



UK Recruiting Trends

3 Must-Know Talent Acquisition Trends for 2015

4th 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 democratisation 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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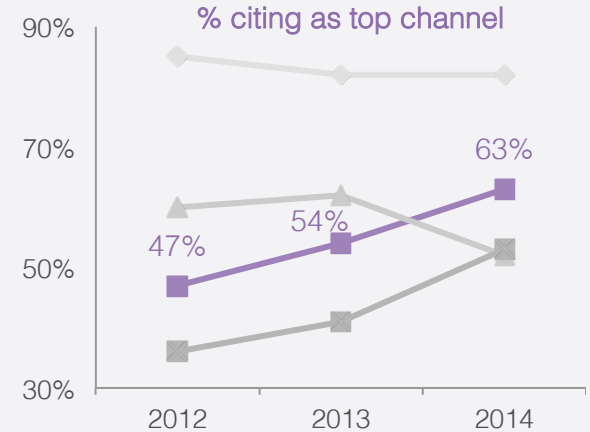
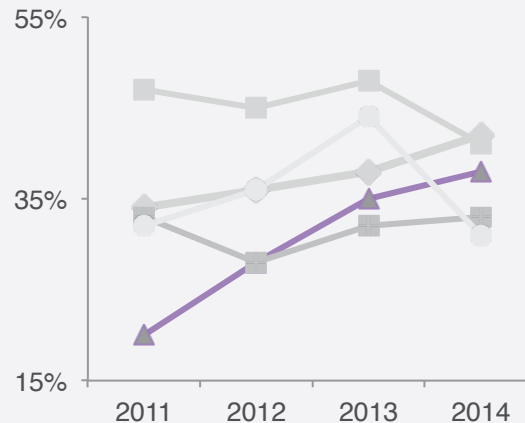
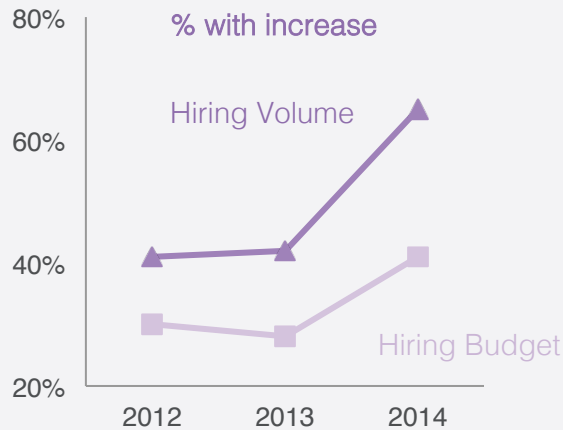
Executive summary: UK recruiting trends

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 3 years.

2 Sourcing: Recruiters' use of social professional networks is increasing significantly over 4 years to become one of the top sources of quality hires.

3 Talent Brand: Social media and online professional networks are not only the fastest growing, but also two of the top channels for promoting talent brand.



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

"How has your organisation's budget for recruiting solutions changed from last year?"

- ◆ Company website
- ◆ Company career website
- ◆ Search and Staffing Agencies
- ◆ Social professional networks
- ◆ Internet job boards
- ◆ Internal hires

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

- ◆ Company website
- ◆ Online professional networks
- ◆ Friends/family, word of mouth
- ◆ Social media (e.g., Facebook)

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



Part 1: The recruiting industry in 2015

Part 1: The recruiting industry in 2015

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

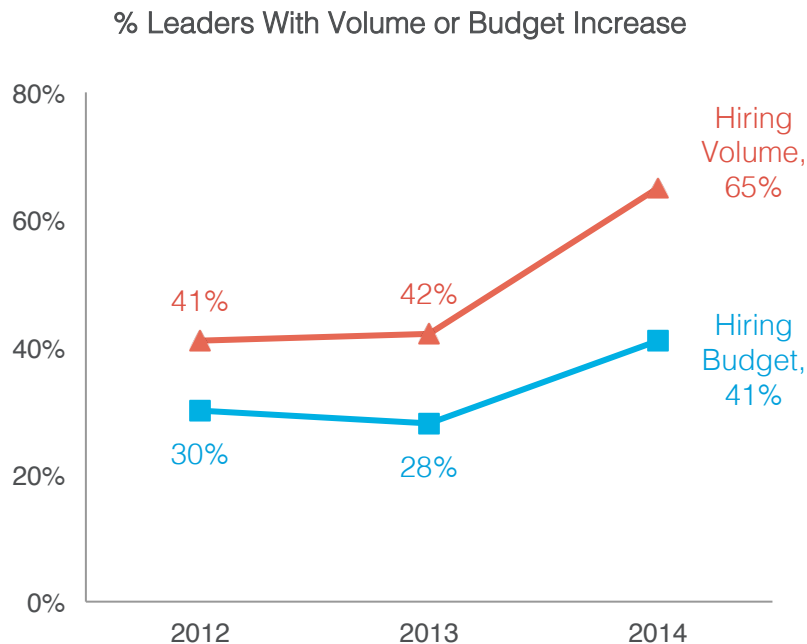
Hiring volumes and budgets buck the trend of stagnation, heating up for the first time in three years. With the widening gap between budgets and hiring, talent acquisition leaders must be poised to scale their operations. Doing more with less is more important now than ever before. Competition and compensation 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-optimised 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. |

Organisational pressure

Hiring volume and budgets heat up

UK company hiring volumes and budgets buck the trend of stagnation, heating up for the first time in three 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.



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

"How has your organisation's budget for recruiting solutions changed from last year?"

60%

of UK CXOs believe that overall staffing levels are increasing, according to a Sept 2014 LinkedIn Economic Confidence Outlook study. UK CXOs are more optimistic than the 39% of global CXOs who believe overall staffing levels are increasing. UK CXOs remain un-phased by the potential weakness of global executive confidence, especially in the Euro-zone.

Organisational priorities: Top priorities are sourcing and pipelining Talent

Sourcing and pipelining talent are top priorities

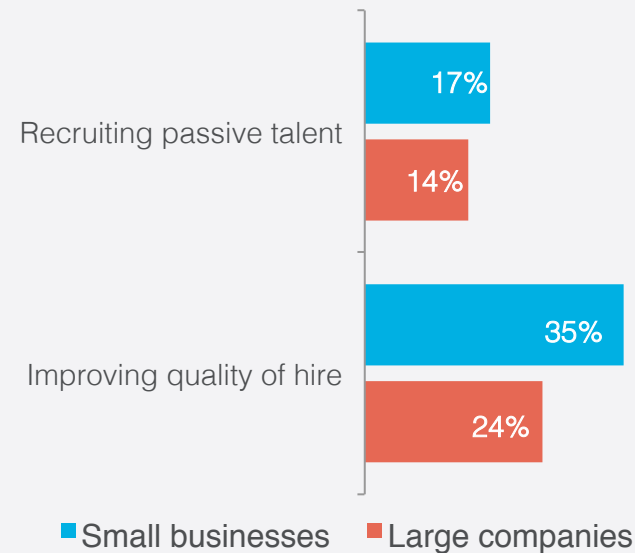
UK and global talent acquisition leaders agree that sourcing skilled talent is the lynchpin of any successful recruiting organisation. Pipelining talent is the second highest priority of UK companies.

