

RECRUITMENT REMODELLED

The art and science of successful recruitment





The world of recruitment is now a complex new model where art and science combine to help establish deep relationships in candidate communities through the power of digital technology, data science, and personalised communications at scale.



CONTENTS

- 02 INTRODUCTION FROM ALISTAIR COX
- 06 A NEW MODEL IS EMERGING
- 08 ADVERTISE & APPLY
- 10 FIND & ENGAGE
- 13 DEEPENING THE CANDIDATE POOL
- 14 IN-HOUSE VS. EXTERNAL
- 16 THE TRUE COST TO HIRE
- 18 A COMPLEX BLEND OF ART & SCIENCE

HOW THE RECRUITMENT WORLD IS BEING REMODELLED

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Introduction from Alistair Cox, Chief Executive, Hays plc



In my ten years as CEO of Hays, I have never seen the recruitment and staffing industry evolving as rapidly as it is today. Technology, the dynamics of the digital world, and the advent of data science and artificial intelligence are fuelling these changes. Yet the underlying issue remains: how to find the very best people for your organisation.

In this latest report from Hays, we look at the implications for the recruitment model of the vast array of data science tools and digital technologies available to help the process. Undoubtedly, they bring new possibilities and opportunities to support the traditional role of a recruiter, but understanding how to leverage them is no easy task.

At several points over the past couple of decades, commentators have forecast the death or disintermediation of recruitment agencies as trusted advisors that could help match talent to roles, and vice versa.

First, it was the advent of online job boards that were predicted to herald the end of the industry, primarily by scaling the process by which employers could advertise roles to generate a large number of responses; but which in turn had the effect of weakening the role of relationships in the sourcing and selection process.

Then, social media platforms and online communities reshaped the recruitment industry further, primarily by enabling candidates to market themselves and be found online by future employers. An ability to indicate that one is approachable for new roles tends to reduce the need for those candidates to be searching job boards for new opportunities.

Then came the arrival of aggregators, using advances in search technology to bring together the vast array of job adverts from across the web into a single place. Another existential threat to the wider recruitment industry was widely anticipated.

However, it didn't happen. Just the opposite in fact, as employers found themselves simultaneously inundated with online applications to their adverts, yet unable to attract and recruit the in-demand skills they needed in candidate-short markets.

The sheer volume of responses caused many in-house recruiters and HR teams to turn to recruitment agencies to help ensure the integrity and quality of shortlists, thanks to the strength of their established relationships with quality candidates. The other key challenge in this context has been to ensure a candidate receives a meaningful response to minimise any disappointment at their application not being pursued.

Moreover, many found that specialist recruiters had far greater success in delivering applications from niche or specialist candidate pools. This is because recruiters often benefit from exposure to a larger cross section of candidates, which helps them develop a deeper, sector-specific understanding of candidates' main career drivers.

The premise of this report is that successful recruitment requires a move away from the historic and conventional model, which we define as **Advertise & Apply**. This refers to the long-established process of employers or agencies advertising a vacancy, to which only those individuals actively interested in a new role at that time would apply. The large number of high-quality candidates who are content in their current role – the so-called passive jobseekers – would be unlikely to be exposed to the vacancy.

Yet the Advertise & Apply model remains prevalent across the industry today. The massive volume of applications to many advertised vacancies, driven by the ease with which candidates can respond to any number of job adverts, makes it increasingly unwieldy and reduces the likelihood of finding the best candidate. It also undermines some of the core components of successful recruitment: deep market expertise and established personal relationships risk being lost, further reducing an organisation's ability to source the highest-quality candidates.

At Hays, we have developed and are deploying a new and better model, one which we call **Find & Engage**. This takes the best recruitment practices and candidate relationships our consultants have developed over many years, and combines them with the new technology and data sciences techniques available today to ensure we find the very best candidates for any given role.

This is a world where employers need to have the capability and expertise to handle digital platforms and data science tools to actively find potential candidates – many of whom might not otherwise have thought of applying for a role, thereby significantly expanding the pool of potential candidates.

'Finding' strong talent is not enough however. Trust must be built up between both parties, and this is where a recruiter must 'Engage' with the prospective candidates – particularly through social media and other digital channels, and ideally over a prolonged period of time. As a trusted relationship builds,

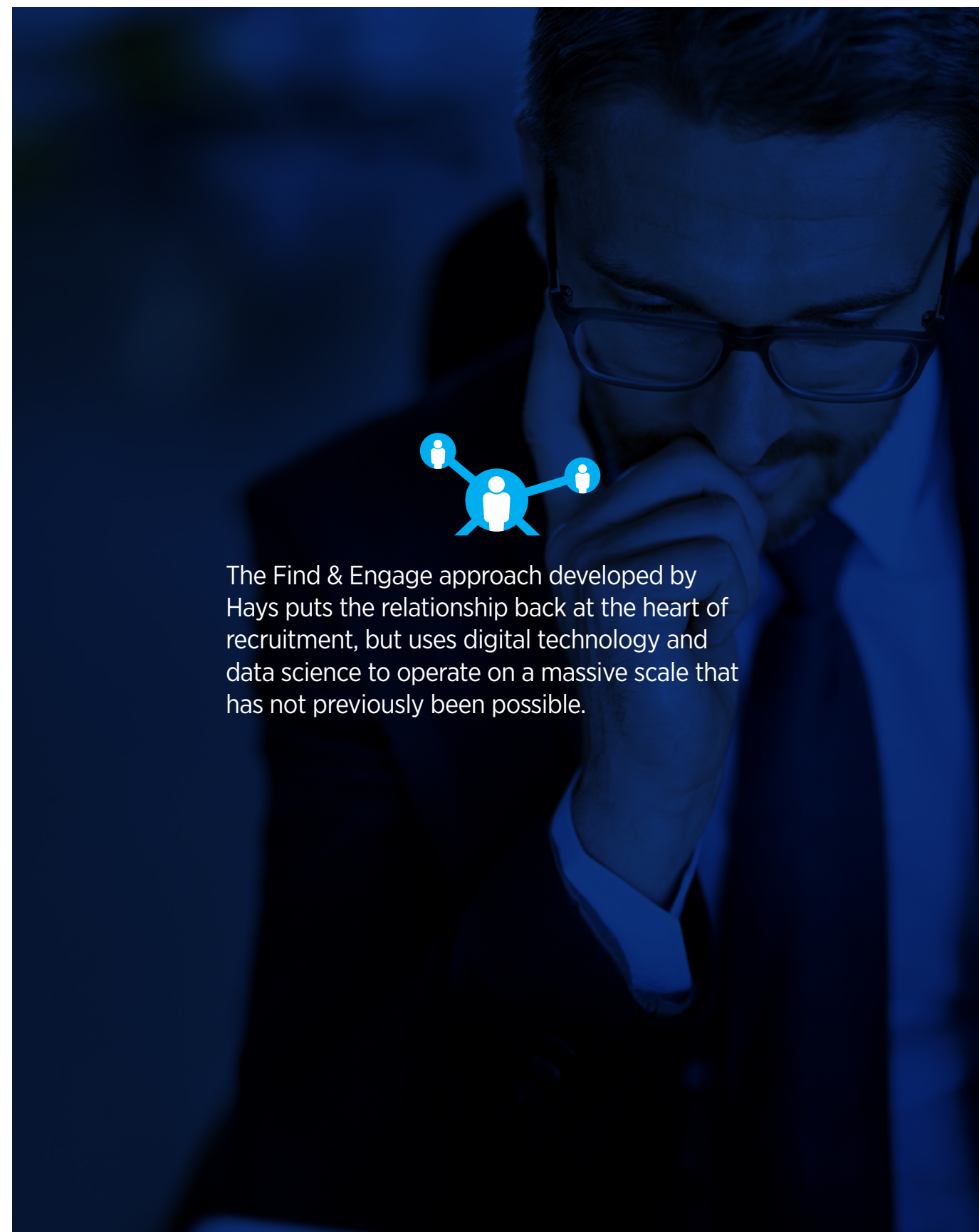
candidates are more likely to engage with the consultant about a prospective new role, thereby further broadening the pool of relevant candidates for a particular vacancy.

