

Australia & New Zealand

Recruiting Trends 2016



Introduction

To truly influence business decisions, you need to understand where the industry is going. This annual report uncovers recruiting trends across Australia and New Zealand that will move your organisation forward, and position you 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.



Index

- 02** Introduction
- 04** Key takeaways
- 07** Quality of hire: The magic metric
- 12** Retention & internal mobility: Time to align
- 16** Employer brand: Shared responsibility
- 20** Parting thoughts
- 23** Methodology

Key takeaways



Most important trends

Quality of hire continues to be the most valuable metric to track performance, and leaders are now measuring it through employee retention rates. This could be why employee retention has emerged as a top priority over the next year. As organisations focus more on employer brand to attract quality talent, it becomes more of a shared responsibility.

35%

agree quality of hire
is the most valuable
metric for performance

36%

say employee retention
is a top priority over the
next 12 months

43%

either share or contribute
to employer branding with
other departments

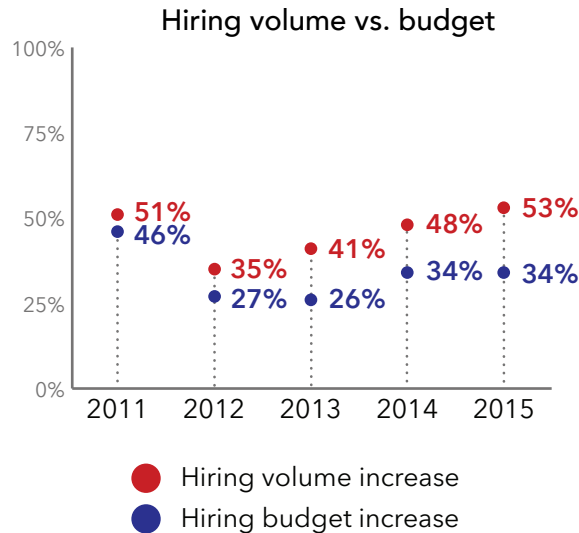
** What is the single most valuable metric that you use to track your recruiting team's performance today?*

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

** To what extent is the talent acquisition function at your company responsible for managing your company's employer brand?*

Biggest challenges

The gap between hiring volume and budget continues to widen, and based on their aligned movement, it appears that this trend will likely continue. This imbalance doesn't help organisations transform their strategies or overcome the biggest obstacles to attracting top talent which is finding candidates in high demand talent pools.



Obstacles to attracting top talent

Finding candidates in high demand talent pools

53%

Compensation

39%

Competition

38%

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

* How has your organisation's budget for recruiting / talent acquisition solutions changed from 2015 to 2014?

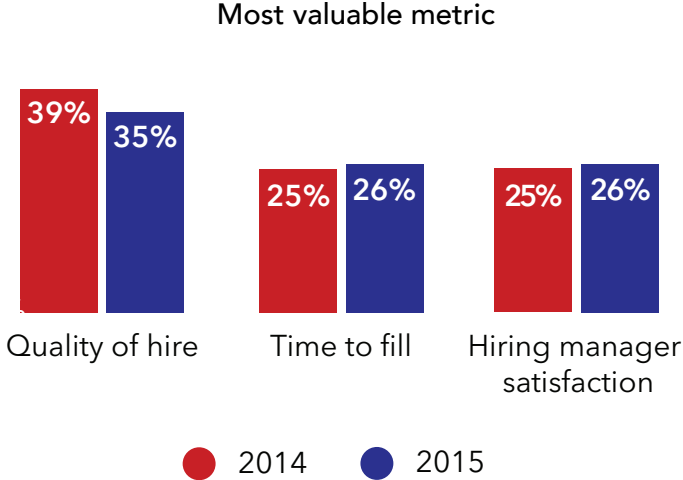
* What are your company's biggest obstacles to attracting the best talent?

Quality of hire:
The magic metric



Quality of hire keeps the top spot

Quality of hire continues to be the most valuable performance metric. Most organisations measure quality of hire with long-term indicators, like employee retention. Hiring manager satisfaction is another frequently used methodology.