Small and large companies differ

Small companies consider improving the quality of hire a greater priority than larger companies do. Recruiting passive talent is also more important area of interest for smaller businesses.



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



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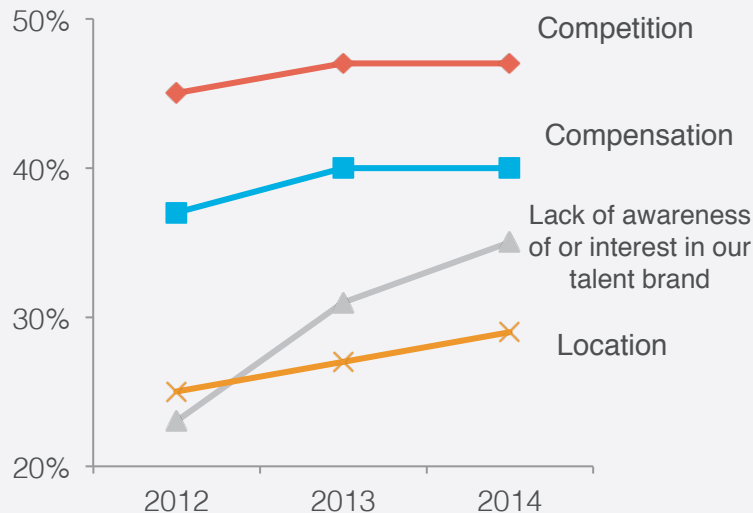
Competitive threats: Biggest obstacle to landing talent in 2015 is competition

In UK, competition is top obstacle to hiring

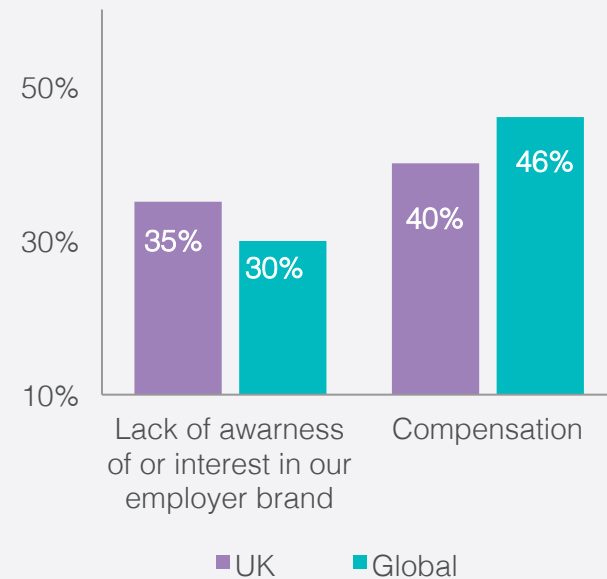
Competition is the number one obstacle UK companies face in attracting top talent, followed closely by compensation. Companies must plan ahead to overcome competition and compensation when hiring top talent in 2015.

UK companies are more concerned about lack of awareness or interest in brand and compensation

The lack of awareness or interest in a brand is more of a threat to UK companies than to global companies. UK companies should consider enhancing their brand awareness through social media channels in order to counteract this obstacle.



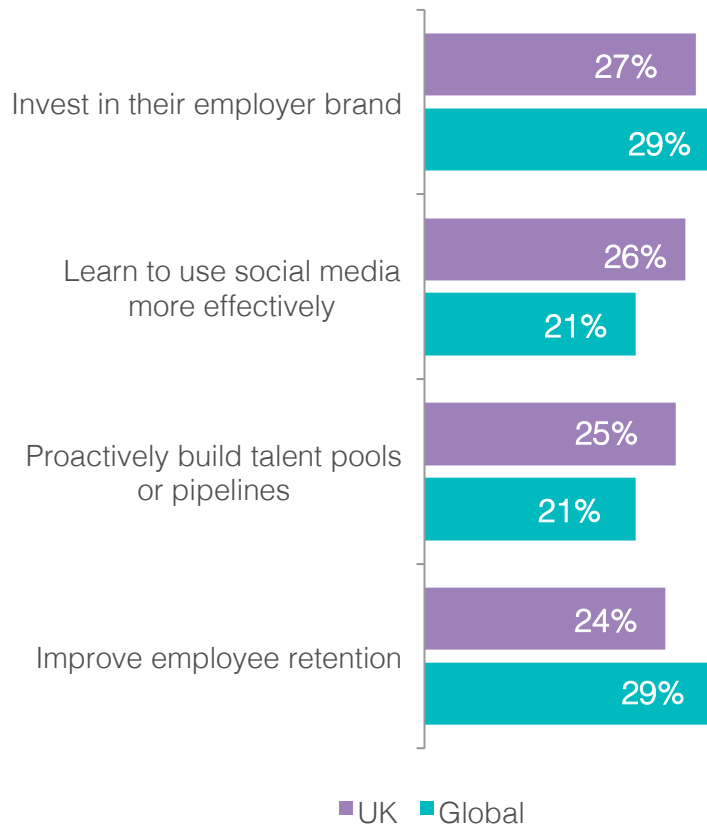
“What are your company's biggest obstacles to attracting the best talent?”



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

Competitive threats

Employer brand, the effective use of social media, talent pools and employee retention are the top competitive threats in the UK.



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

57%

Of UK 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.

56%

of global 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?

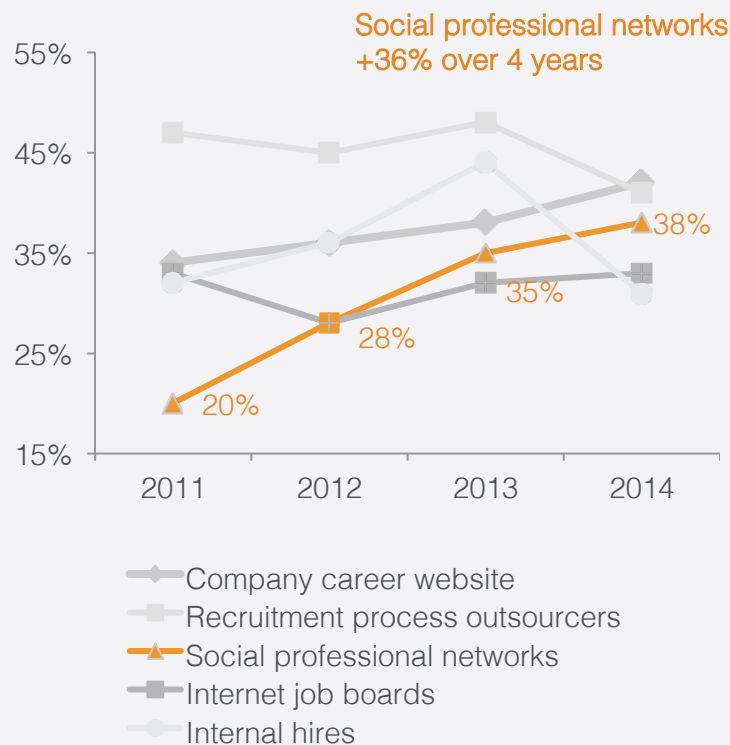
In 2015, sourcing just isn't what it used to be. Recruiters' use of social professional networks skyrocketed to become the number three top source of quality hires. Passive candidate recruiting is popular not only in the UK, but also in economic powerhouse countries like China and India. Wiley UK small 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.