This process puts the relationship back at the heart of recruitment, but it does so on a massive scale that has not previously been possible. We believe this new model will become the norm in recruitment.

However, to make it work effectively, there are a large number of digital dynamics and data science capabilities that need integrating, coupled with the skills, expertise and relationships of the recruiter. The combination of these facets provides a quality recruiter with an understanding of whether the timing is right to approach a suitable – yet ostensibly passive – candidate.

In this groundbreaking report from Hays, we explore these significant shifts in the way recruitment works today, and why the fast-evolving world of Find & Engage offers an opportunity to significantly improve the way organisations source the 'great, not just good' talent they aspire to employ.

Hays has thousands of expert consultants who stand ready to work with clients – across all sectors and geographies – to help them achieve a competitive advantage by maximising their chances of hiring the very best. We hope you find this report an interesting and stimulating read, and we look forward to working with you in the new world of Find & Engage – a world we at Hays are excited to be leading.



The Find & Engage approach developed by Hays puts the relationship back at the heart of recruitment, but uses digital technology and data science to operate on a massive scale that has not previously been possible.

A NEW MODEL IS EMERGING IN THE WORLD OF RECRUITMENT



There has always been a real art to recruiting talent, built around trusted relationships and an ability to assess compatibility. But significant developments in data, artificial intelligence, and digital technology means the recruitment process is being transformed by the opportunities presented by science.

The way organisations recruit is changing rapidly and fundamentally. The traditional model of Advertise & Apply – widely used for decades to source and select candidates – is being transformed into a new approach, Find & Engage, which is significantly evolving the way employers search for top-quality talent.

In the pre-internet world of Advertise & Apply, employers or recruitment agencies would place advertisements in newspapers. Candidates who were actively looking for a new role would apply. A shortlist of candidates was interviewed and an appointment was made. In this context, a key criteria of the recruitment process became the ability to assess the applicants' skills, capabilities and likely cultural fit with an organisation.

The internet and wider technology advancements then disrupted this traditional model by making it easier and faster to advertise a job. Then, the emergence of internet job boards, coupled with powerful search engines, made it even easier for candidates to find out about new opportunities as soon as they were advertised.

These developments improved the ease with which candidates could apply for roles (even if they were unsuitable) at the click of a mouse – which meant that employers advertising their vacancies would often struggle to handle the volume and speed of applications received. The whole process had become a lot more complicated and, in the long run, too resource-intensive for companies to handle themselves.

On the other hand, there are many organisations working in sectors suffering from shortages of specific skills that find themselves bereft of applications, meaning that advertising

the jobs was not the most appropriate solution; rather, talent teams were looking to candidate referral programmes to help source specific skills.

But it has been the explosive growth of social media platforms that has driven the recruitment process onto a new trajectory – one that has made it possible for employers and recruiters to seek out potential candidates who may not themselves be actively looking for a new job. In effect, the model of 'candidates finding jobs' is being turned on its head, as 'jobs are now finding candidates'. The net effect is to make even the 'active' candidates appear more elusive as they are increasingly expecting to be found by recruiters.

However, the new model cannot be just 'find'. With millions of CVs and résumés in circulation, securing the right candidate can be like looking for a needle in a haystack. Even when promising candidates are found, it may not be easy to encourage them to apply, or even return a call or an email, particularly if they are not active in the job market.

The challenge is to combine both Find & Engage, which involves using a range of digital channels (from personalised email to social media), to connect with people who might become candidates for future roles.

Hays is engaging with hundreds of thousands of candidates on a daily basis, providing them with content, insights and advice specific to their industry. By learning to understand these individuals and their interests, it becomes easier to connect when potential opportunities emerge – and because a degree of familiarity and trust has already been established through these engagements, the candidate is more likely to be open to an approach from an informed, expert recruitment consultant who they trust.

Whilst some larger organisations have dedicated in-house talent acquisition teams, the world of Find & Engage presents an opportunity for the vast majority of employers to work in partnership with a recruitment agency, rather than conduct the process themselves in this increasingly intricate recruitment landscape, where developments in data and artificial intelligence are rapidly changing the ground rules.

It may appear, on the surface, to be easy and comparatively cheap to place an advert on a job board, or to use a job board's search tool to look for suitably qualified candidates. However, there are many hidden costs in running such activities in-house (these issues are covered later in this report).

Without the right expertise, the danger is that an organisation will only be sourcing from a pool of candidates who are actively looking at that point in time, and also that they may be taking too much time to fill the role.

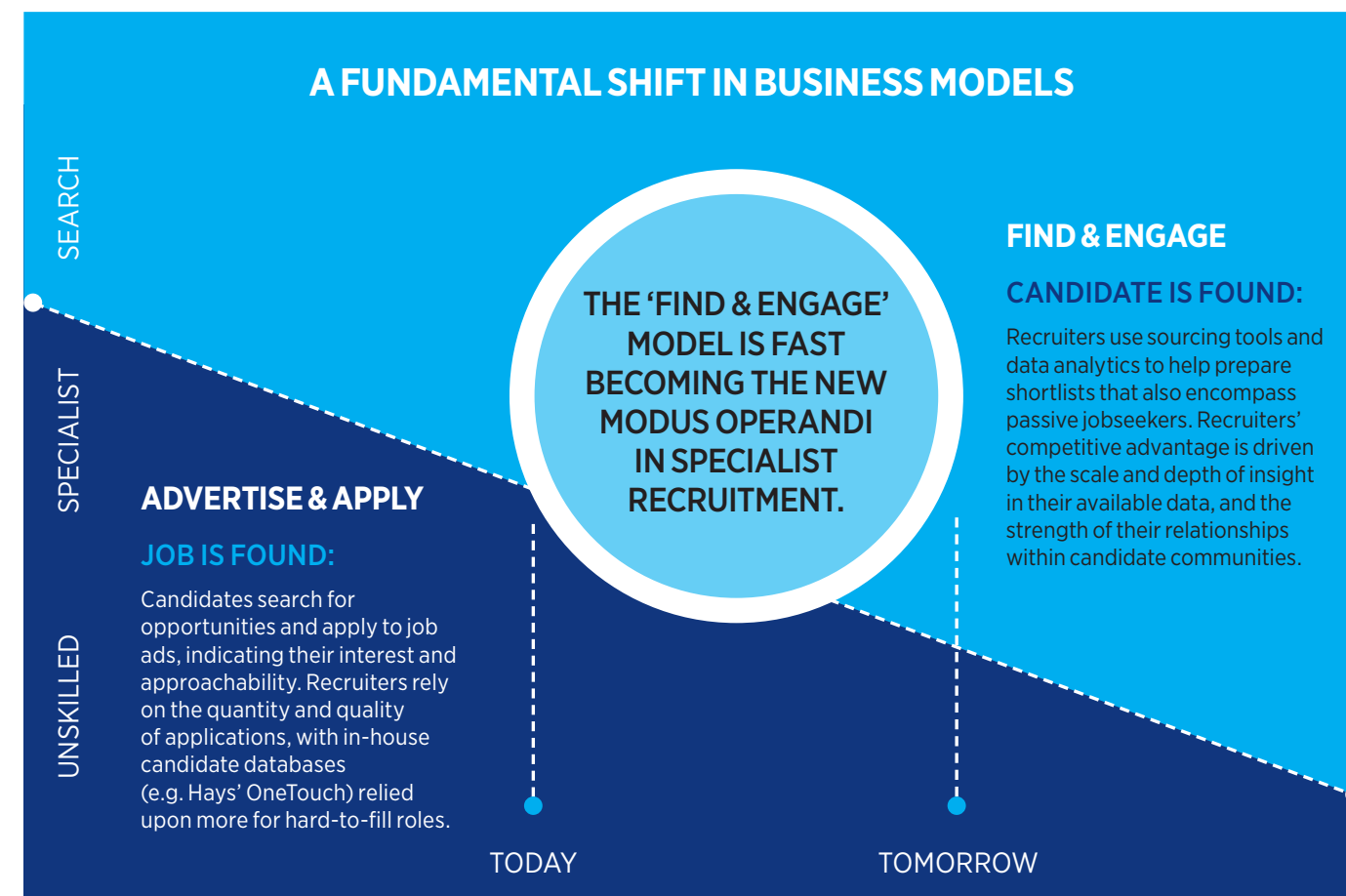
Furthermore, for an SME only looking to fill a small number of vacancies each year, it becomes hard to justify establishing the in-house capability and capacity needed to run a Find & Engage strategy – which would require sustained investment in

machine learning capability, data science, and content creation to enable personalised communication at scale.

