

Social media has turned recruitment's head – it's now all about the power of attraction.

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by AMANDA WOODARD

In a revealing interview at the end of last year, Andrew Bassat, chief executive of online job site SEEK, voiced his fears about which way the wind was blowing in the recruitment industry. LinkedIn, the fastest growing social media platform for business professionals, was bypassing traditional recruiters he said, by allowing corporations to go directly to prospective employees. Yet it was only a mere 15 years ago that SEEK was the new kid on the

block and newspapers were looking on nervously as their job advertising began to haemorrhage to online. Now it appears that social networking is the new threat for traditional recruiters.

That LinkedIn has had a seismic effect on the recruitment industry is in little doubt. Greg Savage, author of recruitment and staffing blog, The Savage Truth, says “for many years, the recruitment industry sold their services on the fact that they had a

database of wonderful candidates. But sites like LinkedIn now offer a bigger database.” And one that's growing. When LinkedIn launched in Australia in early 2010 the number of users was below one million. Today there are four million. In the US it's reported that across the globe two new people join LinkedIn every second.

At Firebrand Talent, a recruitment agency for marketing and creative industries where Savage was CEO until January 2013, 45 »

percent of placements last year were made via social networking – many of them through LinkedIn.

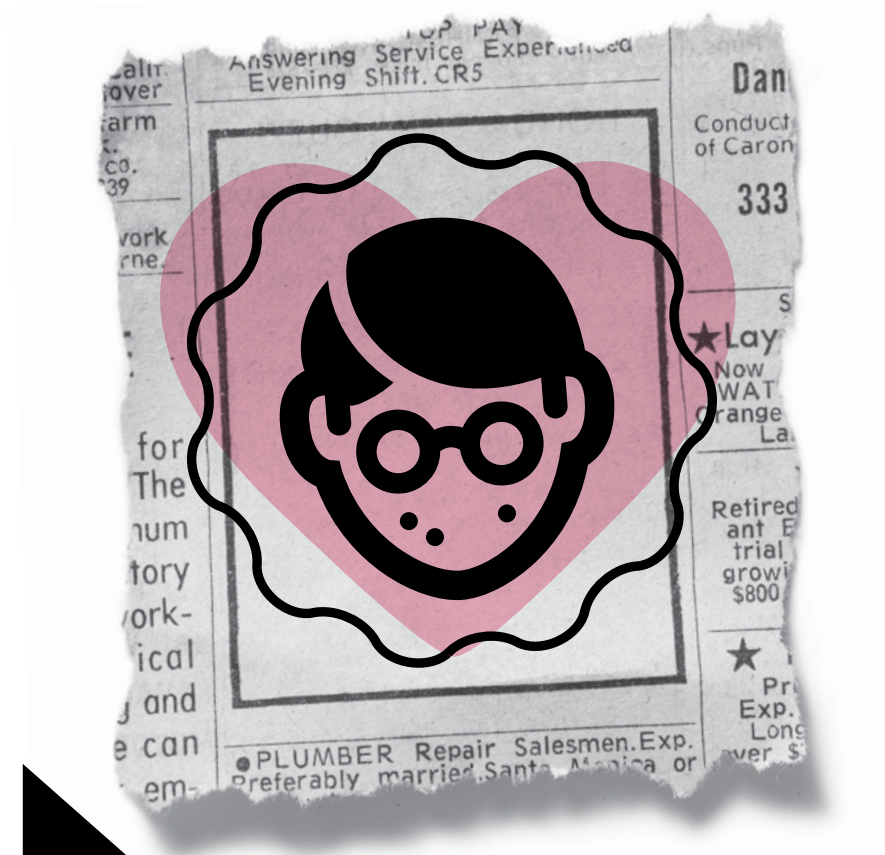
Savage’s view is that the big job boards are going to become less effective in the future as social media grows more influential. Others agree with him. Tudor Marsden-Huggins, founder of international recruitment marketing firm Employment Office, believes that job boards have reached “saturation point”, citing a recent fall in profits at job site Monster.

Only time will tell whether they’ve got it right but what is certain is that the “big and general” job boards have been looking over their shoulder at a growing number of smaller, niche competitors. Australia has around 300 industry-specific job boards – those catering to the resources sector are plentiful – or socially targeted boards, aimed at older workers or career mums, for example.

