

# Global Recruiting Trends 2016

Small to Mid-sized Business Edition

**LinkedIn** Talent Solutions



# Introduction

To truly influence business decisions, you need to understand where the industry is going. This annual report uncovers global recruiting trends specific to small and mid-sized businesses (SMBs). You can utilize insights from this report to move your organization forward and position yourself as a strategic business partner.

What's more interesting is a renewed emphasis on relationships, which is a critical factor in talent acquisition. Learn how this theme ties into the top priorities, upcoming challenges and opportunities ahead in 2016 and beyond.



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## Key takeaways



# Top priorities: Recruiting & retaining quality hires

Small workforces require every person to wear multiple hats, but with so many roles and responsibilities, prioritization is a challenge. These are the top five recruiting priorities – as called out by small business leaders across the globe – for the year ahead. Since every employee has a significant impact on the company's success, it's important to share these top priorities with the entire organization.

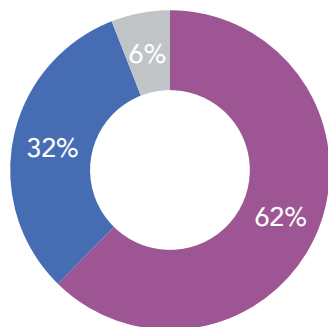


*\* Over the next 12 months, which of the following would you consider to be the most important priorities for your organization?*

# Growth on the horizon for SMBs

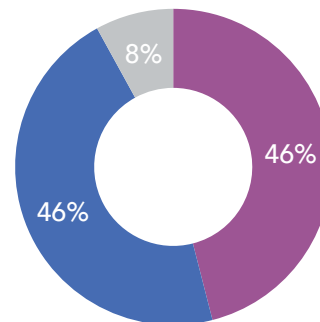
Majority of survey respondents reveal that their hiring volume will grow significantly in 2016, indicating that small to mid-sized businesses will continue to grow and thrive. As hiring demands increase, most SMBs are challenged with limited resources and budget constraints. However, a large portion of SMBs do anticipate a larger recruitment budget, which is another signal of business growth.

Hiring volume expectations



- Increase
- Decrease
- Stay the same

Hiring budget expectations



- Increase
- Decrease
- Stay the same

\* How do you expect the hiring volume across your organization to change in 2016 versus 2015?

\* How as your organization's budget for recruiting / talent acquisition solutions changed from 2015 to 2014?

# Biggest challenges to overcome in 2016

When it comes to attracting top talent, SMBs find it difficult to entice professionals with high-demand skills. Compensation and competition also continue to be a threat. Work with your leadership team to identify ways to overcome these obstacles and meet your hiring goals in 2016.

## Top SMB recruitment challenges

Finding candidates in high-demand talent pools

46%

Compensation

43%

Competition

38%

Lack of awareness or interest in employer brand

26%

Job location

24%

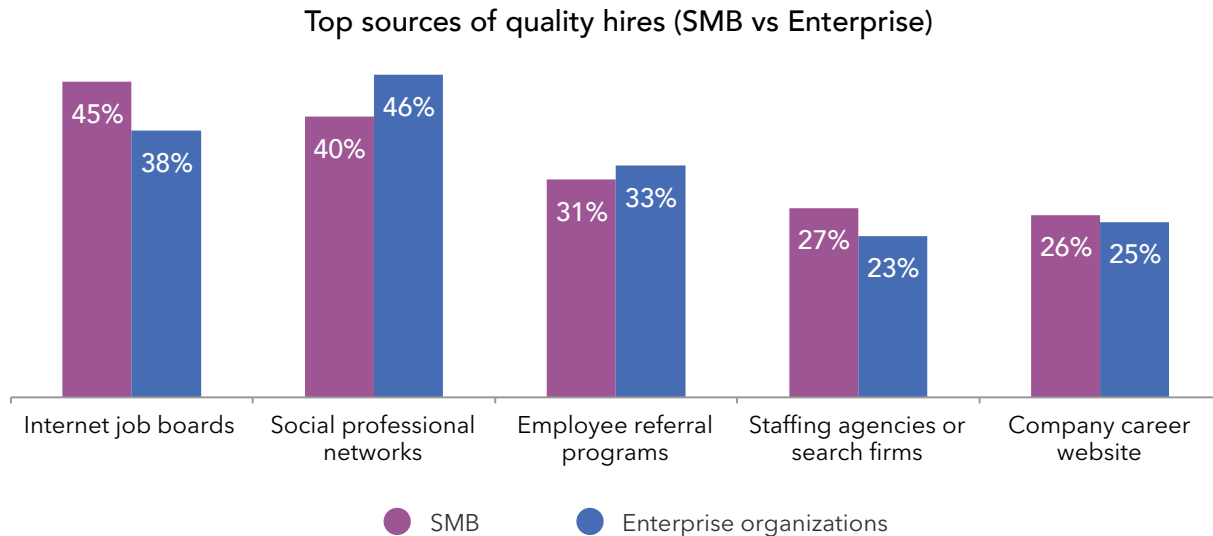
# Strategic sourcing: Social networks & young talent