It is recognised that superior, or more valued, candidates do not tend to submit multiple job applications, which makes it harder to attract them to new opportunities. This means that to succeed in the Find & Engage world, specialist recruiters need to build the knowledge and capacity to source from a wider and more relevant pool of potential candidates.

Therefore, being able to target non-active or passive jobseekers is a powerful way to achieve a stronger shortlist, which will ultimately improve organisations' likelihood of hiring candidates most likely to flourish and succeed.

There has always been a real art to recruiting talent, built around trusted relationships and a recruiter's ability to assess the likely compatibility between an employer and a candidate. But today, thanks to the significant developments in data, artificial intelligence, technology and digital, the recruitment process is being transformed by the opportunities presented by science.



THE OLD MODEL ADVERTISE & APPLY



It was not long ago that job advertising generated big revenues for media owners and publishers – from national or regional newspapers to specialist trade journals and periodicals. But even after job advertising migrated online in the rapidly evolving digital world, the principles driving recruitment’s traditional Advertise & Apply model did not fundamentally change.

Go back 30 years, and the recruitment industry had an established model for hiring full-time employees: organisations would advertise their job vacancies (or a recruitment agency would do it on their behalf); people would apply for the posts by letter; a shortlist was drawn up; interviews were conducted; and the successful applicant was appointed.

Then came the internet. The first online job boards emerged in the early 1990s, allowing employers to post vacancies on the internet. Soon after that, newspapers started to post job listings on their websites, and a vast range of targeted employment websites grew rapidly in the mid-2000s.

A job board is a website on which vacancies are listed by employers, who typically pay a fee to the board, and often accept applications directly through the site. Some are generalist, covering a wider spectrum of industries, whilst others focus on individual sectors such as finance, media or information technology.

The world changed further with the arrival of the internet aggregators, which collated huge numbers of job listings from a wide range of sources (such as employers’ websites, job boards and newspaper classified adverts) to offer jobseekers a one-stop-shop. The impact of this job board and aggregator phenomenon was to enable jobseekers to search and find a huge spectrum of vacancies – not just those in their own specialist domain, but also to search for roles in locations anywhere in the world.

Today, the well-established websites for jobseekers (such as Monster, Totaljobs or Australia’s Seek), coupled with the major international aggregators (such as Indeed), offer easy routes to candidates to search for new roles, but also to upload their CVs or résumés to the websites. A major new entrant in this space is Google through its ‘Google for Jobs’ search function, which is being rolled out initially in the US, with the intention of spreading it to other countries.

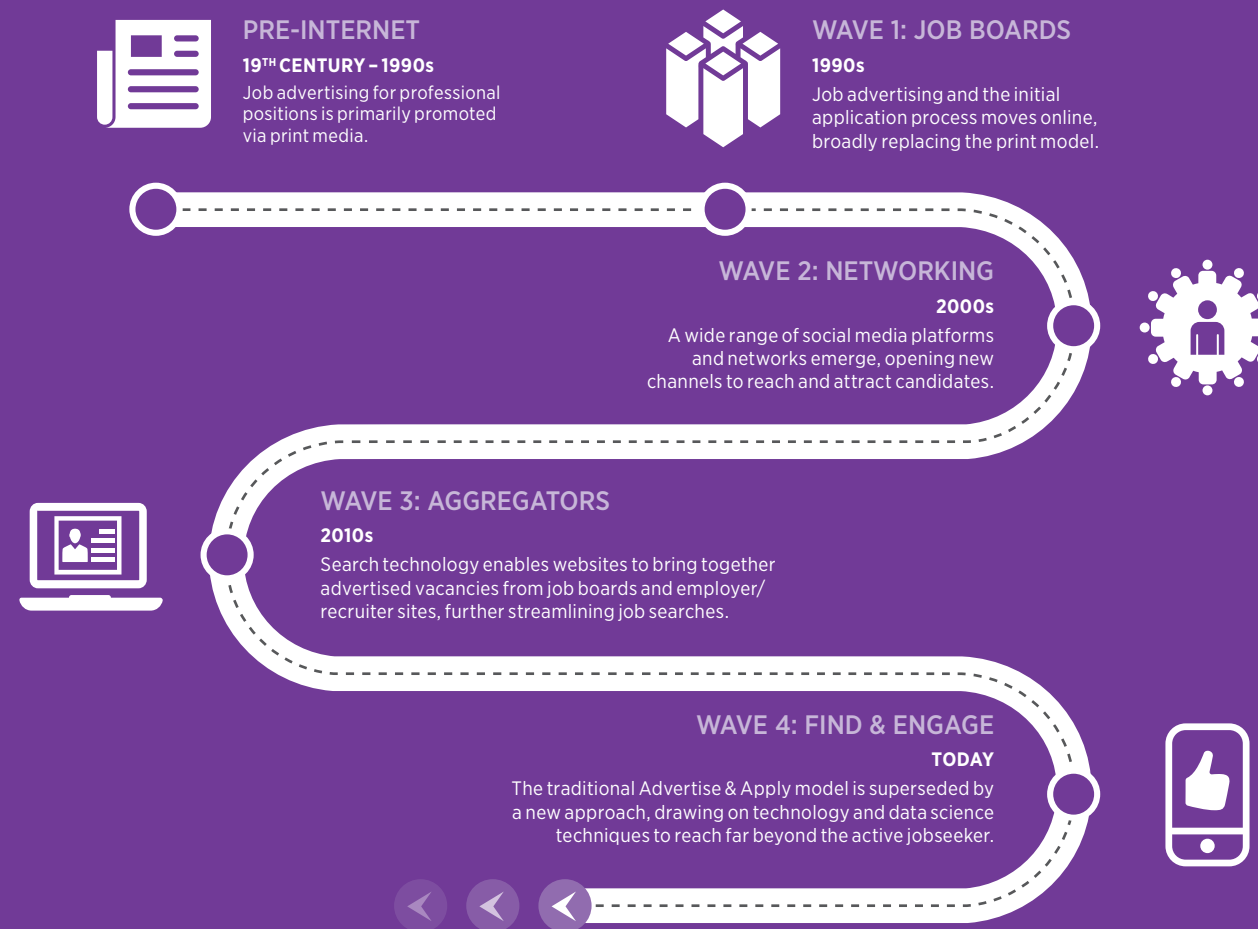
The inexorable rise in the breadth and scale of social media platforms and online communities – dominated by LinkedIn, the professional network launched in 2003 – has contributed to further evolution of the Advertise & Apply model.

One key development was the shift towards people being able to indicate their appetite for being approached for a role by self-selecting their status profile. This led to the passive jobseeker seeing less need to conduct speculative job searches on the basis that their profile could be found by an interested recruiter.

At each stage of these industry developments – from job boards and aggregators to social media platforms and online communities – commentators speculated that the new technology would increasingly remove the need for recruitment consultants, not least as employers would be able to run the entire process themselves, driving direct contact with potential candidates.

Some of the larger job boards also started to offer a candidate finding service, integrated with social media platforms, but these are essentially a variant of the Advertise & Apply model, involving a mix of email marketing and online banner ads.

KEY MILESTONES IN THE TRADITIONAL ‘ADVERTISE & APPLY’ WORLD OF RECRUITMENT



However, this is the fundamental flaw of the Advertise & Apply model. It is a world primarily dependent on candidates seeking out the opportunity, and proactively applying for the role via a job advertisement. It also means that the talent pool that a recruiter is drawing upon is limited to active jobseekers – who may well be the same individuals who are applying to similar roles via other recruiters.

So, whilst a recruitment agency can ensure an employer hires successfully within this traditional Advertise & Apply model, all the significant technology developments in the market today mean that – with access to the right expertise in data science analytics and digital platforms and tools – a recruiter can now source candidates from a much deeper and wider pool of networks, spanning far wider than the community of active jobseekers. A new recruitment model has emerged.

