

# Winning at Recruiting

Whitepaper

## Winners & Losers

Recruiting is competitive. Like in any competition, there are winners and losers. The champions at sourcing, attracting, assessing, and hiring the best talent will be the companies that win in their respective industries. Everything starts with talent. There's an old saying, "nothing happens until someone sells something" that, for obvious reasons, sales people love to recite as a reminder of their importance in the organization. The reality is that nothing happens until you hire the best sales person to do the selling in the first place.

While HR leadership has traditionally been measured on its ability to reduce costs and save the company money, now is not the time to think solely about cost reduction when it comes to attracting and retaining top talent. Rather, recruiting is a value add to the company and one that warrants investment and a "win-at-all-costs" attitude. In a world where digital transformation is disrupting entire industries and taking down companies that were once the bedrocks of industry, never before has talent been the be-all and end-all to strategic longevity. Are you in a position to compete and win?

## A Brief Look at Marketplace Disruption

In 1958, the average lifespan for a company to be included in the S&P 500 Index was 61 years. In 2012 that lifespan shrunk to just 18 years<sup>1</sup> and estimates say that by 2027 75%<sup>2</sup> of S&P 500 firms will be replaced. There are many examples of recent disruptions and the carnage left behind. Apple released the iPhone in June of 2007 and within a matter of two years the one-time leaders in mobile devices – RIM (Blackberry), Nokia, and Motorola – were hanging on by a thread to their eroding customer bases. As the costs for computing decline and power increases exponentially as Moore's Law predicted, the rate and speed at which industries are being disrupted by technical innovation is staggering. There's no sign of that slowing down anytime soon. This is great for consumers but frightening for legacy businesses and their leadership. Below are some recent examples of disruption:

- While Kodak took its last breath in 2013 after 125 years in business, Instagram was sold to Facebook for \$1B with 13 employees 18 months after it was founded.
- According to Kate Toran, director of taxis for San Francisco's transportation authority, the average monthly trips per city taxi have declined by almost 65% from 2012 to 2014. Why 2012? That's when Uber, the leading app-powered car service, entered the market.
- Airbnb is now the largest hotel company in the world measured by number of rooms.
- In 2014, Monster.com stock fell by 42% and their CEO resigned. They have LinkedIn and Indeed to thank for that.
- Netflix and Redbox put Blockbuster and Hollywood Video out of business, both in 2010 after 25 and 22 years respectively.
- Spotify has already made the Apple iTunes pay-per-song, music download model irrelevant to the next generation of music lovers accustomed to streaming music.

What does all of this have to do with recruiting? It's pretty simple; hiring the wrong talent is your greatest risk to be disrupted and hiring the best talent is your greatest opportunity to disrupt. Consulting firms and business schools will talk about digital transformation and creating a culture of innovation as operational goals for CEOs and the future of their businesses. While these are critical, they can only be realized with the right talent. It all starts with sourcing, attracting, assessing, and hiring the absolute best people.

## So How Do You Win at Recruiting?

### People

Winning companies have a talent focused culture that attracts the best people. Recruiting or HR functions can't do this alone. Everyone in the company needs to get the message from the top that recruiting is one of the most important things every employee can do to add value to the company.

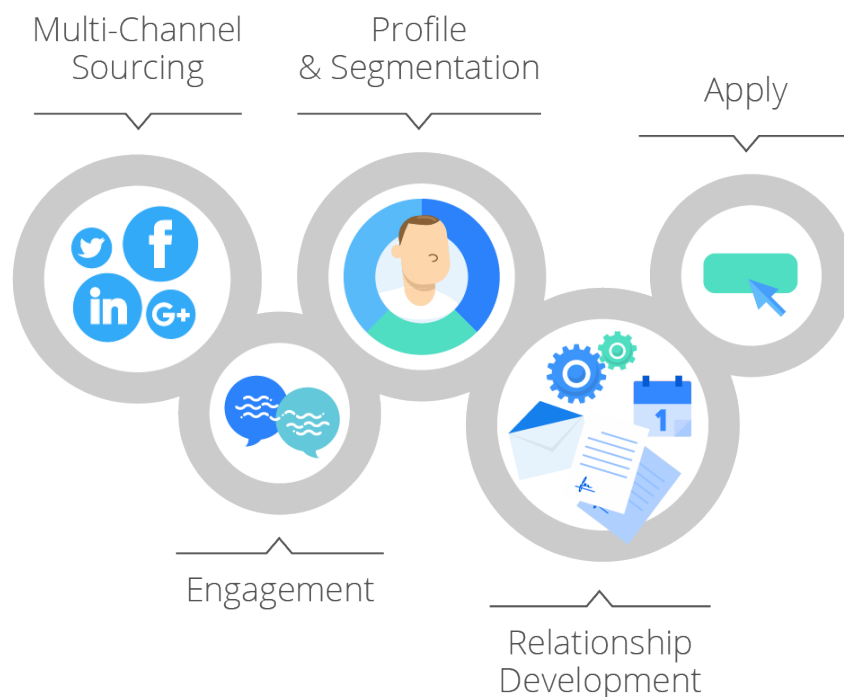
- Put your money where your mouth is with an engaging employee referral program. Employees are more networked than ever before, so take advantage of that and incentivize referral behavior.
- Hiring great talent at the top has a trickle-down effect – great people want to work for, and with, other great people. Even 1 or 2 key leadership hires may end up bringing in a wealth of talent behind them so be bold and go after top leaders in your industry.
- Losers have a short term, demand-based view of hiring the best. Winners know that hiring the best takes time, so be prepared for long sales cycles and high touch relationship management.