Fastest growing source of quality hires: Professional networks

Social professional networks rise to become one of top sources for quality hires

Social professional networks are becoming an extremely important source of quality hires in the UK, increasing 36% over the past 4 years.



UK is heavily reliant on search and staffing agencies compared to global counterparts

Compared to other countries such as the US, Spain, Mexico, the UK tends to have a significantly larger reliance on search and staffing agencies.



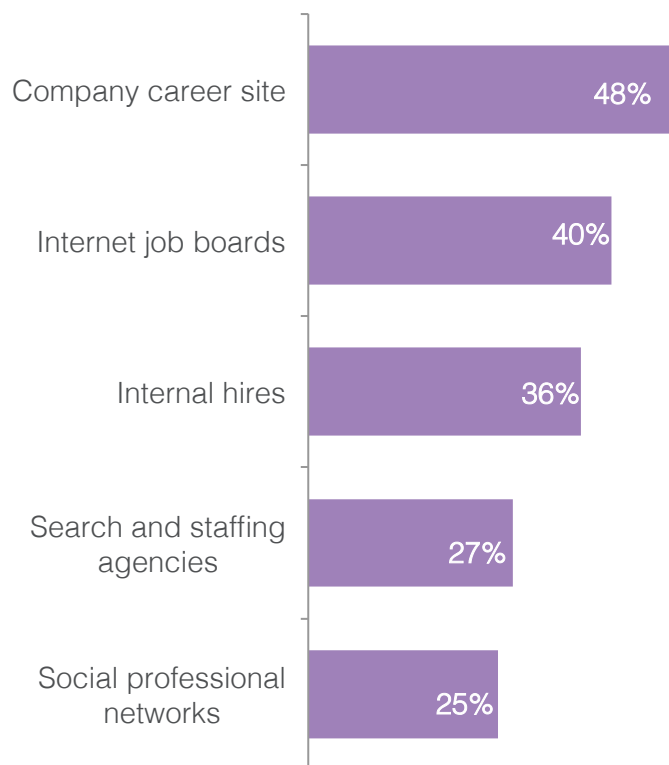
“Think about the key quality hires that your organisation (placed/made) in the past 12 months. Which of the following were the most important sources for those key positions?”

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Top source for quantity: Company career sites

Career sites produce highest quantity of hires

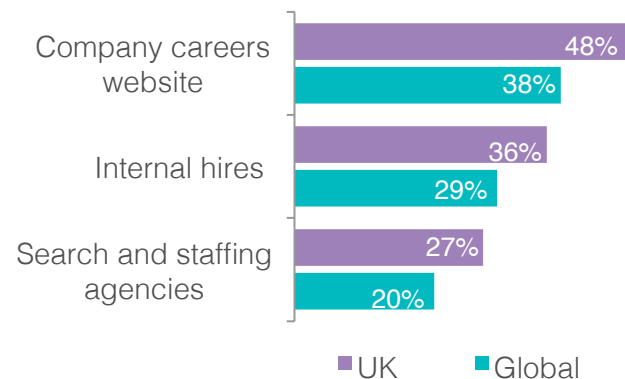
Company career sites currently produce the highest quantity of hires in UK companies. However, quantity doesn't always equal quality. Recruiting leaders need to manage the application process to ensure they get both quantity and quality.



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

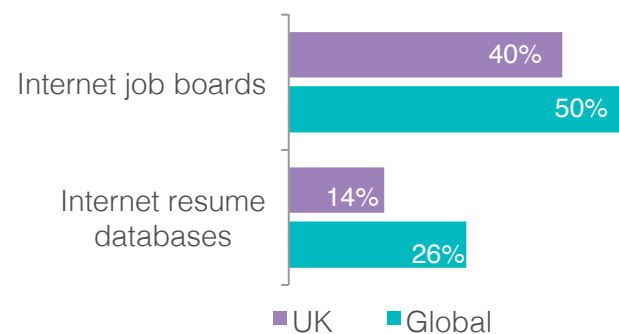
How UK channels for quantity of hire differ

Career sites, internal hires and search and staffing agencies are more popular for quantity of hires in the UK than globally.



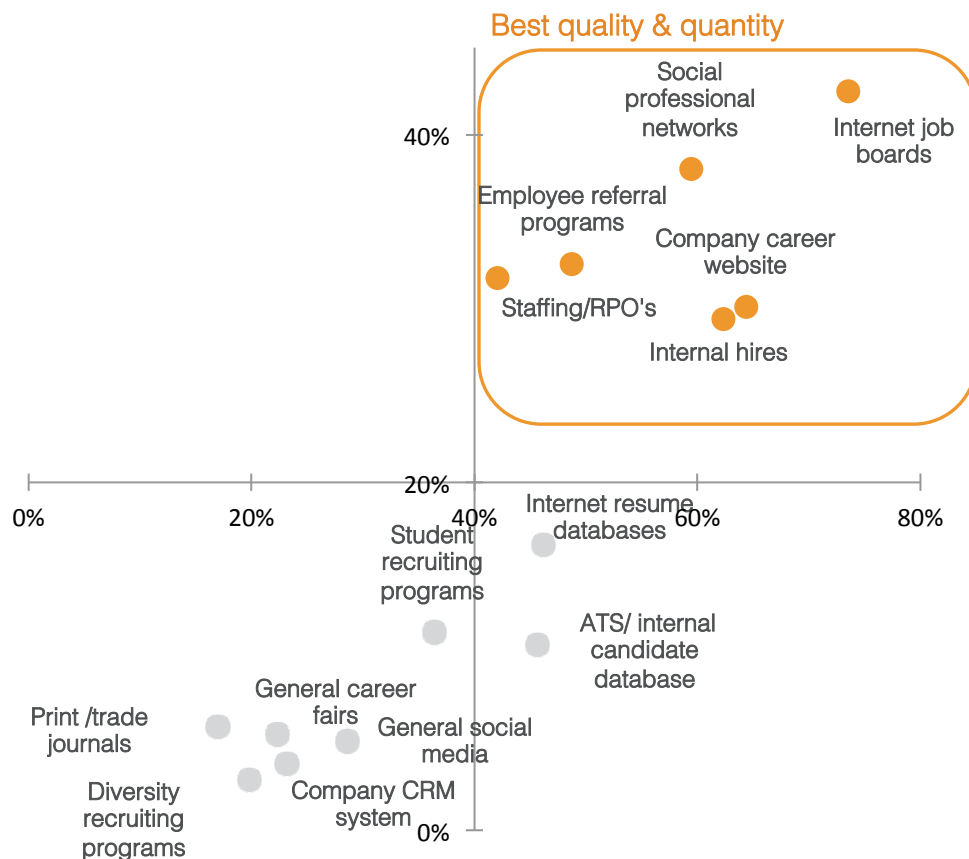
How global channels for quantity of hire differ

Globally, internet resume databases and internet job boards are sources for significantly larger quantities of hires than in the UK.



