



# US Recruiting Trends

3 Must-Know Talent Acquisition Trends for 2015

4<sup>th</sup> Annual Report

**LinkedIn** Talent Solutions

# Introduction

To win in 2015, talent acquisition and business leaders need to stay ahead of the latest recruiting trends. Companies and institutions are under pressure to find top talent at lower costs while competing with big brands and promising start-ups. The recruiting industry is undergoing pockets of disruption. Social media and digital marketing are becoming the new norm in how we recruit. With innovative recruiting technologies and techniques emerging almost every day, we are witnessing the democratization of recruiting. Any company – big or small – can now find high quality talent at scale with the right tools and strategy. Read on to understand how you can get ahead of these recruiting trends in 2015.

## About this survey

We surveyed **4,125** talent acquisition decision makers in **31** countries across **14** industries to understand what's keeping them up at night and where they see the industry going in 2015. Get a head start on 2015: tap into our insights on the largest survey of talent acquisition leaders in the world and chart your course for success.

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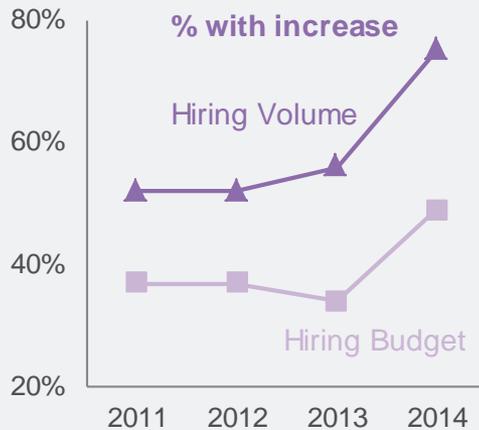
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# Executive summary: US recruiting trends

## 3 must-know talent acquisition trends and predictions for 2015

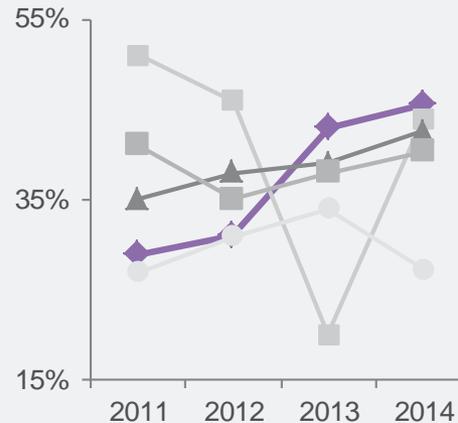
**1 Industry overview:** Recruiting budgets and volumes buck the trend of stagnation, heating up for the first time in 4 years.



*“Considering only full and part-time professional employees, how do you expect the hiring volume across your organization to change this year?”*

*“How has your organization's budget for recruiting solutions changed from last year?”*

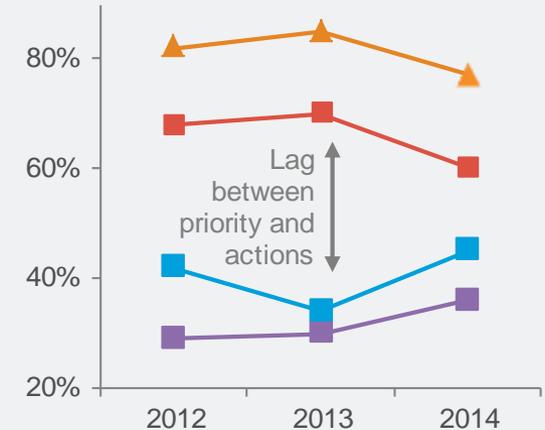
**2 Sourcing:** Recruiters' use of social professional networks skyrockets over 4 years to become the top source of quality hires.



- ◆ Social professional networks
- Employee referral programs
- ▲ Company career website
- Internet job boards
- Internal hires

*“Think about the key quality hires that your organization made in the past 12 months. Which of the following were the most important sources for those key positions?”*

**3 Talent Brand:** Most companies prioritize the need to build talent brand. Now their actions are beginning to catch up.



- Employer brand is a top priority
- ▲ Employer brand has a significant impact on our ability to hire great talent
- We regularly measure the health of our employer brand in a quantifiable way
- Those responsible for our employer brand have enough resources to do it well



## Part 1: The recruiting industry in 2015

# Part 1: The recruiting industry in 2015

- ✓ Technology context and catalysts
- ✓ Organizational pressures and priorities
- ✓ Competitive threats

Hiring volumes and budgets buck the trend of stagnation, heating up for the first time in four years. With the widening gap between budgets and hiring, talent acquisition leaders must be poised to scale their operations. Doing more with less is more important now than ever before. Competition and compensation continue to be the top obstacles for attracting talent, forcing recruiting leaders to get smart and use data-driven techniques in their pursuit of top talent. Companies small and large face their own unique challenges in recruiting, and therefore must play to their own competitive advantages. Broader technology advancements have also begun to disrupt the talent industry, setting the stage for a dynamic and exciting future for recruiting.

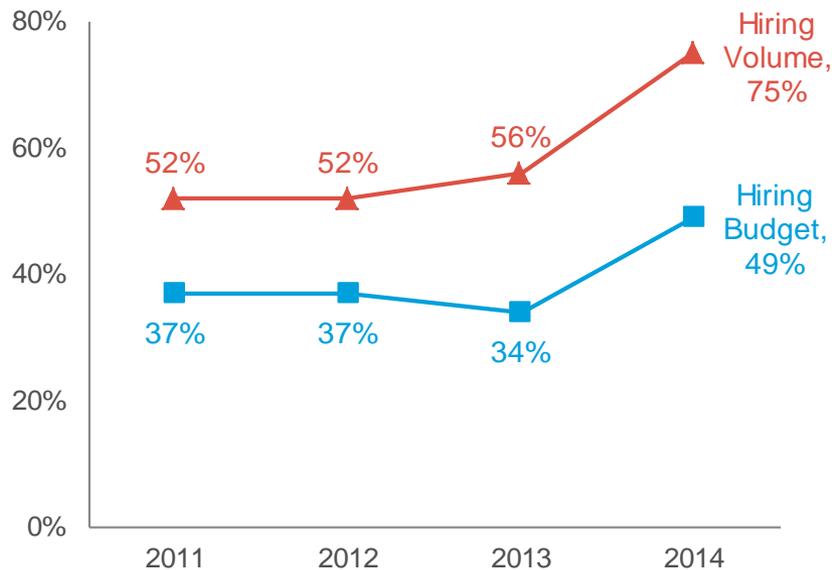
Advancement	Implication for Talent Acquisition
Social Media	The accessibility and connectedness of professionals online has made talent more findable than ever – and is leveling the playing field.
Digital Marketing	Targeted advertising based on profile demographics and online behavior is trickling from marketing into recruiting. With pin point accuracy, companies can find the right candidate by segmenting and targeting talent with the most relevant job opportunities.
Mobile	With the meteoric rise of mobile devices globally, job candidates are increasingly researching opportunities and companies in a mobile-optimized format.
Machine Learning	Adaptive algorithms can now match jobs with job seekers based on real-time behavioral feedback (i.e. viewing a job, clicking to apply).
“Big Data” Analytics	As data storage, processing, and transmission become cheaper, talent acquisition leaders have begun to use this data for both strategic and tactical business decisions.

# Organizational pressure

## Hiring volume and budgets heat up

US company hiring volumes and budgets buck the trend of stagnation, heating up for the first time in four years. As the gap widens between hiring volume and budgets in 2015, recruiting leaders must scale their operations, do more with less, and invest wisely.

**% Leaders With Volume or Budget Increase**



*“Considering only full and part-time professional employees, how do you expect the hiring volume across your organization to change this year?”*

*“How has your organization’s budget for recruiting solutions changed from last year?”*

# 50%

of US CXOs believe that overall staffing levels are increasing, according to a Sept 2014 LinkedIn Economic Confidence Outlook study. The C-suite is in touch with the talent pulse of their companies.

