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Rethinking Recruiting: Modernizing the Way We Hire

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Introduction

Attracting and hiring top talent are key strategic concerns in today's workplaces. Despite continuing high unemployment in the post-recession economy, 58 percent of companies in a recent study cited difficulty in recruiting skilled staff as their top problem.¹ Even as many people seek work, locating the best person for the job just isn't easy.

Effective, efficient talent acquisition relies on a combination of technology and business processes that historically have varied little from company to company, or industry to industry.² As the economy revives and organizations resume hiring, they must reexamine their processes for sourcing and screening candidates to ensure they are efficient, effective, and optimal for the business and current market forces. Many companies will realize their pre-recession hiring practices and tools aren't up to the task.

This Bersin & Associates bulletin looks at the challenges facing today's recruiters and the advantages of integrating social networking technologies into internal practices. We will also discuss the value of integrating talent acquisition strategies and systems into the strategies and systems used in performance management and

¹ 2010 Global RPO Report. Kelly Outsourcing and Consulting Group. http://www.kellyocg.com/res/content/global/hrf/en/docs/2010_global_rpo_report.pdf 2010. Page 8.

² The Global RPO Report cited above reports that 65 percent of HR organizations have five or fewer staff members, with more than a third spending less than 10 percent of their work time on recruiting.

other components of talent management throughout the employment lifespan.

The Challenge at Hand

First-generation applicant tracking systems primarily automated the manual processes used for hiring in the past: the posting of jobs (although switching from classified ads to job boards), résumé and interview management, and the ranking of candidates. While many systems later added features that helped with onboarding and metrics, recruiting remained mostly a standalone activity that was not integrated with performance management, workforce planning or other areas of overall talent management. It started with a job posting and ended with a hire letter.

Many of those first-generation products, once seen as innovative in the marketplace, are now viewed as tedious, laborious, and overly limited in their ability to help companies find and attract top talent. Also, at a time when recruiters are actively using social media in their searches and postings, hiring management programs that rely on yesterday's technology fail to capture candidate information readily available through social networking sites and integrate it with other information companies gather about candidates.

Recent Bersin & Associates research on customer satisfaction with talent acquisition technology shows clear room for improvement. The solution providers most likely to achieve customer satisfaction offer streamlined ways both to keep tabs on the growing volume of potential applicants and to gauge the suitability of individual applicants. Our research participants were not completely satisfied with the talent acquisition functionality that today's providers offer. They sought features that providers are working toward building or acquiring, but do not yet have, such as social recruiting software and video interviewing capabilities. Talent acquisition modules earned the lowest satisfaction ratings of all those related to talent management.³

³ For more information, *Talent Management Systems Customer Satisfaction 2011: A Comprehensive Study of Customer Experience with Talent Management Systems*, Bersin & Associates / Barb Arth, December 2010. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/tmscustsat.

An Overlooked Opportunity to Build the Employment Brand

The concept of the “employment brand” is very familiar to recruiters and hiring professionals. They strive to attract the right applicants with strong, clear messages about a company’s culture – what the company values and what it’s like to work there. What these professionals often forget is that careful communication of the employment brand should continue when recruitment targets become job applicants. The application process itself can reinforce the image a company wants to project, or it can drive desirable prospects away.

Often, a job seeker’s first contact with an organization comes via a corporate hiring management system. For example, as job seekers move from a LinkedIn or Monster posting directly to a company’s job site, that site shapes early impressions. Unfortunately, it is at this juncture – as potential applicants sit with online applications in front of them – that the company’s employment brand is frequently sullied.

Companies that place job applications online do so in part to save recruiters’ time. What they sometimes forget to consider is the applicants’ time. Online applications that are too long, too tedious or too cumbersome can drive away applicants with a low tolerance for poorly designed processes. Many applicants fail to follow through on online applications because of the unnecessary difficulty of the process, or the failure of the software application to work as anticipated. For example, attempts to parse a personally tailored résumé into pieces that fit into a standardized profile often fall short, leaving job seekers with the task of fixing erroneously placed data. That can lead applicants to give up in disgust, abandoning the application process.