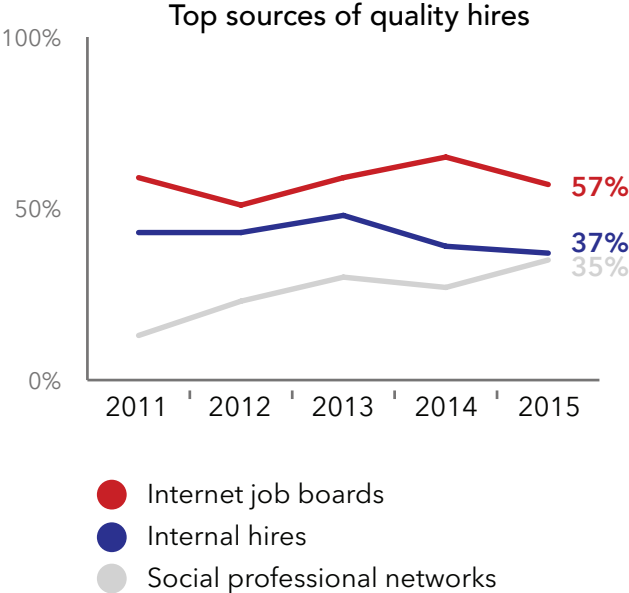
Measuring quality of hire

- 52% measure quality of hire through turnover or retention statistics
- 49% measure quality of hire through hiring manager satisfaction
- 41% measure quality of hire through new hire performance evaluation

* What is the single most valuable metric that you use to track your recruiting team's performance today?
* What metrics does your organisation use to track quality of hire?

Social professional networks are on the rise

Internet job boards and internal hiring are on the decline, while social professional networks grow as an essential source of quality hires. Talent leaders not only see social networks as a long-term trend, but as an effective employer brand channel that build essential relationships with potential candidates.



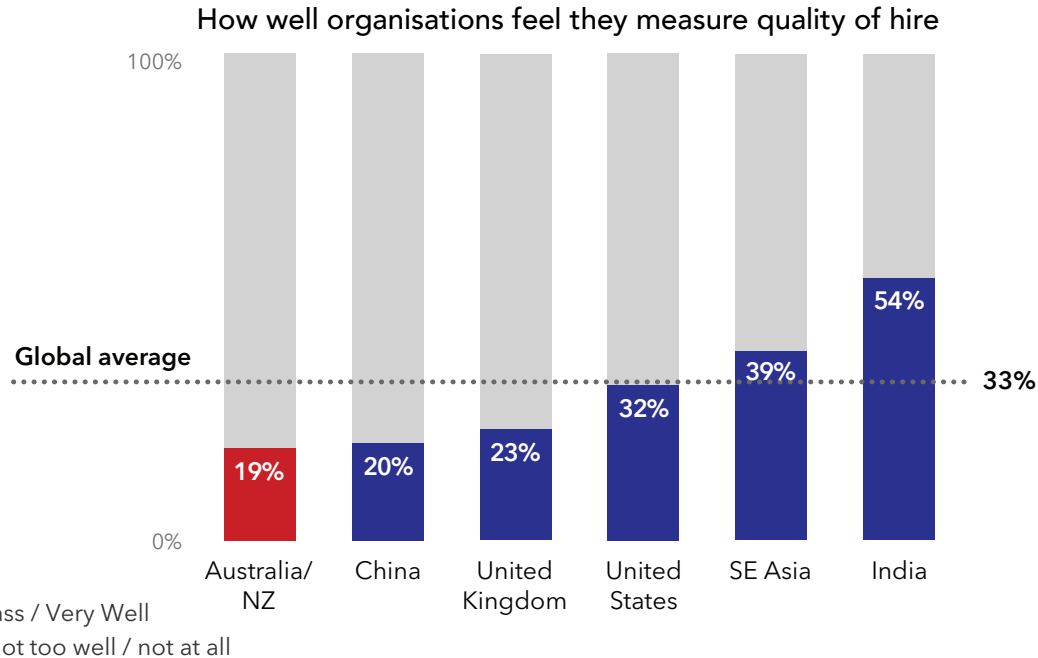
Opportunities for use of social professional networks

- 40%** say utilising social professional networks is an essential and long-lasting trend
- 62%** say online professional networks are the most effective for employer brand

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

But leaders lack confidence in measuring quality

Globally, only 33% felt that they measure quality of hire effectively, and an even smaller 5% felt “best in class.” Australia and New Zealand sit well below the global average, meaning there is a lot of opportunity for improvement.



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

“



Gina McJorrow
Senior HR Business Manager
ANZ

Quality of hire is very valuable metric. In my opinion, it is the measure that's the most stable. Time to hire and cost per hire can swing quite easily based on the number of hires and the channel. For example, when we hire larger numbers in a month through low-cost channels, the average cost is lower than when we hire in smaller amounts through higher-cost channels.