# Organizational priorities: Top priorities are sourcing and quality of hire

## Sourcing and quality of hire are top priorities

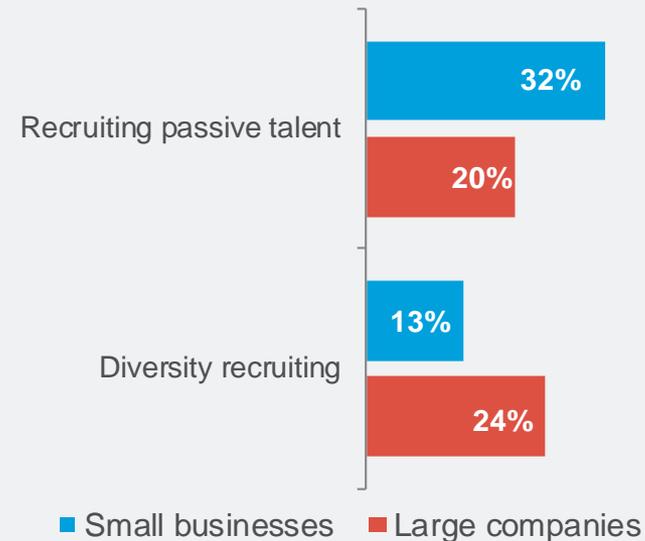
US and global talent acquisition leaders agree that sourcing skilled talent is the lynchpin of any successful recruiting organization. Improving quality of hire is the second highest priority of US and global companies.



*“Think about your talent acquisition organization's top priorities for 2014. Which of the following choices would you consider to be the most important areas of interest for your organization?”*

## Small and large companies differ

Scrappy small companies are significantly more likely to prioritize passive talent recruitment. Large US companies are significantly more likely to prioritize diversity recruiting. We define small businesses as organizations with 500 or fewer people.



*“Think about your talent acquisition organization's top priorities for 2014. Which of the following choices would you consider to be the most important areas of interest for your organization?”*

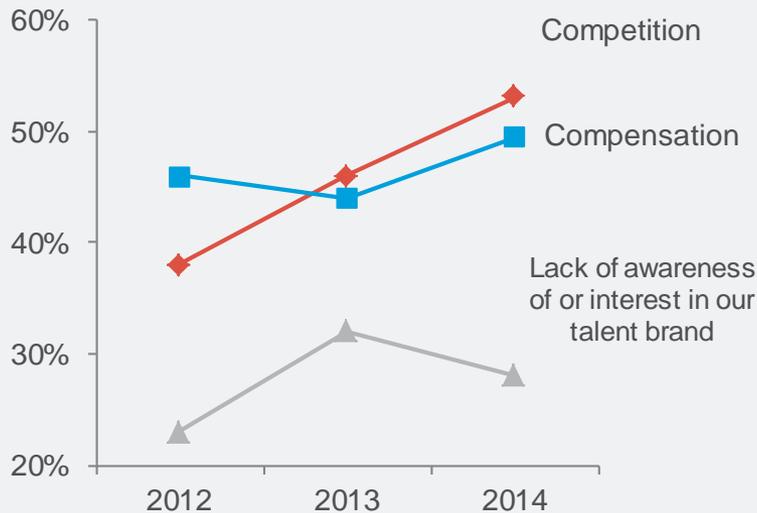
# Competitive threats: Biggest obstacle to landing talent in 2015 is competition

## In US, competition is top obstacle to hiring

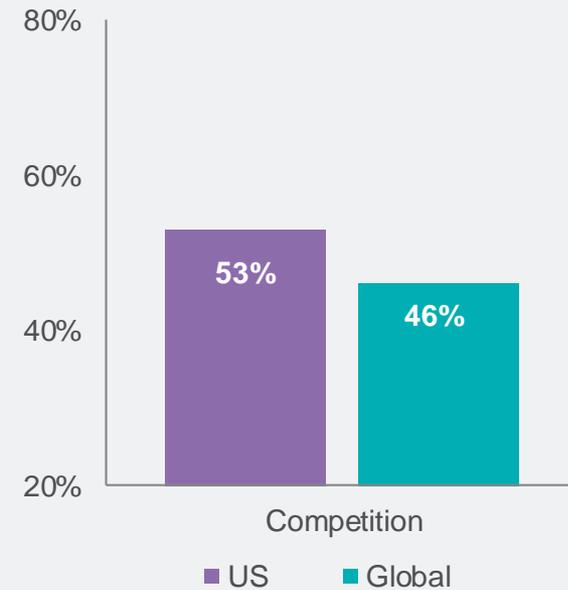
Competition is the number one obstacle US companies face in attracting top talent, outstripping compensation.

## US companies more concerned about competition than global companies

Competitive pressures are more of a threat to US companies than to global companies. US companies need to step up their recruiting game to compete and win.



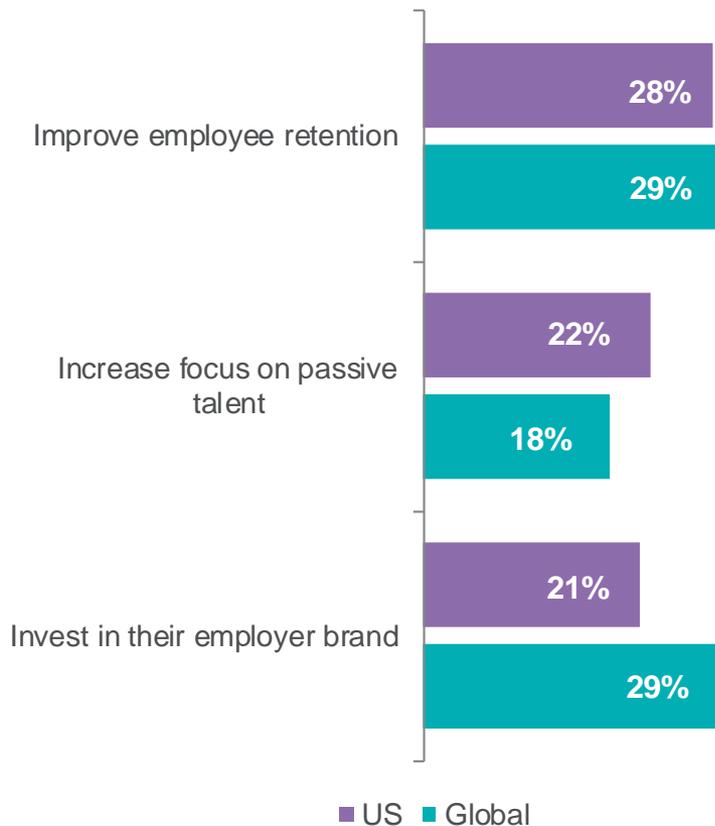
“What are your company’s biggest obstacles to attracting the best talent?”



“What are your company’s biggest obstacles to attracting the best talent?”

# Competitive threats

Retention, passive talent, and employer brand are the top competitive threats in the US and globally



*“What are the things that your competitors have done or may plan on doing that would make you most nervous?”*

# 72%

Of US companies recruit passive talent.

# 4 years

Is the average length of time globally that an employee stays at one company, according to Aug 2014 LinkedIn data.

# 60%

of US talent leaders say employer brand is a top priority for their company.



## Part 2: Sourcing

## Part 2: Sourcing

- ✓ Top sources for quality and quantity
- ✓ Passive candidate recruitment
- ✓ Top recruiting metrics
- ✓ Mobile recruiting

Just as a championship sports team is defined by its players and coaches, a successful company is defined by its talent. But where are companies finding talent today?

In 2015, sourcing just isn't what it used to be. Recruiters' use of social professional networks skyrocketed to become the number one source of quality hires. Passive candidate recruiting is popular not only in the US, but also in economic powerhouse countries like China and India. Wiley US small businesses have also figured out how to poach passive talent. For many, it's central to their recruiting strategy. Passive talent accounts for a whopping 75% of all professionals worldwide.

As candidates become increasingly mobile, companies are also embracing mobile recruiting. The mobile revolution is in full swing in the talent industry, and will continue to be a big theme in 2015.

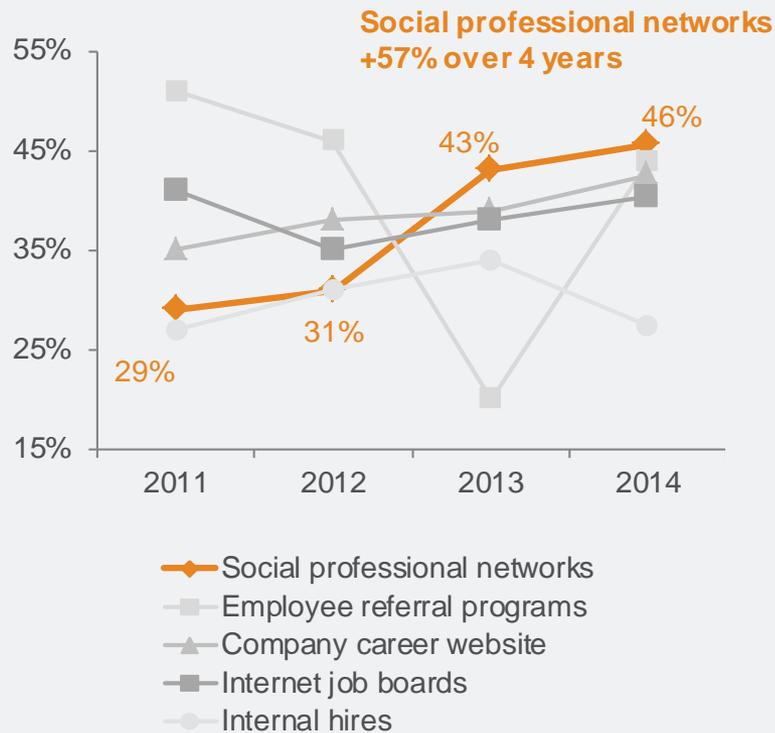
# Top source for quality hires: Professional networks

## Social professional networks rise to become top source for quality hires

Social professional networks are the most important and fastest growing source of quality hires in the US, increasing 57% over the past 4 years. Get ahead of this trend by tapping into social professional networks for quality hires.

