



Australian Recruiting Trends

Three must-know talent acquisition trends for 2015
4th annual report

LinkedIn Talent Solutions

Introduction

To win out against the competition 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 in 2015.

About this survey

We surveyed **4,125** talent acquisition decision makers in **31** countries, including **274** in Australia 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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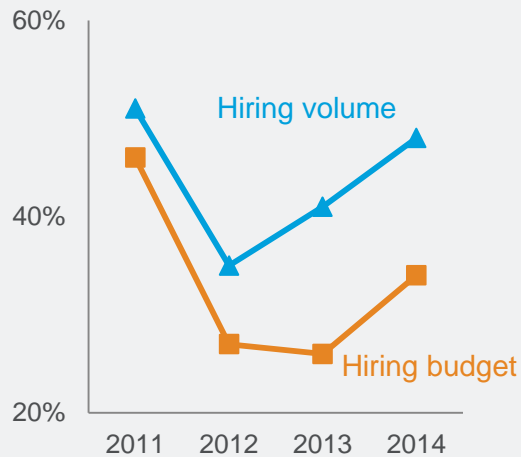
Executive summary: Australian recruiting trends

Three must-know talent acquisition trends and predictions for 2015

1 Both hiring volumes and hiring budgets are returning to near 2011 levels.

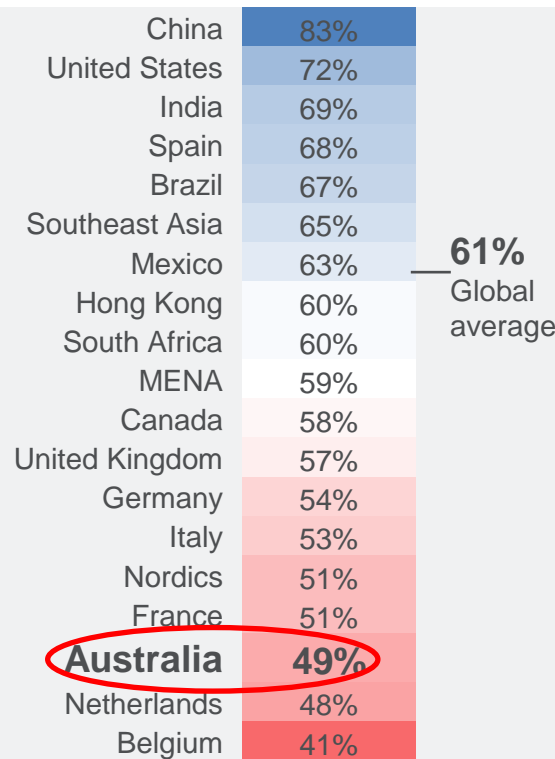
2 In Australia, 78% of professionals consider themselves “passive”,* yet only **49% of surveyed companies** are recruiting passive candidates.

3 Hot recruiting trends in the next five to 10 years include defining and measuring hire quality, improving candidate and job matching, and recruiting evolving to be more like marketing.



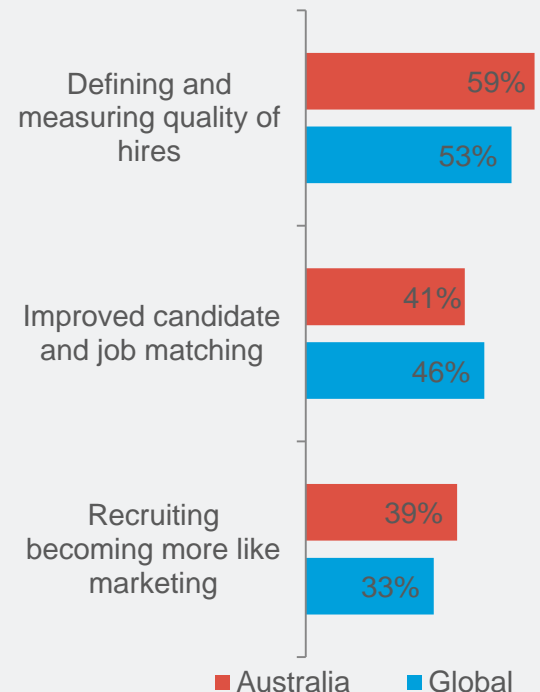
“Considering only full and part-time professional employees, how do you expect the hiring volume across your organisation to change this year?”

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



“To what extent does your recruiting organisation focus on hiring passive talent?”

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



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



Part 1: The recruiting industry in 2015

Part 1: The recruiting industry in 2015

In Australia, hiring volumes continue to outstrip hiring budgets. 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 large and small 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.

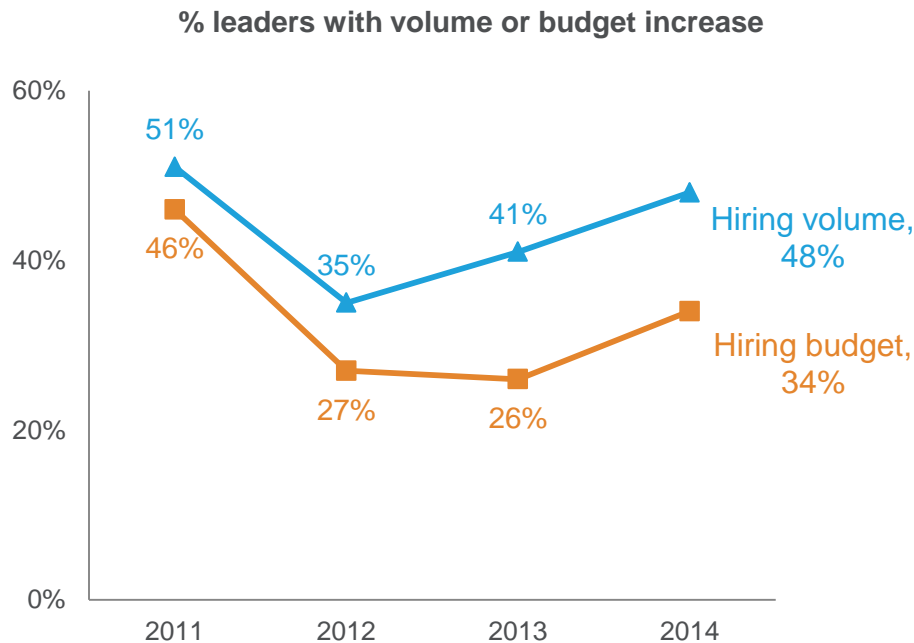
- ✓ Technology context and catalysts in the talent industry.
- ✓ Organisational pressures and priorities.
- ✓ Competitive threats to attracting top talent.

| Advancement | Implication for talent acquisition |
|----------------------|--|
| Social media | The accessibility and connectedness of personal and professional profiles 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 talent faster 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 (for example, viewing a job and clicking to apply). |
| “Big data” analytics | As data storage, processing and transmission become cheaper, talent acquisition leaders have begun to use this data for strategic and tactical business decisions. |

Organisational pressure: Hiring volumes and budgets increase in 2015

Hiring volume and budgets increase

Australian company hiring volumes and budgets continued to increase in 2014. As the gap widens between hiring volume and budgets in 2015, recruiting leaders must scale their operations and continue to do more with less.



“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?”

Global economic confidence is currently at **39%**

55%

of Australian CXOs believe that overall staffing levels are increasing, according to a Sept 2014 LinkedIn Economic Confidence Outlook study.

Australian CXOs are more optimistic about their company staffing levels than global CXOs.