THE NEW MODEL FIND & ENGAGE



A new hiring model has emerged, defined by Hays as Find & Engage. It takes the best practices and skills of traditional recruitment, and combines them with the new technology and data science techniques available today. It has enabled Hays to use a range of machine learning tools to assess signals of a candidate's likely approachability for a specific role.



With the burgeoning spectrum of social networks and online communities that exist today, employers and recruiters now have the ability to connect with millions of potential job candidates, aided by digital platforms and data science tools to help find, attract and select them.

The trouble is, finding the people you need amid this crowd can be like looking for the proverbial needle in a haystack. Even with the help of intelligent automation tools provided by employment websites (i.e. an Applicant Tracking System for application processing), coupled with the ability to search candidate profile databases, identifying suitable candidates remains a huge task.

In many respects, this task is even more challenging than sifting through a large volume of applicants generated by the traditional Advertise & Apply model. It also poses challenges for candidates, particularly those actively looking for a role who are likely to be receiving an elevated volume of communications, making it difficult for them to filter the roles relevant to their interests and experience.

Unless the hiring organisation or agency has sophisticated data analytic tools and a comprehensive CRM system, it is inevitable that a prospective candidate will at some stage receive communications that do not match their interests. This creates a negative impression, undermining their respect for the hiring organisation or recruiter, and potentially leading them to unfollow or disregard future communications.

THE POWER OF DATA

Hays believes that operating a Find & Engage model will become the only effective way to operate in recruitment. It requires the capability to seek out potential candidates – including those who may not be actively seeking a new job – and then engage with them to consider the relevance and appeal of potential new openings.

This is not just about having access to vast swathes of data, but also being able to examine that data to gain a clear understanding of individuals, and their skills and relevant experience. It is then about harvesting that data in such a way for it to offer insights and actions that feed into the daily workflow of a recruitment consultant preparing a shortlist for an employer brief.

The 'Find' element of the equation is something Hays has been working on extensively over the last couple of years, involving a sophisticated mix of the following: strategic data partnerships; the curation and creation of high quality content; structured 'test and learn' programmes across digital channels; software tools (from third parties and developed in-house); and proprietary market mapping techniques.

Through our investment in artificial intelligence techniques and machine learning tools, we believe Hays is now as equipped as any recruiting organisation to reach deep into the candidate pools of the market sectors we cover, encompassing both active and passive jobseekers.

Whilst the recruitment world is moving away from Advertise & Apply to Find & Engage, the new model cannot just be 'find'. A recruiter needs to be engaging with candidates over a prolonged period by building a relationship and dialogue (virtual or real) with people who might become job candidates in the future – it is a marriage of technology and productivity tools with a consultant's expertise in assessing the potential suitability of a candidate for a specific role.

LinkedIn, the global professional networking site with more than 500 million members, suggests that if a Hays recruiter has previously connected with a candidate about an opportunity or a topic of mutual interest, that person is significantly more likely to apply for future vacancies than if prior engagement with Hays had not taken place.

THE IMPORTANCE OF CONTENT

Engagement in this context requires a foundation of high-quality content that provides individuals with insight, advice, articles and blog posts on topics that interest them, and can help guide them through each stage of their job search. Providing specialist insight into the sector in which the individual works helps strengthen the relationship with a consultant and foster a common understanding of their areas of interest.

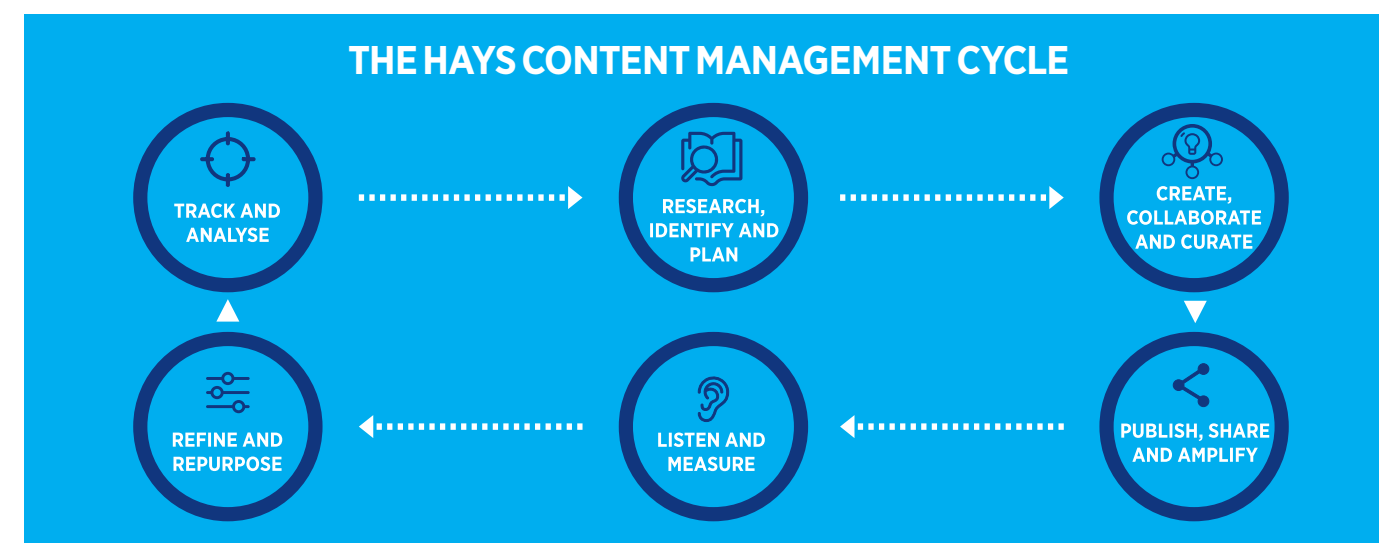
Building an 'engaged' relationship between a recruitment company and candidates requires two things. First, it involves getting to know who those people are, and understanding their specific interests and aspirations, so that a recruitment consultant knows when and how to approach them with a job opportunity.

Second, having established a relationship based on an understanding of their career profile and interests, the potential candidate is more likely to be predisposed to an approach, making it easier to have an informal discussion about an opportunity, even if the candidate is not actively looking for a new role. Whilst technology advancements are significantly helping the recruitment process, it is this understanding of a candidate's personal priorities and aspirations that remains a vital part of the process.

Hays has a strategic partnership with LinkedIn dating back to 2012, and now has nearly two million people who follow our news and postings on the platform. The key benefit of this relationship is the ability for Hays to examine large amounts of data generated by LinkedIn member activity on a regular basis to gain a clearer understanding of the individuals, their skills, and their experience. By then extrapolating meaningful patterns, we are able to gauge how open to new job opportunities a potential candidate is likely to be. A Hays consultant can then respond personally with relevant vacancies and helpful career advice.

Aided by our relationship with LinkedIn and other strategic partners, we have been able to build a global content development strategy, drawing upon our own consultant expertise, as well as curating additional material from other relevant sources.

In addition, we track and evaluate engagement with Hays across channels and platforms to help us understand what content streams are proving to be most relevant for each stage of the customer journey that candidates and clients embark on. The diagram below summarises this process in the context of the content management cycle operated by Hays.



The global content management process operated by Hays is a virtuous circle in which the creation, collaboration and curation of content is dependent on having the systems to be able to identify and track how the content is being consumed by relevant audiences. The content teams in Hays constantly refine the material published based on levels of engagement, and use data analytics to ensure the optimal timing for when different content genres generate the most impact.