## US companies heavily reliant on social recruiting

Compared to other companies globally, US companies source quality hires significantly more from social professional networks, and significantly less from search & staffing agencies. As international markets evolve, this trend is one worth watching.



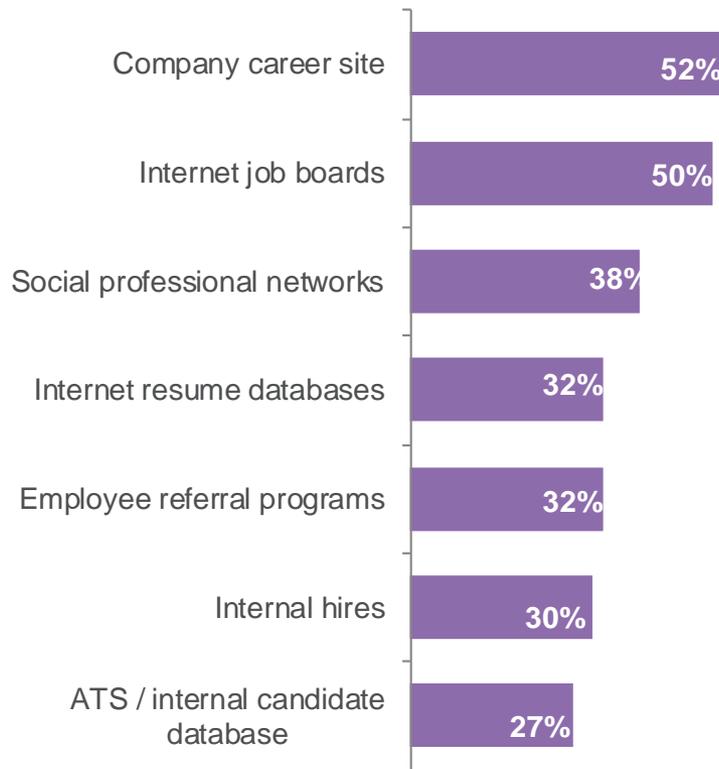
“Think about the key quality hires that your organization (placed/made) in the past 12 months. Which of the following were the most important sources for those key positions?”

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# Top source for quantity: Company career sites

## Career sites produce highest quantity of hires

Company career sites currently produce the highest quantity of hires in US companies. However, quantity doesn't always equal quality. Recruiting leaders need to manage the application process to ensure they get both quantity and quality.



*"How significant were each of the following as a source of white collar professional (candidates placed by/hires for) your organization in the past 12 months?" Showing % with over 15% of hires.*

## How US channels for quantity of hire differ

Social professional networks, referral programs, and career sites are more popular for quantity of hires in the US than globally.



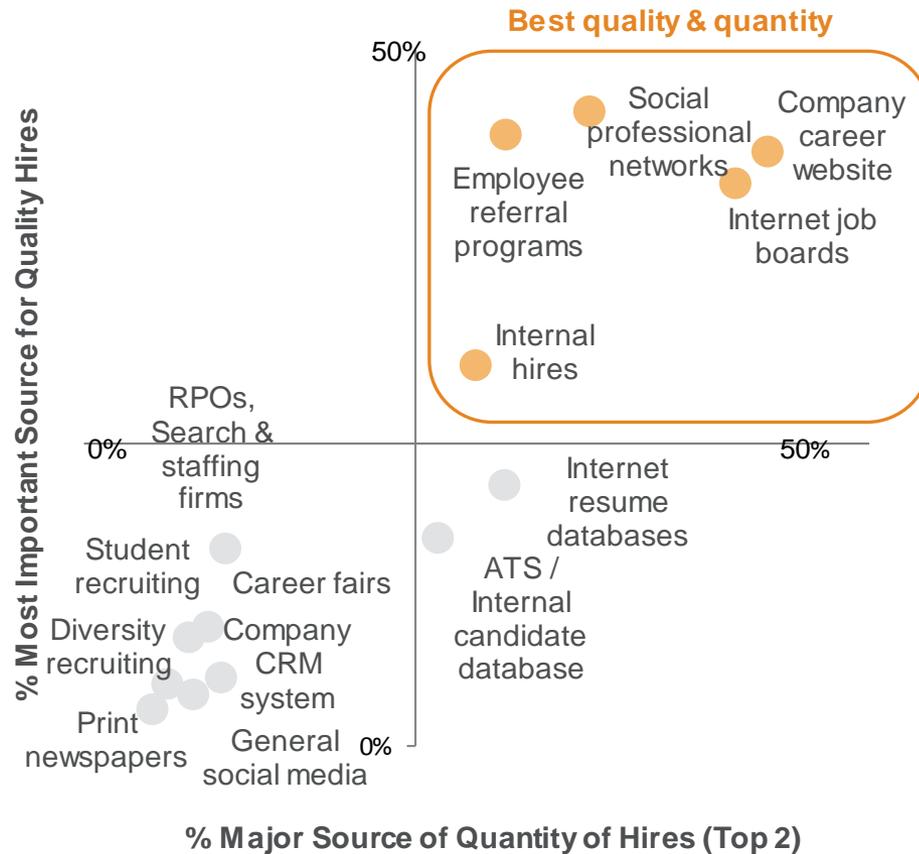
## How global channels for quantity of hire differ

Globally, search and staffing firms and student recruiting programs are sources for significantly larger quantities of hires than in the US.



# Sourcing: There are a handful of sources that provide both quality and quantity

5 sources of hire for quality and quantity



# 65%

of US talent leaders believe they're not doing a great job tracking return on investment on sources of hire. There's lots of room for improvement.

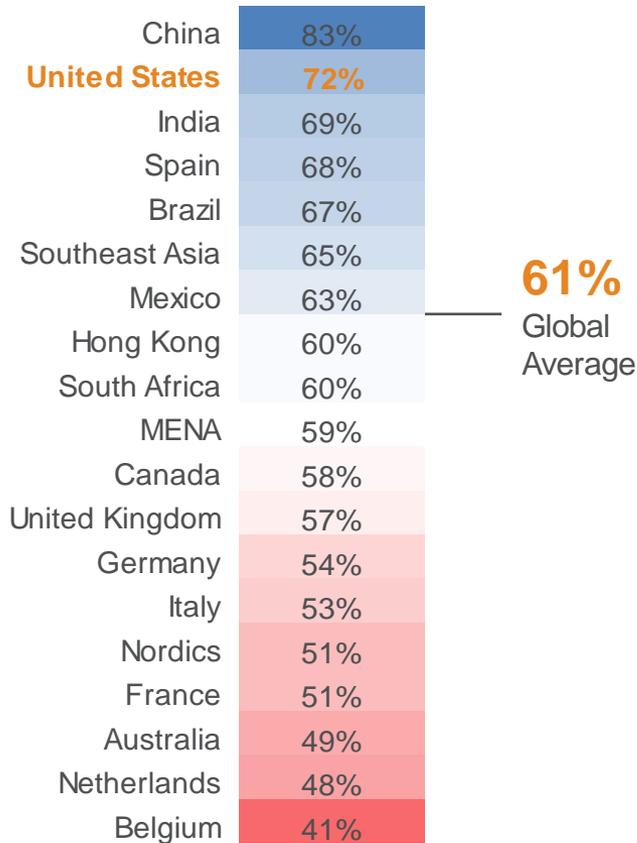
As the gap between hiring volume and budgets widens, it's time to invest and optimize the sources that return both the best quality and quantity of candidates.

"How significant were each of the following as a source of white collar professional hires for your organization in the past 12 months?" (>15% quantity of hires)

"Think about the key quality hires that your organization (placed/made) in the past 12 months. Which of the following were the most important sources for those key positions?"