Organisational priorities: Recruiting leaders agree

Sourcing and quality of hire are top priorities

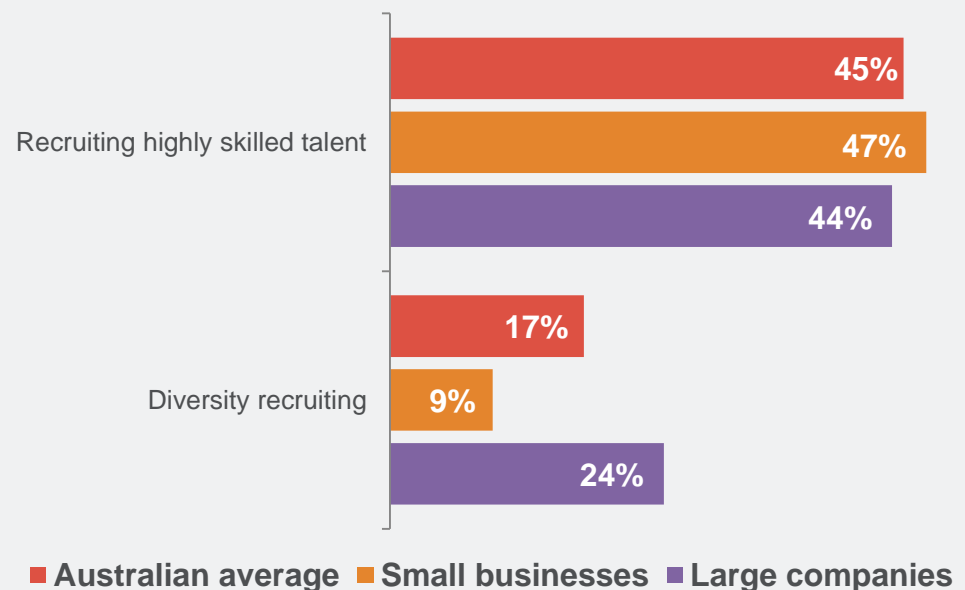
Australian and global talent acquisition leaders agree that sourcing skilled talent is the linchpin of any successful recruiting organisation. Improving quality of hire is the second highest priority with workforce planning a bigger priority in Australia than globally.



“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?”

Small and large companies same but different

There's not much difference between large and small companies in Australia when it comes to prioritising highly skilled talent. However, large Australian organisations are significantly more likely to prioritise diversity recruiting than small businesses.* There's still work to do though – overall, Australia lags 14 percentage points behind global trends for using diversity recruiting programs to hire white collar professionals.



“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?”

**We define small businesses as organisations with 500 or fewer people.*

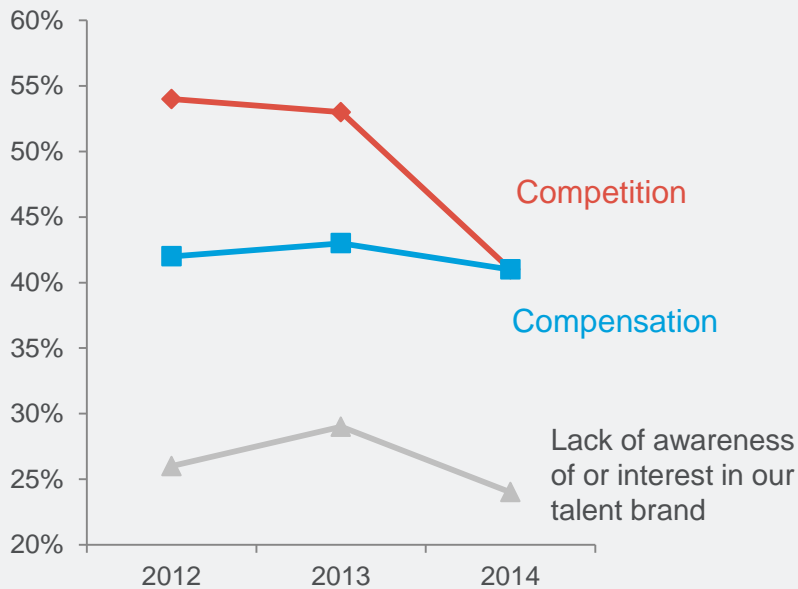
Competitive threats: Biggest obstacle to landing talent in Australia and globally is compensation and competition

Competition retreats as an obstacle year on year

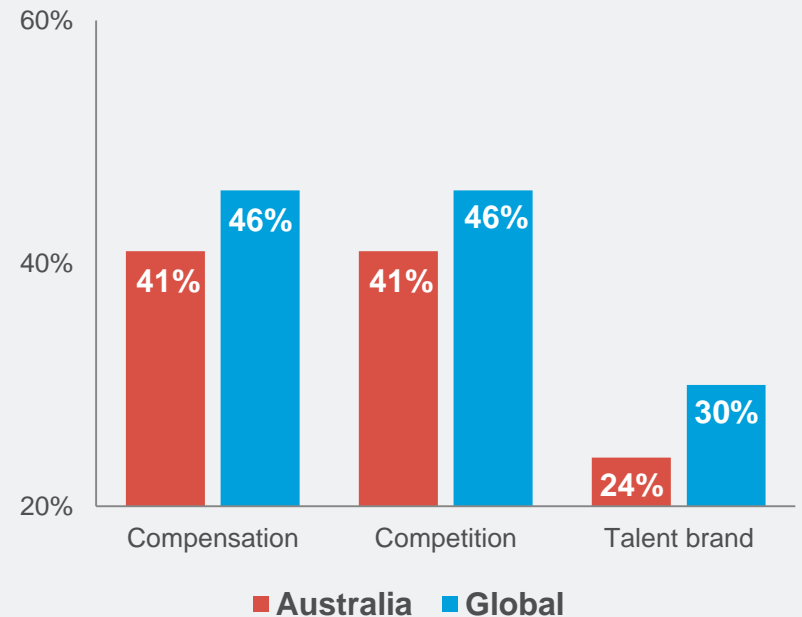
Even though the Australian economy continues to experience highs and lows, compensation remains steady while competition retreats as an obstacle to landing talent. Lack of awareness of or interest in talent brand came in third, some 16 percentage points away.

Australian and global top three competitive threats the same

Interestingly, competitive pressures and compensation are of equal threat globally and in Australia. Lack of awareness of or interest in talent brand also came in third.



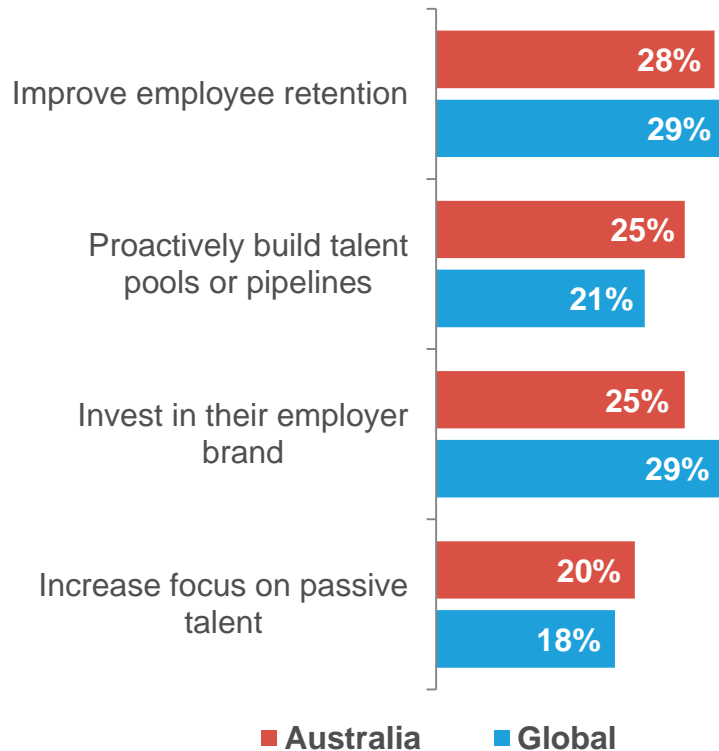
“What are your company’s biggest obstacles to attracting the best talent?”



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

Competitive threats: Australian companies are nervous about retention and poaching

Retention considered top competitive threat



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

49%

of Australian companies recruit passive talent compared with 61% globally and 72% in the US.

4 years

is the average length of time an employee stays at one company, according to August 2014 global LinkedIn data.