At ANZ, we have streamlined the number of metrics, and quality of hire is one of our core elements we measure. We want to know if the new hire is performing and still in the role. We do that by looking at the percentage of new hires that are retained 3 months after the start date - and the target is extremely high. That gives us a great insight to the quality of the hire.

”

Retention and
internal mobility:
Time to align



Employee retention is a top priority

Recruiting highly skilled talent is still top of mind among recruiting leaders, but there's also a strong focus on employee retention. While internal hiring isn't high on the priority scale, it's most likely because organisations are doing this already with 39% considering internal hiring as a central piece to their recruiting strategy.

Recruiting priorities

Recruiting highly-skilled talent



Employee retention



Internal hiring & transfers



Recruiting internal candidates



- Very much so
- To some extent

- Not much/Not at all
- Don't know

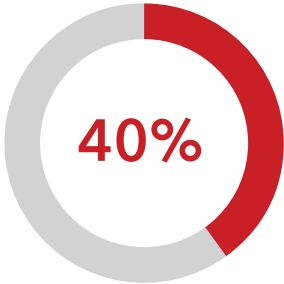
*Figures may not add to 100% due to rounding.

* Over the next 12 months, which would you consider to be the most important priorities for your organisation?

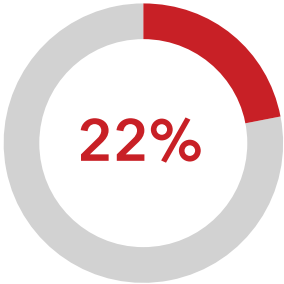
* To what extent does your company recruit the internal candidates?

Opportunities to improve internal recruiting

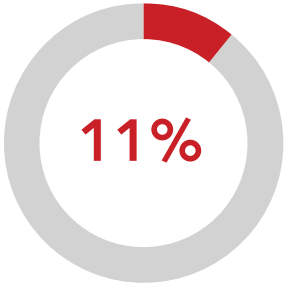
While respondents say internal recruiting is an integral part of their strategy, it's still done on a case-by-case basis with few well-defined programs in place. Organisations can improve by formalising the internal recruiting process, and focusing more on opportunities for lateral movement.



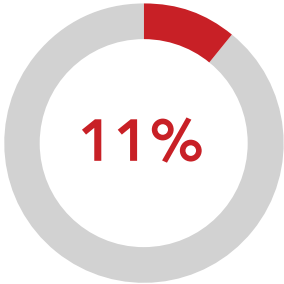
Ad-hoc internal hiring process



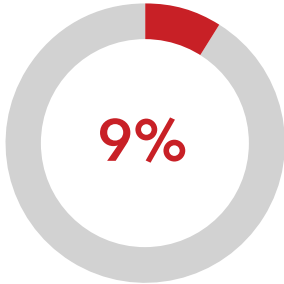
A well-defined program for advancement opportunities



No internal hiring program



Only proactive employees take part in program



A well-defined program for lateral opportunities

* Which of the following statements best describes your company's internal hiring / internal transfer efforts?

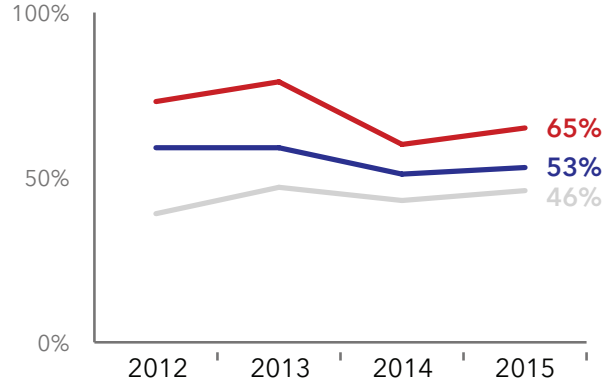
Employer brand:
Shared responsibility



The push for employer brand is paying off

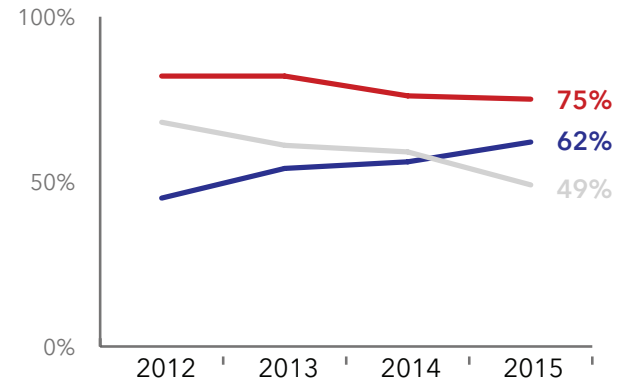
Employer brand re-emerges as a top priority, yet organisations that have a proactive employer brand strategy haven't made progress. Online professional networks continue to grow as a top employer branding tool, while more traditional channels start to decline.