# Passive candidate recruiting: US and China lead

The US is above average for % of companies that recruit passive candidates

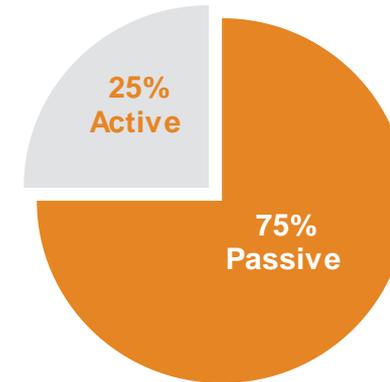


*"To what extent does your recruiting organization focus on reaching out to passive talent?"*

Why passive candidate recruiting works

Globally, 75% of professionals consider themselves "Passive."

## Global Candidate Breakdown



*"How would you describe your job search status?"*  
 Source: LinkedIn's Talent Trends 2014 study

### Active candidate definition:

- ✓ Actively looking
- ✓ Casually looking a few times a week

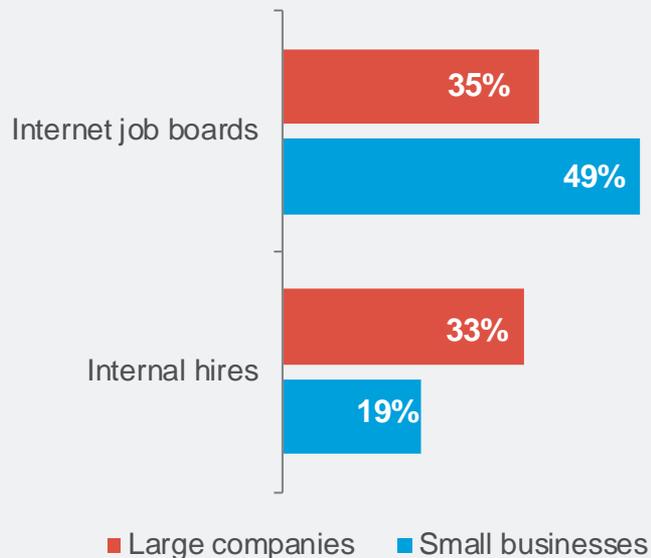
### Passive candidate definition:

- ✓ Reaching out to personal network
- ✓ Open to talking to a recruiter
- ✓ Completely satisfied; Don't want to move

# Sourcing: Small businesses recruit differently

## Sources of quality hires differ for small businesses

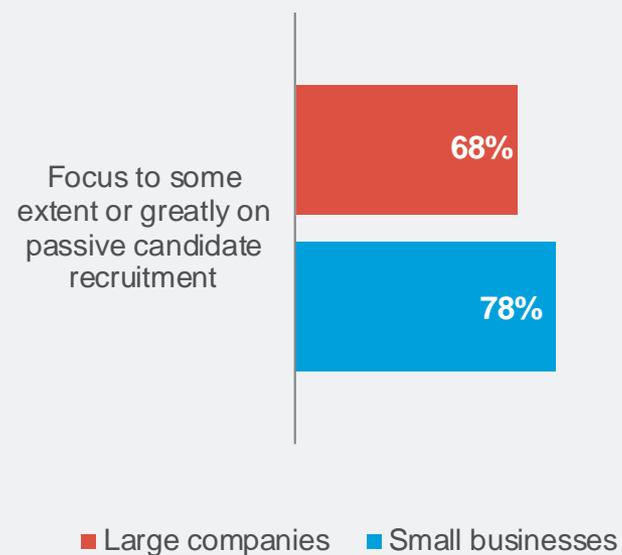
Small businesses are more reliant on internet job boards and less reliant on internal hires than their large company counterparts are. With less time and fewer internal people and positions, small business recruiting leaders need to find ways to help talent find them.



*“Think about the key quality hires that your organization (placed/made) in the past 12 months. Which of the following were the most important sources for those key positions?”*

## Small businesses highly focused on passive talent

Small businesses are significantly more likely to focus on passive candidate recruitment than large companies are. With fewer resources and less time, smart small businesses get scrappy and strategic, identifying passive candidates with the right skills and cultural fit.



*“To what extent does your recruiting organization focus on reaching out to passive talent?”*

# Sourcing: Quality is most valuable hiring metric

## Quality of hire is most valuable metric

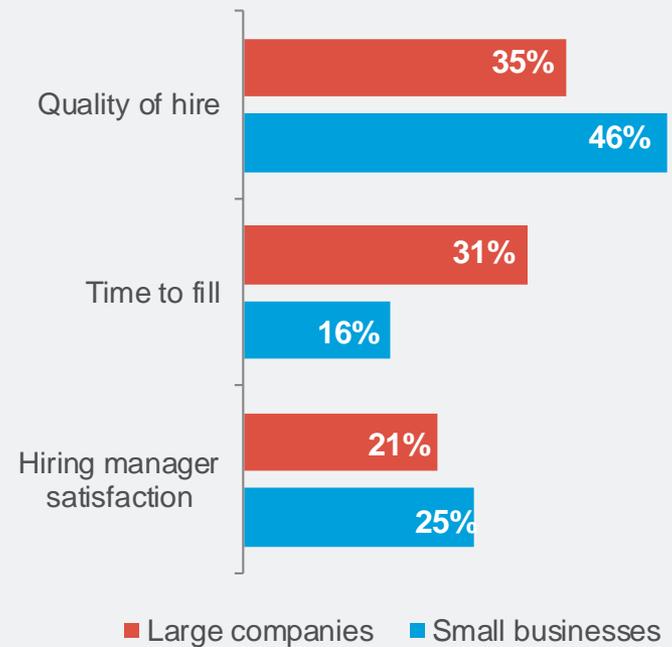
Global and US recruiting leaders agree that quality of hire is the most valuable metric for measuring recruiting team performance, followed by time to fill and hiring manager satisfaction.



*“What is the single most valuable metric that you use to track your recruiting team’s performance today?”*

## Small businesses value quality of hire

In the US, small businesses value quality of hire significantly more than large companies do. Large companies value time to fill as a performance metric significantly more than small businesses do.



*“What is the single most valuable metric that you use to track your recruiting team’s performance today?”*

# Sourcing: Quality of hire measured by retention

## Retention is top way to measure quality of hire

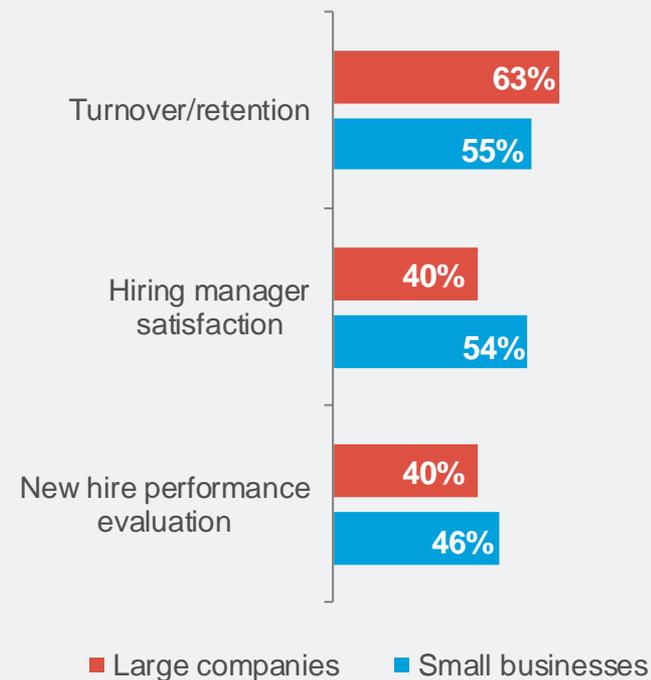
Quality of hire is widely considered the holy grail of recruiting metrics. Today, global and US recruiting leaders agree on the top 3 ways to measure quality of hire. US leaders lean toward retention and hiring manager satisfaction while global companies favor new hire performance evaluations.

## Company size impacts how quality is measured

In the US, large companies favor turnover and retention as a quality of hire metric while small businesses favor hiring manager satisfaction.



“What metrics does your organization use to track quality of hire?”