60%

of Australian 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?

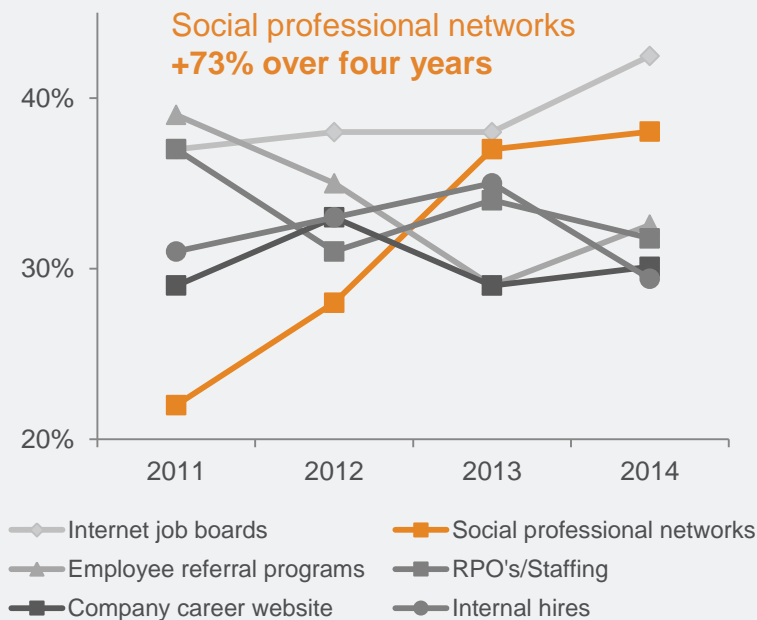
In 2015, sourcing just isn't what it used to be. Globally, recruiters' use of social professional networks skyrocketed to become the number two source of quality hires. Passive candidate recruiting in Australia lags behind the economic powerhouse countries of the US, China and India, which is a missed opportunity given that a whopping 75% of all professionals worldwide are passive.

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.

Social professional networks grow in importance for quality hires globally

Social professional networks on the rise globally

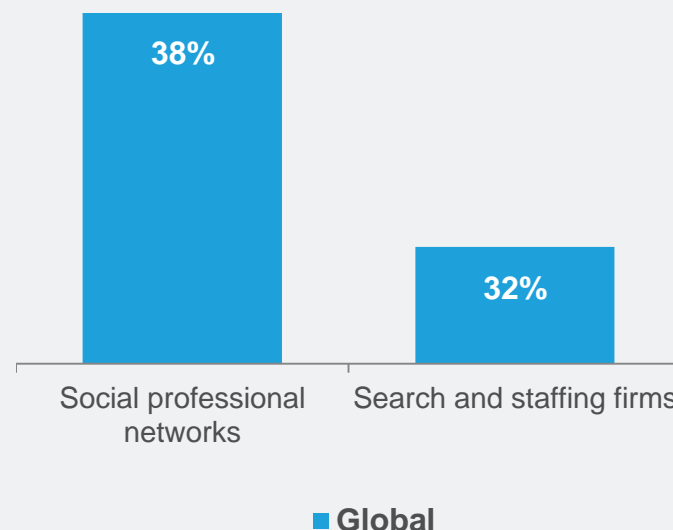
Of global companies surveyed, 38% stated that social professional networks were the source for their key quality hires in the past 12 months.



"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?"

Companies heavily reliant on social recruiting globally

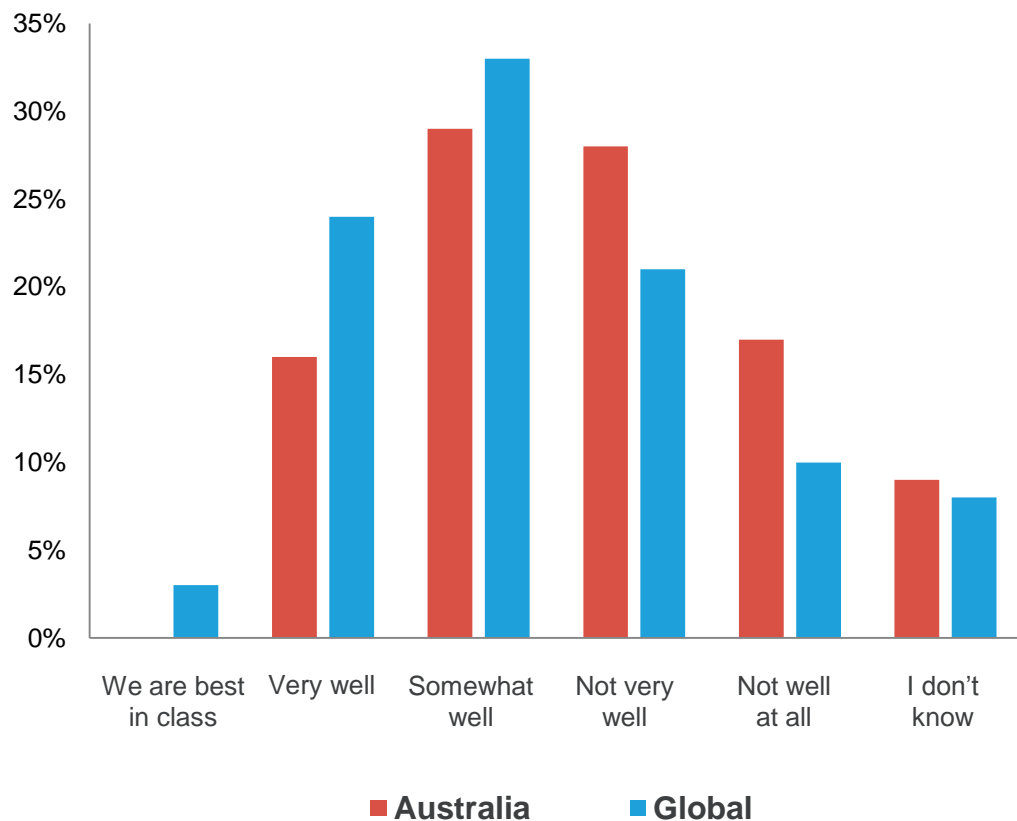
Globally, companies source quality hires significantly more from social professional networks, and significantly less from search and staffing agencies. As international markets evolve, this trend is one worth watching.



"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: ROI for sources of hire has room for improvement in Australia

Australia is lagging behind on measuring hire source ROI



Only **24%** of Australian talent leaders believe they are doing a really good job tracking return on investment on sources of hire. There's lots of room for improvement.

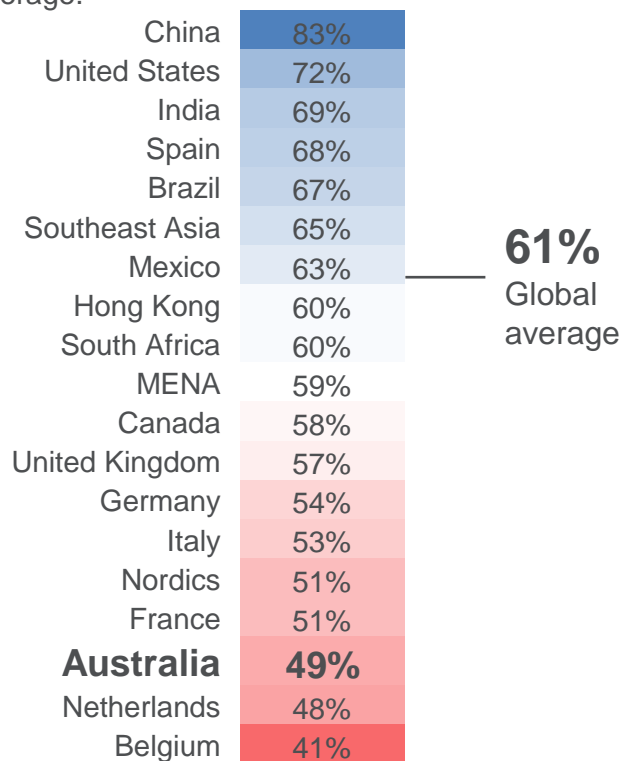
As the gap between hiring volume and budgets widens, it's time to invest and optimise the sources that return both the best quality and quantity of candidates.

