

Generator Group 2009 Talent Acquisition Trends Survey

Consumer Products - Executive Summary of Results – 7/17/2009

While the current economic climate has brought more available talent to the marketplace, finding quality candidates continues to be a challenge. This is particularly true in traditionally hard to fill positions such as marketing, sales and product creation.

Likely due to falling gas prices and the trend toward the stabilization of housing markets in most states, relocation and commute issues have declined significantly in their impact on attracting and retaining key talent. However, limited resources and budgets have made it more difficult to offer competitive compensation when hiring.

Companies continue to place importance on quality of hire and retaining key employees, but with fewer positions to fill, cost and efficiency are less of a concern. Finally, social recruiting has been a hot media topic for the year, but respondents give mixed ratings to the current social networking tools available.

Summary of Results

The Economy

- As expected, the economy has had a significant impact on headcount in 2009.
- On a brighter note, the current economic climate has made it easier to find and attract top talent.
- When compared to 2008, relocation and commute issues have greatly declined in their impact on attracting and retaining key talent.
- Compensation has become a bigger challenge when trying to recruit top talent, but less of an issue in retaining existing employees.

Talent Management Priorities

- Quality of hire and retaining key employees continue to be significant priorities.
- Less emphasis is now placed on hiring costs and efficiency.
- The majority of respondents do not have a structured interview process and many cite this as a key challenge to recruiting top talent.
- Talent management initiatives are being driven mostly by executive leadership or the business managers, rather than Human Resources.

Talent Acquisition

- “Lack of qualified candidates” continues to be one of the top three challenges in recruiting top talent.
- However, the volume of high quality resumes at the executive and mid to senior levels has increased.
- The effectiveness of social networking as a recruiting tool is mixed, with LinkedIn gaining in popularity while Twitter and Facebook as seen as ineffective.
- The toughest industry jobs to fill still include marketing, sales and product creation positions.



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Survey Participants

The Generator Group Talent Acquisition Trends Survey is an annual analysis of talent acquisition and management trends with a focus on economic impact, talent management priorities and talent acquisition. The survey is in its third year and has collected data from fifty-four well-known consumer products brands. Data was collected via a confidential online survey tool.

The breakdown of company types includes 67% manufacturers, 22% retailers and 27% other industry firms. Individual respondents included C-level, executive and HR professionals from companies of varying sizes (\$5MM to \$1B+ in annual sales).

Industry/Product Mix includes (respondents could choose more than one category):

Accessories	35%	Hiking	13%
Apparel	31%	Mountain Biking	13%
Outdoor Recreation	26%	Action Sports	11%
Other	26%	LOHAS	11%
Consumer Packaged Goods	22%	Cycling	9%
Footwear	22%	Fashion	9%
Snowsports	20%	Surf	9%
Equipment	16%	Home and Garden	7%
Sporting Goods	16%	Skate	7%
Camping	15%	Natural Foods	6%
Fishing	13%	Team Sports	6%
Fitness	13%	Electronics	4%

Key Findings

The Economy

- 58% of companies have experienced a layoff or reduction in force over the last twelve months, with an additional 4% citing it as a future possibility.
- The current economic climate has made it easier to find and attract top talent according to 47% of companies, versus 27% of respondents in 2008.
- 64% of companies still will hire at least one net new position in 2009.
- Relocation and Commute Issues:
 - Only 35% of respondents have encountered candidates unable to relocate due to housing market issues, compared to 58% of respondents in 2008
 - Relocation was cited as one of the top three recruiting challenges by only 22% in 2009 versus 55% in 2008.
 - The number of respondents citing “commute too far” as a common reason given when a candidate turns down an offer dropped to 9% from 23% in 2008.
- Compensation has become a larger issue when attracting new talent:
 - 47% of companies cite “compensation not competitive” as one of the top three challenges in recruiting top talent, up from 38% in 2008.



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- 47% of respondents also cite “salary and bonus package too low” as a common reason given when a candidate turns down an offer, up from 33% in 2008.
- But compensation is a smaller issue when retaining existing talent:
 - Only 9% of companies say that “unsatisfied with salary” is a common reason given when employees leave the company, down significantly from 40% in 2008.

Talent Management Priorities

- Improving quality of hire and retaining key employers remain top priorities to 75% and 58% of respondents respectively.
- However, other hiring priorities have shifted dramatically. Only 38% of respondent place importance on filling positions faster, versus 73% in 2008. Reducing the cost per hire has also become less important, with 42% of respondents citing this as a priority versus 58% in 2008.
- Less than a third of respondents (31%) have a structured interview process in place at their companies, with 58% using a semi-structured process and the remainder using no structure at all.
- 29% of respondents cited an unstructured interview process as one of their top three challenges in recruiting new talent.
- The majority of respondents say that talent management initiatives, including hiring process design, are driven by executive leadership (52%), business managers (18%), with 36% citing Human Resources as the driver of these initiatives.

Talent Acquisition

- There has been an increase in volume of high quality resumes at both the executive (9% versus 5% in 2008) and mid to senior level (22% versus 15% in 2008), indicating more high quality talent may be available in the marketplace due to the current economic climate.
- While the use of social networking sites for hiring is a hot topic, respondents cite Twitter (38%) and Facebook (29%) as one of their least effective recruiting tools. LinkedIn, however, continues to grow in effectiveness, with 11% citing LinkedIn as one of their most effective recruiting tools versus 8% in 2008.
- Toughest jobs to fill include:
 - Marketing (31%)
 - Sales (31%)
 - Product creation (27%)

For more details on the 2009 Talent Acquisition Trends Survey or to obtain a full copy of the survey results, please contact Candie Fisher, Director of Client Development, at 303-664-1606 or candie@generatorgroup.net.



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