It is often the most talented and tech-savvy who have the least patience with laborious online application forms. Thus, an unwieldy application process can actually discourage the exact talent your company will need for its future.

Designing Processes That Communicate Corporate Values and Culture

Efficiency is an important consideration in the design of an application process, but innovative process designers are thinking about more than the forms that applicants will fill out. They're using the entire application experience to emphasize the values they want future employees to embody. Smart companies are looking at new ways to source, screen and hire recruits, often focusing on cultural fit more than the historical data dredged out of résumés.

Zappos.com's job site, for example, advises visitors,

"Please check out the Zappos Family's 10 Core Values before applying! They are the heart and soul of our culture and central to how we do business. If you are 'fun and a little weird' – and think the other 9 Core Values fit you too – please take a look at our openings, find the one or two that best fit your skills, experience and interest!"

The message continues,

"Oh, and one more thing! Cover letters are sooooo old-fashioned, don't you think? Show us who you are with a cover letter VIDEO! You will be able to upload one when applying for a position."

This tone helps to portray the culture and brand upfront and to convey a desire to use innovative technical approaches in screening applicants.

In another example, Harrah's Entertainment Inc. used an interesting approach to attracting applicants as it prepared to open a new casino. Harrah's wanted to find dealers who projected energy and enthusiasm. Rather than using traditional recruiting channels, the company held group "auditions" – similar to TV's "American Idol" – and selected finalists who best fit with Harrah's brand.⁴

⁴ "Building Excitement on Opening Day: A Case Study on New Employee Engagement at Harrah's Entertainment." By Brian Baker and Brad Warga. Aon Hewitt. 2010.

 ANALYSIS

During the recession, managers often thought that “employees were just lucky to have a job.”⁵ Now, in the beginning of an upturn, too many managers still feel that the candidates need the job more than the company needs the candidate. The result is often the beginning of a negative experience for the candidate, one that will affect his or her future view of the company.

Getting to the Source: Active and Passive Candidates

One of the most noteworthy changes in the recruitment environment in recent years has been the shift from reliance on job boards toward increasing use of social media, particularly career networking sites. In the years leading to and during the recession, job board use decreased markedly – partly because companies had fewer jobs to advertise and partly because they didn’t want to pay to post those jobs. At the same time, the use of networking sites, such as LinkedIn, grew.

Job boards are essentially just online lists of classified ads. Companies tend to use them only if they’re actively looking to fill particular positions, and individuals tend to use them only if they’re actively seeking a new job. Networking sites attract those sorts of users, as well, but they also attract another set of potential employees: passive job candidates. These individuals aren’t actively seeking new jobs, but are perhaps open to new opportunities.

Regardless of their job status, individuals use networking sites to connect with people and organizations based on common interests, constantly adding contacts who broaden their access to career-building information and, by extension, boosting their value in the marketplace. And companies use the sites to gain unprecedented, real-time access to high-value, career-minded individuals. Thirty-five percent of employers today use social media to promote their companies, and 21 percent use it to recruit, according to a 2010 study by CareerBuilder.⁶

Other research sources have reported findings that also document the growing importance of social media. A recent Jobvite survey found that 46 percent of recruiters intend to boost their use of social recruiting, while 36 percent intend to reduce time spent on job boards.⁷ The

⁵ The Great Recession from the Employer Perspective: The Workforce and the Future of Work. Monster and the Human Capital Institute. August 2009.

⁶ More Than One-Third of Employers Use Social Media to Promote Their Organizations, Finds New CareerBuilder Study. August 18, 2010. <http://www.careerbuilder.com/share/aboutus/pressreleasesdetail.aspx?id=pr583&sd=8%2f18%2f2010&ed=12%2f31%2f2010>.