"How well does your organisation track return on investment (ROI) across all of your sources of hire?"

Sourcing passive candidates: Australia is not tapping into the passive talent pool

Passive candidate recruiting: The global breakdown

Companies in the US and China are most aggressively recruiting passive candidates. Australia is missing an opportunity, with only 49% of companies actively recruiting passive candidates, 12 percentage points behind the global average.

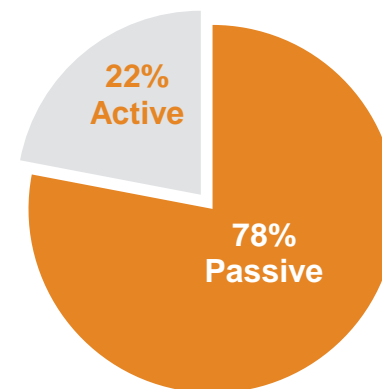


"To what extent does your recruiting organisation focus on hiring passive talent?"

Why passive candidate recruiting works

Globally, 75% of professionals consider themselves "passive". This increases to 78% in Australia.

Australian 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.

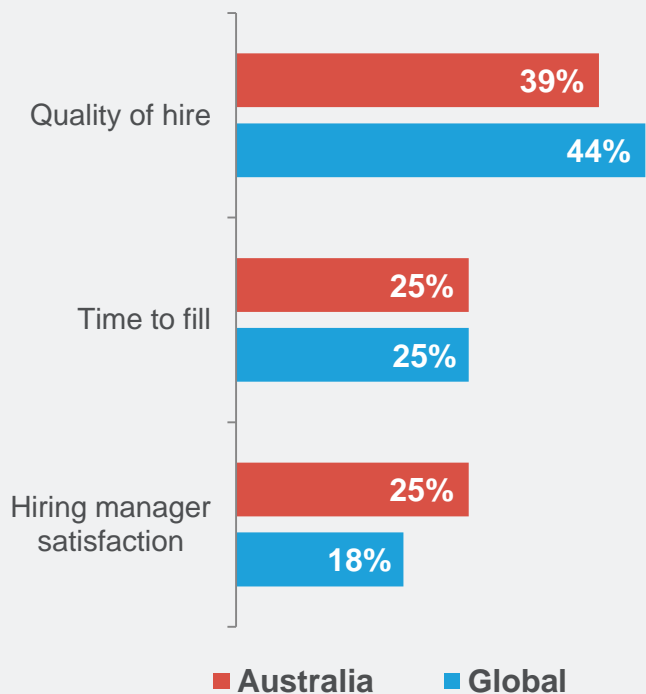
Passive candidate definition:

- ✓ 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

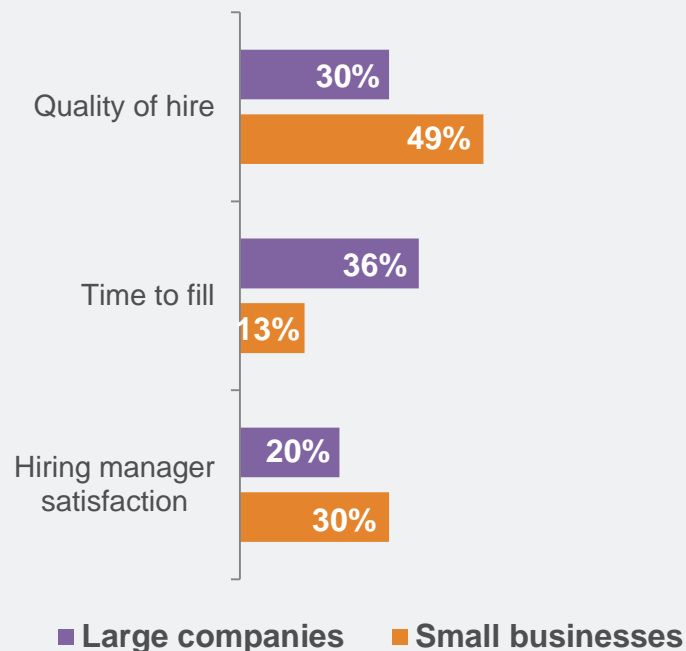
Global and Australian recruiting leaders agree that quality of hire is the most valuable metric for measuring recruiting team performance.



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

Small businesses highly value quality of hire

In Australia, 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 the top way to measure quality of hire

Quality of hire is widely considered the holy grail of recruiting metrics. Today, Australian recruiting leaders agree on the top four ways to measure quality of hire. Australian leaders lean toward turnover/retention and hiring manager satisfaction, while global companies favour new hire performance evaluations. Australian leaders also see cultural fit as a significantly greater key metric than global entities do.



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

Company size impacts how quality is measured

In Australia, small businesses place double the importance on cultural fit as a key metric than large companies do, similarly hiring manager satisfaction is of higher importance to Australian recruiting leaders, as is turnover/retention and new higher performance evaluation.

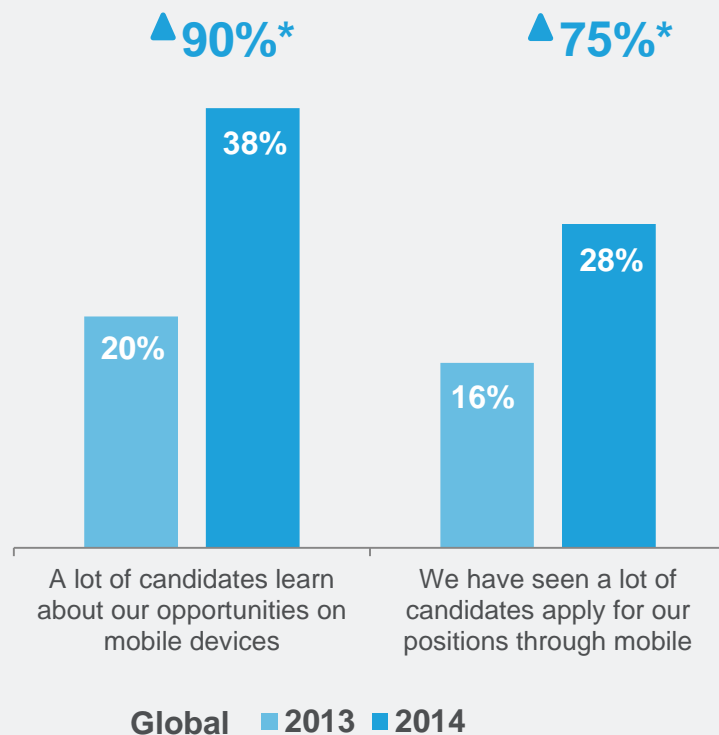


“What metrics does your organisation use to track quality of hire?”