THE APPROACHABILITY INDEX

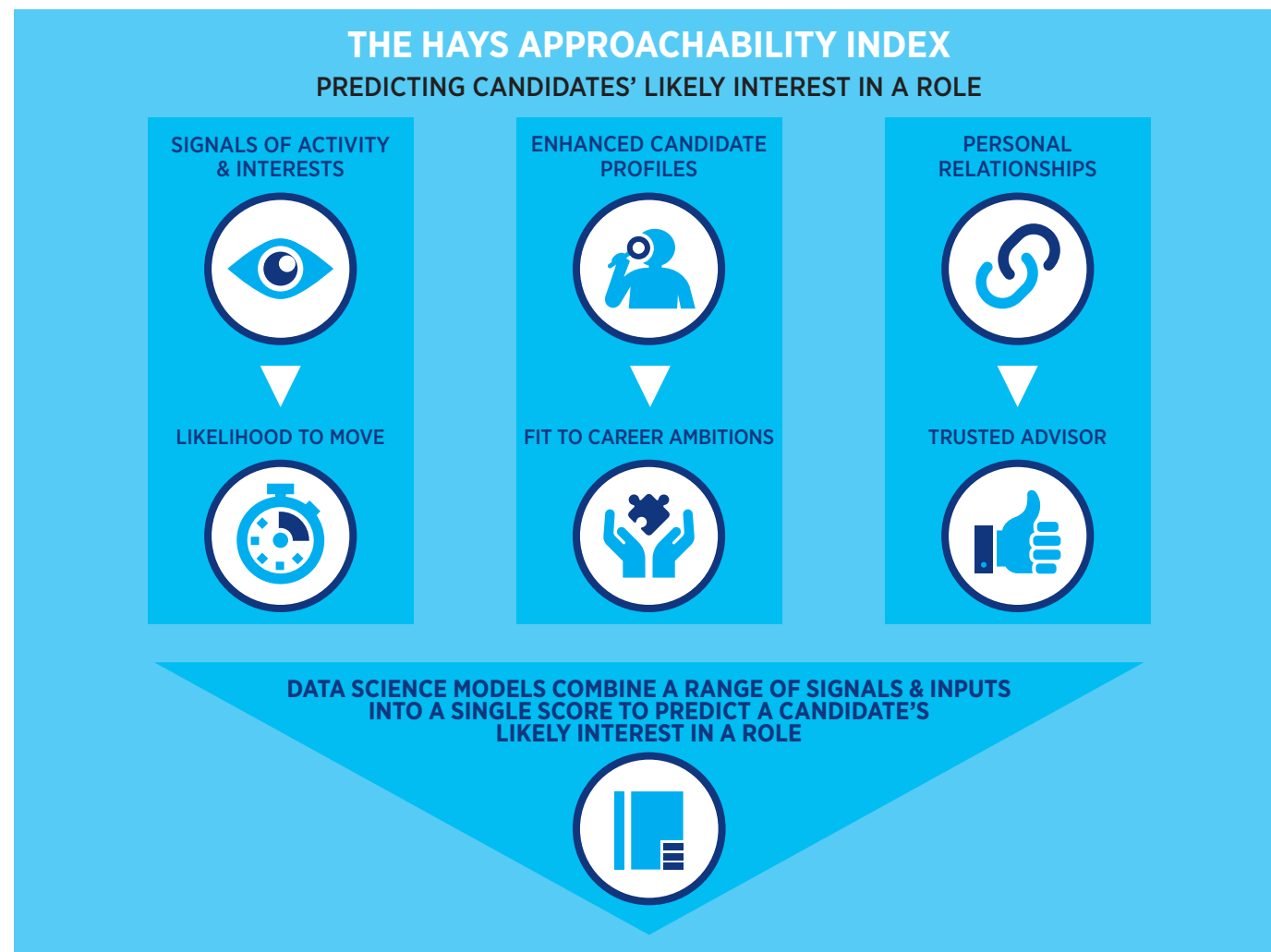
As Hays becomes even more established in the new world of Find & Engage, we have developed our own proprietary Approachability Index that uses a range of signals to gauge how open to job opportunities a potential candidate is likely to be, whether they are active or passive as a jobseeker.

The Approachability Index is embedded into the Hays recruiting workflow, and enables our consultants to

broaden their search from a talent pool of candidates actively job-seeking at any given moment, to the much larger pool of high-quality passive candidates we've built up in the Hays database over several years.

The Approachability Index gauges not just how the timing fits with a candidate's career journey, but also how the role is likely to fit with their aspirations, and how relevant an approach from the consultant will be, given the relationship that candidate has already established with Hays.

The intention is for Hays to be able to build a deep level of sophistication into collecting information about each contact's interests, needs and behaviour to enable data analytics to guide, or even determine, a personalised engagement strategy, based on the relevant data points. Having access to this mix of skills, capability and technology is imperative for any hiring organisation or recruitment agency looking to operate the Find & Engage model.



Our approachability scoring methodology translates raw data inputs – from a candidate's prior application history, their opens, clicks and other engagements with our marketing activity to collated insights from consultant conversations – into a single score which links a candidate and a specific role.

CASE STUDY: DEEPENING THE CANDIDATE POOL

A recent client brief to Hays to recruit a Data Scientist highlighted the stark differences between operating an Advertise & Apply model on its own, and being able to combine it with Find & Engage methodology.

Advertisements on the Hays website and other job sites generated 77 applications. On the face of it, this looked like a healthy pool of candidates to draw on, but the outcomes for those applications tell a different story. Almost half (38) of these candidates were quickly eliminated as they did not pass the most basic tests for eligibility (i.e. having no experience of analytics or not having permission to work in the employer's country).

The remaining 39 candidates were screened in detail for the potential fit for the hiring organisation, with the Hays consultant interviewing candidates new to Hays, and reviewing the profiles and notes for those of whom Hays already has knowledge and past dealings.

So, at the end of evaluating the 77 applications from the job ad, only two CVs remained that matched the client's requirements – yet only one of these was deemed appropriate for an interview with the client.

However, the Hays consultant did not solely rely on responses to the job ad to source candidates. On receipt of the brief, they immediately searched the Hays database for suitable matches. Over one hundred candidates with skills and experience matching the client's requirements were located, so these results were further filtered by the 'Approachability Index'.

Four candidates had applied for similar roles in the previous three months, and had reached a final round of interviews (demonstrating their quality) without being placed, so could be immediately shortlisted.

Seven further candidates were found who had not made a recent application, but who were showing interest in relevant content that Hays had

published across social platforms (for instance, a blog entitled "Seven steps to make a leap in your career" was read and liked).

Given these candidates' engagement with Hays, the consultant was easily able to connect with these candidates, and establish their interest in having their profile shared with the client. Two résumés/CVs were then selected for interview with the client, with one going on to be placed in the role.

Advantages of Find & Engage

Quality – The pool of viable candidates grew from two to 11, greatly improving the chance of finding a great hire, rather than just an acceptable one. Even though Advertise & Apply generated 77 applications, it would have needed to generate a further 347 applications to match the size of shortlist coming from Find & Engage.

Effort – Although a client organisation may have access to Applicant Tracking software to help screen applications on the basis of eligibility criteria, evaluating the 39 viable candidates through a personal call could take a full working week for an internal recruiter (i.e. scheduling calls, interviewing and recording notes for each).

An agency like Hays is far more efficient in this respect: after interviewing a candidate once for a prior application, and then being able to build up insight into their potential interest in a new opportunity through their engagement with Hays' content across social platforms, they therefore have more time to deliver a more personalised candidate experience. This is important because even the candidates who didn't meet the client's specific requirements for this particular role will be of value in other similar job searches in the future.

Speed – Because Hays had a pool of high-quality, pre-screened candidates, the recruitment consultant was able to supply the Find & Engage component of the shortlist in the first week, whereas for applications from advertising, it took over four weeks for the bulk to be received and even longer to be assessed.

IN-HOUSE VS. EXTERNAL A MULTIFACETED DECISION



Organisations looking to hire employees have to weigh up a wide variety of factors when deciding whether to work with a recruitment company to fill a role, or manage the search and selection process in-house.



Within the traditional world of Advertise & Apply, the ground rules for when to run the recruitment process through an in-house team, or use the services of a recruitment agency, have become well established and understood over time.

The main advantages in-house recruiters have over external consultants relate to their first-hand knowledge of their sector, as well as a deep understanding of the culture of their organisation. This insight can make it easier to define and articulate their employer brand proposition, and ensure prospective candidates get a strong sense of what the organisation stands for.

Also, an internal hiring manager will often feel they will be able to exert direct control over the hiring process, with the added benefit of all the CVs/résumés and associated data being

'owned' by the organisation. And, with no third-party involvement in the process, communication with internal stakeholders can be easier.

However, there are some clear disadvantages to relying solely on using an in-house recruitment model.