## Process

20 years ago passive talent headhunting was the work of third party staffing agencies. Fast forward to 2016 and the “internal agency” is here and it’s real. Companies have invested in and built internal capability for passive candidate sourcing. In short, they’ve hired real recruiters. The process has transformed from what was once an HR, compliance driven process into a sales and marketing process and all the complexity that entails. The recruiting lifecycle is no longer from applicant to hire. It’s from lead to hire. Leads are sourced, converted into prospects, engaged over a period of time and segmented into relevant talent pools, ultimately converted into applicants to specific jobs and, eventually, hires. HR needs to realign their thinking, processes, and technology platform to maximize the recruiting function based on this process, often referred to as the “CRM Methodology in Recruiting”. 70-80% of recruiting happens at the top of the funnel in the pre-applicant stage – i.e. sourcing and attracting leads and prospects to consider the organization in the first place. That’s sales (sourcing) and marketing (attraction). It’s where the recruiting battle is won.

The winners in recruiting know this and they spend a lot of time and resources on the top of the funnel – taking lead generation, prospect engagement, relationship development, and employment branding very seriously. They also know that recruiting the best talent takes time – sales cycles can be long, from months to years. Therefore, they focus on sourcing talent, competitive intelligence, relationship building and continuous engagement, oftentimes repeatedly socializing talent throughout the organization long before a specific role is presented. This is done through high touch tactics like open houses, events, learning sessions, informational interviews, and one-on-one mentoring and low touch tactics like blogs, newsletters, online communities, and short video interviews. They also take a multi-channel approach to sourcing, including traditional recruitment advertising channels and social sourcing through engaged online communities along with robust and engaging employee/alumni/partner referral programs. They don’t leave any stone unturned and work tirelessly to find the best talent.