⁷ Source: <http://recruiting.jobvite.com/news/press-releases/pr/jobvite-social-recruiting-survey-2010.php>.

recruiting intelligence group www.ere.net reports that LinkedIn is driving the most job-related traffic (47 percent) to corporate career sites, followed by Facebook (30 percent) and Twitter (16 percent).⁸

Following are some of the benefits that social networking brings specifically to the sourcing and recruiting process:

- **A meaningful way to engage passive candidates.** These currently employed or self-employed people might consider a move if the position were right, but are not actively applying for new jobs.
- **An easy way to make a company known to potential candidates.** LinkedIn, for instance, allows companies to post descriptions and other information about their business and products. These descriptions may be a first introduction to companies for some potential candidates, so it is important to ensure the content is both compelling and current.
- **An easy source of information that candidates can share among themselves.** Networking sites make it possible for employees and others to send open position information rapidly to friends and colleagues through their network connections.
- **Ability to see posted references.** While clearly the profile owner can select which references to post, those that are there do give recruiters contact and workplace names.
- **An early warning system for red flags about a potential candidate.** A simple online search for mentions of a potential candidate's name may turn up connections with drugs or other associations that would make him or her less than desirable in the position to be filled.
- **Access to friends and colleagues who may know the potential applicant.** Recruiters can see others who know the person in question and often talk directly to someone with firsthand exposure to the potential candidate before making contact.

⁸ Source: Social Media Recruiting, by the Numbers. Todd Raphael ere.net. September 13, 2010. <http://www.ere.net/2010/09/13/social-media-recruiting-by-the-numbers/>.



KEY POINT

Jobvite, in its third annual survey on social recruiting, found 83 percent of employers who responded use or plan to start using social networks for recruiting this year. LinkedIn (78 percent), Facebook (55 percent) and Twitter (45 percent) are the most popular social recruiting channels, while MySpace is used by just five percent of respondents.¹⁰

- **Ease in developing rapid referrals and disseminating new opportunities.** Requesting viral employee referrals and targeting people across the popular social networks to alert them to an opening in your company can occur almost instantly.

It takes a different set of skills, tools and processes for recruiters to fish this wider sea of potential recruits, and smart companies recognize that development in this area is essential. As reliance on networking sites grows, companies want technology solutions that can help. According to research by Bersin & Associates, about 41 percent of companies view social networking features as a must-have for talent acquisition systems.⁹

Companies are looking at talent acquisition solutions that use innovative technology and that integrate with their overall talent management systems. In addition, Bersin & Associates sees a need for solutions to include the capability to identify internal and external candidates, providing recruiters and hiring managers with a more complete view of the pool of qualified candidates. This is one reason for the growth in integrated talent management systems that cover individuals' entire employment lifespan, including jobs held within the company, and performance and compensation in those positions.

Considerations in the Use of Social Networking in Hiring

While the advantages of social networking predominate, recruiters should take note of potential pitfalls in using social networks to find candidates. For example, many profiles include pictures, and that can make it harder to view each candidate's qualifications objectively. Recruiters might subconsciously include or exclude individuals on the basis of weight, age, color, ethnicity or other superficial factors. Thus, social networking may either help or hinder a company's diversity goals.

⁹ For more information, *Talent Acquisition Systems 2010: Facts, Practical Analysis, Trends and Provider Profiles*, Bersin & Associates / Madeline Laurano, September 2009. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/tas.

¹⁰ Source: <http://recruiting.jobvite.com/news/press-releases/pr/jobvite-social-recruiting-survey-2010.php>.



For this reason, it is important to use social media in conjunction with prudent company and HR department guidelines.

