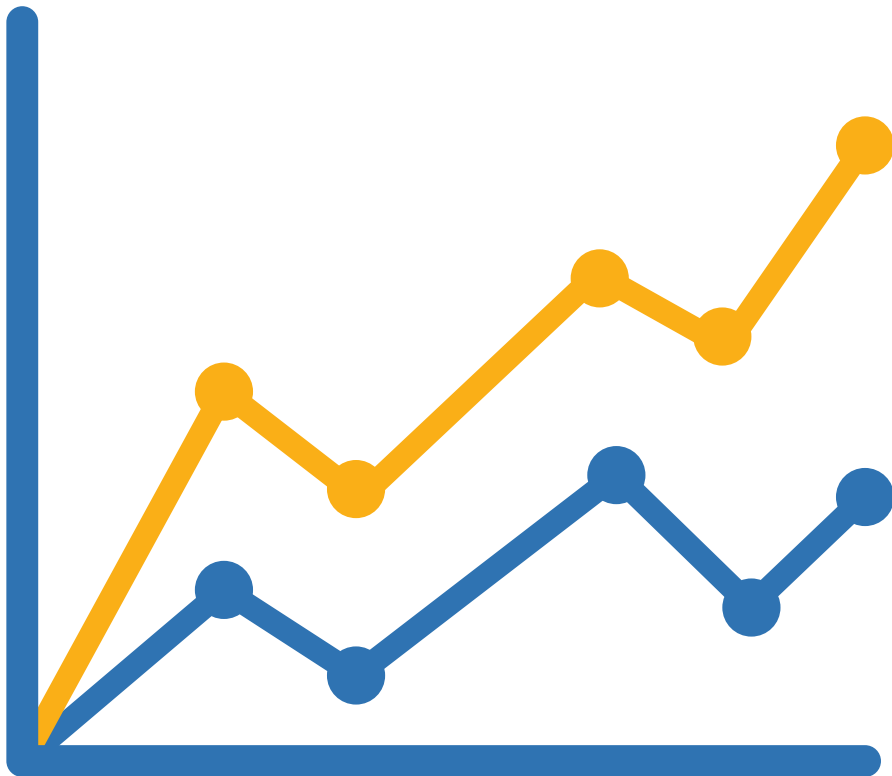
If outsourcing is an option, put the onus on the vendor to help you build a business case. Pull together key hiring data points and ask potential providers to explain how they could improve on the metrics. Key metrics and ratios to consider include application volume, time-to-offer/hire, interviews-per-hire and submits-to-hire. Once you have a projection from a talent outsourcing provider, use this within your business case and present the opportunity for change.

Complete? Yes No



What ROI Will I Get From an RPO Partnership?

While talent is not the only factor when it comes to delivering an increase in stock growth, having a high-performing RPO program in place clearly helps.



In talent acquisition, the people cost is usually the highest, followed by investment in HR technology. You may be able to lower the people cost and improve efficiencies by investing in technology and/or process improvement. If you need help with this, consider partnering **with a talent consultant** as they will be able to advise on talent acquisition tech, talent intelligence and process improvement, among other things.



PROCESSES

Show how you will continually improve talent acquisition.

You need to show execs that you are well versed in operationalizing best practices and that you'll conduct regular reviews of infrastructure and everything within it (people, processes and platforms) to continuously improve. Build a business case for change and hone in on the anticipated ROI. This will help you get executive buy-in so you can access the resources and budget needed to move forward.

Complete? Yes No

Use data in your business case to support process optimization.

Organizations may need to increase the size of their talent teams in order to fulfill demand during periods of rapid growth and additional resources may be required to meet hiring objectives. Additional investment in HR tech and talent intelligence can help organizations to expedite hiring processes. Leave room in your budget for these considerations.

Pro tip: RPO providers can scale up or down based on business needs.

Complete? Yes No



What Data Can Help Secure Exec Buy-In?

To support the business case for investment in talent acquisition, leverage data to prove success and identify points of improvement. We've listed some key metrics below that can help showcase value. Please note, there are many more metrics that can be used – you can find more information here on how to connect your HR metrics to bottom-line impact.

Key Metrics

Annual Hiring reviews

Look at what requisitions have been filled, the time taken to fill, along with the source. This will help stakeholders outside of talent acquisition understand timings for filling specific roles, along with which sources are the most effective and whether additional sources (which would typically incur additional cost) would be required.

Net Promoter Scores (NPS)

NPS are typically higher when recruiters spend time building and nurturing relationships with candidates and client partners alike. Maintaining relationships with potential candidates is essential, especially when you consider the value of talent communities, which can result in a steady supply of candidates for future open roles.

Cost Per Hire (CPH)

To demonstrate the value of talent acquisition, you should be aiming to show a reduction in CPH over time. Many organizations fail to calculate the payroll of the recruitment team, the time hiring managers take from their day to conduct interviews or the efforts of the marketing team in assisting with employment branding or recruitment marketing campaigns, so consider adding these to give a more accurate and well-rounded CPH.

How to Measure

Calculation for time to fill (TTF): Number of days between opening a job requisition and the candidate accepting the job = TTF
 Source of hire (SOH): This shows where new hires entered your pipeline. SOH is typically split into 2 categories: internal (looks at promotions & transfers) and external (direct sourcing, job boards, career fairs and social media, for example). This metric ensures budget is allocated to the channel that's most effective in attracting successful candidates.

