ManpowerGroup™
Solutions
Recruitment Process Outsourcing

# A Technology Roadmap for Smarter Sourcing

Every day we hear about hot trends in sourcing technology. Tools evolve continuously, so how do employers make good long-term technology investments when both requirements and technical capabilities constantly change?

Tomorrow's technology will differ from today's. New jobs will be created; others will become obsolete and candidates will be evaluated against new criteria. All of this impacts the way we evaluate sourcing technology from an integration, administration and capability standpoint.

Ultimately, HR professionals need sourcing technology that connects them to candidates. Rather than making a long-term, point-in-time decision, ManpowerGroup Solutions recommends an approach that maximises existing resources while leaving room to explore new technologies. In other words, the strategy for sourcing technology must be agile to adapt to rapid changes in both the talent marketplace and in recruiting innovations.

## Where to Start

A common pitfall is to buy or license technology because it is marketed well. If you are the technology buyer, ask the following questions before investing:

- What sourcing resources do we already have? Are they fully optimised?
- How do we stay current and buy only the products that add value to our business?
- Does our current sourcing strategy maximise our employer brand? How does the brand impact the sourcing strategy?
- How do we calculate risk and ROI when it comes to new technology?
- What is the right mix of current and new technology?
- What is a good planning cycle for technology innovation?

If you think through these questions, you are more likely to make better technology decisions.

A 2012 Aberdeen Group study found that 52 percent of HR executives surveyed reported they struggled to source "enough qualified candidates to fill available openings." The same study found that only 18 percent of companies could use data to connect sourcing efforts to profitability.[1] These findings underscore the need to carefully consider all aspects of sourcing technology and measure their impact.

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[1] Laurano, Madeline. "Sourcing Gets Smart: Revamping Strategies, Rethinking Technology." Aberdeen Group, April 2012.

# A STRATEGIC FRAMEWORK FOR SOURCING TECHNOLOGY

In today's environment, uncertainty is the only certainty. Market volatility makes it difficult to forecast hiring. Rapid response to changing dynamics requires efficient processes. Sourcing technologies that are more attuned to your business can speed response to hiring demands.

## There are three key actions in identifying the right sourcing technologies to meet your needs:

| PLAN | ENGAGE | EVALUATE |
|------|--------|----------|

### PLAN

## 1. PLAN FOR SOURCING TECHNOLOGY: ASSESS CURRENT AND DESIRED STATES

Establish objectives | Know what you have | Understand potential impacts on employer brand | Get the right sourcing talent | Budget for a well-rounded effort

## Establish objectives

Start by identifying your company's business objectives and assessing the talent required to achieve them. What do you need from a talent sourcing standpoint? Where are the gaps and what needs to change? With these answers you can evaluate new technology against one important question: does the technology help generate the right candidates to meet your talent sourcing objectives?

## Know what you have

Many businesses—especially those with more complex or matrixed organisations—do not have a complete picture of what technology is already available in-house. This is often the case when recruiters work in varying business lines and geographies or recruit for different skill sets. Without fully understanding what is already deployed, companies risk duplication and unnecessary expense.

ManpowerGroup Solutions regularly conducts assessments of our clients' technology to identify opportunities to optimise existing systems. We invest time and resources to understand how new technologies differ from existing products and how they can give our clients a sourcing advantage.

**?** *Critical Question: Does new technology provide additional capability?*

## Understand potential impacts on employer brand

How you use technology to advance your sourcing strategy is strongly linked to employer branding. All companies need to make sure that their technology provides the desired brand experience. Some companies are masters at this, but all companies need to pay attention to the link between sourcing talent and employer branding.

Your customers and candidates are often one and the same. The key is to ensure that each candidate has a positive experience so that even if they are not hired, they will continue to be loyal customers and have a positive feeling about the brand.

*A global food and beverage retailer determined that a loyal consumer spends on average $15,000 on its products over the span of 20 years. If 20 percent of "customer candidates" for every 1,000 of their job openings had a negative experience and were lost as consumers, it would result in an $8.7 million loss in future sales.*

The recruiting process is full of opportunities to reinforce a positive client brand and the right sourcing technology can significantly enhance it. But using any technology is a two-way street. Just as companies expect candidates to be familiar with technology, candidates expect potential employers to use certain platforms and technologies. Simply put, if your tools are outdated, your company runs the risk of missing out on qualified candidates.