A high-quality external agency is likely to offer a valuable perspective on the current candidate landscape, including the skills availability within a sector, gained from working across a wide variety of different hiring requirements. This insight helps when crafting a job description to engage with the best candidates, pre-filtering those unsuitable, and also in gauging the appropriate salary to offer. Another key benefit of a recruiter's deep industry or sector knowledge is to help an employer in judging whether a particular shortlist of candidates for a vacancy is a good representation of the best talent available.

In some circumstances, potential candidates may be reluctant to apply directly to a competitor for fear that their current employer might hear about their application. This concern is most relevant in sectors and professions where employees are more likely to know each other, especially if the organisation works within a local geography.

In this context, an agency offers the security of allowing candidates to remain anonymous until the recruiting company expresses a concrete interest in arranging an interview. Moreover, a candidate applying via an agency has the added benefit of being made aware of other similar vacancies with different organisations they may not otherwise have heard about.

There are also significant advantages offered by external recruiting partners in terms of their ability to upscale their resource to meet an individual client's specific demands. Moreover, recruitment agencies continually invest in all aspects of their service to remain competitive – whether that is the ongoing training of consultants to address new legislation and regulatory changes; the adoption of new technology tools for

finding the best candidates; or ensuring every applicant to an employer's vacancy receives a consistent and impartial customer experience.

As the Find & Engage model becomes established as the new modus operandi for recruitment, the dynamics of the decision-making as to whether to run recruitment in-house or with the support of an external agency are going to change fundamentally.

The scale of candidate data that the Find & Engage world will generate, coupled with increasingly sophisticated recruiting technology and data science tools, will open employers up to new potential talent pools and candidate communities.

In the view of Hays, the fast emerging world of Find & Engage is shifting the balance of advantage in the hiring process towards involving a specialist recruitment company, capable of offering a powerful combination of deep understanding of real motivations and interests of candidates on the one hand, coupled with access to data science tools, machine learning, and the emerging new recruiting technologies on the other.

THE SME PERSPECTIVE

The new Find & Engage model operated by Hays offers clear benefits, particularly for small and medium-sized companies. Unlike some larger companies who have their own dedicated in-house teams, these organisations may not have access to machine learning capabilities or in-house data scientists. For SMEs, searching for the right candidates can be especially arduous and challenging.

By engaging a specialist recruitment company, employers can avoid the risks, time and effort of relying on the traditional Advertise & Apply process, which minimises their reach amongst passive jobseekers, and can carry substantial costs, some of them hidden – such as management time on the one hand, and the opportunity cost of not finding a top-quality candidate on the other.

These risks are only going to multiply with the evolution of data privacy controls, led by the European Union's introduction of the General Data Protection Regulation in 2018. This is aimed at giving individuals greater control over their personal data and usage preferences, and will place significantly more pressure on employees and recruiters to ensure transparent and faultless management of candidate data.

Whilst an SME can try to operate a Find & Engage strategy themselves, they are likely to encounter a couple of challenges: first, building dedicated communities of prospective candidates, and second, making a sustained effort to engage with a vast number of potential applicants. This may not be cost-effective for a company that only needs to recruit a handful of new employees a year.

Finally, a global recruiter like Hays has extensive experience of promoting a client's employer brand, and as organisations, many SMEs will be unfamiliar to jobseekers, a recruitment agency may generate a wider response of applications than the employer themselves.

THE CORPORATE PERSPECTIVE

Even where larger-sized organisations have internal resources assigned to supporting the talent acquisition process, there can be several advantages to involving a specialist recruitment agency, especially one capable of running a Find & Engage model.

For example, larger recruitment services firms benefit from economies of scale provided by the depth and breadth of their geographic footprint, ensuring access to deeper talent pools, which can often significantly speed up the process of preparing a high-quality shortlist.

A specialist recruiter's ability to run the Find & Engage model provides access to passive (or less active) candidates who may not be specifically looking for a new opportunity, but who would be suited for the role in question. Specialist recruitment agencies like Hays are also likely to be more experienced at utilising recruitment tools, platforms and software than the in-house teams of medium-sized firms.

Additionally, they have extensive experience of building and promoting their clients' employer brand, making the case as to why a candidate should select a particular organisation compared to a competitor. A large part of Hays' dealings with its client community involves work to strengthen their employer brand proposition, and helping to offer a quality customer experience for candidates' going through the application process with a potential new employer.

One of the key stages of a recruitment consultant's relationship with their client is to prepare a high-quality shortlist of potential candidates, based on their professional understanding of the role and organisational environment the incoming candidate will encounter. This shortlist – usually ranging from three to six candidates (depending on the role and sector) and bespoke to an individual client's requirements – will not just be drawn from the pool of candidates who have responded to a candidate attraction campaign, but be sourced across a much wider spectrum of the recruiters' database of connections, and the results of sophisticated search algorithms across digital networks and social platforms.

THE TRUE COST TO HIRE BUILDING A COMPLETE PICTURE



Organisations tend to focus on three main criteria when they are considering whether to use a recruitment consultant to support their hiring requirements: quality, speed of hire, and cost. But it is the key measure of 'true cost to hire' that can be the most difficult to properly evaluate.

It is understandable that, in today's cost-conscious environment, employers will pay close attention to all costs associated with the recruitment process, often defined as the 'true cost to hire'. There are three main components to this measure. First are the direct hiring costs involved, which exist whether the process is run by an in-house team or by a recruitment agency. These tend to be the most challenging aspects to assess, but also the most important in gathering a complete understanding of the relative costs between the in-house approach or using an external recruiter. This section summarises the various factors to consider.

Direct costs: in terms of using an external recruiter, the direct cost of hire is usually a percentage of a new hire's base salary, paid for a successful placement. This typically comes with a guaranteed period whereby a replacement will be sourced for no fee if the original hire didn't work out.

There may be some additional costs for activities to promote the vacancy such as digital marketing initiatives, including a dedicated website, the production of video content, or social media campaign.

What is not always fully appreciated by hiring organisations is that any fee involved is often contingent on a successful candidate being found and placed. If the recruiter does not find a suitable candidate, there is no fee to be paid.

In terms of an organisation using an internal resource to fill a role, the direct costs relate to the salaries of the in-house recruiters, plus any associated overheads (such as pensions, IT equipment and office space etc.). Then there are the less visible aspects of internal spend: the cost of promoting the vacancy on

a job board or other digital advertising and social media routes, combined with the cost of accessing any software tools provided by job websites, as well as other services related to securing a new hire (such as legal advice in handling negotiations and finalising employee contracts).

Hidden and opportunity costs: as well as the direct costs of recruitment, there are a number of less obvious cost factors, including the time it takes to hire, and the quality of the employee appointed. These hidden and/or opportunity costs are often harder to quantify – they may take the form of revenue foregone, rather than cash paid out – but their impact on an organisation's performance is likely to be just as substantial as more visible costs.

Should a vacancy remain unfilled for too long, the financial impact of a slow speed to hire can have a direct cash implication, such as having to employ a temporary worker or pay overtime to other staff. It can also affect the motivation and retention of other employees who have to cover the vacancy's intended workload, or carry a potentially significant opportunity cost in lower revenues if sales are missed, or poor customer service delivery affects customer retention.

The quality of the person hired also has significant implications in assessing the cost side of the equation. This is particularly the case across many professional services where it is widely accepted and recognised that the performance difference between a top-quality candidate and an average candidate can be of an order of magnitude. In Information Technology, for example, the industry itself refers to a '10 times' coder – one who adds 10 times the value of an average one.

The implication of hiring weaker individuals is another example of an opportunity cost in recruitment: if in-house sourcing, drawing on a narrower candidate pool, results in a 'good as opposed to great' candidate being chosen, the long-term cost can be significant. This can range from weaker productivity over a prolonged period, to the impact of seeing a talented individual sign for a direct competitor, which then wins more business as a result of that person joining them.

As Find & Engage becomes the established modus operandi in recruitment, it is increasingly likely that the best talent will find that recruiters come to them, building relationships on a long-term basis, and using sophisticated and personalised marketing to proactively alert them to suitable vacancies before anyone else.

Some employers may still choose to handle easier vacancies in-house, but turn to an agency to recruit for the harder-to-fill jobs. However, this scenario does not take into account that an agency can often work at greater speed, and is more likely to produce a better-quality shortlist, even for the roles where candidate availability is good. An agency can also assist in conducting compliance checks, a key part of ascertaining a candidate's eligibility for a role.