How organisations value employer brand



- Employer brand is a top priority for our organization
- We have a proactive employer brand strategy
- Those responsible for our employer brand have enough resources

Most effective employer branding tools



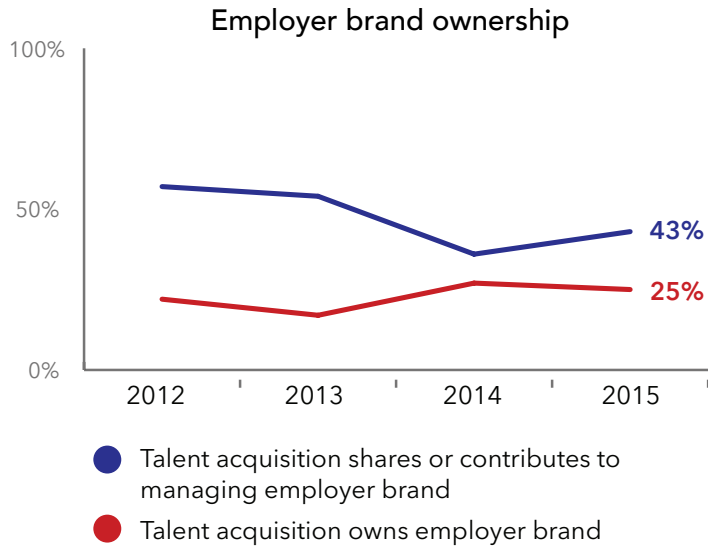
- Company website
- Online professional networks (e.g. LinkedIn)
- Friends/family, word of mouth

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

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

Employer branding is a shared responsibility

As organisations grow their employer brand, it becomes a bigger responsibility. As a result, talent acquisition teams are working with their cross-functional teams more closely. Those who share employer branding usually partner with marketing departments. A strong relationship with marketing is the key to employer brand excellence.



60%

say they share or contribute to employer branding with marketing

16%

say they share or contribute to employer branding with communications



Lauren Karan
National Senior Talent Acquisitions Specialist
Fulton Hogan

Employer branding is integral to attract and retain staff in the current employment climate. The next generation of graduates are now asking “Why do you work for your company?” and “Describe to me the culture of your company.” It’s definitely on prospective employees radars more often than before.

Employer branding is about selling the essence of what your company stands for and what it means to the people who work there. Companies are doing a lot of work around their employee value proposition to try and define what it means to be an employee for their organisation. Since it is the people in an organisation that make the culture and employer brand, we’re also seeing a lot of great new work around culture fit, values and vision in organisations both internally and externally.

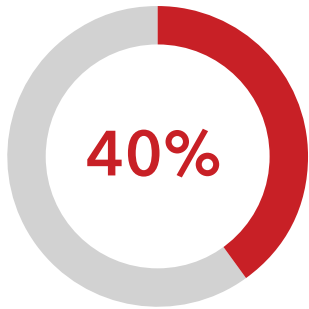


Parting thoughts

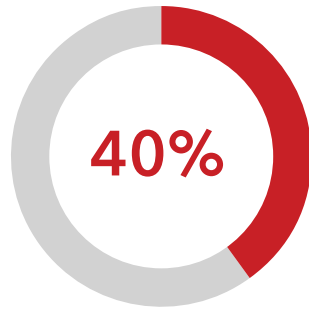


Recruiting trends to keep in mind

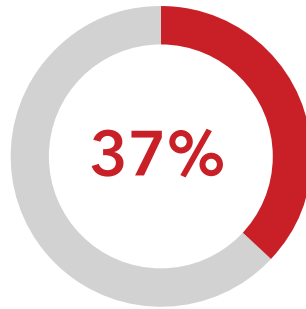
Looking ahead, there are certain areas that will continue to remain dominant, like employer branding and social professional networks. We also expect employee referral programs and internal hiring to get stronger in 2016 and beyond. The common thread among all these is the power of relationships – the relationships you have with your potential candidates, cross-functional partners, and employees will pave the path to talent acquisition success.