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

5 sources of hire for quality and quantity



52%

of UK talent leaders believe they're doing a good job tracking return on investment on sources of hire.

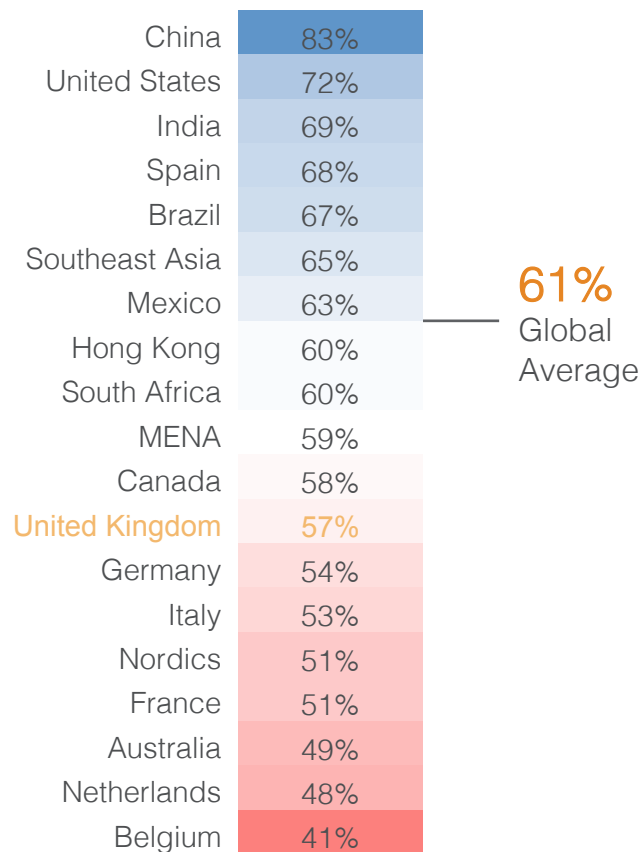
As the gap between hiring volume and budgets widens, it's time to invest and optimise the sources that return both the best quality and quantity of candidates.

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

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

Passive candidate recruiting: UK companies catching up

The UK is below average for % of companies that recruit passive candidates

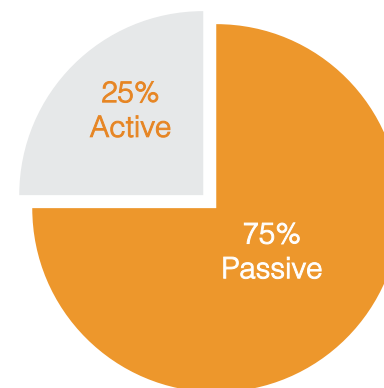


"To what extent does your recruiting organisation focus on reaching out to passive talent?"

Why passive candidate recruiting works

Globally, 75% of professionals are open to new opportunities yet only 61% of companies recruit passive candidates. When companies only focus on the 25% - active candidates who apply to jobs, they miss out the 75% who are open to or considering a career change.

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: Quality is most valuable hiring metric

Quality of hire is most valuable metric

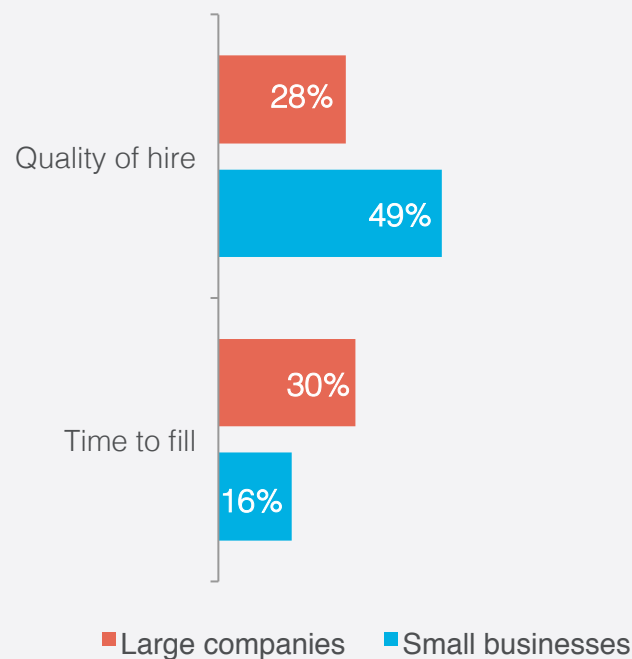
Global and UK recruiting leaders agree that quality of hire is the most valuable metric for measuring recruiting team performance followed by time to fill.



"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 UK, small businesses value quality of hire as a performance metric significantly more than large companies do. Whereas time to fill is tracked more by larger companies as a performance metric than small businesses.



"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

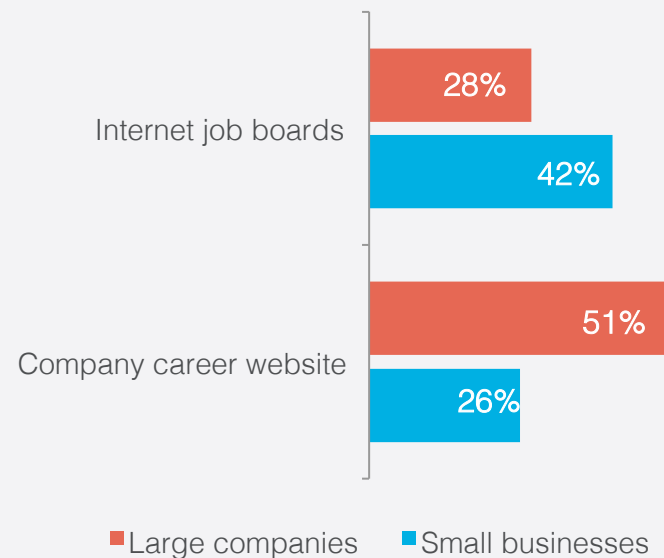
Quality of hire is widely considered the holy grail of recruiting metrics. Today, global and UK recruiting leaders agree on the top 3 ways to measure quality of hire. UK leaders lean towards retention, new hire performance evaluation and hiring manager satisfaction which is similar to global companies.



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

Sources of quality hires differ for small businesses

Small businesses are more reliant on internet job boards and less reliant on company career websites than their large company counterparts are.