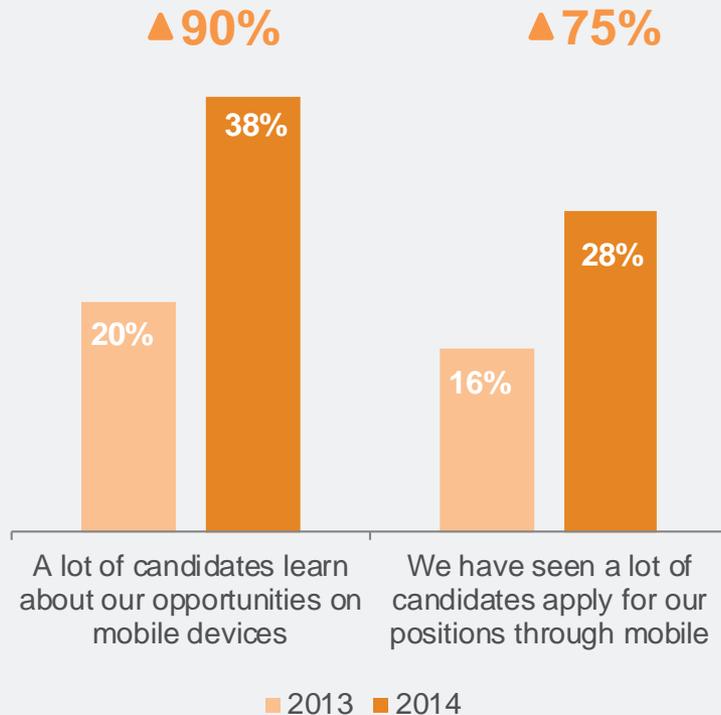


“What metrics does your organization use to track quality of hire?”

# Sourcing: The continued rise of mobile

## Candidate mobile behaviors rising globally

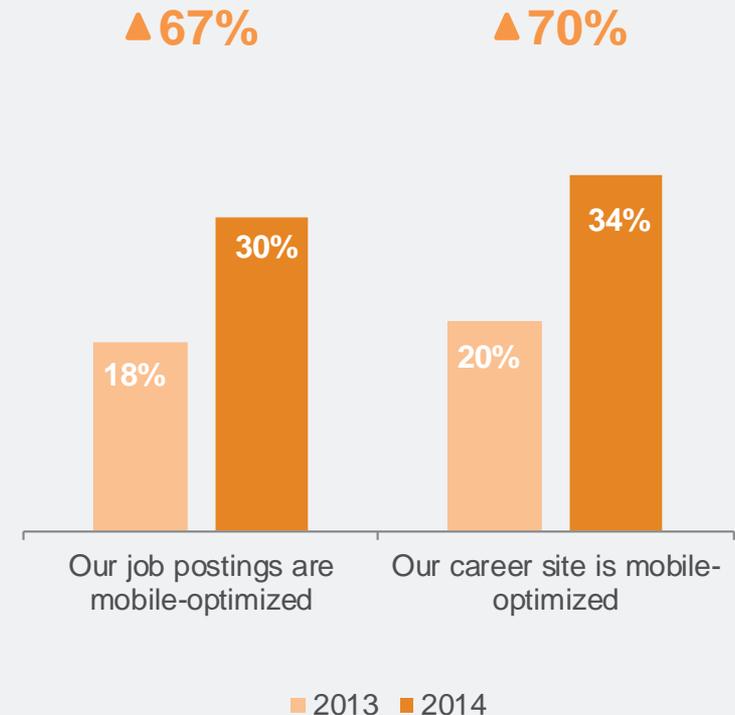
Global recruiting leaders agree that candidate mobile job seeking behavior is on the rise. We believe this will continue in 2015.



*"To what extent do you agree or disagree with the following statements related to mobile recruiting?"*

## Companies invest in mobile

Companies are up to the challenge and investing in mobile strategies, optimizing their job postings and career sites for mobile.



*"To what extent do you agree or disagree with the following statements related to mobile recruiting?"*



## Part 3: Talent brand

## Part 3: Talent brand

What's a talent brand and why does it matter? It's what talent thinks, feels, and shares about your company as a place to work. A strong talent brand reduces cost per hire by over 50% and lowers turnover rates by 28%.<sup>1</sup>

As recruiting evolves to become like marketing, recruiting leaders are embracing the idea of talent brand. Their actions are now beginning to catch up to their beliefs. Recruiting leaders can get ahead of the competition by acting quickly to invest and create a proactive talent brand strategy. To learn more, check out LinkedIn's [Employer Brand Playbook](#).

- ✓ How companies prioritize and act
- ✓ Channels for promoting talent brand
- ✓ Why companies invest

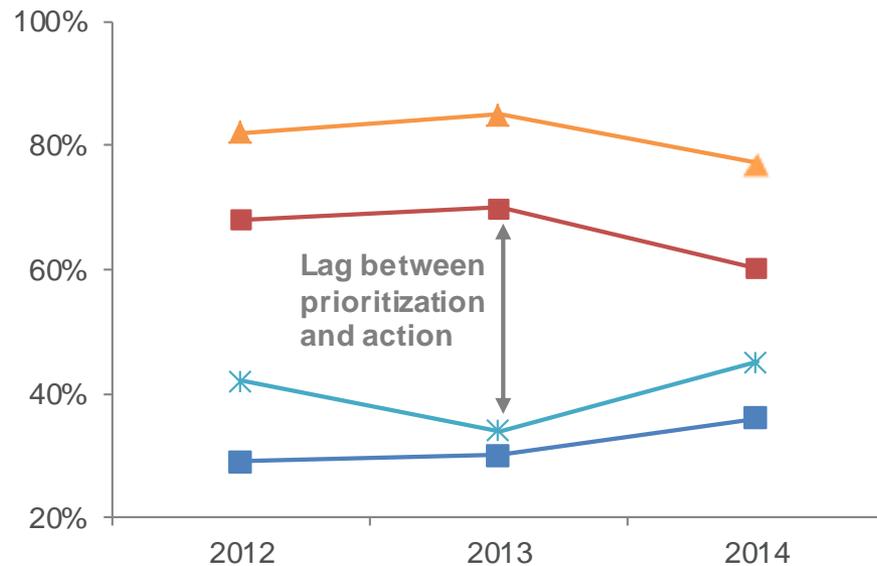
Marketing	Recruiting
Segment	Determine the criteria for segmenting desired candidates
Target	Prioritize and pursue candidates based on top criteria
Position	Create a narrative and message for the company's talent brand to acquire and retain priority candidates
Product	The job, team, and company
Price	Employee salary and benefits
Promotion	<u>Outbound</u> : Job postings, public relations <u>Inbound</u> : Build relationships with talent communities, social, digital, and content marketing
Place of distribution	Job boards, social networks, email

<sup>1</sup>Eda Gultekin, *What's the Value of Your Employment Brand?*, US Recruiting Trends 21 <http://lnkd.in/valueofEB> (December 1, 2011).

# Talent brand: Companies prioritize it & their actions are catching up

## Talent brand prioritized with action to follow

US recruiting leaders agree that talent brand is a priority that impacts their ability to hire top talent. Their actions are now beginning to catch up. Companies can get ahead of the competition by creating a proactive talent brand strategy.



- Employer brand is a top priority
- ▲ Employer brand has a significant impact on our ability to hire great talent
- We regularly measure the health of our employer brand in a quantifiable way
- \* Those responsible for our employer brand have enough resources to do it well

*"Please indicate the extent to which you agree or disagree with the following statements as they relate to your company's employer brand."*

