



ESG - The new frontier in talent solutions

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While rapid progress is being made by some, our Talent Solutions Power List shows there is still some way to go, but helping employers enhance and deploy good Environmental, Social and Governance (ESG) policies will improve employers' ability to find and keep the people they need and help talent solutions firms win more business.

THE TALENT SOLUTIONS POWER LIST

The Talent Solutions Power List (TSPL) has three key objectives:

- To enable employers who are considering or changing a recruitment outsourcing provider to make an informed decision based on their own specific needs.
- To help recruitment outsourcing providers to clearly demonstrate their expertise in relevant areas based on an independent, rigorous evaluation.
- To provide confidential feedback to providers on ways in which they can finely tune the services they offer to respond effectively to customer needs and market trends.

THE FIVE KEY PRINCIPLES TO A MEANINGFUL ESG STRATEGY

The TSPL scores outsourcing provider's ESG strategies against nine criteria.

However, the highest-ranking subscribers outscored entrants in the following five areas:

- Setting a clear vision and purpose for their ESG strategy.
- Creating SMART goals and means to frequently track progress.
- Understanding how ESG initiatives help themselves and their clients win business.
- Ability to identify limitations of initiatives and demonstrate steps for improvement.
- Awareness of competitor's strategies and success.

We are calling these the five key principles.

The difference between good ESG practices and great ESG practices, are those which are part of a broader strategy explaining why such practices are beneficial for you and your clients' businesses.



Ken Brotherston Chief Executive TALINT Partners

BUT WHY DOES ESG MATTER?

Research from ManpowerGroup, Talent Solutions, the highest-ranking provider in the category, demonstrates that in the era of talent shortages, high ethical standards are a key differentiator for clients and candidates alike.

"ESG is important to many of our clients and shared values matter to candidates too – people want to work for organisations that act as global citizens, pillars of the community, and environmental stewards.

As part of ManpowerGroup, Talent Solutions our "Working to Change the World Plan" is about collectively caring for People and Planet with new awareness and urgency: advancing towards net zero with validated science-based emission reduction targets, accelerating social justice to address inequities, and reskilling and upskilling at scale to ensure that everyone can be part of future growth and prosperity."

Marceline Beijer, Vice president, ManpowerGroup, Talent Solutions

However, this is not the only way a solid ESG strategy may win you and your clients' business. Good ESG also creates sustainable, resilient businesses, capable of adapting to shocks such as those we all endured as a result of the Pandemic.

ESG BEST PRACTICES

Findings from the Power List demonstrate no single initiative guarantees great ESG. However, below are examples from this year's Power List top scorers, demonstrating how both small- and large-scale initiatives can fit the five key principles to a meaningful ESG strategy.



PageGroup, one of the Power List's top scorers, demonstrate below how they meet each key marker for a great ESG strategy.

- 1. Vision and Purpose: 'Our purpose is to change people's lives through creating opportunity to reach potential'.
- 2. Smart Goals and Tracking: 'To become carbon net zero with the ambition of becoming carbon positive by 2026'. This was measured through greenhouse gas data reported through their annual disclosure within their annual report.

Demonstrated -18% on reported CO2 emissions and 100% of reported CO2 emissions offset.

- 3. Win Business: 'Climate change severe weather events, extreme temperatures, water shortages and other environmental concerns are impacting people's ability to live and work safely. In 2019, it was estimated that 1.2 billion jobs 40% of all employment were dependent on a healthy environment.'
- 4. Limitations: In a separate area of ESG, acknowledged that their policy of promoting from within meant it was taking longer for gender-positive initiatives to impact the top of the organisation. Therefore, they set up an internal initiative designed to hire, retain and promote female talent.

Subscribers provided a range of inspirational and impactful ESG initiatives. Environmentally beneficial schemes included carbon off-setting schemes such as purchasing carbon removal credits or moving regional offices onto renewable energy tariffs. High scorers demonstrated effective measuring and tracking of goals through membership of the UN Global Compact.

Common social initiatives included local workshops to better prepare disadvantaged young people for the job market or supporting women who had

taken over two years out of work to return to meaningful employment.

Demonstrating engagement at all levels is critical when it comes to good governance. While Executive Oversight Committees were commonplace among TSPL subscribers, those who used both stakeholder and employee input demonstrated a more meaningful ESG strategy.

Active engagement through hotlines, reporting and training on codes of conduct, cyber security and other key ethical practices led to a more effective ESG strategy by increasing employee buy-in to their ESG strategy.

Hays Talent Solutions, the second top ranking company in this category, demonstrated a comprehensive range of ways in which they support and drive their ESG practices.

"Our passion for people goes beyond recruitment and HR services, championing various local and global charities that are important to our communities, clients and employees. Recently, this has seen us strengthen our links with charities such as 'End Youth Homelessness', build Social Value Charters in partnership with valued clients to improve the employability of underutilised or overlooked talent and launch the 'Trees for Cities' campaign.

ESG is now a key driver of a company's purpose, strategy and employer value proposition. As ESG evolves in the post-pandemic world of work, we would anticipate sustainability to be at the core of many initiatives, reflecting global concerns such as biodiversity, pollution and energy consumption."

Elisabetta Bayliss, Managing Director UK&I, Hays Talent Solutions

"In today's market, to be an employer of choice, we have to share our goals and targets within the ESG arena and ensure we communicate regularly about progress.

Talent Solutions providers are clients' brand ambassadors so capturing their ESG focus as part of their wider EVP is key. The focus on all things linked to ESG throughout the complete end to end supply chain will become the norm. One result of this is we are now seeing roles that simply didn't exist a number of years ago,"

Oliver Harris, Chief Executive, Page Outsourcing

THE POWER LIST AND FUTURE OF ESG PRACTICES

Overall, significant and rapid progress is being made by a number of Talent Solutions firms in ESG policies and practices. Not surprisingly, publicly listed companies are at the forefront of this progress. However, there are common areas for improvement.

With the exception of D&I related activity, entrants struggled to demonstrate how they improved ESG strategies for their clients and how this helped them win business. This is an important area of opportunity. When developing a ESG strategy, clear division between initiatives developed internally and those tailored to client's requirements should be clear.

There is also an opportunity for Talent Solution providers to demonstrate how they can enable their clients' to be more responsible employers. There is no doubt that this will become an ever more important issue for employers in the coming years.

ABOUT TALINT PARTNERS

TALiNT Partners is a business intelligence company offering employers and vendors a strategic advantage by creating programmes that deliver best-practice insights, awards and recognition, practical solutions, unique benchmarking capability, trusted expert networks and curated peer-to-peer learning.

Our Employer Programme helps the world's leading and most agile organisations to make better strategic decisions and optimise method and technology to achieve their talent objectives.

Our Vendor Programme enables suppliers across the talent ecosystem to design and deliver best in class solutions and differentiate their brand to the most targeted audiences.

Our Employer Benchmark Programme enables HR and TA leaders to conduct an annual 'health check' of their TA functions and has been used by hundreds of employers to benchmark their own capability and identify areas for improvement.

Likewise, our TIARA Awards campaigns are based around a thorough process to identify the best work delivered by staffing, outsourcing and technology providers across the talent ecosystem and have become the largest global programme in the sector.





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