Take the percentage of candidates who rate the experience 9 or 10 and subtract the percentage of candidates that rate the experience 0 to 6. Look at the candidate experience (NPS) for unsuccessful candidates too and keep your surveys succinct to encourage participation.

Divide the sum of your internal and external costs by the number of hires in a specific timeframe to get cost per hire. Other variables include the types of workers such as temps and interns and whether positions are filled internally. The speed of hire can also impact CPH, so there are many variables to consider when trying to determine if this is a benchmark you should use.

Include a Level of Contingency in Your Budget So You Can Be Agile and React To Changing Market Conditions.

Organizations may need to increase the size of their talent teams in order to fulfill demand during periods of rapid growth. Additional investment in HR tech and talent intelligence can help organizations to expedite hiring processes. Leaving room in your budget for these considerations is important.

Complete? Yes No

Draw Up a Priority List of What Needs Investment Immediately and What Can Wait.

Consider splitting your budget into stages - what you need to spend to achieve immediate goals, short-term goals and long-term goals. All priorities should align with overall business goals.

Complete? Yes No



PLATFORM

Review Your Technology Platforms With an Eye Toward the Biggest Impact.

Do the platforms generate more productivity, or can they provide better data visibility? Use your findings to spot the gaps in your tech stack. You can then include the platforms you're missing in your budget and detail the reasons why your talent acquisition function would benefit from them holistically.

Don't forget to consider the impact of gen-AI. Many tech providers are already utilizing it within their platforms, so you might be able to drive even more efficiencies with some of your current platforms.

Complete? Yes No

Carry out a Full Analysis of the Sourcing and Talent Acquisition Channels Being Used for Talent and Their Associated Cost.

Determine whether there are any channels that overlap and ditch the duplicate. Work out the cost of each channel and list them in order of importance and criticality to the talent function.

Complete? Yes No



Use the Workbook To Evaluate the Platforms You Use To Support Your Talent Acquisition Process.



	Market Intel	Attract	Match and Assess	Hire	Onboard	Reporting and Analytics
Objectives						
Current Tech						
Quick Wins						
Tech Wish List						
Estimate Cost						
Total Cost for Improvement:						

Does Your Tech Stack Up?

To identify opportunities and gaps within your current talent acquisition tech stack, answer the questions below:

1. What are the core objectives and goals at each stage of your end-to-end process?

2. Is this technology fit for purpose? Does it help you achieve your goals and objectives?

3. Can you optimize this platform to gain efficiencies?

4. What resources do you need to make the necessary optimizations to existing platforms? What's the timescale for implementing those changes?

5. Does the functionality of this tool overlap with any other platforms/tools you have in place?

6. What are the terms of the contract? Is there an opportunity to replace with a platform that better fits current needs and/or budget requirements?

7. Are there integrations with other technology you could add to your stack that would give you the functionality you're trying to achieve?

8. What platforms in your tech stack are utilizing generative AI and have you assessed the risks (data privacy & security, ownership, ethics & bias and ownership)? How are you managing the risks and how often are you conducting evaluations?

Ask Technology Vendors to Supply Data That Will Help You Build Your Case Before You Present It to Executives.

Ask HR tech vendors for case studies and anything else that will demonstrate ROI to the stakeholders you're trying to influence. See if they'll provide contact details for other clients so you can ask them about whether the technology is likely to meet its objectives and is worth investing in.

Share the Breakdown in Talent Technology Costs With Both the Finance and Procurement Teams To See if They Can Help To Bring the Cost Down.

Ask if they can help to lower costs from a sourcing perspective. Giving them additional visibility into your talent strategy early on may help when it comes to influencing the wider exec team further down the line as they'll be well-versed on the plan and can act as a cheerleader and help to influence other stakeholders across the company.

Use Real-Time Labor Market Intelligence and People Analytics Technology Platforms To Show Why Investment in Talent Acquisition Is So Important.

The labor market evolves at such a rapid pace that it can be hard to keep up and plan for the future. There are multiple platforms out there, such as *Claro Analytics*, that provide real-time labor data as it relates to supply and demand, compensation and passive job-seeking behavior. Being equipped with this information will enable you to make more informed (and agile) decisions about talent.

\$5.6bn

The people analytics technology (PAT) market grew to an estimated \$5.6bn (£4.4bn) in 2022, up from \$3.1bn (£2.4bn) in 2021, research from RedThread revealed. People analytics has played a crucial role for employers navigating the uncertainty of the past few years.

Determine the Role Generative AI Is Playing Within Your Tech Stack and Conduct a Risk Assessment.

Work with vendors to determine risks and ask them how they manage data privacy & security, hallucinations, ethics & bias, ownership and so on. And don't forget to review your candidate disclosures as and when your use of generative AI in the recruitment process changes.

The right level of investment can turn your talent program into a strategic, business-impacting function. Continuous improvement must be baked into all talent acquisition strategies, whether you decide to keep talent acquisition in-house or if you decide to outsource it by partnering with an **RPO provider**.

If you'd like to have a conversation about securing investment for your talent acquisition function or anything else talent related, please feel free to reach out to our expert, **Tayyab Ahsan Ali**.

Talk to our expert



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