# Job boards & social networks source quality hires

With recruiting highly-skilled talent as the top priority, SMB leaders are asking, “Where can I recruit quality talent?” Job boards and social professional networks are the leading sources of quality hires for small business. Interestingly, enterprise organizations use social professional networks, employee referrals, and their career website more heavily than SMBs.



\* Out of the quality hires your organization made in the past 12 months, which of the following were the most important sources?



# SMBs focus on recruiting young professionals

Globally, SMBs tend to hire more young professionals than other talent pools. Since employee retention is a top priority, SMBs are also focused on recruiting internally. Recruiting passive talent is less of a priority because multitasking recruiting teams don't have the time to build strong pipelines.

## Young professionals (0-3 years out of school)



## Internal candidates (current employee base)



## Passive talent (professionals not actively seeking jobs)

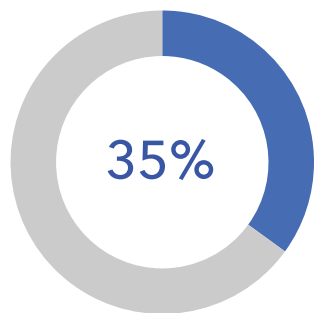


● Very much so    ● To some extent    ● Not much / Not at all

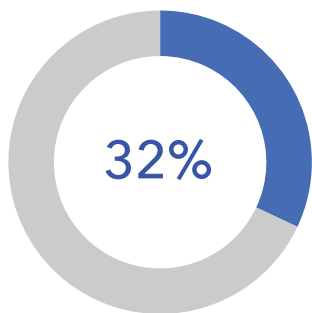
# Competition for young professionals is fierce

As more small to mid-sized businesses look to hire young professionals, they are challenged with fierce competition, struggle with attractive compensation packages, and feel constrained to their geographical location. In addition, a weak employer brand may deter young professionals from considering an opportunity at a smaller organization.

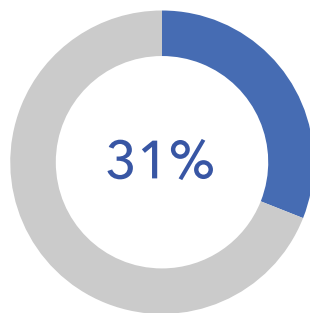
## Challenges when recruiting young professionals