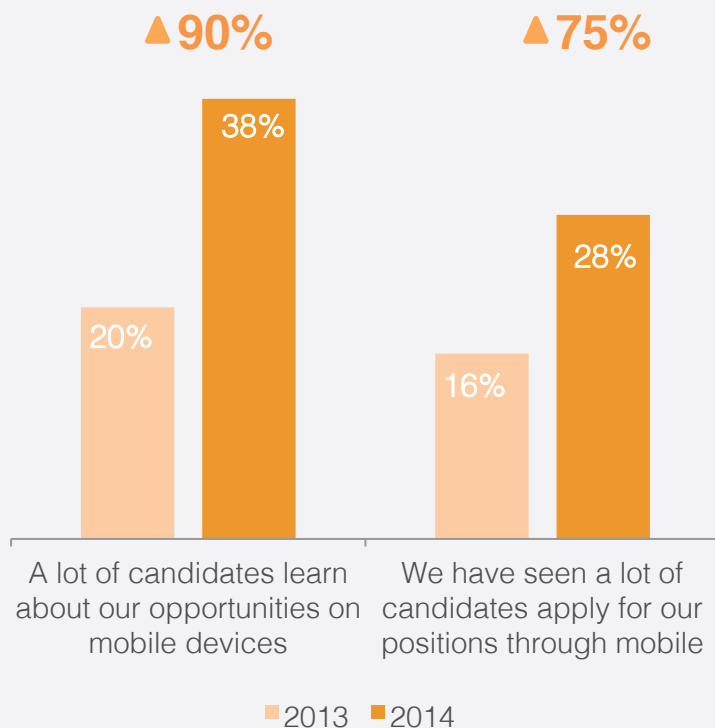


“Think about the key quality hires that your organisation (placed/made) in the past 12 months. Which of the following were the most important sources for those key positions?”

Sourcing: The continued rise of mobile

Candidate mobile behaviors rising globally

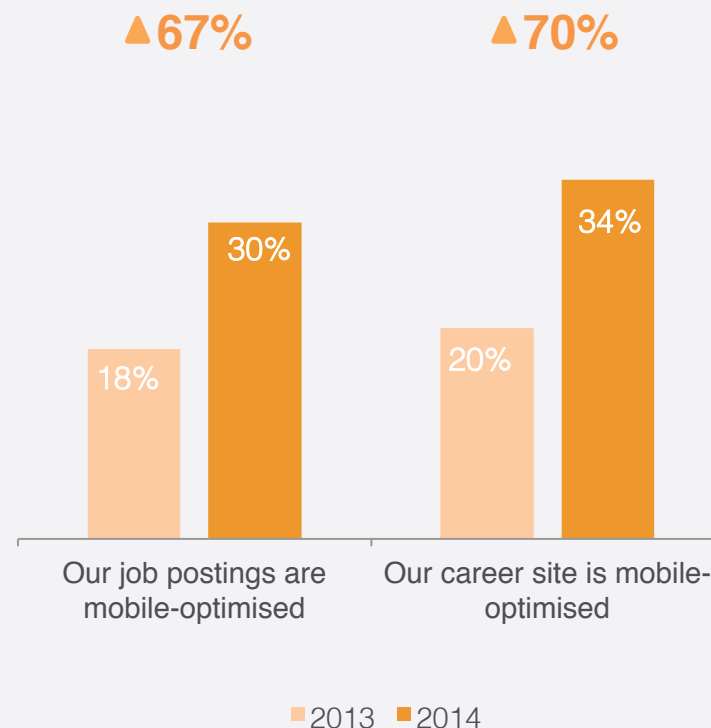
Global recruiting leaders agree that candidate mobile job seeking behavior is on the rise. We believe this will continue in 2015.



"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, optimising 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%.¹

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

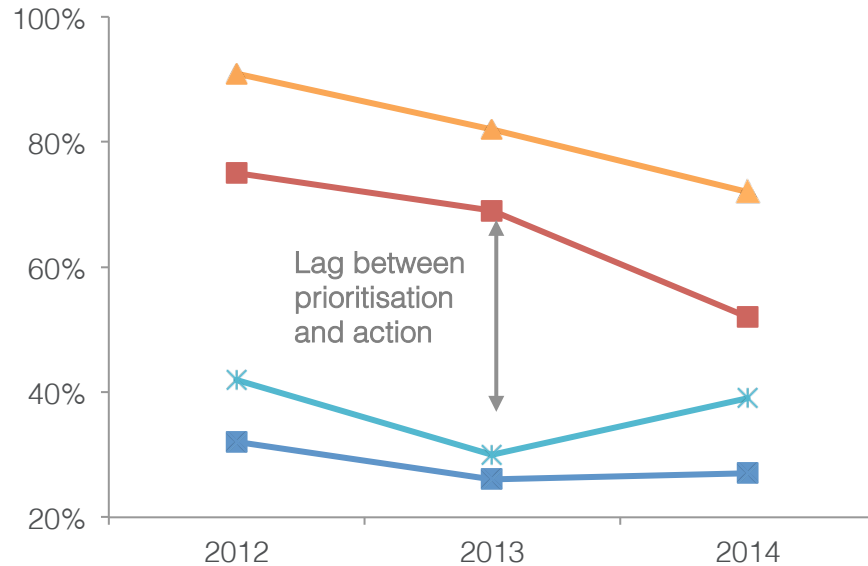
| Marketing | Recruiting |
|-----------------------|--|
| Segment | Determine the criteria for segmenting desired candidates |
| Target | Prioritise and pursue candidates based on top criteria |
| Position | Create a narrative and message for the company's talent brand to acquire and retain priority 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 |

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

Talent brand: Companies prioritisation and actions are coming into alignment

Talent brand prioritised with action to follow

UK recruiting leaders agree that talent brand is a priority that impacts their ability to hire top talent. Their actions are now beginning to come into alignment with its level of importance.



- 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."

72%

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

Talent brand: UK companies are average on Talent Brand

UK companies average on talent brand

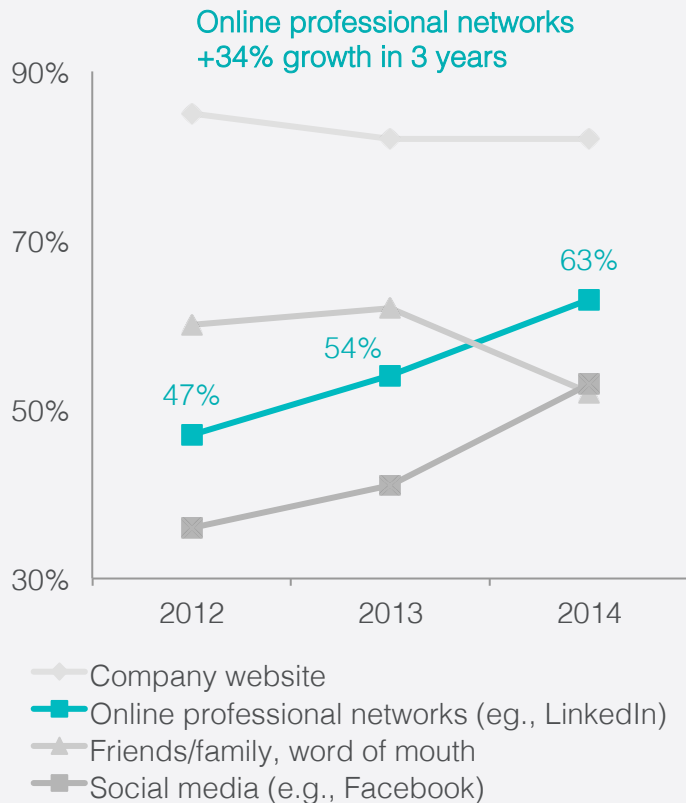
UK companies are average when it comes to prioritising and proactively managing their talent brand. South African, Indian, and Southeast Asian companies are particularly advanced in their prioritisation and action on talent brand.