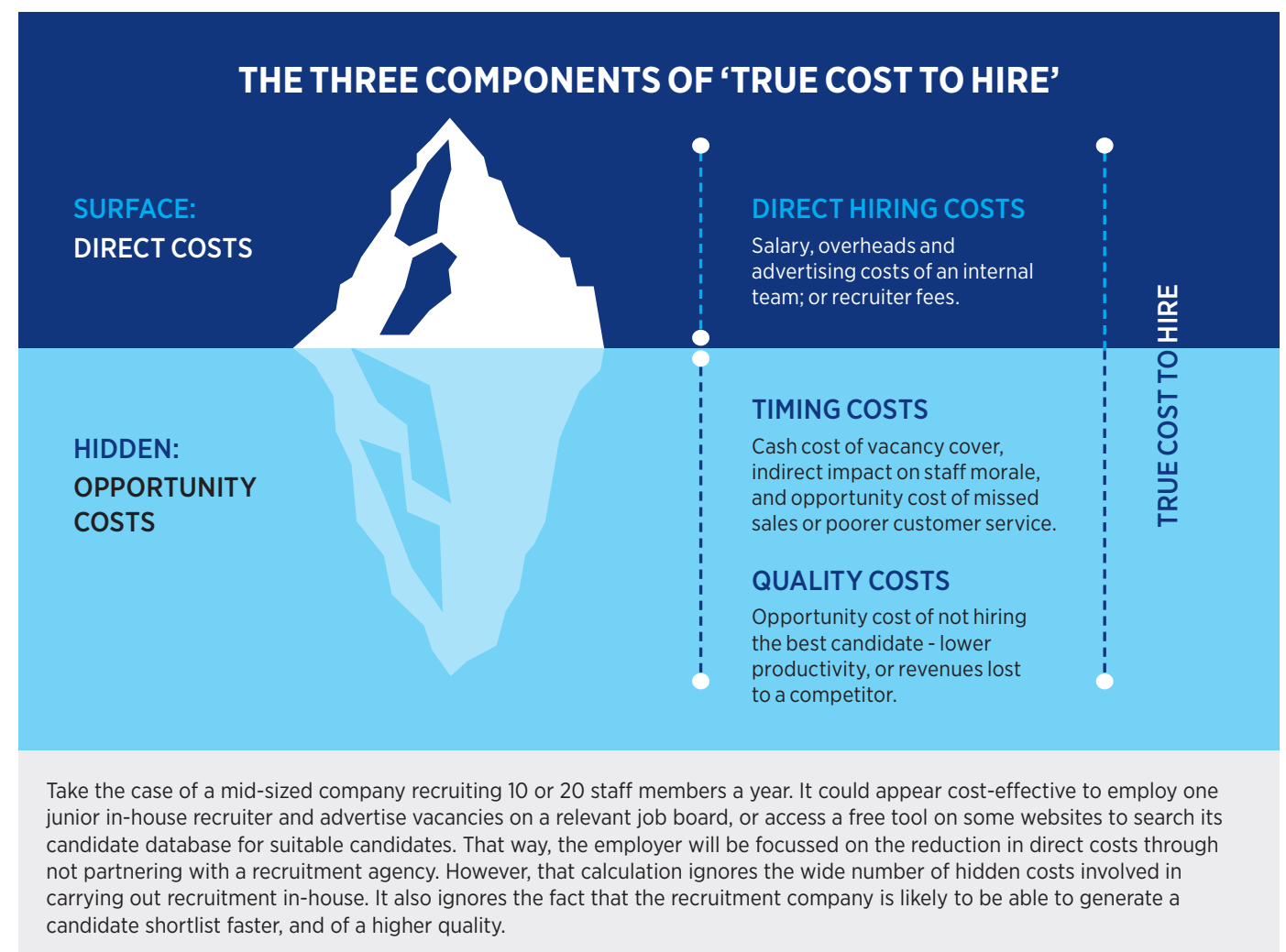
A recruitment agency can also help an employer manage the peaks and troughs of hiring demand. Some employers try to control the cost of this by keeping an in-house team, but reducing the numbers to align with average hiring demand. This has two possible downsides.

First, if the quality of candidate shortlists is to be maintained, then the time taken to make appointments will increase during peaks in demand – potentially resulting in the need for temporary resource to cover workload, and/or an opportunity cost related to operating with gaps in staffing levels.

Second, if the required time to hire a candidate is held at a constant level, then candidates will be selected from shorter or weaker shortlists – thus increasing long-term costs due to the potential impact of hiring lower-quality staff. These problems can be alleviated, and even avoided, by partnering with external recruiters.

External recruiters can also save money for their clients in terms of the direct costs of hiring, especially if they can offer greater purchasing power in areas such as online advertising, social media engagement strategies, access to recruitment software, and leveraging powerful 'search and match' technologies.

The bigger, international recruitment firms also have at their disposal larger teams to facilitate conducting the sourcing and interviewing process, spread across sectors and regions – hence they are well-placed to support the peaks and troughs of a client's hiring cycle. By being more likely to run a swift, or even accelerated, recruitment process, the hiring organisation gains the valuable benefits of speed and quality when sourcing their much-needed talent.



RECRUITMENT HAS BEEN REMODELLED A COMPLEX BLEND OF ART & SCIENCE



The Find & Engage model pioneered by Hays is transforming the recruitment world by offering employers a new, multi-dimensional way to identify, connect and attract the highest-quality candidates, including a wide spectrum of individuals not known to be actively looking to change jobs.

The premise for this report is that recruitment is in the midst of a game-changing transformation, for employers and external agencies alike. There is now a vast array of new tools and recruitment technology systems, supported by automated content publishing platforms, that are being merged with the traditional skills of a recruiter to remodel and redefine the best practices of the profession.

Recruitment will always remain a 'people business' at its heart, where the core skills of a recruiter in determining which candidate is suitable for a specific role – aligning their skills, experience and personality to ensure a perfect match – will not be superseded by an automated process. These new technologies essentially mean a company like Hays can operate a personalised recruitment strategy, but operated on a scale never seen before.