In addition, organizations lose a certain amount of control when they rely on networks they do not own. More and more recruiting technologies depend on social networks as both a source of applicants and as a means of communicating with those potential applicants. Should Google, LinkedIn, or Facebook decide to change the way they let headhunters, recruiters, solution providers, and others access their networks, they could deal a serious blow to employers that have come to rely on them. Companies need to remember that risk.¹¹

The Move toward Strategic Workforce Planning

To create hiring plans, business leaders must know whether they have the right people, with the right skills, appropriately deployed and at the right cost to meet both near-term and longer-term business demands. Companies need to be able to answer the following critical questions: Which jobs, roles and skills are most critical to organizational success, and what related gaps exist today? What gaps might exist down the road given different business assumptions about talent supply and demand. Which jobs offer ideal preparation for critical roles later – and what is the average time it takes for an employee to be ready to move up? Which segments of the workforce are most likely to leave the organization? What new skill sets do employees need to support new business strategies or directions?

Companies' means of answering such questions are evolving. Top-tier organizations are forming committees to forecast their future workforce requirements, to identify potential gaps and to develop steps for closing those gaps. Sophisticated hiring management systems enable managers and recruiters to begin to quantify potential gaps by projecting and analyzing the external supply of talent over time.

Bersin & Associates encourages companies to develop the ability to incorporate supply and demand modeling and "what if" scenario

¹¹ Source: Elevating the Platform: Recruiting tools have evolved significantly, but a bevy of challenges await solutions. Dr. Katherine Jones and Brian Sommer. HRO Today. July / August 2010.

planning into their long-term workforce planning strategies. Hiring management solutions that include these capabilities will provide a differentiator that can help to ensure a company can meet its future workforce needs without disruptive surprises, such as an unexpected lack of available talent. Many organizations struggle when they undertake this sort of planning, manually building spreadsheets that pull together a wide array of internal and external information. Tools created specifically for strategic workforce planning can make it much simpler.

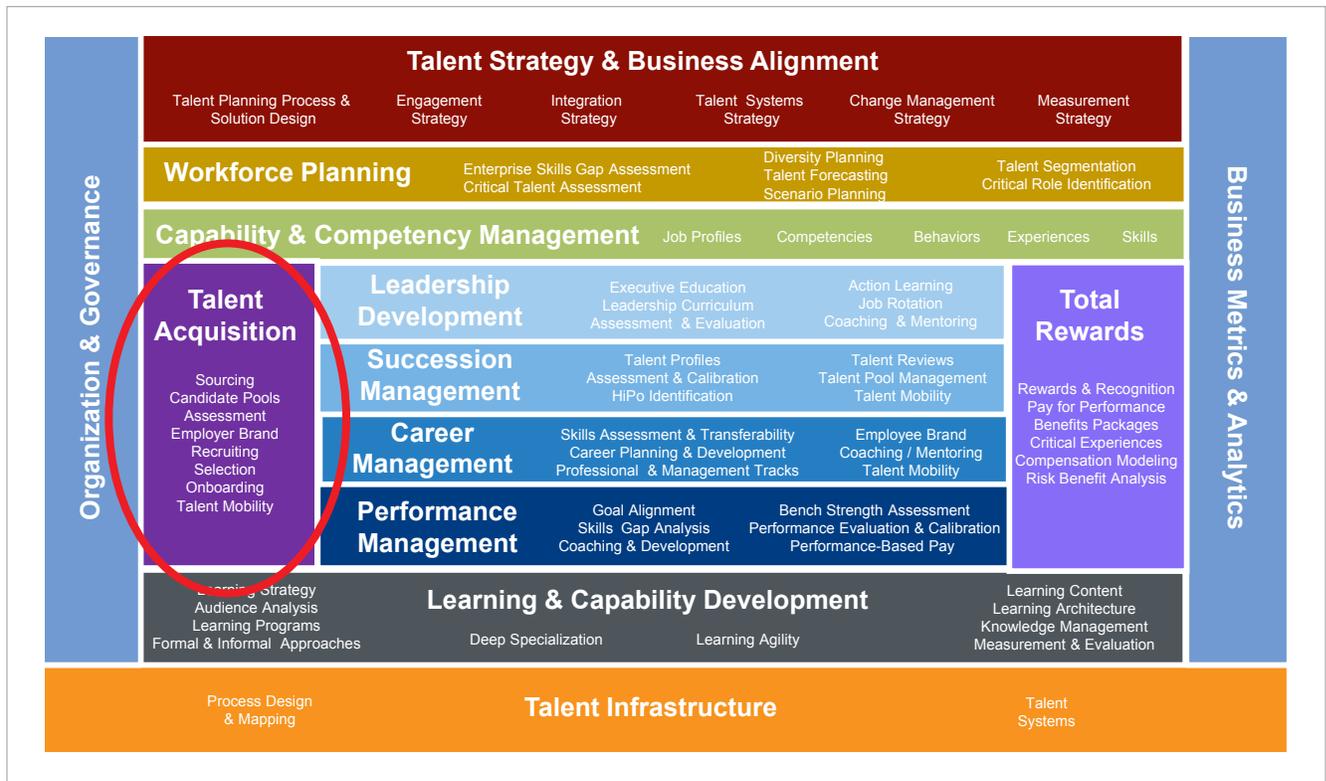
From Hiring Management to Talent Management