Talent brand: Top 4 channels for promoting it

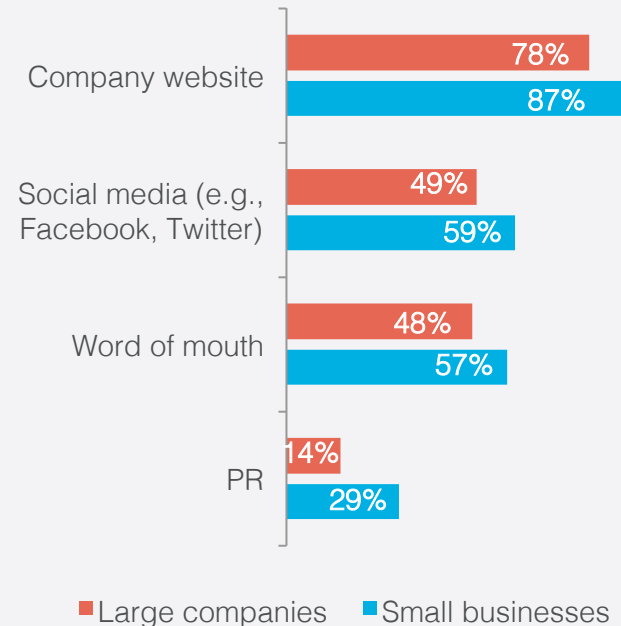
Fastest growing channel for talent brand

In the UK, 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 UK, small businesses use social media, their company website, word of mouth and PR firms to promote their brand significantly more than larger companies do. They have become smarter with their limited resources.

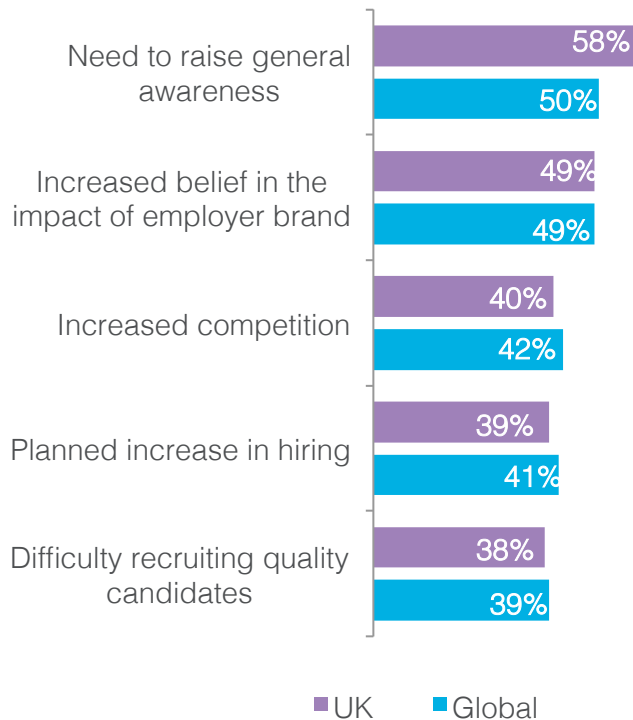


"Which channels or tools have you found most effective in spreading your employer brand?" Asked leaders who are responsible for employer brand.

Talent brand: What's the return on investment?

Why companies invest in talent brand

Global and UK 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 hire¹

28% How much you can reduce your employee turnover¹

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

¹Eda 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

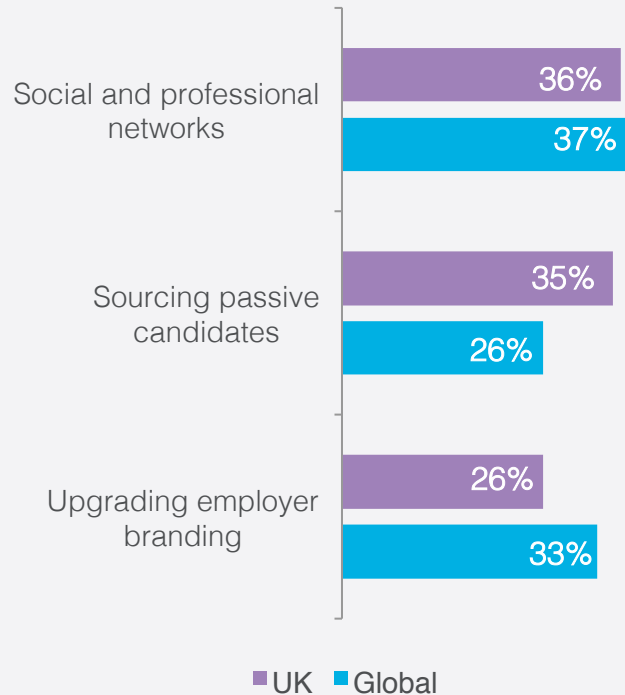
Now it's time to test the wisdom of crowds. Looking in their crystal balls, talent acquisition leaders predict what the future holds for recruiting. They also attempt to trend spot new, up-and-coming recruitment practices.

UK talent acquisition leaders believe that better matching of candidates with jobs and recruiting becoming more like marketing 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

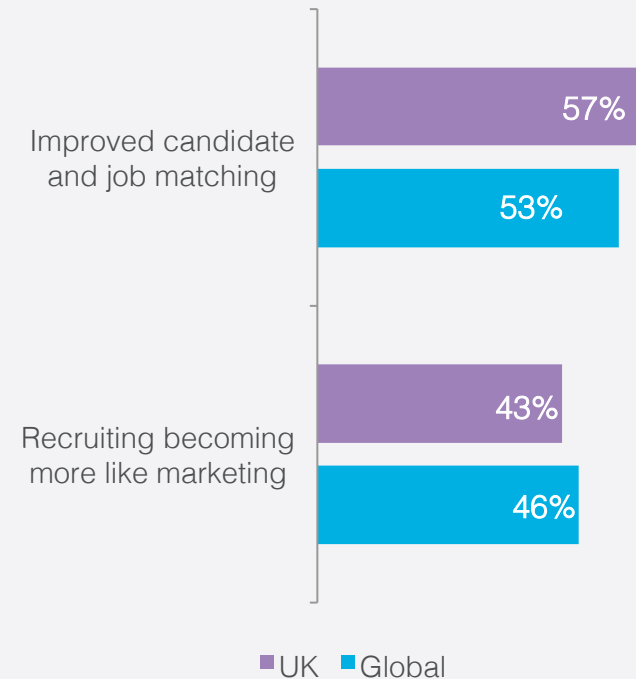
Global and UK recruiting leaders agree: Social and professional networks are the most essential and long-lasting trend in recruiting.