**?** *Critical Question: Is our use of technology maximizing opportunities to positively influence our brand loyalty?*

## Get the right sourcing talent

The best technology tools are only effective in the hands of recruiters who know how to use them. Companies with highly successful sourcing efforts report the best recruiters are innately curious and passionate about finding great people and matching them to the right positions. Recruiters use technology, but they don't need to be tech experts. What matters is that they have the skill set and aptitude to embrace new opportunities, think creatively and be early adopters of new technology.

No matter the technical comfort level, the good news is that a lot of the learning is at low or no cost (such as free or low-cost webinars, "how-to" blogs or product demonstrations). The key is to find and support recruiters who are passionate about applying new learning to their work. These are the qualities that cannot necessarily be taught.

**?** *Critical Question: Is your team trained and equipped with the resources necessary to optimize sourcing technology?*

# Budget for a well-rounded effort

Some of the most effective sourcing platforms can be inexpensive. The key is to plan for an appropriate mix of technology. Consider conservative approaches—whether they are software-based, subscription models, or any number of offerings—as well as experimental efforts. Some leading employers recommend an 80/20 budget mix of the tried-and-true versus innovative opportunities. This allows HR leaders to have some freedom to try new approaches. As an added bonus, it sends the message that the company is comfortable with experimentation.

**?** *Critical Question: Do the allocated resources allow for the appropriate amount of testing and experimentation?*

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| | **2. ENGAGE WITH SOURCING TECHNOLOGY: EMBRACE CHANGE AND THINK DIFFERENTLY** |
|---|---|
| PLAN<br>**ENGAGE**<br>EVALUATE | Don't be afraid to fail  \|  Get creative<br>Stay away from the hype. Challenge your own assumptions |

## Don't be afraid to fail

When it comes to technology, serial dating may be better than marriage. Technology changes constantly. Some of the best innovations are short lived. Be comfortable with that.

The most innovative companies are not afraid to fail. They believe trial and error are part of an effective plan. Willingness to try new things also says something important about company culture. As one recruiter put it, "We won't be able to attract talent if we're constantly afraid to try new things."

Some companies love to be early adopters. These employers partner with developers to pilot new kinds of technology. It is a great way to experiment and it enables the recruiters to be the first to learn a new product. These companies are often willing to test out the latest tools, e.g. hosting a new social media platform. They may or may not find candidates. Either way, there is value in the exploration.

**?** *Critical Question: Is failure an accepted part of your plan?*

## Get creative

Your sourcing technology strategy can provide recruiters with freedom to think differently and leverage technology in innovative ways. For example, one company encouraged employees to use their own sourcing channels to refer friends. The process was gamified—essentially delivered as a competition— with bonuses and even candy for referrals. Recruiters received referral messages via Twitter and Facebook and each referring employee became a potential source of ready-to-be-leveraged leads.

This is an example of a simple, but effective tactic. The message is clear: lose the stereotypes. The notion that the only good ideas are those that have succeeded in the past does not apply. The age of technology and innovation calls for thinking outside the box.