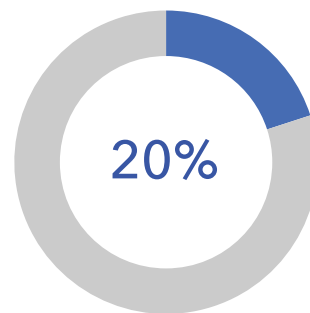
Competition



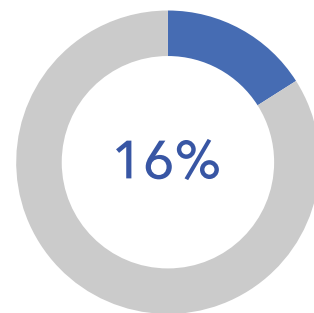
Compensation



Lack of awareness of  
or interest in our  
employer brand



Location



Lack of awareness that  
we're hiring young  
professionals

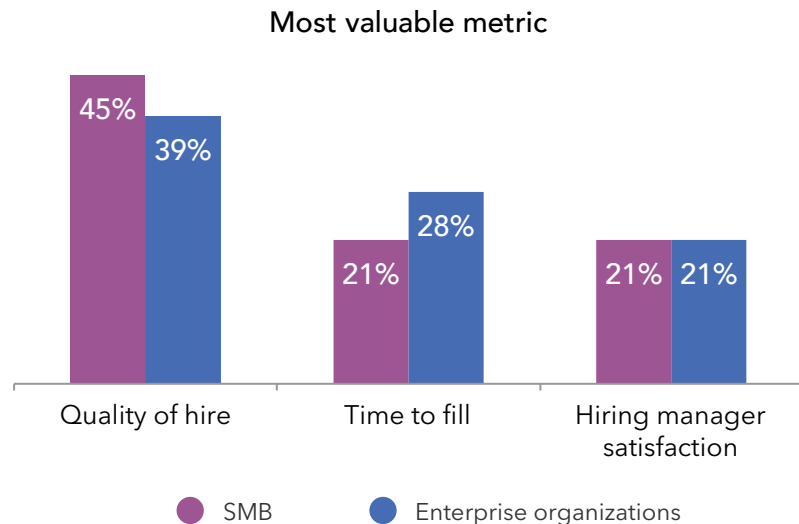
*\* What are the biggest obstacles you face in attracting young professionals to your company?*

# Quality of hire: The magic metric



# Quality of hire keeps the top spot

Although there are dozens of recruitment metrics businesses can use, both SMBs and larger corporations agree that quality of hire is the most valuable performance metric. Most companies are measuring quality of hire with feedback methodologies (such as new hire evaluations) or long-term methodologies (employee retention).



**51%** measure quality of hire through new hire performance evaluation

**48%** measure quality of hire through turnover or retention statistics

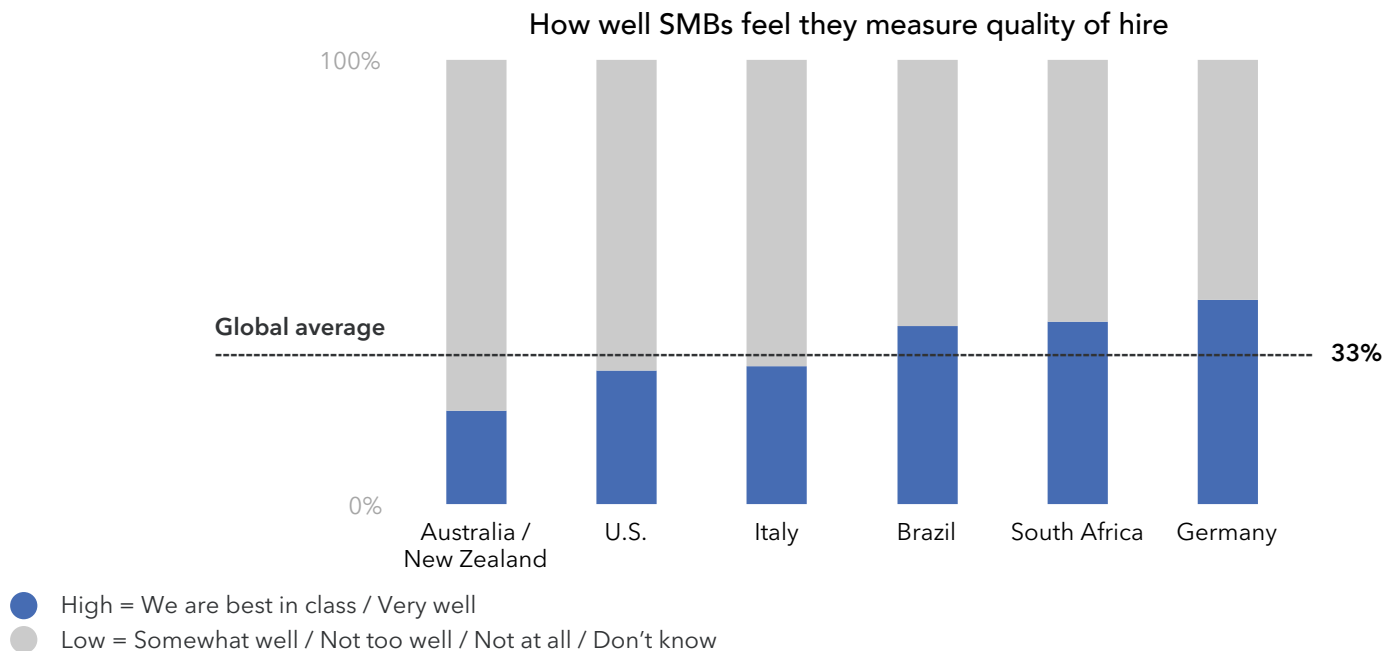
**41%** measure quality of hire through hiring manager satisfaction