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

Trend spotting: Improved candidate and job matching (personality fit, culture fit etc)

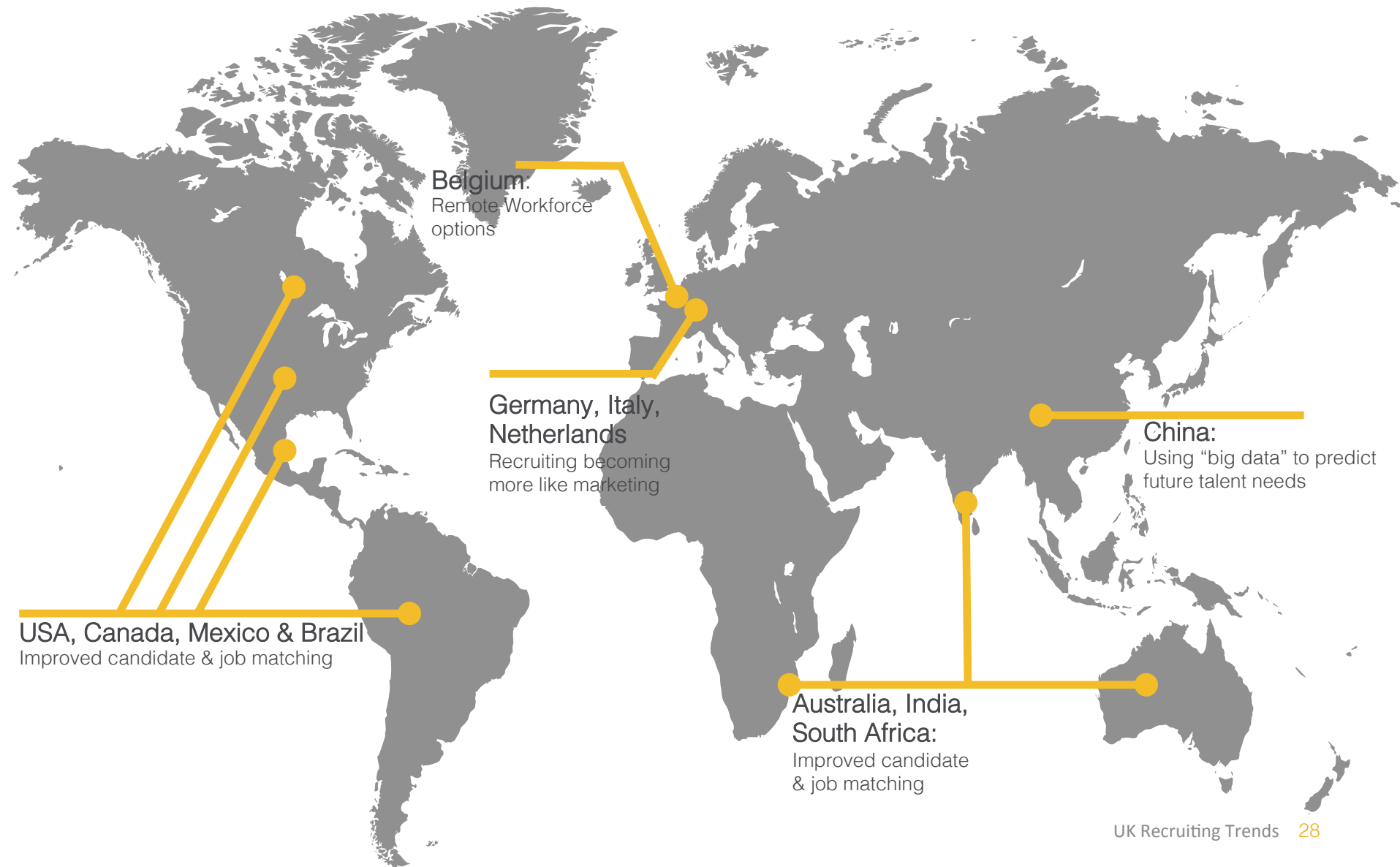
Candidate and job matching and recruiting becoming more like marketing could reshape the recruiting industry in the next 5 to 10 years.



“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





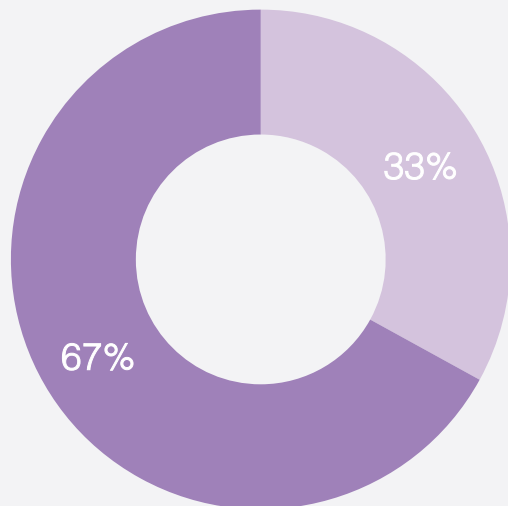
Epilogue: More interesting data

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.



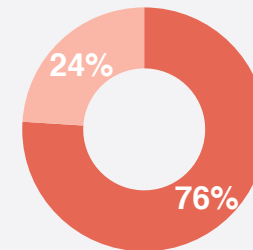
- Recruiting YP's is central to our recruiting strategy
- Recruiting YP's is not central to our recruiting strategy

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

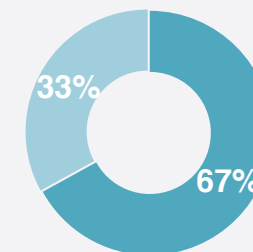
Most large and small UK companies recruit students

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

Large UK companies



Small UK companies

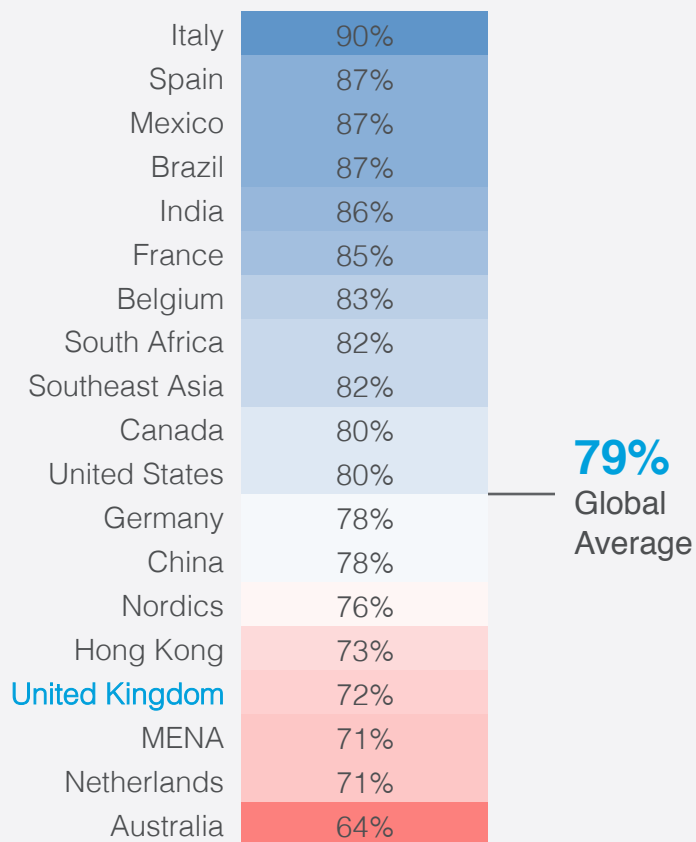


- Recruit students and young professionals
- Don't recruit students and young professionals

Student recruiting: UK companies are lagging behind

A below average % of UK companies recruit students

The UK is below average while student recruiting is practically essential for Italian companies.