Sourcing: The global rise of mobile job seeking and recruiting

Candidate mobile behaviours rising globally

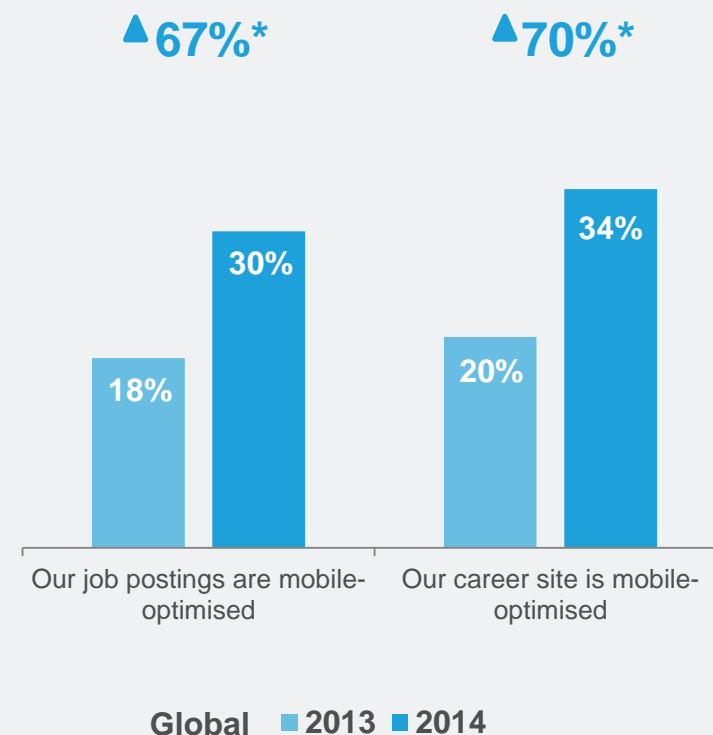
Global recruiting leaders agree that candidate mobile job seeking behaviour is on the rise. We believe mobile job seeking behaviour will continue to grow in 2015.



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

Companies globally 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?"

*Percentage increase year on year.



Part 3: Talent brand

Part 3: Talent brand

What's a talent brand? It's what talent thinks, feels and shares about your company as a place to work. As recruiting evolves to be more like marketing, recruiting leaders are embracing the idea of talent brand.

While companies agree that talent brand should be a priority, their actions are just now beginning to catch up. Recruiting leaders can get ahead of the competition by acting quickly to invest and create a proactive strategy for increasing their talent brand. To learn more, check out [LinkedIn's Employer Brand Playbook](#).

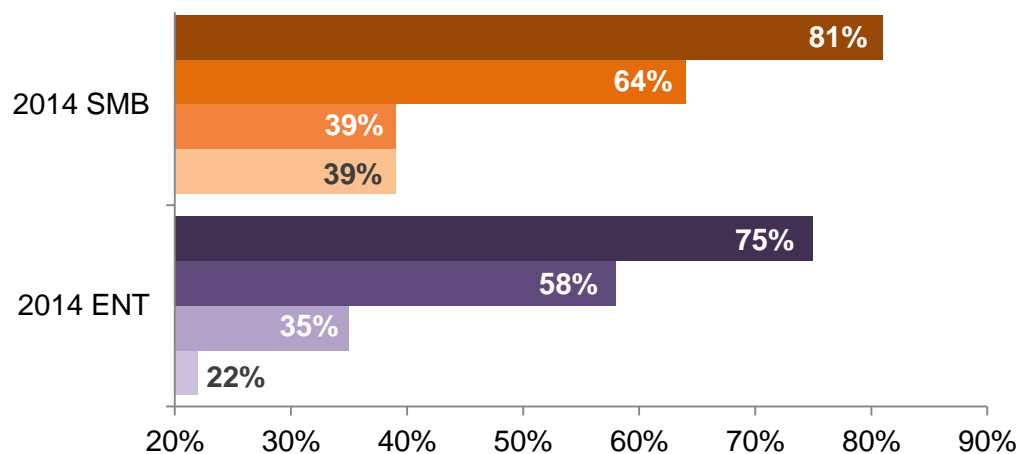
- ✓ How companies prioritise and act
- ✓ Channels for promoting talent brand
- ✓ Why companies invest

| Marketing | Recruiting |
|-----------------------|--|
| Segment | Segment candidates |
| Target | Target high priority candidates |
| Position | Position the company's talent brand to acquire and retain target candidates |
| Product | The job and work environment |
| 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 |

Talent brand: Small businesses outstrip large companies on prioritisation

Small businesses prioritised talent brand

Australian small businesses realise how significant employer brand is to their ability to hire quality talent. They prioritise employer brand more than larger companies. Companies can get ahead of the competition by creating a proactive talent brand strategy.



- Employer brand has a significant impact on our ability to hire great talent
- Employer brand is a top priority
- We measure our employer brand relative to our competitors for talent
- We regularly measure the health of our employer brand in a quantifiable way

77%

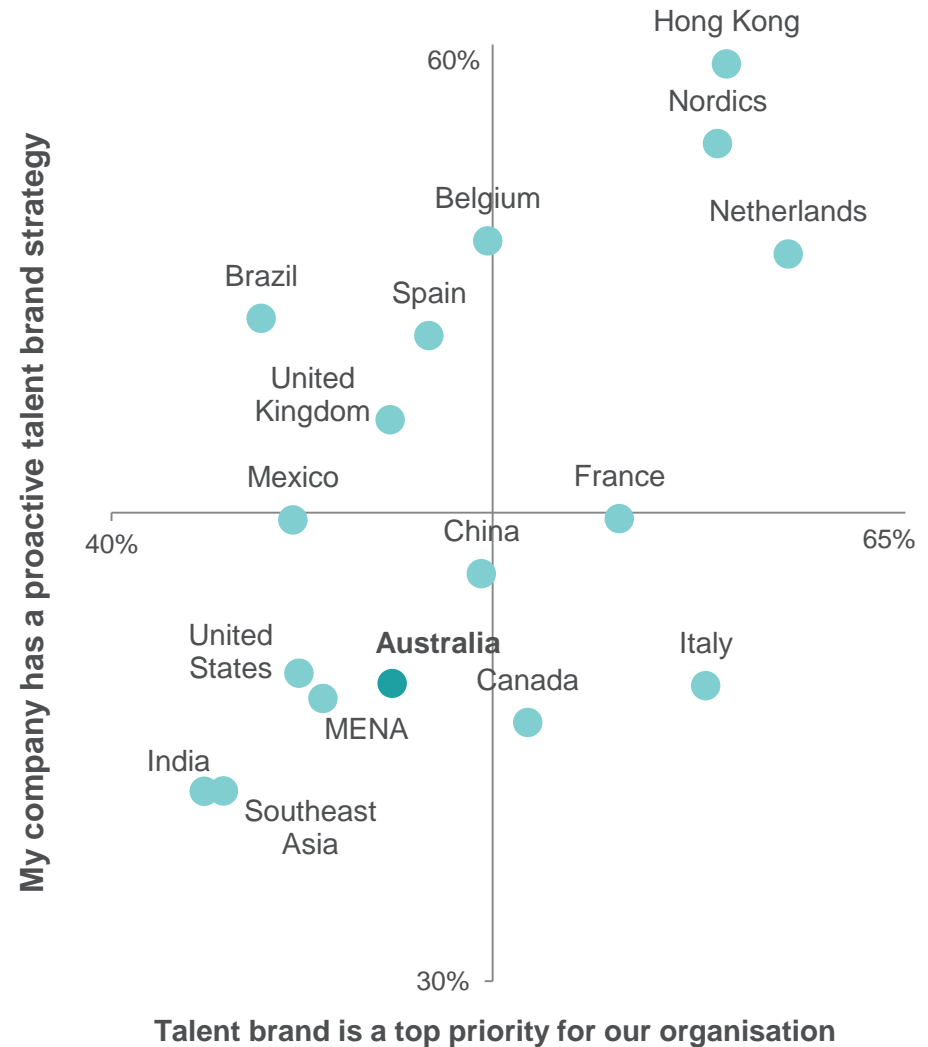
of Australian talent acquisition leaders say talent brand has a significant impact on their ability to hire great talent. For SMBs, the figure rises to 81%.