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

\* What metrics does your organization use to track quality of hire?

# But SMBs lack confidence in measuring quality

Recruiting leaders aren't convinced that they're measuring quality of hire effectively. Only 33% of SMB respondents feel that their methodologies are strong, and an even smaller 5% felt "best in class." Therefore, there's a lot of opportunity to improve how you calculate and present quality of hire.



\* In general how well does your organization measure quality of hire?

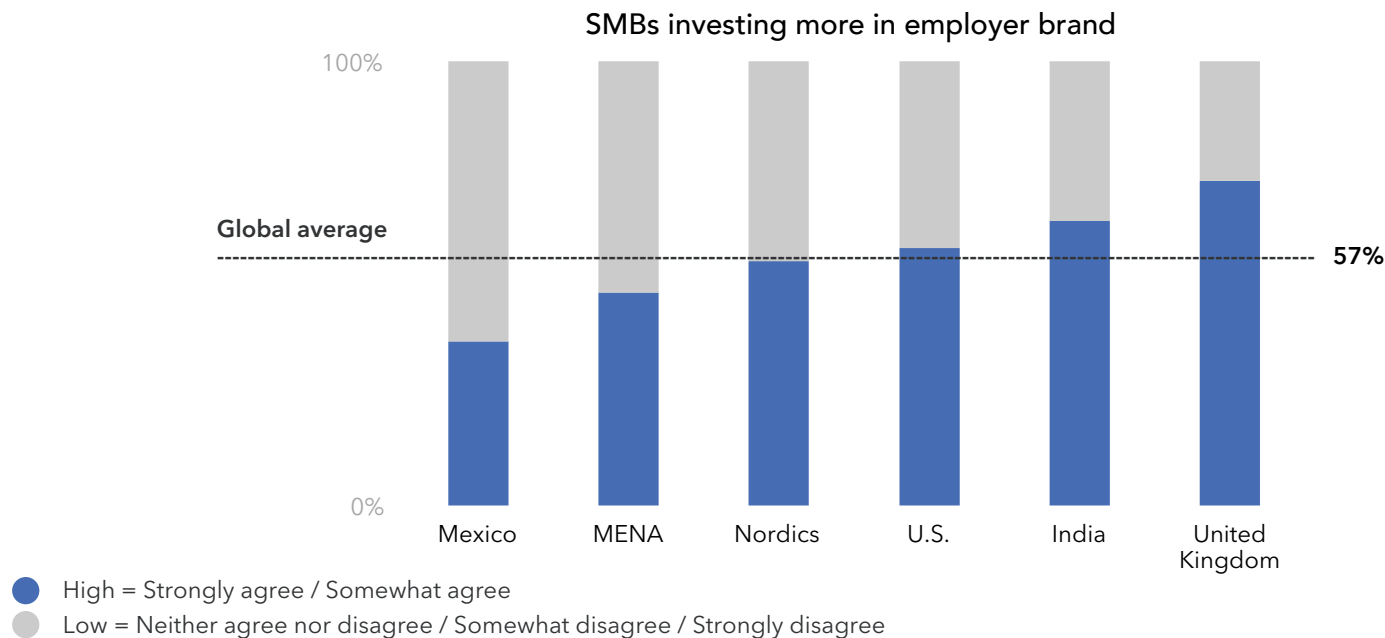
[Read more on the blog](#)

# Employer brand: A growing focus



# SMBs are investing more in employer brand

One of the top recruiting challenges SMBs face is the lack of awareness or interest employer brand. Since 72% of survey respondents agreed that employer brand has a significant impact on hiring, SMBs around the world are investing more money and resources into their organization's reputation.