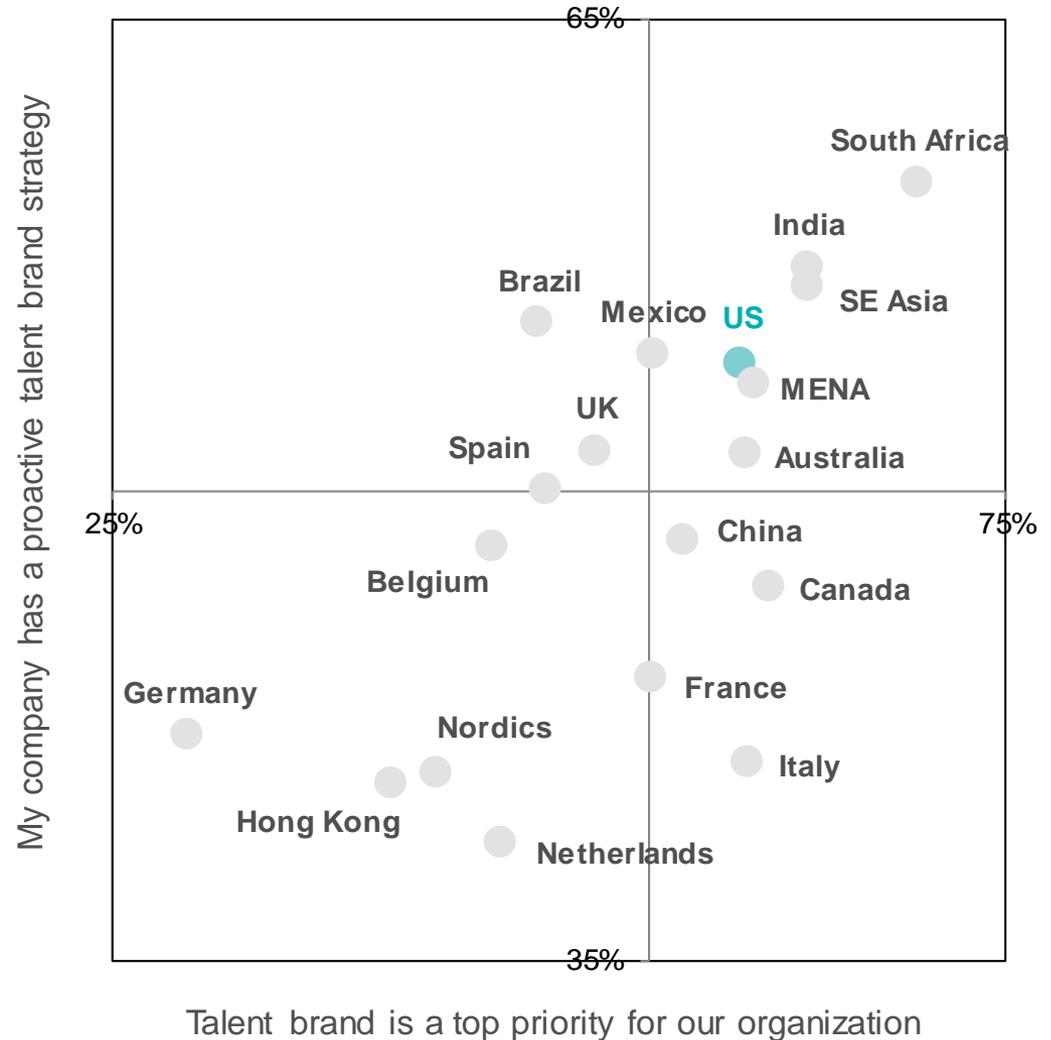
# 77%

of US Talent Acquisition leaders say talent brand has a significant impact on their ability to hire great talent.

# Talent brand: US companies are above average

## US companies above average on talent brand

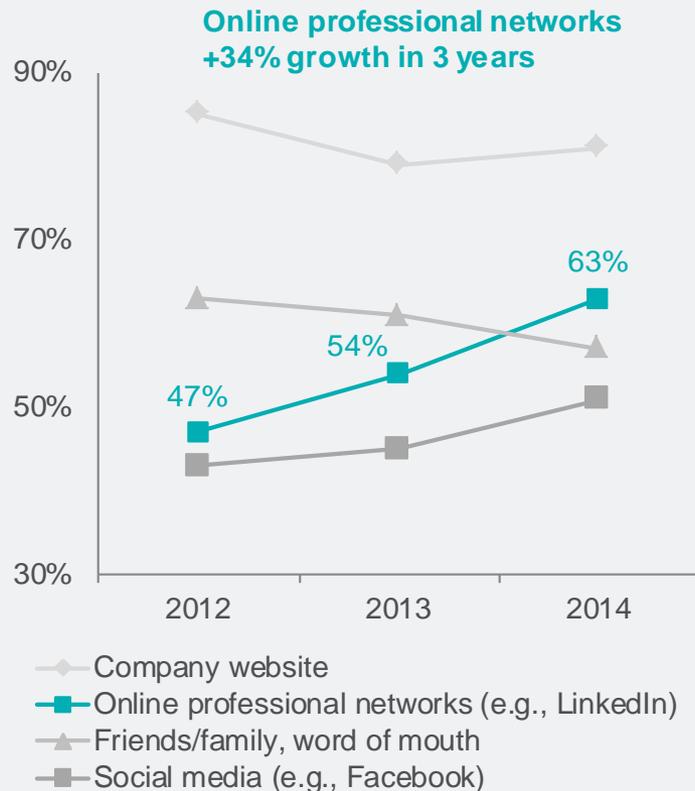
US companies are above average when it comes to prioritizing and proactively managing their talent brand. South African, Indian, and Southeast Asian companies are particularly advanced in their prioritization and action on talent brand.



# Talent brand: Top 4 channels for promoting it

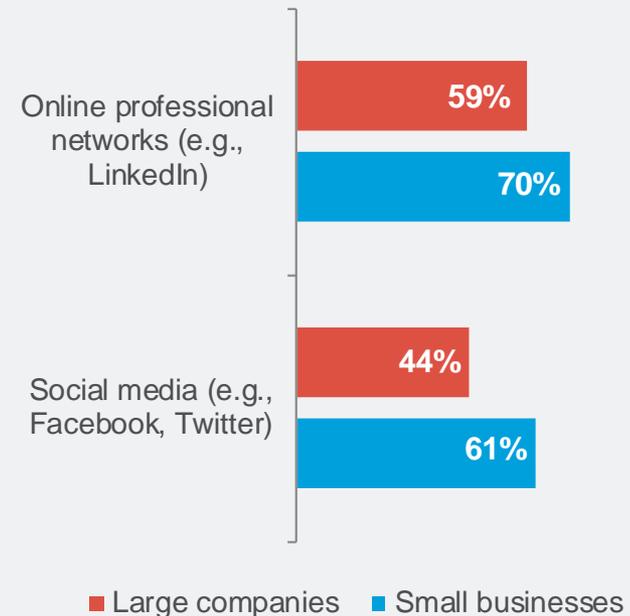
## Fastest growing channel for talent brand

In the US, online professional networks are the fastest growing channels for promoting talent brand, growing 34% year over year.



## How small businesses promote talent brand

In the US, small businesses have gotten smart with their limited resources, using online professional networks and general social media to promote their talent brands significantly more than large companies use them.

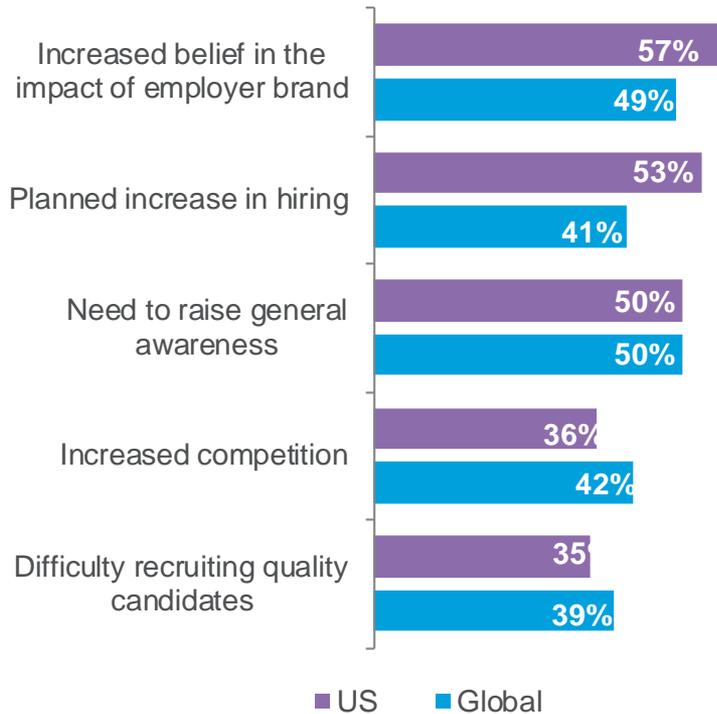


*"Which channels or tools have you found most effective in spreading your employer brand?" Asked leaders who are responsible for employer brand.*

# Talent brand: What's the return on investment?

## Why companies invest in talent brand

Global and US companies agree on the top 5 reasons for investing in talent brand. These reasons form the foundation of a good business case to secure talent brand resources.



*"For what reasons are you spending more on employer brand this year?"  
Directed to leaders who report spending more on employer brand this year.*

## 3 Reasons to invest in talent brand:

**50%** How much you can reduce your cost per hire<sup>1</sup>

**28%** How much you can reduce your employee turnover<sup>1</sup>

**75%** % of talent acquisition leaders who say talent brand significantly impacts their ability to hire great talent

<sup>1</sup>Eda Gultekin, *What's the Value of Your Employment Brand?*, <http://lnkd.in/valueofEB> (December 1, 2011).



## Part 4: The future of recruiting

## Part 4: The future of recruiting

- ✓ Top long-lasting trends
- ✓ Top up-and-coming trends

Now it's time to test the wisdom of crowds. Looking in their crystal balls, talent acquisition leaders predict what the future holds for recruiting. They also attempt to trend spot new, up-and-coming recruitment practices.