The best of today's hiring management applications have evolved to become part of technology suites that cover the entire employment lifespan. Platforms that integrate talent acquisition applications with others, such as those that focus on performance management and succession planning, provide an integrated view of talent management processes and how they affects each employee.

Increasingly, HR professionals view talent acquisition as an integral component of overall talent management strategies. Bersin & Associates' talent management framework, shown in Figure 1, offers a way to visualize all of the elements of talent management and how interrelated they are.¹²

¹² For more information, *The Talent Management Framework: A Modern Approach for Developing and Mobilizing Talent*, Bersin & Associates / Josh Bersin, Stacey Harris, Kim Lamoureux, Madeline Laurano and David Mallon, May 2010. Available to research members at www.bersin.com/library.

Figure 1: Bersin & Associates Talent Management Framework®



Source: Bersin & Associates, 2010.

Integration among the technology system modules or separate applications that handle different aspects of talent management is critical. In many businesses, the wealth of data gathered about an employee at the time of hire is wasted. Implementing integrated management of talent data can end that waste.

Technical Aspects of Integration

A key step toward integration is the creation of a common data model for employee information. A common data model ensures that information on employees will be gathered in the same ways, using the same data fields and parameters, and in a format that will remain usable throughout the employment lifespan. Managers don't have to force fit or reenter data into different systems if they have integrated talent management applications that can access and analyze previously entered information.



KEY POINT

Bersin & Associates' research shows that organizations with superior talent management strategies – those that scored in the top 10 percent in our talent management assessments – generate 26 percent greater revenue per employee, 40 percent lower turnover among high performers and 17 percent lower total turnover.

For example, an employee's record might include information gathered even before his or her hire date. Pre-hire information might include lists of the references who recommended a particular employee, an employment history and the interests and goals cited during the application process. As the employee progresses from position to position, that pre-hire information can remain accessible as more information is added through other talent management activities, such as performance appraisals or learning and development programs – if a common data model is used.

Our research indicates that well-planned integration efforts are worth the investment of time and money that they require. We have found that organizations with superior talent management strategies – those that scored in the top 10 percent in our talent management assessments – generate 26 percent greater revenue per employee, 40 percent lower turnover among high performers and 17 percent lower total turnover.¹³ These results underscore the message we have been delivering for years – talent management matters.

Leveraging Social Technology inside the Enterprise: Collaborative Recruitment and Hiring

Just as social media, such as LinkedIn and Facebook, play an increasing role in organizations' market-facing sourcing strategies, social technologies can play an important role inside organizations. Internal tools that facilitate collaboration can help organizations make their talent acquisition processes faster and more effective, which benefits both employers and job candidates.