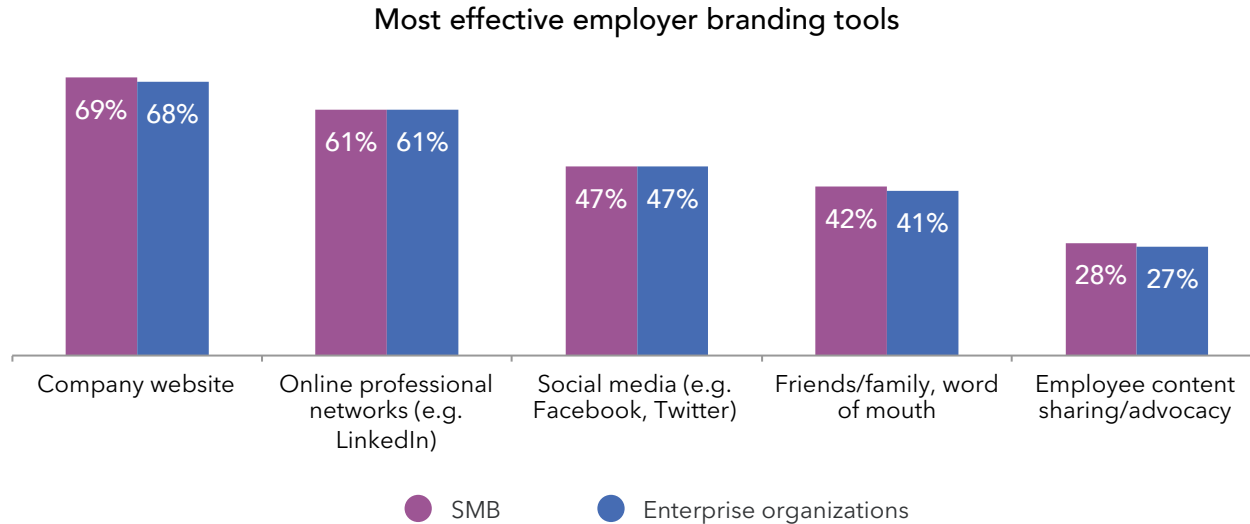


\* Please indicate the extent to which you agree with the following as they relate to your company's employer brand?



# Digital channels extend employer brand

Both SMBs and enterprise organizations use a variety of channels to promote their employer brand. The top five tools include owned (company website, online professional networks and social media), earned (word of mouth), and shared channels (employee advocacy). SMBs who focus on a combination of online professional networks, social media, and employee advocacy will reach more potential candidates.



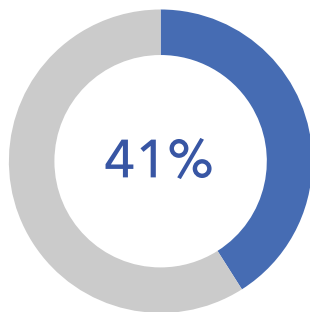
\* Which channels or tools have you found most effective in spreading your employer brand?

Parting thoughts

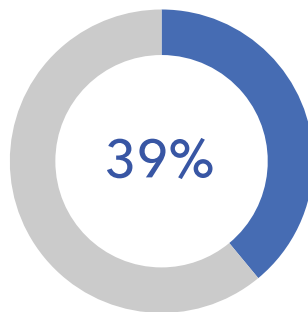


# Essential trends to keep in mind

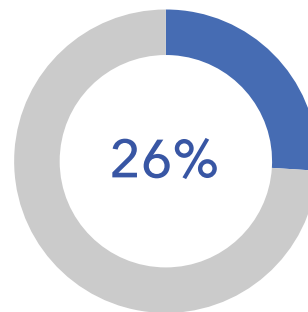
As we look towards the future, SMB recruiting leaders believe that social professional networks, employer branding, and passive candidate recruiting will continue to be long-lasting trends. To stay ahead, leaders should continue developing skills in each of these topics and ensure they're a part of their overall recruiting strategy.