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

Talent brand: Australian companies are below average

Australian companies below average on talent brand

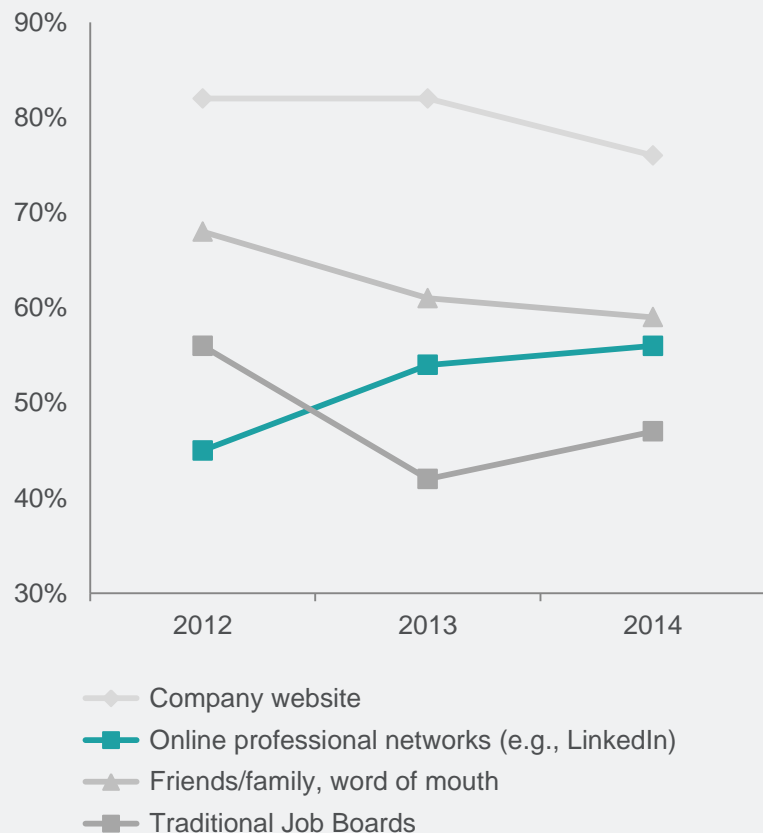
Australian companies are below average when it comes to prioritising and proactively managing their talent brand. In some countries, like Hong Kong, the focus on talent brand is greater. Get ahead today by prioritising and investing in your talent brand.



Talent brand: Online professional networks is fastest growing promo channel

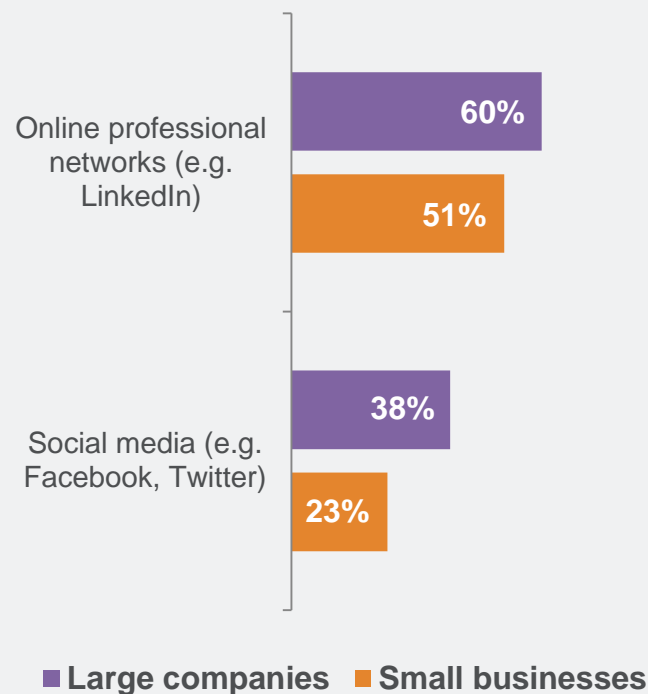
Fastest growing channel for talent brand

In Australia, online professional networks are the fastest growing channels for promoting talent brand.



How small businesses promote talent brand

In Australia, small businesses are just behind larger organisations, using online professional networks and general social media to promote their talent brands.

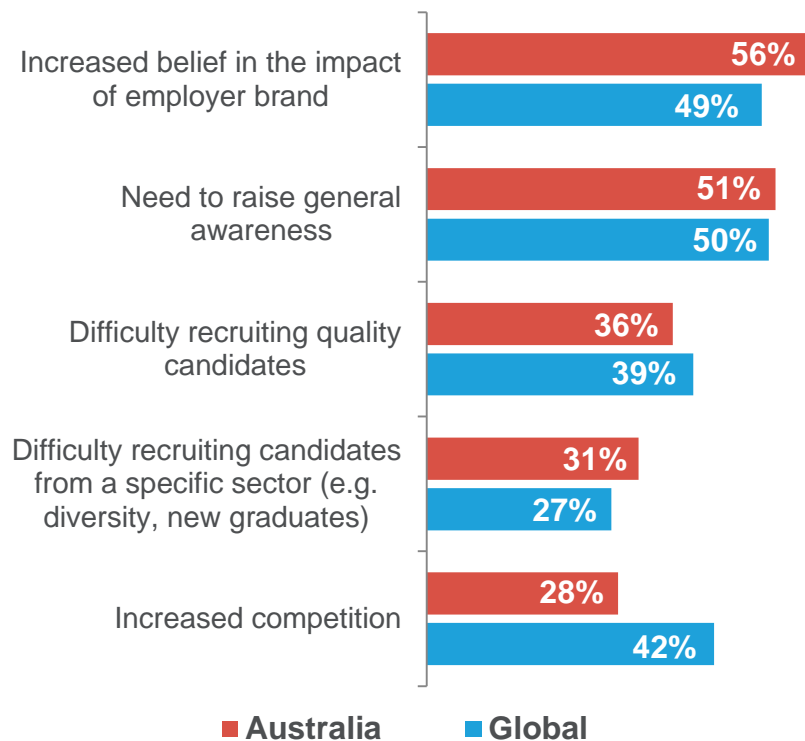


"Which channels or tools have you found most effective in spreading your employer brand?" Asked leaders who are responsible for employer brand.

Talent brand: What's the return on investment?

Reasons to invest in talent brand

Global and Australian companies agree on the top five 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.

ROI of talent brand

For companies that say talent brand is a top priority:

28% How much you can reduce your employee turnover by.*

50% How much you can reduce your cost per hire.*

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

*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

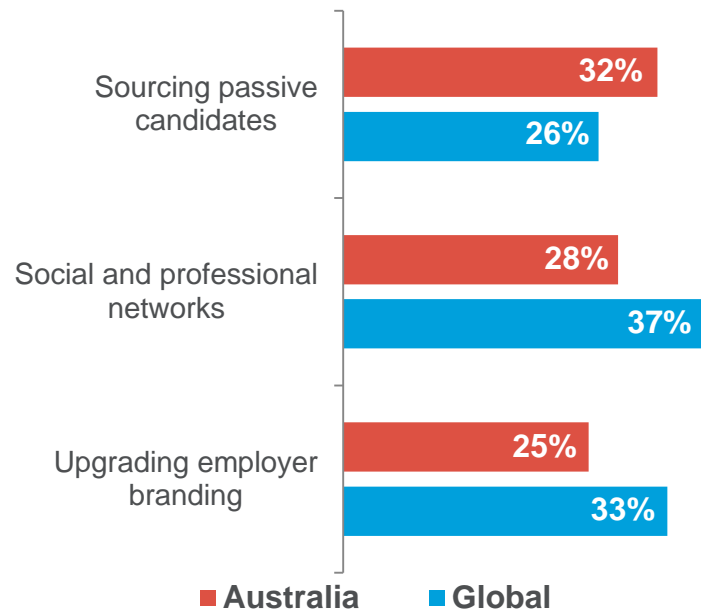
Now it's time to test the wisdom of crowds. Looking in their crystal balls, talent acquisition leaders predict what the future of recruiting will look like. They also attempt to trend spot new, up-and-coming recruitment practices.

Amazingly, both global and Australian talent acquisition leaders are in sync on the future of recruiting. They believe that sourcing passive candidates and better matching of candidates with jobs will be the new norm in five to 10 years. Given how rapidly recruiting has evolved in only four short years, perhaps change will come sooner than we think.

The future: Finding passive talent and improved matching are on the cards

Finding passive talent and social and professional networks are here to stay

Despite Australia lagging the rest of the world when it comes to focus on hiring passive talent – coming in at 49%, with the global average at 61% – the good news is Australian recruiters believe sourcing passive candidates is the top trend when recruiting professional roles. Globally, social and professional networks comes out on top.