Our research into social software has found four easy-to-remember categories that encapsulate what buyers and users of social software can and should expect these applications to help them accomplish. We show these "Four Cs" in Figure 2 and elaborate on them in the rest of

¹³ For more information, *2009 Talent Management Factbook: Best Practices and Benchmarks in Talent Management*, Bersin & Associates / Karen O'Leonard, July 2009. Available to research members at www.bersin.com/library or www.bersin.com/tmfactbook.



this section. You can also find more information on them in our research library.¹⁴ They include the following:

- **Conversations.** Community users talking to other users, building a body of knowledge and understanding through collective discourse.
- **Content.** Users can leverage social technologies to create and share – or discover – content in ways not previously possible.
- **Connections.** Users link to other users, increasing the likelihood of conversation and information-sharing.
- **Collaboration.** Social technologies can help users to work together.

Figure 2: The Four Cs of Social Networking in Talent Acquisition

Conversations	Content	Connections	Collaboration
Blogs Forums Micro-blogs / Life-Streaming Chat / IM Voiceover IP	Content-Sharing Content Management Tagging / Rating Social Bookmarking Syndication	User Profiles Social Graphs Friends / Contacts People Matching	Wikis Workspaces Project / Process Support Innovation / Idea Generation Calendars & Events

Source: Bersin & Associates, 2010.

¹⁴ For more information, *Learning Management Systems 2011: The Definitive Buyer's Guide to the Global Market for Learning Management Solutions*, Bersin & Associates / David Mallon, December 2010. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/lms.

Internal use of social technologies can improve critical recruiting activities within the organization in a number of ways. For example, these technologies can enable the entire hiring team to function as a collaborative group – including the recruiter, hiring manager, and interviewers, as well as staffing, finance and compensation managers. The team can share opinions on a job success profile, discuss whether suitable internal job candidates exist, formulate interview strategies, debrief on interviews with candidates, review résumés and add comments directly on electronic documents.

Software features that allow comments and highlights to travel with documents electronically replace the sticky note method of the past. For example, if a recruiter sees something buried in a résumé that he or she wants to highlight for the hiring manager or if the recruiter wants to comment on the telephone interview, the highlights and comments become part of the résumé or record as it is forwarded. Tools with these sorts of features can help to make processes more consistent, and they can and should be easy and intuitive to learn and use.

Lack of collaboration in hiring management often leads to less than optimal hiring decisions. In interviews with end users, Bersin & Associates found that companies with tools that supported clear, timely communication of accurate information among all parties in the talent acquisition process were likely to improve the quality of hire.

Leggett & Platt, a large global manufacturing corporation, for example, has rolled out the Topgrading methodology for selective hiring at the same time as its recently acquired hiring management system.¹⁵ The company pairs a “talent advisor” with the hiring manager to apply the interviewing techniques for ascertaining top talent, and reports that close to 85-90 percent of new hires who go through that vetting process prove to be top performers. (*Read more about Leggett & Platt in the case in point below.*)

Key here is ensuring that tools are intuitive and easy for all parties in the hiring process to use. The tools must attract and engage diverse stakeholders who have varying degrees of exposure to enterprise

¹⁵ “Topgrading” is a hiring methodology promoted by the firm Smart & Associates. For more information, see www.smarttopgrading.com.

software. Recruiters clearly live in the sourcing and hiring world; often, hiring managers do not – they may hire a new employee only once a year, for example. Therefore, technology for viewing candidate portfolios, for screening candidates against specific requirements, and for exchanging feedback throughout the process must be highly collaborative – e.g., leveraging web 2.0 capabilities¹⁶ – and be broadly viewed as an enterprise asset with something to offer everyone.

Here is where dashboards for recruiters and hiring managers come into play. Dashboards allow instant views of the candidate’s progress through the hiring process, the correspondence or communication that has been exchanged, and the data collected as the candidate moves through the reference checking and interview stages. At Leggett & Platt, for example, leaders cited the fact that new tools were easy for hiring managers to use as key to the success of those tools.

Case in Point: New Corporate Strategy Drives Talent Management

Leggett & Platt¹⁷ is a \$3.4 billion global diversified manufacturer, with 140 manufacturing facilities in 18 countries. After launching a new strategic plan in 2007, key managers recognized that the “people” component of the plan was missing. Using the launch of the new strategy as a catalyst for change, the company began planning a talent management initiative in 2008. As all new initiatives are carefully screened at Leggett, a 14-member vetting committee for strategic initiatives reviewed and approved the talent management business case.