Both Global and US talent acquisition leaders are in sync on the future of recruiting. They believe that social professional networks and better matching of candidates with jobs will be the new norm in 5 to 10 years. Given how rapidly recruiting has evolved in only 4 short years, perhaps change will come sooner than we think.

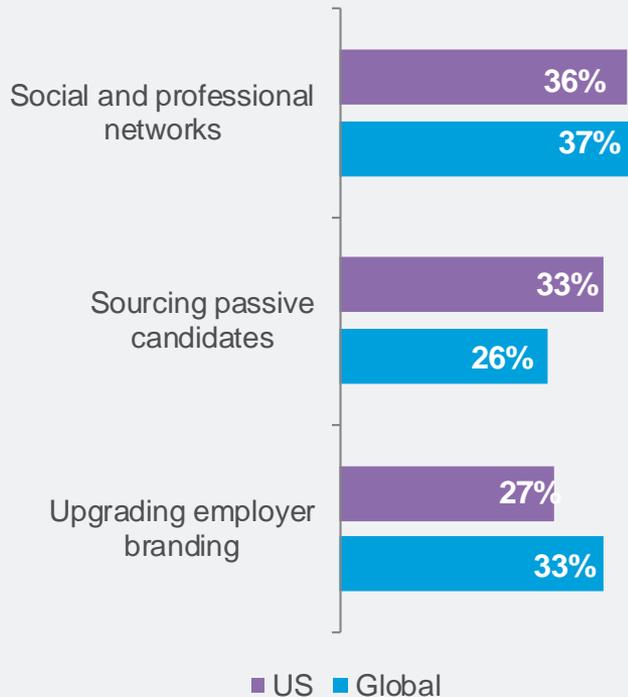
# The future: Professional networks and improved candidate & job matching are in the cards

## Social and professional networks here to stay

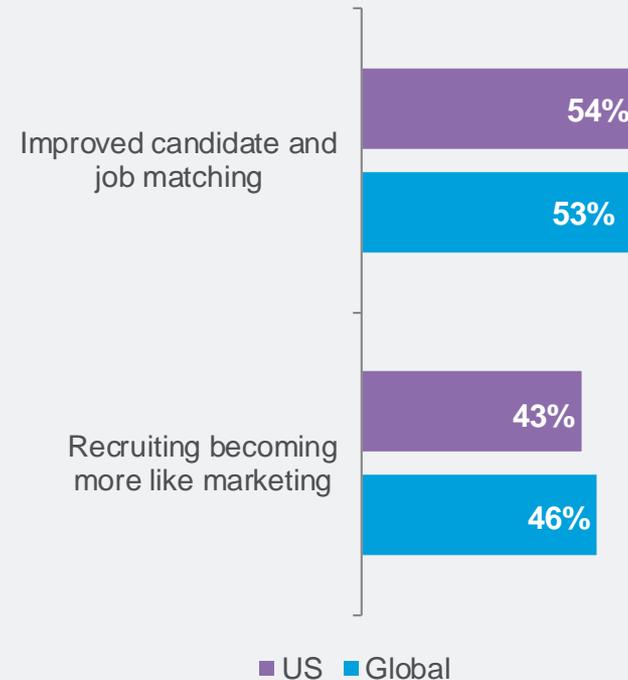
Global recruiting leaders agree: Social and professional networks are the most essential and long-lasting trend in recruiting.

## Trend spotting: Candidate and job matching

Candidate and job matching could reshape the recruiting industry.



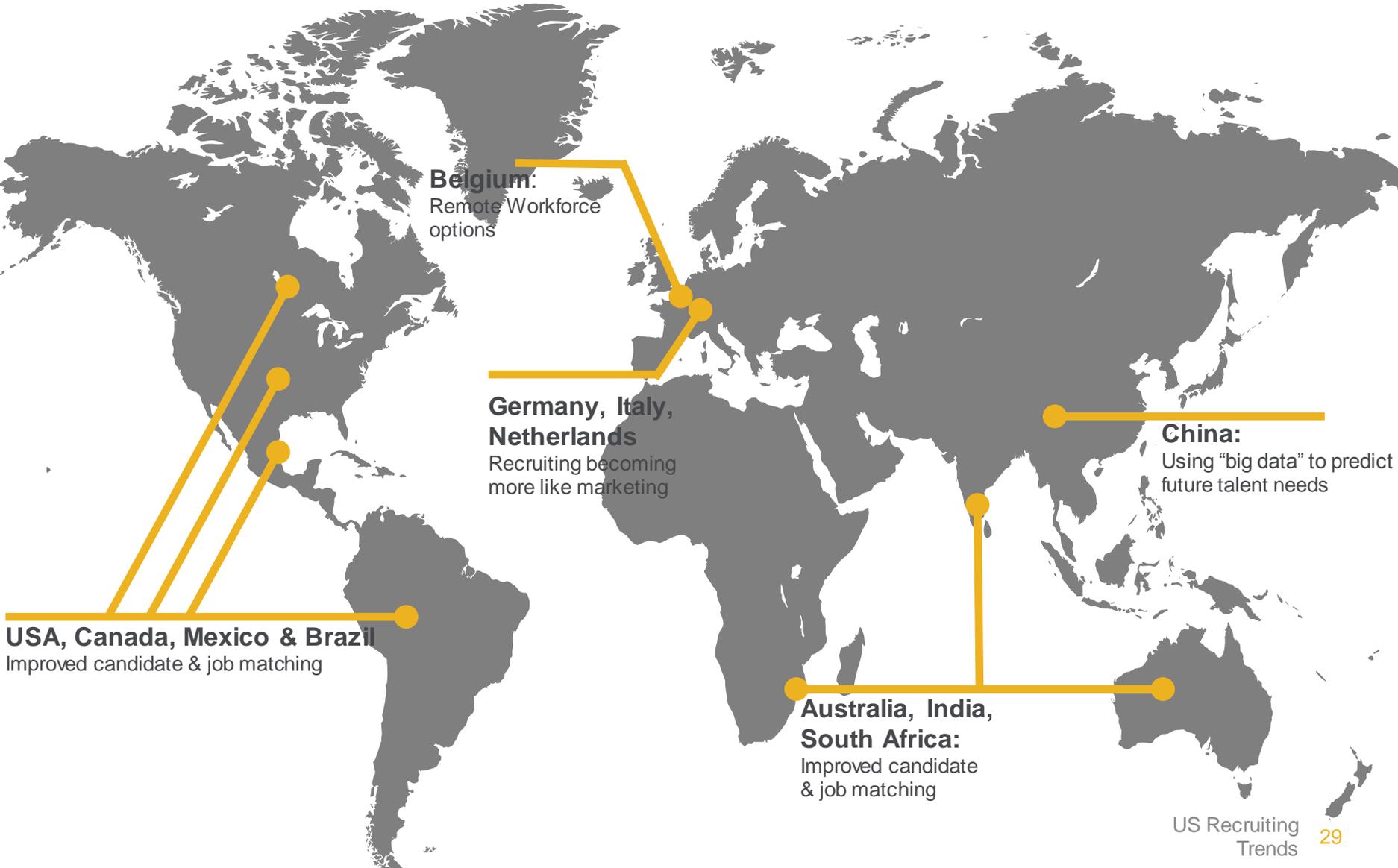
“What do you consider to be the three most essential and long-lasting trends in recruiting for professional roles?”



“Which of the following new and upcoming trends do you think will play a significant role in shaping the recruiting industry for the next 5 to 10 years?”

# Top up and coming trend varies by region

Top trend for selected geographies





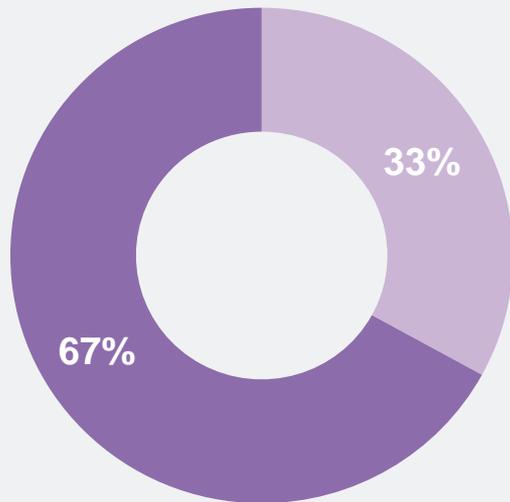
## Epilogue: More interesting data

1. Student Recruiting
2. Data Driven Recruiting

# Student recruiting: Most companies do it

## Most companies globally recruit students

Most companies globally recruit students as part of their overall talent acquisition strategy. Don't miss out on this trend.