Utilizing social and professional networks



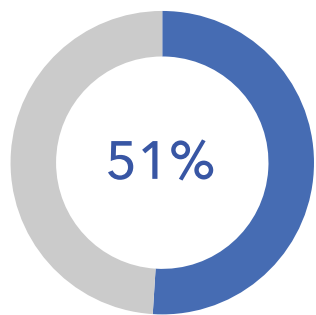
Employer branding



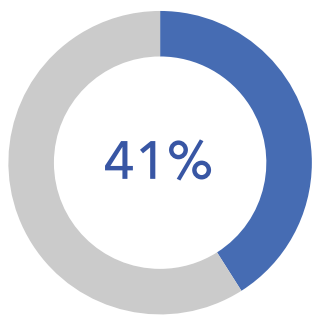
Finding better ways to source passive candidates

# Significant long-term trends to follow

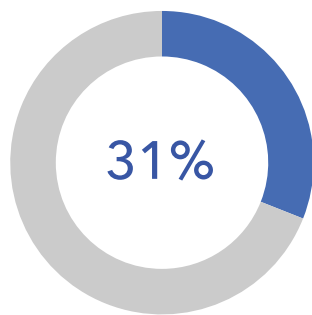
Looking ahead to the next 5 to 10 years, SMBs see marketing, measurement and remote workforces as major influences in recruiting. Since personality and culture fit is extremely important to a small business' success and employer brand, candidate job matching will also be a hot topic. Monitor these trends as they evolve and shape the industry.



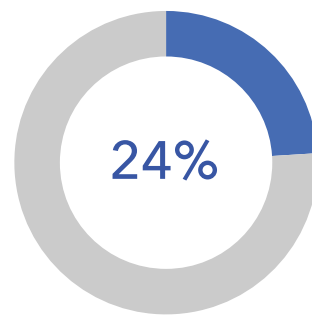
Improved candidate &  
job matching  
(personality & culture fit)



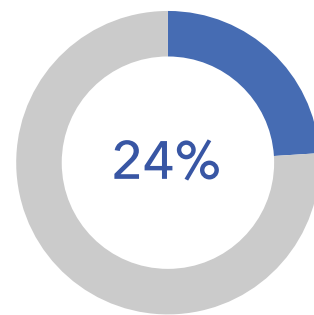
Recruiting becoming  
more like marketing



Defining and measuring  
quality of hire



Proving return on  
investment for  
recruiting tools



Remote workforce  
options

# Put these insights into action

Now that you have the data, use it to plan for the future. Set yourself up for success by incorporating these trends and insights into your strategies. Start planning for next year, get buy-in from leadership and your team, and show off your strengths by using the data today:

- 1 Share the data.** Present this report, or download all the graphs here to share these insights with your boss, CFO, team, and direct reports.
- 2 Download your country report.** Get specific trends on a country level. There are over 30 unique reports available.
- 3 Continue learning.** Dig into certain topics by downloading ebooks and tip sheets on talent brand measurement, strategic sourcing, and more.

# Methodology



# About this report

LinkedIn surveyed 3,894 talent acquisition decision makers who work in a corporate HR department and have some authority in their company's recruitment solutions budget. 55% of these leaders work at small to mid-sized businesses. These individuals focus exclusively on recruiting, manage a recruiting team, or are HR generalists. These survey respondents are LinkedIn members who opted to participate in research studies. They were selected based on information in their LinkedIn profile and contacted via email.

We also compared historical Global Recruiting Trends research taken from 2011 - 2014, which had similar sampling criteria and methodology.