Alongside these, shortlisting services have sprung up such as Nexthire or Shortlist Recruitment. Once they have a detailed company brief, these services will devise a job spec, tailor the advertising to fit, develop behavioural and skills-based telephone interviewing, and screen and filter applicants to create a shortlist. Anita Ziemer, founder of Nexthire, explains why she set up the company in 2005 after a career in marketing. “The middle ground [in recruitment] was moving to SEEK but I was learning from focus groups and clients that there was a level of frustration with the amount of time it took employers to wade through 200 CVs. It’s too easy to hit the submit button so anybody can apply for anything.”

Nexthire specifically targets the middle-income jobs between \$45,000 and \$140,000, and is often part of a portfolio of recruitment solutions adopted by companies, says Ziemer. “The same companies that use us also use a specialist recruiter for executive hire and another for contract staff. We’ve become part of that mix.”

Shortlist company clients are typically price-sensitive and value-driven, says Ziemer, attracted to flat-rate fees of \$3000 for a salaried position under \$100,000, which compares favourably with traditional agency fees of around 15 per cent. One of their larger customers, MEBank, estimates it has saved \$500,000 since using Nexthire’s services. “Ninety per cent of our shortlists are hired,



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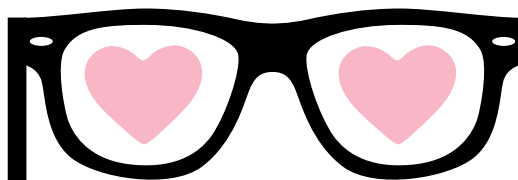


so we’re right on the sweet spot in terms of value and outcome,” argues Ziemer.

Coupled with the GFC, high agency fees have created a trend for companies deciding to bring their recruitment back in house. But the HR landscape has changed considerably from 10 years ago, says Marsden-Huggins. “Recruitment has very little to do with HR, which is about compliance, risk mitigation and people. Recruitment now is much more about marketing, so it doesn’t make sense to lump them together.”

President of Recruitment and Consulting Services Association (RCSA) and managing director of ManpowerGroup, Lincoln Crawley worries that the low status of HR across some companies is having a negative impact on recruitment decisions. Less than 15 per cent of businesses have a workforce strategy aligned to their business strategy, he says. “How can you make choices on whether you should hire someone and train them or hire people who are already trained, for example?”

But whether the choice is to insource recruitment, outsource it to an agency or



create a hybrid model, the key word is collaboration, says Crawley. “Companies large or small need to work with multiple stakeholders to ensure that the right people are coming into the workforce, that they are being engaged, inducted and developed so that ultimately there is less turnover.”

Above all, companies need to work with social media and social networking. The more progressive organisations are doing just that, says Cindy Reid, director of consulting at global recruitment agency FutureStep. “They are using social media tools and social networking to optimise their employment brand and to send messages about their culture.”

For example, Talent Solutions, LinkedIn’s suite of recruitment service tools, is used by more than 1000 corporations in Australia, 75 of those in the ASX200. Global recruiters Hays recently announced an increase in the number of its consultants with access to Talent Solutions, making it the world’s most followed recruiting consultancy on LinkedIn. Recognising the importance of this alliance for Hays, Alistair Cox, CEO, says: “The recruitment industry is at a critical junction in the relationship between the rapidly developing world of social media and the more established world of recruitment. To thrive in this evolving world, we have continually positioned ourselves at the forefront of the digital evolution of recruitment and are now using these technologies to lead the development of deeper, longer-lasting relationships with our clients and candidates.”

Hays is also busily expanding its network of “talent communities” using LinkedIn. More than a list of candidates on a web page, talent communities are where the recruitment dating game is really being played out – a place where employers and employees can interact and get to know each other better.

“In a mutual relationship, organisations share information about themselves, their culture, products and research,” explains Reid. “When it’s done well, a social structure is built up where like-for-like talent can have conversations about issues in the industry, products, etc. By way of that process, the organisation and candidate are constantly making decisions about whether they are the right fit for each other.” »

HEADHUNTERS: SEARCHING FAR AND WIDE

The GFC and skills shortages have had a big impact on headhunters, such as Suanne Lewis, director of Meritum Consulting. “It’s become extremely challenging to find the right candidates for a number of positions we search for. We often have to search ‘wide and deep’ – by geography and industry. You can go into a market and source your 80 to 90 percentile candidates but to be in the peak-performance zone, corporates need to secure the exceptional.”

The days when candidates could methodically work through their career, moving up through these structures is limited, says Lewis. “You can’t hide in a large corporate structure anymore. With pressure on capability and productivity, it’s about getting more value out of less.