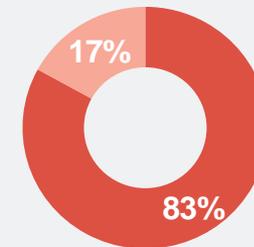
- Recruiting YP's is central to our recruiting strategy
- Recruiting YP's is not central to our recruiting strategy

*"To what extent does your company recruit young professionals? We're defining 'young professionals' as anyone who is 0-3 years out of school."*

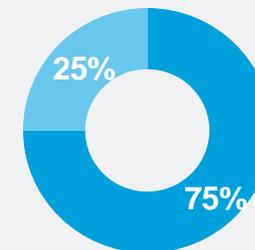
## Most large and small US companies recruit students

The majority of large and small US companies recruit students. Large US companies recruit students significantly more than small businesses do.

### Large US companies



### Small US companies



- Recruit students and young professionals
- Don't recruit students and young professionals

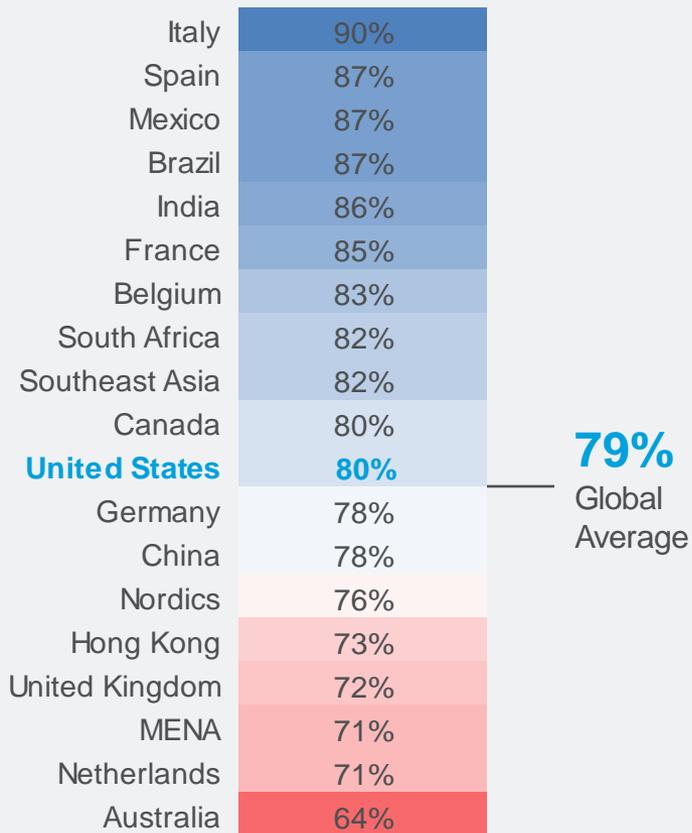
# Student recruiting: US companies are average

## An average % of US companies recruit students

The US is in the middle of the pack while student recruiting is practically essential for Italian companies.

## Competition is main obstacle to recruiting students

No matter who you recruit, competition will be a major obstacle so get ready to compete.



*"To what extent does your company recruit young professionals? We're defining 'young professionals' as anyone who is 0-3 years out of school."*

*"What are the biggest obstacles you face in attracting young professionals to your company?"*

# Recruiting leaders are fairly aligned with what young professionals want in a job

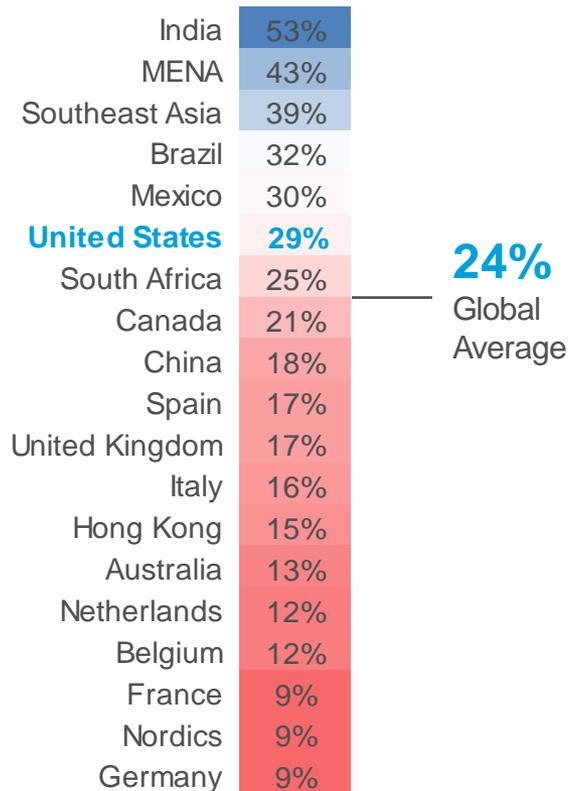
● Young Professionals value more than what recruiting leaders think
 ● Young Professionals value as much as what recruiting leaders think
 ● Young Professionals value less than what recruiting leaders think



# Talent analytics: Most companies don't use data well

## Most global companies don't use data well

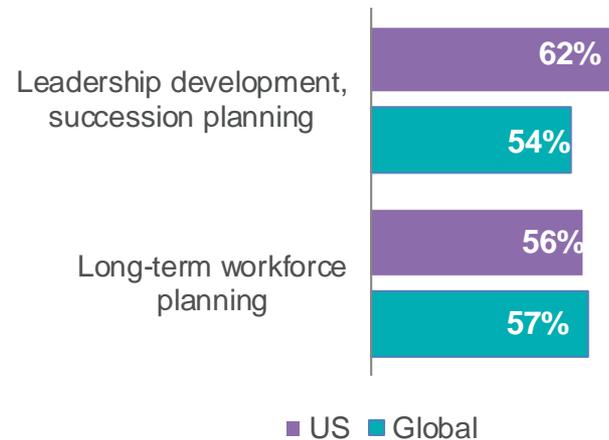
Recruiting leaders need to strengthen their talent analytics capabilities to stay ahead.



# 30%

Only 30% of US talent acquisition leaders believe they are using data very well in their roles.

## Global companies use data mainly for workforce and succession planning



“How well do you think your organization uses data to understand (talent acquisition/recruiting) effectiveness and opportunities?”

“In general, which of the following areas do you believe your organization uses data effectively to better understand talent acquisition effectiveness and opportunities?”

# Survey sampling and methodology

## Survey Sample

- Survey respondents are talent acquisition professionals who:
  - Work in a corporate HR department
  - Have at least some authority in determining their company's recruitment solutions budget
  - Focus exclusively on recruiting, manage a recruiting team, or are HR generalists who spend more than 25% of their time recruiting.
- Survey respondents are members of LinkedIn who have opted to participate in research studies. They were selected based on information in their LinkedIn profile and contacted via email.

## Data Comparisons

- Global comparisons are reported as un-weighted averages from the noted countries
- Historical data comparisons are taken from 2011, 2012 and 2013 Global Recruiting Trends research, which had similar sampling criteria and methodology to 2014
  - 2014 survey fielded August-September 2014 with 406 US respondents
  - 2013 survey fielded April-May 2013 with 533 US respondents
  - 2012 survey fielded May-July 2012 with 755 US respondents
  - 2011 survey fielded April-June 2011 with 790 US respondents



# About LinkedIn Talent Solutions

LinkedIn Talent Solutions offers a full range of recruiting solutions to help organizations of all sizes find, engage, and attract the best talent.

Founded in 2003, LinkedIn connects the world's professionals to make them more productive and successful. With over 300 million members worldwide, including executives from every Fortune 500 company, LinkedIn is the world's largest professional network.



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# About the authors



## Sam Gager

Research Consultant,  
LinkedIn Talent  
Solutions

Sam is an experienced researcher on LinkedIn's Insights team. He and his colleagues uncover data-driven insights from LinkedIn's proprietary data.



## Rachel Bowley

Research Associate,  
LinkedIn Talent  
Solutions

Rachel is a statistically savvy number cruncher and researcher. She powers the insights LinkedIn generates from its data.



## Esther Cruz

Insights and Content  
Marketing Manager,  
LinkedIn Talent  
Solutions

Esther is passionate about connecting people and opportunities. She enjoys creating content and disruptive thought leadership for the talent industry.



## Ryan Batty

Director of Marketing,  
LinkedIn Talent  
Solutions

Ryan believes in the power of great storytelling to convey meaningful ideas. He leads a team of marketers capturing and sharing insights, ideas and stories to serve the talent industry.