

Peer Regression Analysis  
By: Shally Steckerl, Microsoft

Recruiting for high impact roles, both senior and individual contributor levels, in markets where there is already distress about the shrinking talent supply is only going to become more difficult as our economy strengthens. While it's well known that there is a diminishing supply of talent in many industries, effects like the "brain drain," retiring Baby Boomers, and professional disciplines suffering from declining collegiate enrollments, will only aggravate the problem. Successful organizations will need to devise and implement forward thinking plans not only to counteract the effect, but also to gain a competitive advantage.

One such strategy is Peer Regression Analysis. PRA methodology is highly effective in recruiting for roles where reaching passive candidates is key, and finding new or previously untapped talent pools is critical. PRA begins with top performers and industry luminaries, or well-known figures. Sometimes the starting point is a top candidate that "got away" or a recent high impact hire. Sometimes it is internal employees, sometimes just really good people who we haven't yet been able to recruit. This "ideal candidate" can form the starting point where we begin our regression. Borrowing loosely from economic regression, peer regression is about tracking down and isolating influences. We search for connections or clues pointing to a luminary figure until we find the point in time where they either became prominent or were recognized as such. Then we look for people who they influenced, inspired, motivated, coached or who in turn influenced them. This is the part of the analysis where we try to isolate the affecters or influences. Typically, this reveals people, who would be strong hires but are not very visible, leaving little trace and therefore not usually contacted by mainstream recruiters.

We also look at people who turned us down in the past, or who interviewed, but were not selected for that role at that particular time. They may be a much stronger candidate now for a particular position, or they may be a better fit for a different position better aligned with their experience. Interviews and offers fall apart for many reasons. Occasionally we reach out to ex-employees, although in that instance, strict rules must be followed to comply with company policies. For example, right now we are reviewing a strategy for ex-contractors who left more than a year ago, are eligible for hire, and fit our core profiles today. Yet another example is identifying people who worked on a specific product, project, or team in the past and have the appropriate expertise to drive current company initiatives. If those individuals were key players at the time, chances are that wherever they are today, they are of equal or increased influence. Identifying their current location often leads to new talent pools or other previously untapped sources of leads. Sometimes these individuals come from rapidly emerging, but still relatively unknown companies. By reaching that talent first, it enables us to gain an edge over competitors fighting for similar talent from much more visible sources.

This is revolutionary because through peer regression we gain entry into the comparatively unexploited talent markets. Most of the research is conducted using numerous Internet methodologies, but some is done via ethical telephone elicitation that adheres to the SCIP.org code. Chief among our methods are search engine queries and tactics that take full advantage of field commands used in the design of the database and syntax they offer. We also use online databases, social networking tools, etc. Overall, we track about 230 different sources of information and discover new ones every day. We don't always find exactly who influenced whom, but we can make respectable educated guesses. For example, sometimes we find a specific professor who taught a class and ten of the students in that class ended up being very influential in their industry. Call it timing, or good preparation, but regardless of the reasons, for the connection between those successful people, the clue is hard to ignore. Sometimes the best we can do is look at who their colleagues were at the time and that's good enough. Luminaries aren't always well defined. What we are looking for is someone who did something innovative that changed or greatly affected the industry, broke a paradigm or created a new market.

It's not all "blue skies and roses". There are many challenges with this type of search. It is time consuming, delicate work with no guaranteed results. Organizations need to be prepared to invest time and resources into tapping this hidden supply of talent, but most companies today remain skeptical about the cost-to-benefit ratio. As the talent market continues to shrink, however, this methodology will gain acceptance. Another major source of frustration, even if an organization does recognize the value of investing in peer regression analysis, is that not all recruiters or hiring managers know how to handle or what to do with a truly passive candidate generated this way. Hiring managers must be educated on how to approach, handle, sell and romance such candidates. A strong process and communication plan needs to be in place to support such strategic efforts to ensure maximum traction and results. Leveraging existing employees and leadership is critical, but more importantly, no single department should be entirely responsible for this process. A culture and environment must be created in which this process naturally flows from the business to research teams and back again. Instead of reacting to projects as the need arises, this process must be a constant building of proactive pipelines of passive candidates. Without support from the business, knowing how to handle these candidates, and keeping the pipeline growing, the handful of candidates produced will "wither on the vine".

This strategy becomes world class and revolutionary because it ties into headcount planning and forecasting. Operating on "instant demand" projects is nearsighted and limiting. The further into the future an organization can implement this process, the more revolutionary it becomes. Not only should staffing leadership work closely with business units on what investments or big bets are being made affecting the future direction of the organization, products, solutions or other offerings, but it should be done one year in advance. Additionally, a PRA talent acquisition strategy must be aligned with those long-term business goals. Imagine an organization capable of developing pipelines encompassing the top one percent of talent well into the next five years of forecasted investments and career direction? Recruiting would no longer be limited to "who you can bring us today," but instead "who you can bring us tomorrow, that will have a sizeable impact on our long-term strategy." Top global companies sometimes think this way at the most senior level, but visionaries don't just come in C and V sizes. They can start early with the company as individual contributors, team leaders, managers or directors, and grow into roles where they make big waves. What if instead of an occasional accident, this was a planned strategy?

## BIO

Shally Steckerl is a talent acquisition strategist, speaker, and recruitment consultant originally from Colombia, South America, now residing in Atlanta, Georgia. Mr. Steckerl currently manages the Research arm of Microsoft's Core Technical Central Sourcing team. He has consulted with leading organizations such as Google, Coca-Cola Enterprises, Cisco Systems, and Motorola where he has been instrumental in architecting and implementing centralized recruitment. Because of his passion for the Internet as a recruitment tool and his continually innovative methods, Mr. Steckerl has developed a reputation as an authority in Internet search, and a pioneer in recruitment intelligence. These extremely effective methods reduce the time to find qualified candidates for positions of all levels in every industry. An accomplished consultant and trainer, Mr. Steckerl is a frequent contributor to many industry forums and founder of JobMachine.net. He has a B.S. in International Business and Management with a focus on Information Technology from well-respected Rochester Institute of Technology. He is the 2005 Recruiting.com Winner of the Best Recruiting Research Blog Award for his blog, Cybersleuthing.