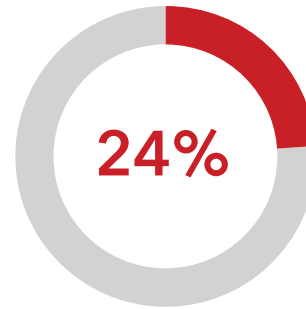
Employer branding



Utilising social and professional networks



Finding better ways to source passive candidates



Employee referral programs



Internal hiring / transfers

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

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 the global report.** Visit our website to download the global report and see what's trending worldwide.
- 3 Continue learning.** Dig into certain topics by download eBooks and tip sheets on talent brand measurement, strategic sourcing, and more.

Methodology



About this report

We 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. 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.

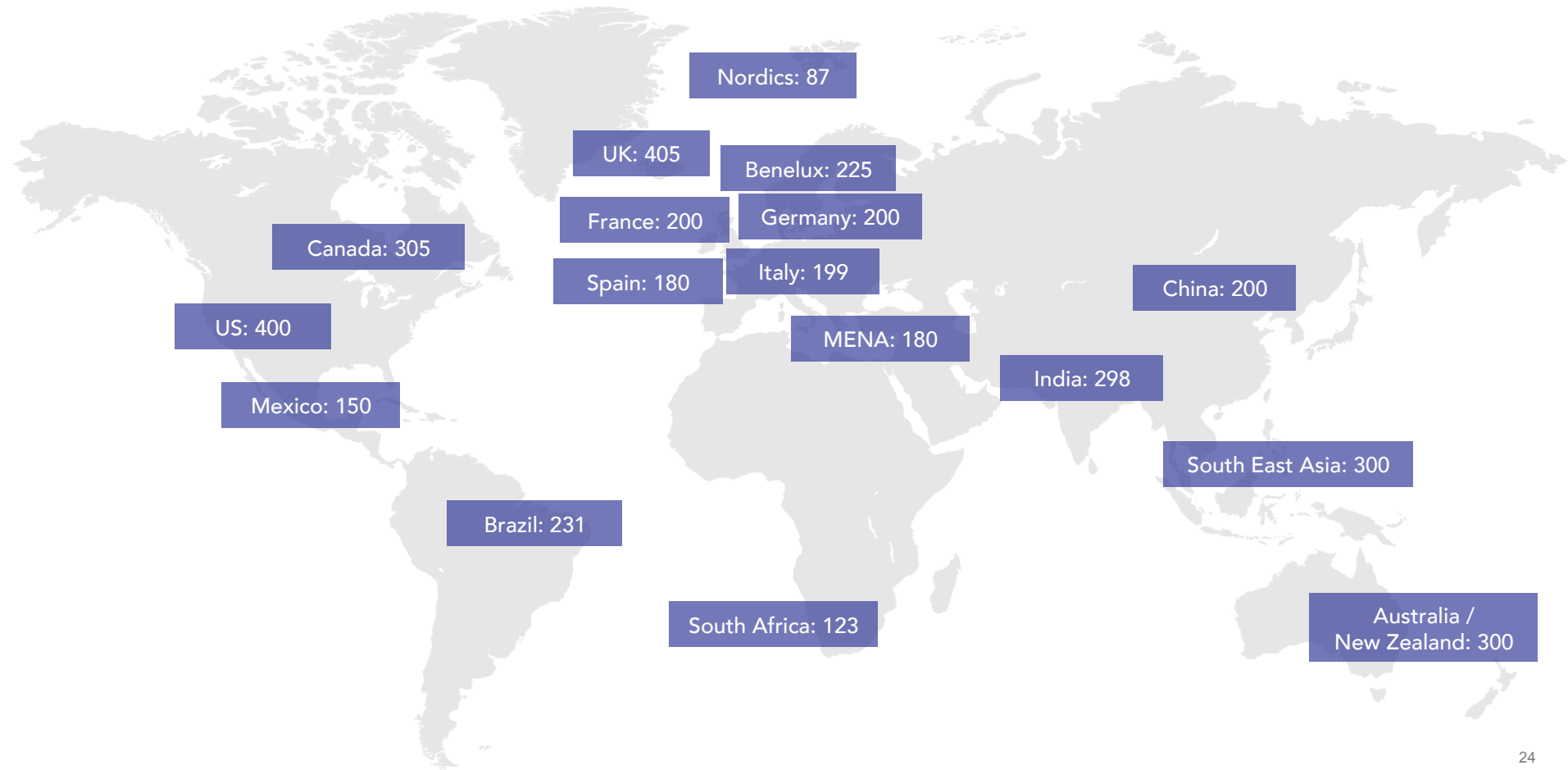
2014 Survey fielded August - September
4,125 global respondents

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

Learn what's trending around the globe. [Download the report](#) 



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

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