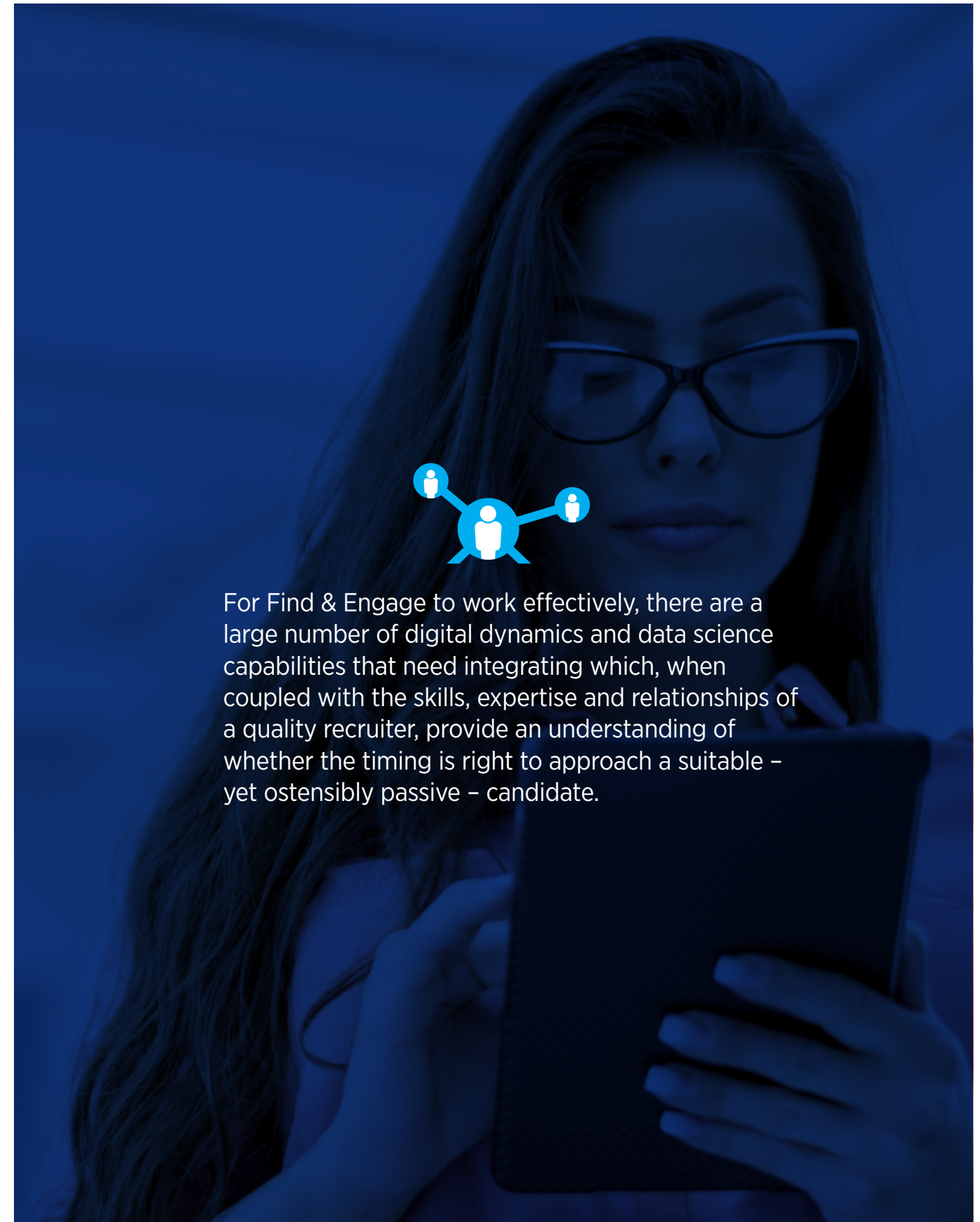
There are now so many new ways to source and engage with a much wider community of potential candidates, that the traditional Advertise & Apply approach will no longer work as effectively as it once did. The new Find & Engage model will become the de facto way of sourcing candidates, particularly in sectors suffering from skills shortages or where employers' retention strategies make it hard for another organisation to attract a new recruit.

The key to this new model is to generate deep talent pools across sectors by using a range of channels and engagement techniques to build relationships with prospective candidates, helping to get to know their interests and priorities so that they can be advised of suitable new openings as they emerge.

This new world of recruitment requires a considerable investment in data analytic capabilities and data science technology. With the help of a specialist recruiter such as Hays, a hiring organisation of any size can make sure they are at the forefront of this development, with the prospect of being able to hire the best-quality staff at lower cost than if they tried to navigate the increasingly complex recruitment market themselves.

In the case of Hays, we believe our investment in data science, recruiting technologies, and content publishing platforms have enabled us to create a unique property in the Hays 'Approachability Index', giving our consultants a tool to unlock the full potential of our extensive global candidate database, running to millions of profiles.

We fundamentally believe that the world of Find & Engage – requiring the management of huge volumes of data, complex recruiting tools, and sophisticated content publishing platforms – means the role of a recruitment agency will become ever more critical in employers' quests to fill their vacancies with 'great, rather than good' candidates.



For Find & Engage to work effectively, there are a large number of digital dynamics and data science capabilities that need integrating which, when coupled with the skills, expertise and relationships of a quality recruiter, provide an understanding of whether the timing is right to approach a suitable – yet ostensibly passive – candidate.

HOW TO FOLLOW NEWS & VIEWS FROM HAYS

THE LATEST CAREERS, RECRUITING AND WORKPLACE ADVICE

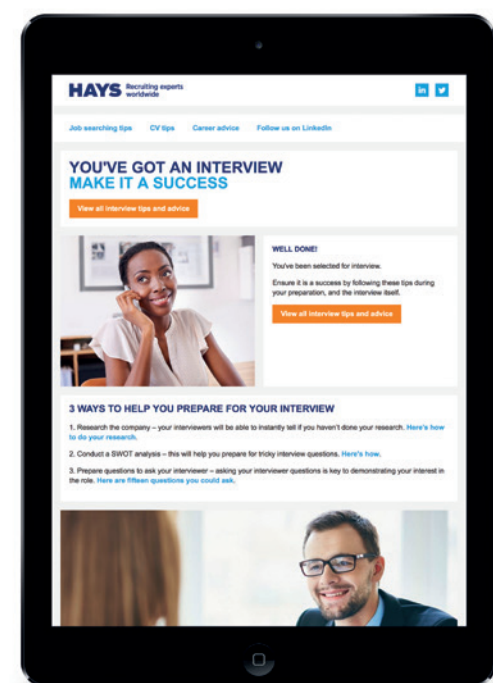


Viewpoint blog
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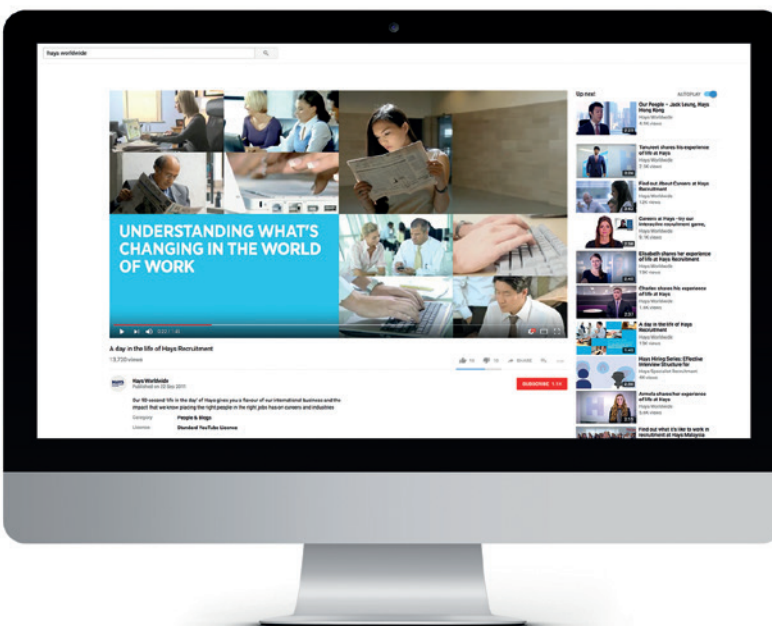


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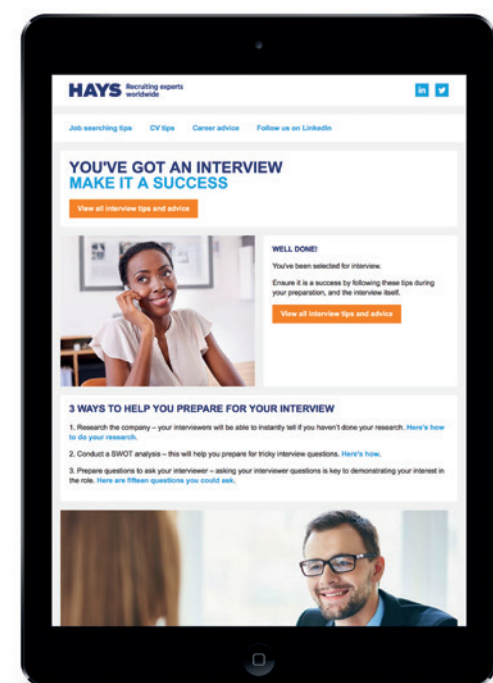
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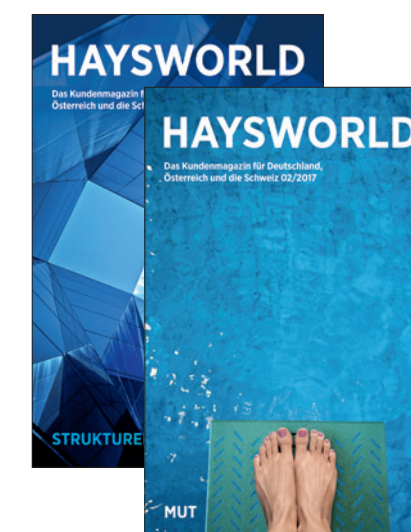
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THOUGHT LEADERSHIP AND INSIGHTS INTO THE GLOBAL WORLD OF WORK



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