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

Trend spotting: Candidate and job matching

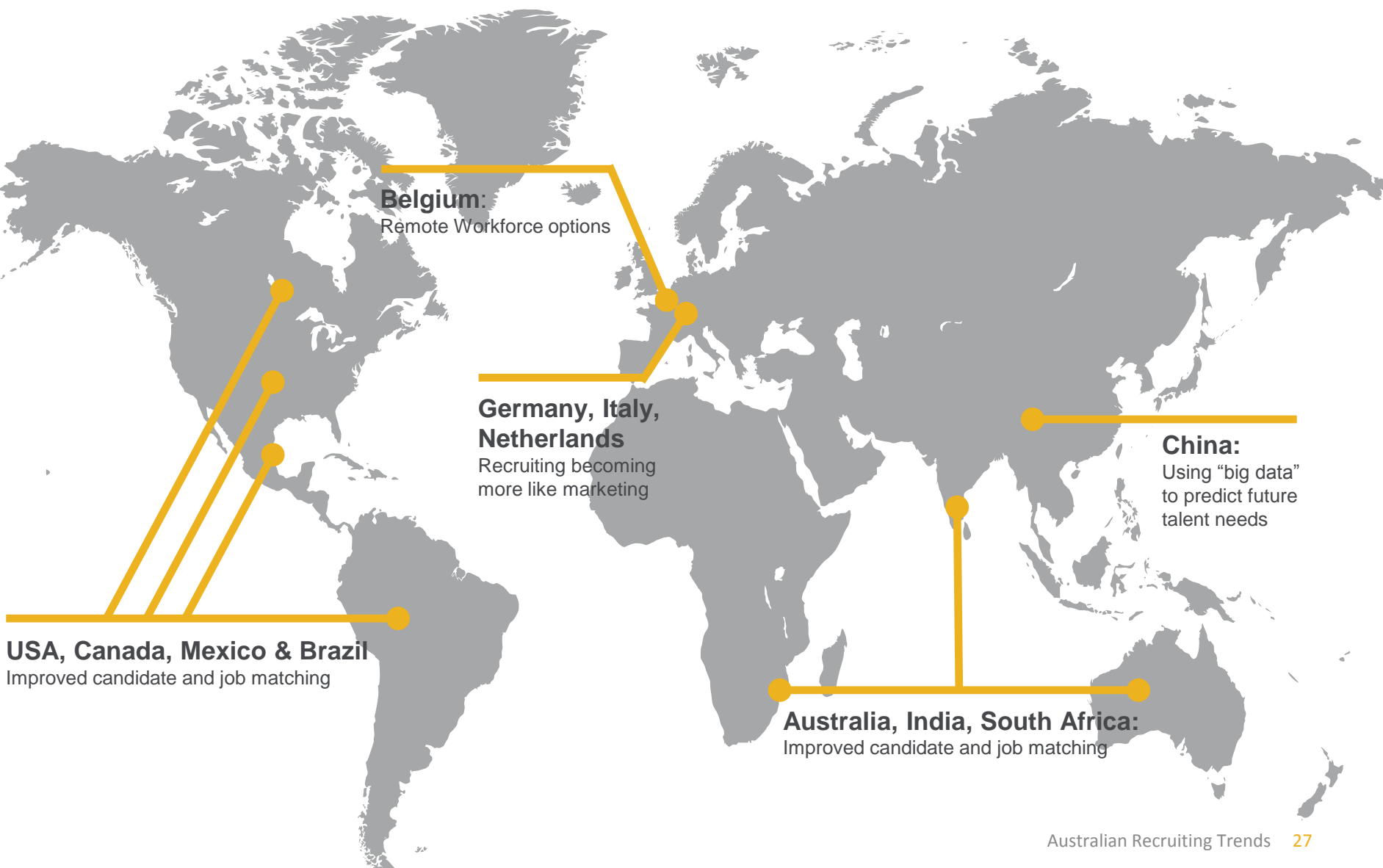
Candidate and job matching could reshape the recruiting industry, especially in Australia.



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

Top up-and-coming trend varies by region

Top trend for selected geographies



Belgium:
Remote Workforce options

**Germany, Italy,
Netherlands**
Recruiting becoming
more like marketing

China:
Using "big data"
to predict future
talent needs

Australia, India, South Africa:
Improved candidate and job matching

USA, Canada, Mexico & Brazil
Improved candidate and job matching



Epilogue: More interesting data

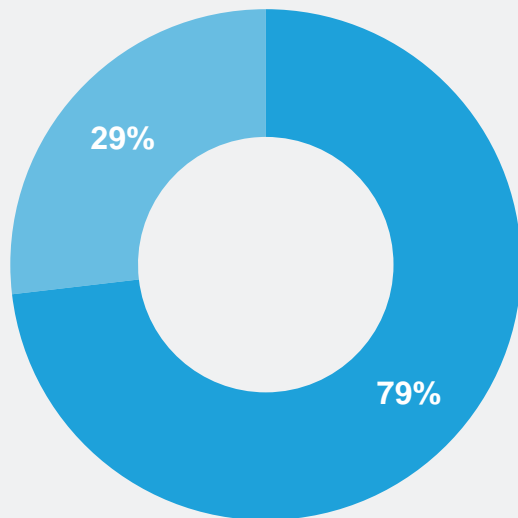
1. Student recruiting
2. Data-driven recruiting

Student and recent grad recruitment: Most global and Australian companies do it

Most companies globally recruit students

Although student and recent grad recruiting isn't a top priority globally, most companies do recruit students as part of their overall talent acquisition strategy. As the fight for the best talent accelerates, expect this trend to continue.

Global companies



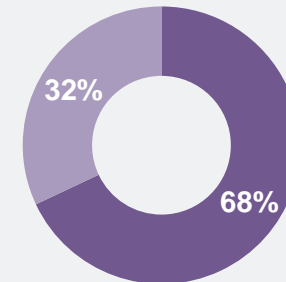
- Recruit students and young professionals
- Don't recruit students and young professionals

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

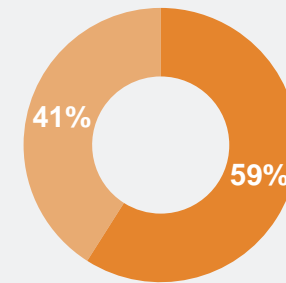
Most large and small Australian companies recruit students

The majority of large and small Australian companies also recruit students and recent graduates.

Large Australian companies



Small Australian companies

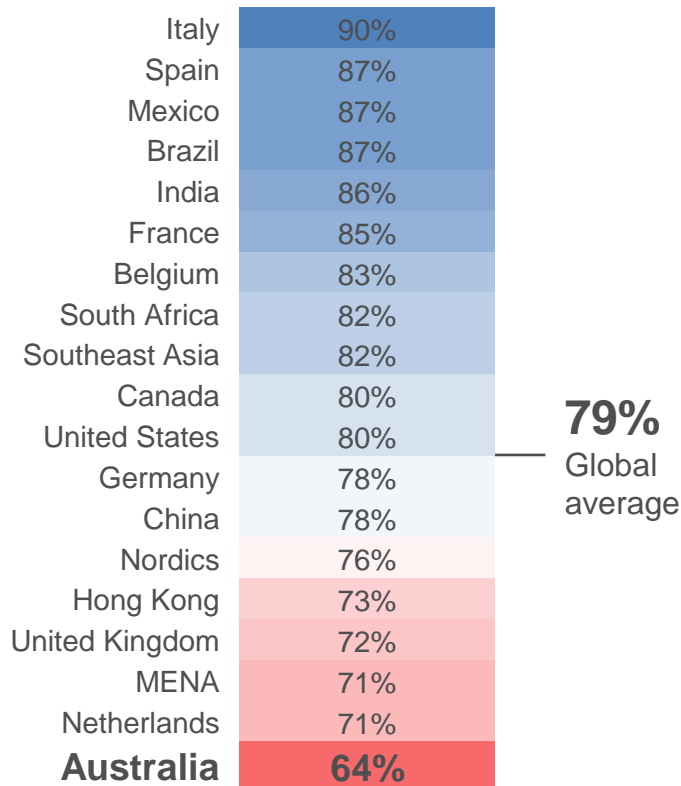


- Recruit students and young professionals
- Don't recruit students and young professionals

Student and recent grad recruitment: Australian companies fall behind

Australian companies are bottom of the pack

Australia recruits students at far below the average rate when it comes to the percentage of companies that recruit students. For Italian companies, student recruiting is practically essential.