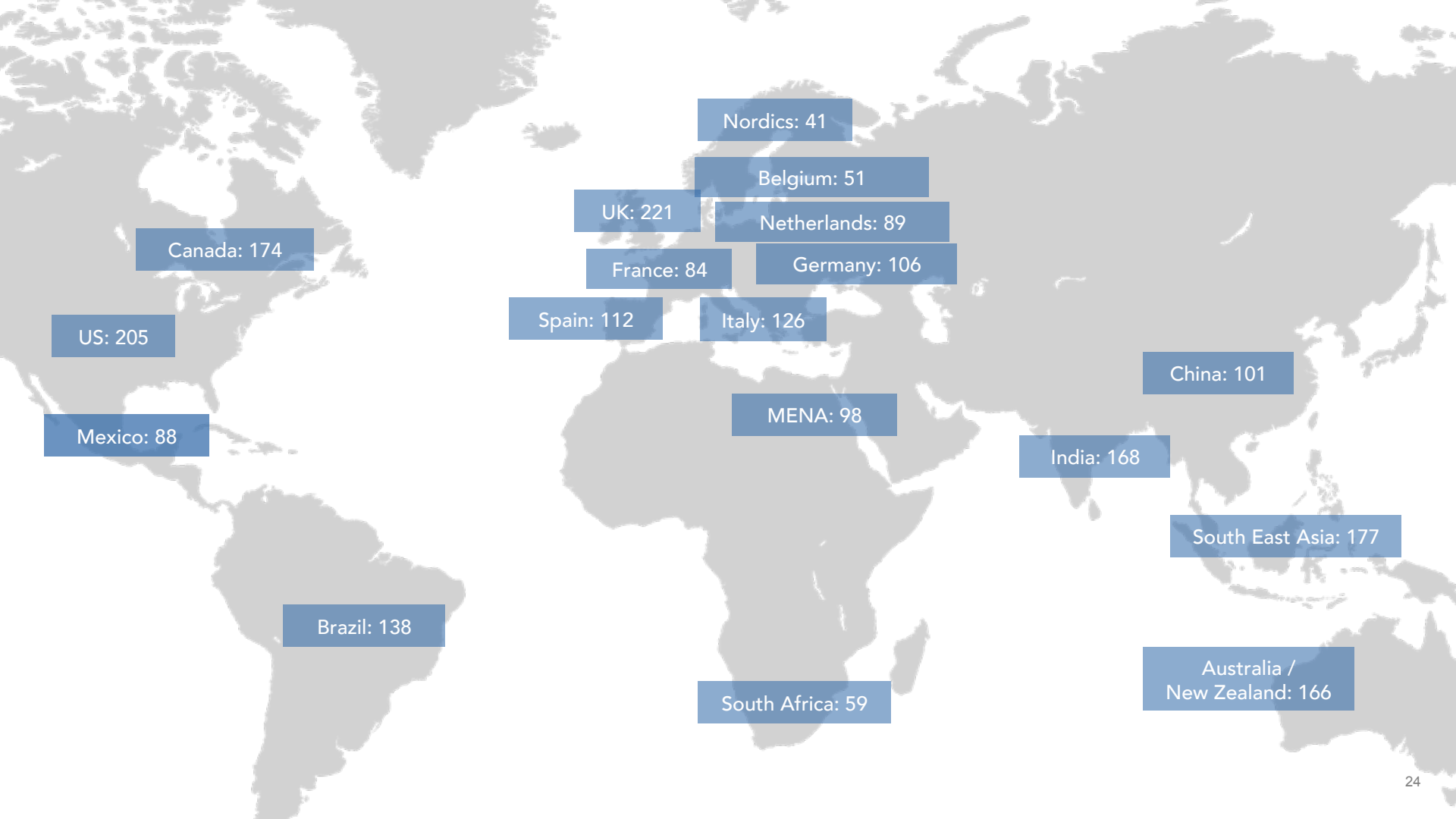
**2014** Survey fielded August - September  
4,125 global respondents

**2012** Survey fielded May - July  
3,028 global respondents

**2013** Survey fielded August - September  
3,379 global respondents

**2011** Survey fielded April - June  
3,263 global respondents

Get specific trends for your country. [Download the reports](#) 





# 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. [Contacts us](#) to learn more.

Founded in 2003, LinkedIn connects the world's professionals to make them more productive and successful. With over 350 million members worldwide, including executives from every Fortune 500 company, LinkedIn is the world's largest professional network.



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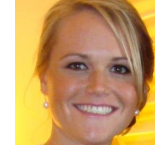
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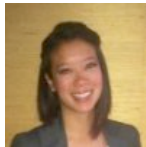


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