Employer brand is main obstacle to recruiting students

A company's employer brand has a significant impact on the recruitment of students in the UK.



"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?"

Global recruiting leaders are fairly aligned with what young professionals want in a job

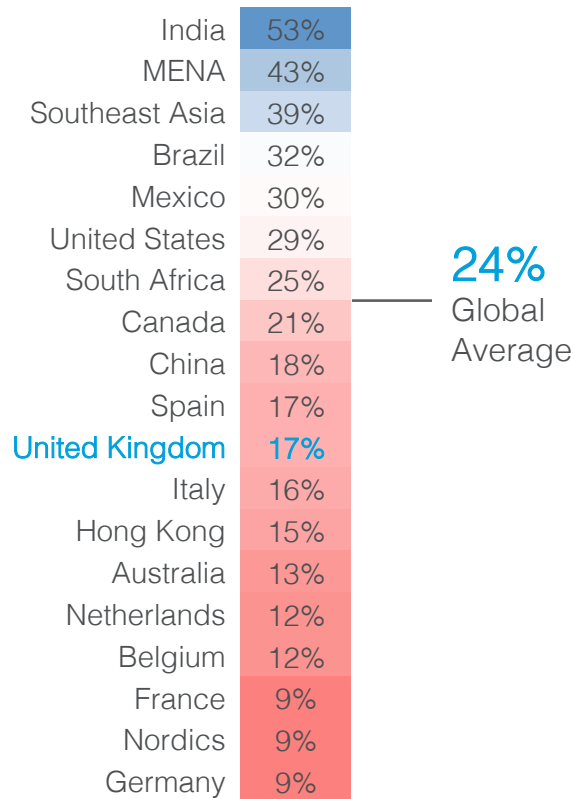
● Young Professionals value more than what recruiting leaders think
 ● Young Professionals value as much as what recruiting leaders think
 ● Young Professionals value less than what recruiting leaders think



Talent analytics: Most companies don't use data well

Most global companies don't use data well

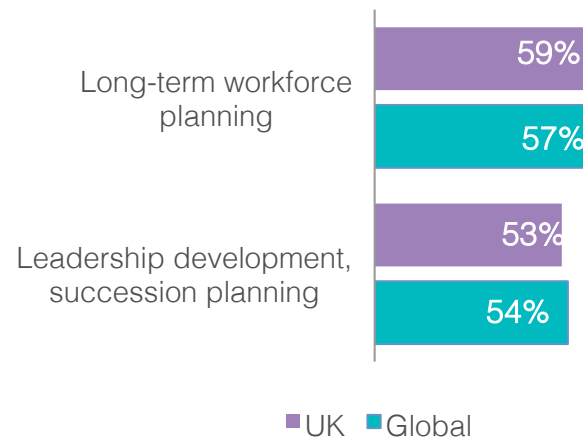
Recruiting leaders need to strengthen their talent analytics capabilities to stay ahead.



24%

Only 24% of global recruiting leaders believe they are using data very well in their roles.

Global companies use data mainly for workforce and succession planning



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

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

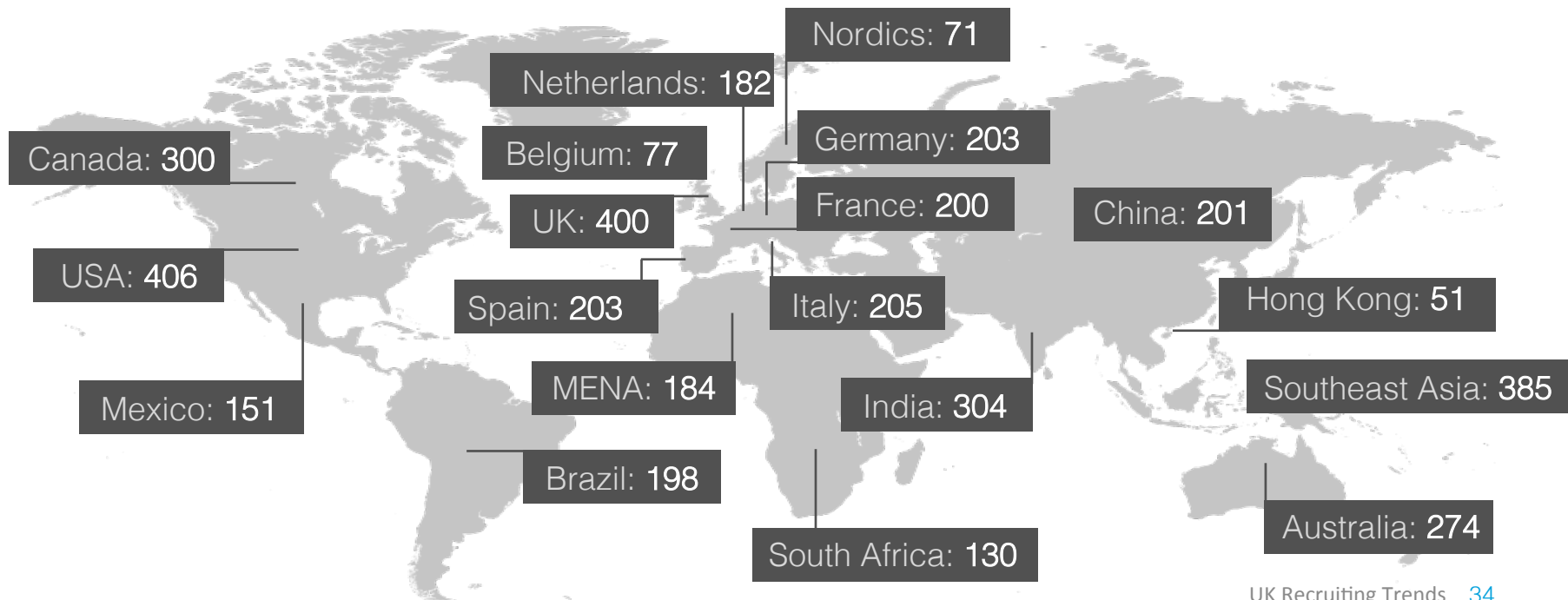
Survey sampling and methodology

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 Aug-Sept 2014 with 400 UK respondents
 - 2013 survey fielded Apr-May 2013 with 340 UK respondents
 - 2012 survey fielded May-Jul 2012 with 334 UK respondents
 - 2011 survey fielded April-June 2011 with 369 UK respondents



About LinkedIn Talent Solutions

LinkedIn Talent Solutions offers a full range of recruiting solutions to help organisations 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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Sam is an experienced researcher on LinkedIn's Insights team. He and his colleagues uncover data-driven insights from LinkedIn's proprietary data.



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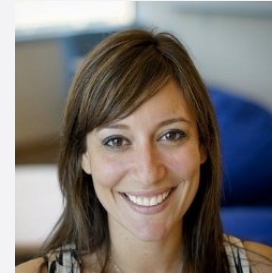
Maeve desires to provide the right information, at the right time via the right channel to enable every professional to become more productive and successful.



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.



Angela Bertolo

Senior Marketing
Manager,
LinkedIn Talent
Solutions

Angela leads a team of marketers who are committed to providing relevant and powerful content for the talent industry. Her storytelling ability enables her to do this effectively.