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

Competition is main obstacle to recruiting students

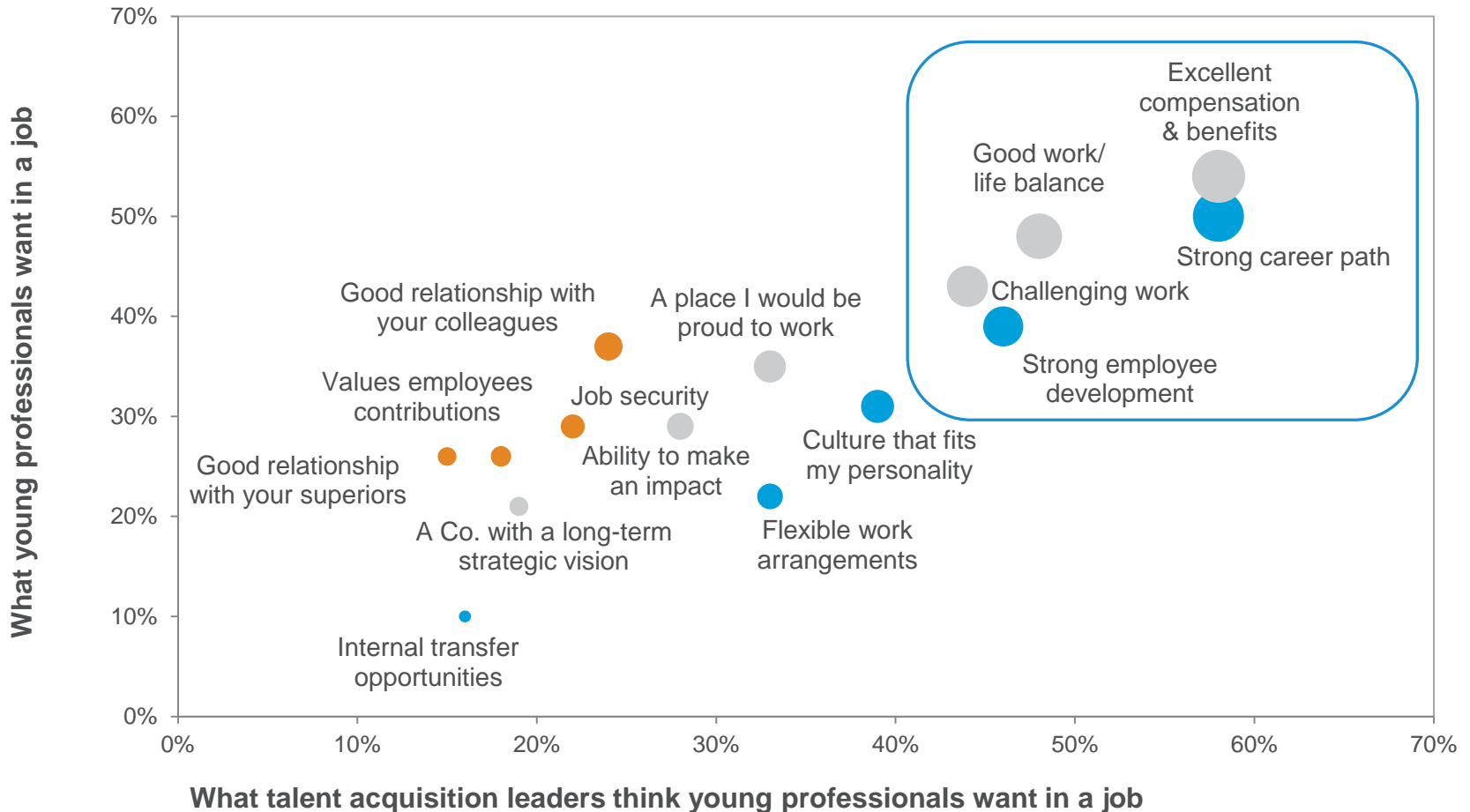
Australian and global companies struggle primarily with competition when recruiting students. No matter who you recruit, competition will be a major obstacle so get ready to compete.



“What are the biggest obstacles you face in attracting young professionals to your company?”

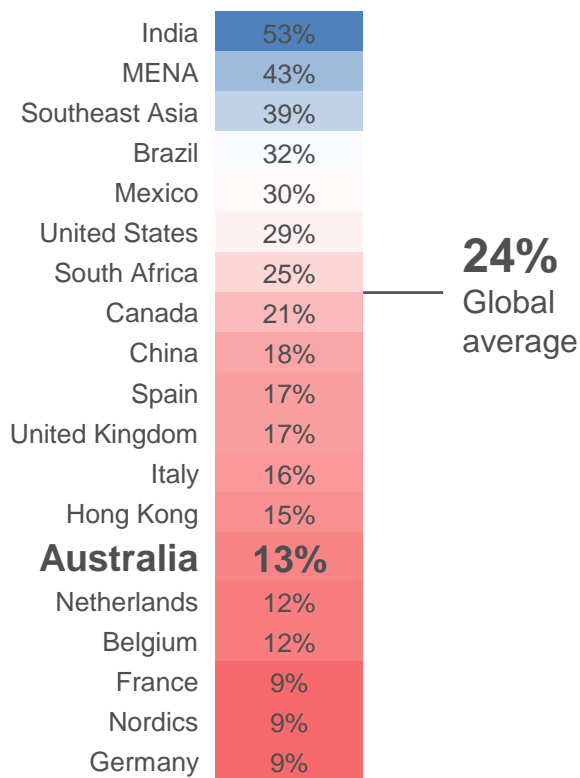
Recruiting leaders are fairly aligned with what young professionals want in a job

- 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: Currently not done effectively in most companies globally

Most Australian companies don't do data-driven recruiting well, falling far behind the global average. As it turns out, the rest of the world isn't faring much better either. Australian recruiting leaders should look at strengthening their talent analytics capabilities to stay ahead.



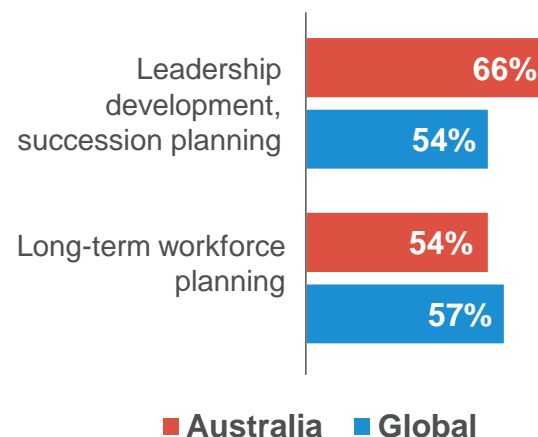
“How well do you think your organisation uses data to understand (talent acquisition/recruiting) effectiveness and opportunities?”

Only

13%

of Australian recruiting leaders think they are using data 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?”

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 unweighted 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 274 AU respondents.
 - 2013 survey fielded April–May 2013 with 280 AU respondents.
 - 2012 survey fielded May–July 2012 with 280 AU respondents.
 - 2011 survey fielded April–June 2011 with 227 AU 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 more than 313 million members worldwide, including executives from every Fortune 500 company, LinkedIn is the world's largest professional network.



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