“We work with a number of lean clients seeking senior executives who can work effectively at two speeds – delivering short-term commercial value as they work on longer term strategic agendas,” says Lewis.

Internal recruitment teams are going higher into the market to access senior candidates, says Lewis, but there’s often desperation to fill a role rather than a focus on getting the right person. “They’re banging around on LinkedIn and buying in lists from China or India without spending a lot of time on the search. They may be driving down costs but they’re not maximising the return on investment.”

Social media has had an impact by making people more identifiable. But on the flip side, social media can potentially have an adverse impact on candidates, explains Lewis. “In the context of your

personal brand, how the market sees you is really important. If you’re not careful, you can overexpose yourself or give the wrong impression. People need to be more savvy around their personal brand – and careful when creating their social media footprint.”

For leadership and executive search firm Heidrick & Struggles (H&S), social media has had less of an impact at the top end of town than for the bottom end of the market, says Guy Farrow, the partner in charge of the Sydney office and industrial practice head for Australia. “Information is great to have but it can also make decision making more complex for organisations.” H&S uses services such as LinkedIn in conjunction with other methods of candidate identification.

But that is only one part of the process, explains Farrow. “Having a trusted adviser who understands what leadership is required in order for companies to succeed is ultimately what clients rely on us for.”

Since pioneering the executive search business 60 years ago, H&S has evolved to solve complex needs at the top of organisations. “The new thinking in succession planning is that it’s not event-driven, it’s an on-going process. Good boards and CEOs are now continually developing a pool of talent that is capable of leading the organisation in the future, while at the same time staying abreast of the external market.”

Focusing on top-tier roles across all industries, Farrow says: “First of all, we help companies think about the business strategically – where the company is heading – and then tie that back to their leadership requirements. We help them conduct internal and external assessments of candidates to see who will fit their future needs.

In tougher economic environments, companies take a closer look at their own leadership teams and are more willing to invest in the potential of the staff they already have, he says.



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Creating a pool of qualified and relevant candidates who are already familiar with the organisation is a sophisticated and efficient way for companies to recruit. FutureStep’s data reveals that 42 per cent of job seekers are more likely to apply for a job at a company after they’ve interacted with it online.

“Talent exchange has become more democratised,” says Steve Barham, LinkedIn’s senior director of talent solutions, APAC. “It doesn’t start with the job being advertised, it starts with creating an image of what it would be like to work at the company or leveraging the services of an agency to market that brand to your key audience. The tremendous value that LinkedIn has added to the ecosystem is that now clients are motivated to have an up-to-date profile and there’s a depth and breadth of conversation taking place between employer and talent.”

Barham talks about how LinkedIn has “empowered” the people who are charged with hiring to do their job. Lincoln Crawley agrees that as a tool LinkedIn can and is used very effectively by employers and recruitment consultants. But Crawley believes the technology has its limits, and he is not alone.

“Technology is an enabler for individuals and businesses to do things differently but not a solution in itself. If you look at the true role of a recruiter, it has to be more than a dating service,” says Crawley.

“There has certainly been a revolution in terms of the immediacy of communication, but it’s the piece in the middle that often gets lost in these social media tools,” he says. “Understanding the behaviours that a job seeker has exhibited in the past and is likely to exhibit in the future, as well as their fitness for the job, is really where the value of our industry comes in. Our challenge is not to be shy about pushing that value.”

Those who will succeed in recruitment will be those who truly consult and who are willing to develop, says Crawley, who has been instrumental along with the RCSA board in driving professionalism in the industry. The RCSA code of conduct has helped increase membership and raise standards and accountability he says, along with initiatives such as the Pearl program, which identifies and advances the careers of recruitment leaders.

The task of locating and targeting specific talent is all well and good if someone is looking for work, but in the current economic environment companies are competing for a shrinking pool of candidates. The problem becomes how to attract the ‘passive’ job-seekers, that is the people who are not actively looking to change jobs but whose interest may be sparked by a company or advert.

“Just because someone is findable, that doesn’t mean they are recruitable,” says Savage. “Recruitment is going to shift from a sourcing business to a seducing business, bringing the right candidate to the right job.”

To attract top-tier candidates with desirable skills, Savage believes that companies will require a far more sophisticated strategy. “Five years ago it would be flattering to be approached for a job but not now,” he says. “The real value of a recruitment company is to be able to access candidates that other companies can’t find. Already in the US, top candidates are removing themselves from LinkedIn because they are sick of being approached by recruiters. In the future, people are going to make it harder to track them down and seduce them, and that’s what companies will pay recruiters for.” **HRm**