Spurred by the concept that individual performance directly drives overall corporate performance, Leggett mapped out a path that would include the following components:

¹⁶ The phrase “Web 2.0” refers to a perceived second generation of web-based communities and hosted services, such as social networking sites, wikis, blogs and social software. These offerings aim to facilitate creativity, collaboration and information sharing.

¹⁷ Source: www.leggett.com.

Case in Point: New Corporate Strategy Drives Talent Management (cont'd)

- **Three phases of implementation.** The company tackled improved recruiting and hiring first, then phased implementation of performance management, followed by strategic talent reviews and succession planning.
- **Careful attention to change management within the company.**
- **Adherence to a single integrated solution.** The company chose this approach rather than creating silos of disparate applications.

Leggett has measured the success of new hiring practices in part by tracking the percentage of hires deemed to be solid performers, or “a player.” It reports 85-90 percent hit rate. 

Business Metrics and Analytics

The importance of metrics and analytics is hardly news to anyone in talent management today. Yet when we asked HR professionals recently to name their greatest HR challenges, more than 26 percent cited delivering workforce metrics and analytics.¹⁸

The ability to report on recruiting and hiring results hinges upon analysis of the data compiled during hiring across the enterprise. Best practices tell us that true analytics is different from simply “counting.” While information on the number of days it took to hire someone, the number of applicants for a position and the like is indeed important to know, only in some cases will simple data collection provide the strategic metrics a company really needs.

Consider, for example, that only in very specific instances will your CEO want to know that it took your recruiter 27 days to hire an administrative assistant. Other information, such as the sources of

¹⁸ For more information, *The High-Impact HR Organization: Top 10 Best Practices on the Road to Excellence*, Bersin & Associates / Stacey Harris, January 2011. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/hihr.

candidates that prove to be the best cultural fit with the most rapid time to productivity, is more valuable.

Conclusion: The Future of Hiring Management

Bersin & Associates research has found that, even during the recent recession, 21 percent of organizations still cited the need to recruit and hire critical new people as vital to the success of their companies and that companies maintained initiatives to acquire talent management systems¹⁹. Now, post-recession, talent acquisition activity has increased.

Primary trends in hiring management today include the use of social networking, collaborative hiring processes, integration with all aspects of talent management, and increased consideration of the more strategic long-term workforce plan. Collectively, they bode well for more efficient sourcing and recruiting, better managed hiring processes and, in the end, acquisition of higher quality talent. The tools that are supporting these strategic practices are increasingly available; Bersin & Associates sees them as critical differentiators in top talent-driven organizations.

¹⁹ For more information, *Enterprise Compensation Solutions: The Next Wave in Integrated Talent Management*, Bersin & Associates / Josh Bersin, January 2009. Available to research members at www.bersin.com/library.



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- **Research** – Access to an extensive selection of research reports, such as methodologies, process models and frameworks, and comprehensive industry studies and case studies;
- **Benchmarking** – These services cover a wide spectrum of HR and L&D metrics, customized by industry and company size;
- **Tools** – Comprehensive tools for HR and L&D professionals, including tools for benchmarking, vendor and system selection, program design, program implementation, change management and measurement;
- **Analyst Support** – Via telephone or email, our advisory services are supported by expert industry analysts who conduct our research;
- **Strategic Advisory Services** – Expert support for custom-tailored projects;
- **Member Roundtables®** – A place where you can connect with other peers and industry leaders to discuss and learn about the latest industry trends and best practices; and,
- **IMPACT® Conference: *The Business Of Talent*** – Attendance at special sessions of our annual, best-practices IMPACT® conference.
- **Workshops** – Bersin & Associates analysts and advisors conduct onsite workshops on a wide range of topics to educate, inform and inspire HR and L&D professionals and leaders.

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