Willingness to experiment can position an employer at the forefront of new technologies, particularly as it relates to social media. This is not lost on candidates, who take note when companies do things differently. The result can be improved candidate attraction, especially among younger workers.
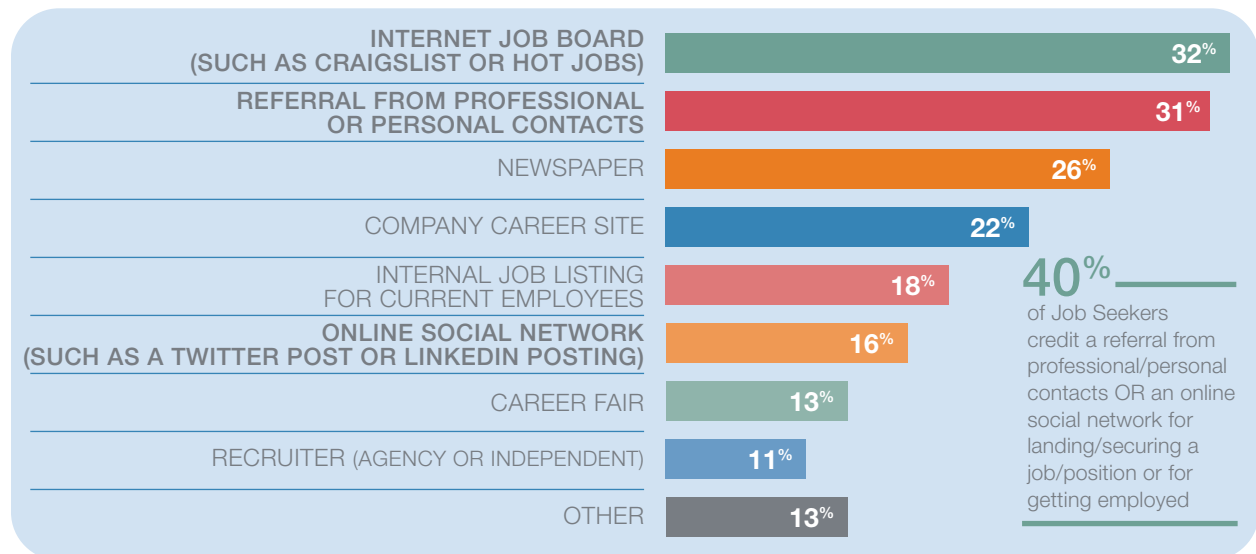
**IMPROVE CANDIDATE ATTRACTION**

**2/3** of millenials say reputation for innovation is key factor in choosing an employer[2]

**?** *Critical Question: Do recruiters have the freedom to engage candidates in new ways?*

## Stay away from the hype. Challenge your own assumptions.

It is easy to get caught up in the latest trend and assume it will be great for your company. But this may not be true. Whether or not a certain technology is the right fit will depend on the specific job roles and skills required, along with the nature of your business. The key is to consider the potential return carefully, while also opening up the possibility of new ways of operating.