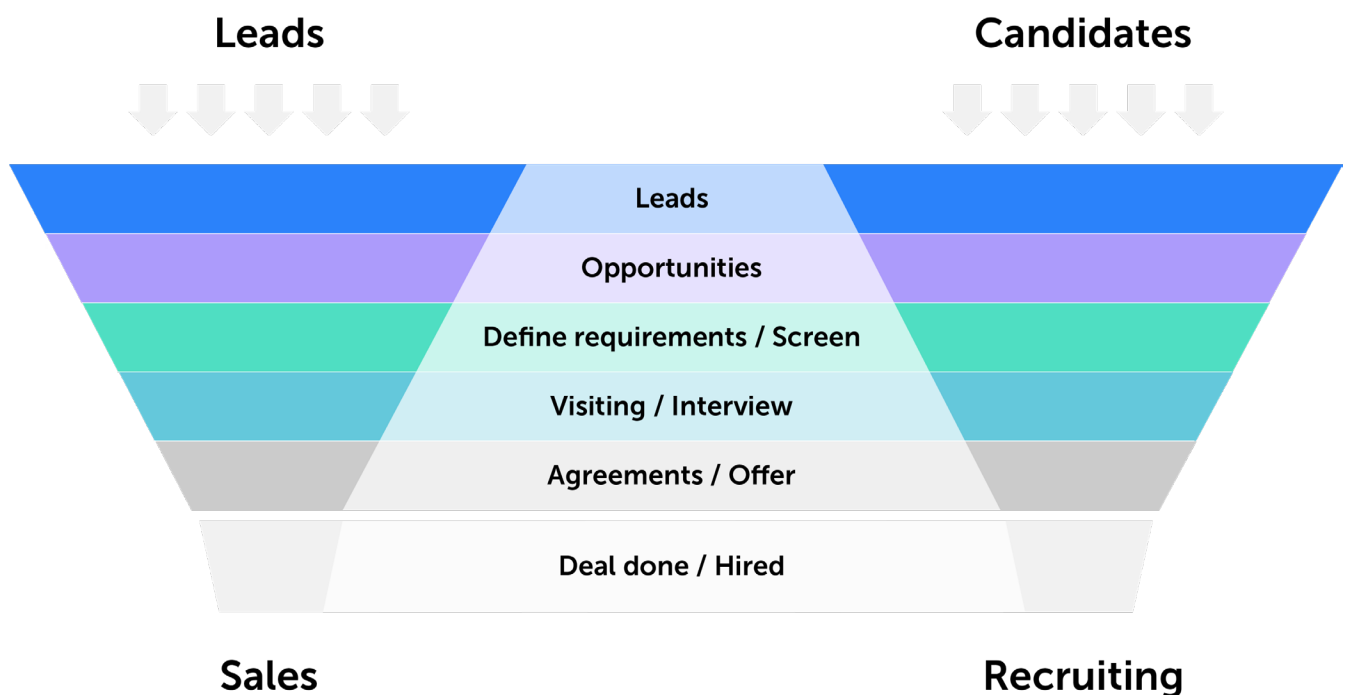


## Technology

The legacy Applicant Tracking System (ATS) was designed to help companies process candidates more efficiently, but it never helped them identify, engage, and hire better people. This shouldn't come as a surprise given that it actually evolved from manufacturing software with a focus on supply chain management processes, processing people for hires like a machine makes gadgets. The problem of course is that people are more complicated objects than gadgets. Additionally, in manufacturing you generally have control over the supply of the parts you need to make your gadgets. In recruiting, you don't have any control over the supply of people in any given market with any given skillset. Legacy ATSs would work fine in a perfect world where the best candidates are always knocking on your door. But that's never been the case in a knowledge based economy. So supply chain methodology is inherently flawed for recruiting. The ATS does well to track and transact but completely misses the relationship management strategy required when working with people. On the flip side, CRM has been the defacto technology for sales and marketing functions for decades, helping companies drive revenue by acquiring more new customers and understanding their existing customer's buying habits. CRM helps you sell the right product at the right time to the right buyer through a series of engagement workflows and customer segmentation. Additionally, sales people can manage a far greater number of relationships with a CRM.



The next generation recruiting system needs to look a lot more like a CRM (just replace the “C” for Customer with Candidate). It should be a CRM with applicant tracking and not applicant tracking with some CRM - if your ATS says they have CRM, take that with a healthy dose of skepticism. The system should allow you to manage the sourcing and attraction part of recruiting with a strong focus on recruitment marketing, relationship management, event management, and engagement campaigns; while at the same time have ATS features like requisition management, hiring workflows, assessment, offer approvals, interview scheduling, onboarding, and compliance reporting. Essentially, the technology needs to be a platform from which you can run all of your recruiting programs regardless of talent segment (from campus to hourly to executive) and geographical market (your hiring approach in the US doesn’t likely map to China or Germany). And it needs to be flexible enough so you can experiment and optimize programs and core processes within a framework to market your value propositions to the right audiences.



Lastly, the system needs to optimize collaboration with hiring managers and encourage employees to get involved in the sourcing and identification of top talent, so that everyone in the company can recruit. If your recruiters don’t like your ATS, then imagine what your Hiring Managers think of it. Everyone needs to have a great experience on any device to optimally collaborate on finding top talent.

## Agility in All of the Above

All companies are trying to transform into agile enterprises. At a high level that means the continuous, iterative optimization of core processes and responding quickly to market changes, threats, and opportunities.

Since recruiting is competitive, it's imperative that recruiting functions are able to flex their processes to specific market needs or address critical talent segments with innovating programs to recruit them. Sometimes an opportunity presents itself where only an agile recruiting function can take advantage of it. All others lose.

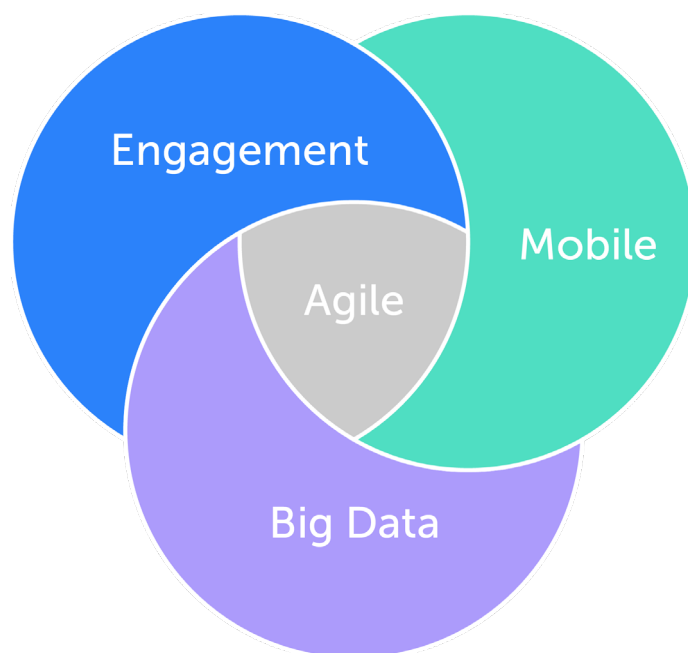
In the marketing world, a perfect example of agility was when Oreo ran a Twitter campaign called "You can still dunk in the dark" immediately after the power went out during Super Bowl XLVII (February, 2013). Within minutes Oreo had the Twitter campaign launched and the results were nothing short of spectacular with over 525,000,000 impressions worldwide. Not to mention it cost zero media dollars<sup>3</sup>.

In recruiting we've seen examples of companies like Novartis and their Institutes for Biomedical Research division (NIBR). Based in Cambridge, MA, the company competes for IT talent – software developers and engineers – and is up against companies like Google and Facebook that have much stronger employer brands in the IT category. NIBR worked with Avature to deploy a microsite that presented their Employer Value Proposition with multiple videos, content, and the relevant job postings that the IT market segment might be interested in. With the support of recruiting, the NIBR IT function quickly changed direction and optimized their recruiting approach to this critical group of talent.

When Nike won the NFL apparel licensing agreement from Reebok, they immediately had to fill hundreds of new jobs. Rather than post those jobs externally they worked with Avature, along with their RPO, to build a specific NFL/Nike co-branded employee referral portal with all of the Nike NFL jobs listed. The site was heavily promoted to employees in order to take advantage of the buzz whirling around the company. The site was up and live within 6 weeks and all of the jobs were filled within 6 months from start to finish, most of them from referrals and internal transfers. Nike seized an opportunity they could just have easily missed,



if it weren't for the right creativity and technology platform to execute their hiring strategy. Remaining agile in your recruitment programs is critical to success and an imperative to competing for the best talent.



## Social and Mobile

Any discussion about winning at recruiting must include a mention of social and mobile. Employees are more connected through social media than ever before and that presents a unique opportunity to build socially connected referral programs. Building a talent focused culture where recruiting is at the forefront of every employee's mind is challenging, but, thanks to social media, it's easier than it's ever been. Additionally, 60% of job seekers use social media as part of their job search<sup>4</sup>, so you can't hide from it. Companies need to have a social media presence around their company and career opportunities and that presence needs to be genuine and true to your culture and employer value proposition.

Regarding mobile, every technology you deploy moving forward needs to be optimized for mobile devices (or multi-device optimization as is the case today with so many varying screen sizes). 40% of applicants abandon non-mobile-optimized application processes<sup>5</sup>. 70% of job seekers look for job information on mobile<sup>6</sup>. Yet as of 2015 only 59% of the Fortune 500 companies had mobile-optimized

career sites<sup>7</sup>. Although it's probably too late to become an early adopter of mobile, there is a clear advantage to becoming a fast follower as the market has been slow to respond. Those advantages include a better candidate experience, and better collaboration between recruiters, hiring managers, and other actors in the recruiting process. Additionally, you need to consider what a strong mobile optimized hiring experience says about your company's culture and willingness to adopt new technologies. Given that 70% of job seekers look for information on a smartphone<sup>8</sup>, then what first impression are you giving job seekers if you don't offer a mobile optimized experience, and what amount of talent will you miss out on? It is crucial to understand the marketing impact of these decisions, and the impact of ignoring technological innovation. By partnering with a technology vendor that understands and adapts to these developments, your firm will have the tools needed to respond to new situations, and ultimately come out ahead with a competitive advantage.

*Originally presented at the Argyle Executive Forum in San Francisco, CA, in November 2014, and updated in July 2016.*

## Sources

<sup>1</sup>INNOSIGHT/Richard N. Foster/ Standard & Poor

<sup>2</sup>Richard Foster, "Creative Destruction Whips through Corporate America"  
cited in AIE 2014

<sup>3</sup>"Dunking in the dark" campaign by 360i

<sup>4</sup>Simply Hired Job Seeker Report

<sup>5</sup>Careerbuilder

<sup>6</sup>Talent Culture, 2015

<sup>7</sup>Careerbuilder

<sup>8</sup>Jibe

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