First, take a close look at the ROI associated with popular subscription models. Just because "everyone uses them," does not mean they are right for you. Look at the type of presence your candidates have on a particular platform—e.g., are they more likely to be on LinkedIn or Stack Overflow? What is their gold standard? Consider using technologies that offer free tools which may prove to be sufficient. Some technology considered dated might continue to be effective for your purposes. For example, job boards, which are often mistaken as losing importance, continue to be far more impactful than many people believe. In fact, job boards are responsible for six times as many hires as social media recruiting.[3]
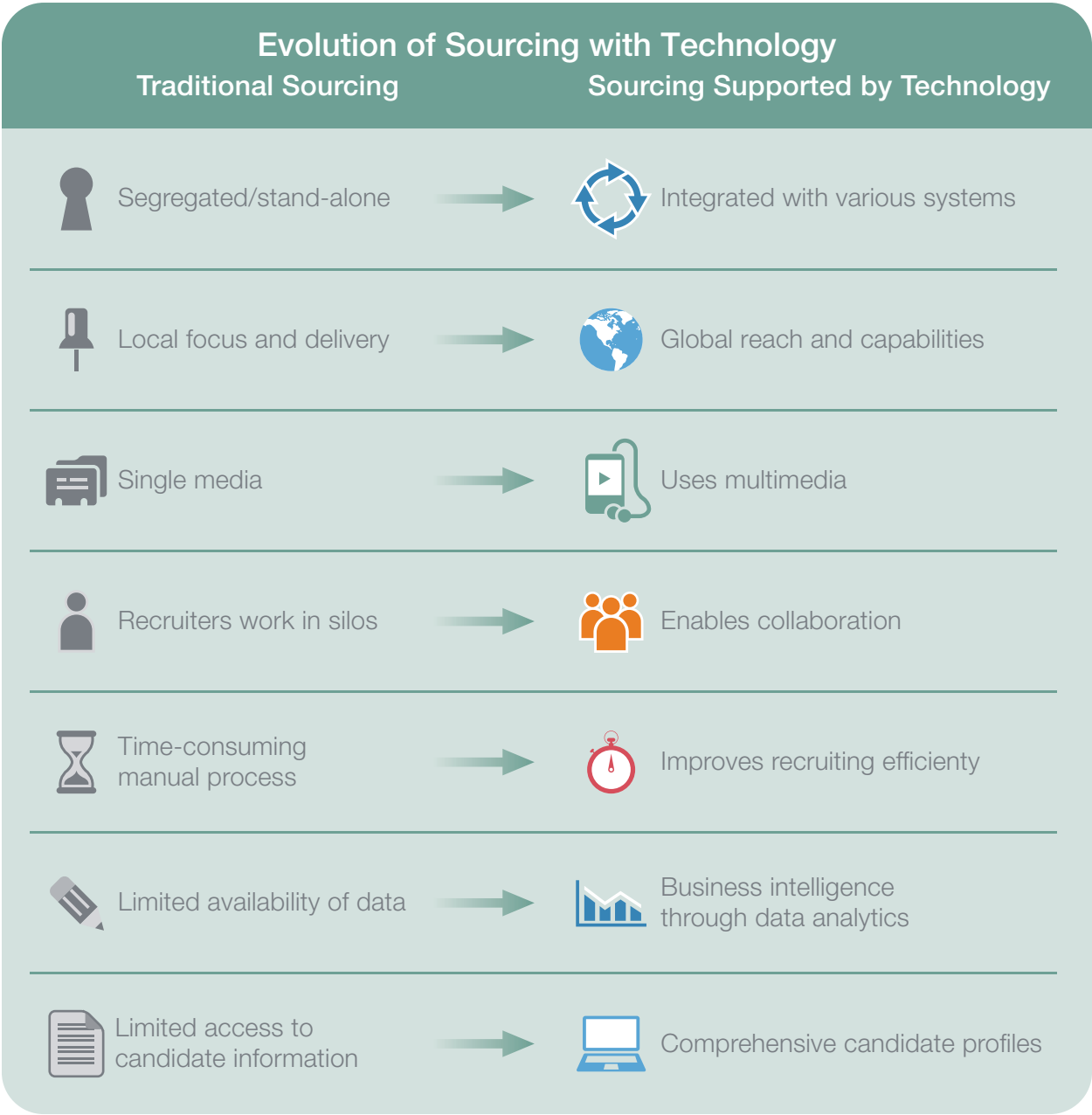
| Source | Percentage |
|---|---|
| INTERNET JOB BOARD (SUCH AS CRAIGSLIST OR HOT JOBS) | 32% |
| REFERRAL FROM PROFESSIONAL OR PERSONAL CONTACTS | 31% |
| NEWSPAPER | 26% |
| COMPANY CAREER SITE | 22% |
| INTERNAL JOB LISTING FOR CURRENT EMPLOYEES | 18% |
| ONLINE SOCIAL NETWORK (SUCH AS A TWITTER POST OR LINKEDIN POSTING) | 16% |
| CAREER FAIR | 13% |
| RECRUITER (AGENCY OR INDEPENDENT) | 11% |
| OTHER | 13% |

**40%** of Job Seekers credit a referral from professional/personal contacts OR an online social network for landing/securing a job/position or for getting employed

2   "How to Navigate the Human Age." ManpowerGroup Solutions Borderless Talent Solutions, 2012
3   Dougherty, Jim. "Job Recruiters Use Social to Vet Prospects Rather than Find Them." Social Media Today. January 24, 2014.
    http://socialmediatoday.com/leaderswest/2107916/infographic-job-recruiters-use-social-vet-prospects-rather-find-them

Finally, it is important to consider less obvious technology options. Sourcing in the trucking industry is an example of an often overlooked opportunity. Drivers consistently show up on the list of the most difficult jobs to fill as identified by employers in ManpowerGroup's Annual Talent Shortage Survey. Nevertheless, trucking companies rarely look to social media to source candidates. The assumption is that this type of technology is not used by truck drivers, and that it is not integrated into the necessary skill set. The irony is that drivers use social platforms to stay in touch with family and friends when they are on the road; making it one of the best ways to target experienced candidates.

**?** *Critical Question: Does your plan allow for new ways of thinking?*

## Evolution of Sourcing with Technology

| Traditional Sourcing | Sourcing Supported by Technology |
|---|---|
| Segregated/stand-alone | → Integrated with various systems |
| Local focus and delivery | → Global reach and capabilities |
| Single media | → Uses multimedia |
| Recruiters work in silos | → Enables collaboration |
| Time-consuming manual process | → Improves recruiting efficienty |
| Limited availability of data | → Business intelligence through data analytics |
| Limited access to candidate information | → Comprehensive candidate profiles |

# Sourcing Snapshot

A global software company serving some 50 million customers has varied talent needs.
Not surprisingly, there is a significant emphasis on hiring top-tier technical talent. Their approach
to technology is wide-ranging and constantly evolving. Here's a quick look at their framework:

- **Strategic:** They start by looking for the right skill sets. While some companies prefer to recruit for a job profile or "fit," they have hard-to-find skills needs that warrant a skills-first approach. Technology solutions are geared toward sourcing the exact skills the company needs or is projected to need.

- **Flexible:** The organisation recognises that there's more than one approach to sourcing. They encourage recruiters to be creative within the context of whatever approach works best for the individual recruiter. In other words, while some recruiters may excel at offline networking, for others social media engagement is a leading competency. The organisation wants to benefit from both.

- **Enterprising:** As a result, the recruiters want to be the first to try new technology. This means that HR professionals are able to beta test the newest technology and provide feedback. In addition, they are encouraged to test out new social applications to determine what works best. Failure is seen as merely a learning experience.

- **Relationship-driven:** Although technology often emphasises the opportunity to reach large pools of candidates, these recruiters see the potential to individualise the candidate experience. For example, recruiters will follow programmers on Twitter, Slideshare, and Stack Overflow. Rather than sending them direct mail, they'll retweet content, share videos or stats, and comment on presentations or forums. Over time, this approach enables deeper engagement and understanding of the candidate than a typical cold-call. It also speaks volumes about the organisation's point of view of people.

- **Data-conscious:** The company sees its technology engagement as an opportunity to better understand its candidates. For example, after years of simply asking candidates about their source of hire, they found that many had multiple points of contact and aren't able to articulate the actual source. As a result, the company is putting effort into analytics that can better track the overall engagement with a candidate.

**Ultimately, the choice of technology depends on how well it fits with a company's recruiting culture, which seeks to inform, engage and educate online before involving candidates offline.**
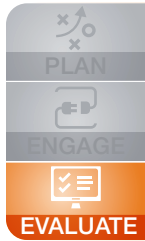
# 3. EVALUATE SOURCING TECHNOLOGY: MEASURE AND REFINE, THEN REPEAT THE PROCESS

## Track and evaluate data from beginning to end

Metrics and data collection efforts are on the rise. Companies collect and analyze every available piece of sourcing data for their impact on strategic goals. Data analysis can drive insights and inform overall sourcing strategy alongside other business goals. The best recruiters use data analysis to micro-target talent and tailor it for current and anticipated workforce needs. They have the capacity to deploy Big Data insights across the entire recruitment process.
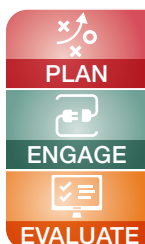
The efforts of an organisation to pinpoint the source of hire, as seen in the sourcing snapshot, are a perfect example of leveraging data to improve sourcing results. Another example is a telecommunications company that sought to better understand the profiles of their most successful candidates so they could source accordingly. After taking a close look at their best customer service performers, the company found their assumptions were incorrect about what made for the highest performers. They were wrong about experience, education, skills and advancement interests. Armed with this new knowledge, they were able to refine their sourcing strategy to reach a far more targeted audience.

**?** *Critical Question: Are we able to track and measure results? Does data collection support continuous improvement?*

## PLAN, ENGAGE, EVALUATE

The market is saturated with technologies to support candidate sourcing and it continues to grow. Increasing workforce mobility and scarcity of skills mean the stakes to find the right talent are raised. With technology promising multiple ways to achieve your objectives faster, cheaper and more efficiently, the challenge of choosing the best technology to address your specific needs becomes more daunting. An effective sourcing technology framework takes into account not only the newest technology, but the **right** technology mix to meet your company's unique sourcing objectives.

In today's uncertain environment, you must act swiftly and creatively to engage the most sought-after talent. A strategic framework for identifying sourcing technology is a business imperative. When executed effectively, this framework aligns technology with business objectives, enabling organisational agility and, ultimately, the successful targeting of candidates.

| | |
|---|---|
| **PLAN** | Assess Current and Desired States |
| **ENGAGE** | Embrace Change and Think Differently |
| **EVALUATE** | Measure and Refine, then Repeat the Process |