

Tapping into the Recruiting Power of Existing Employees



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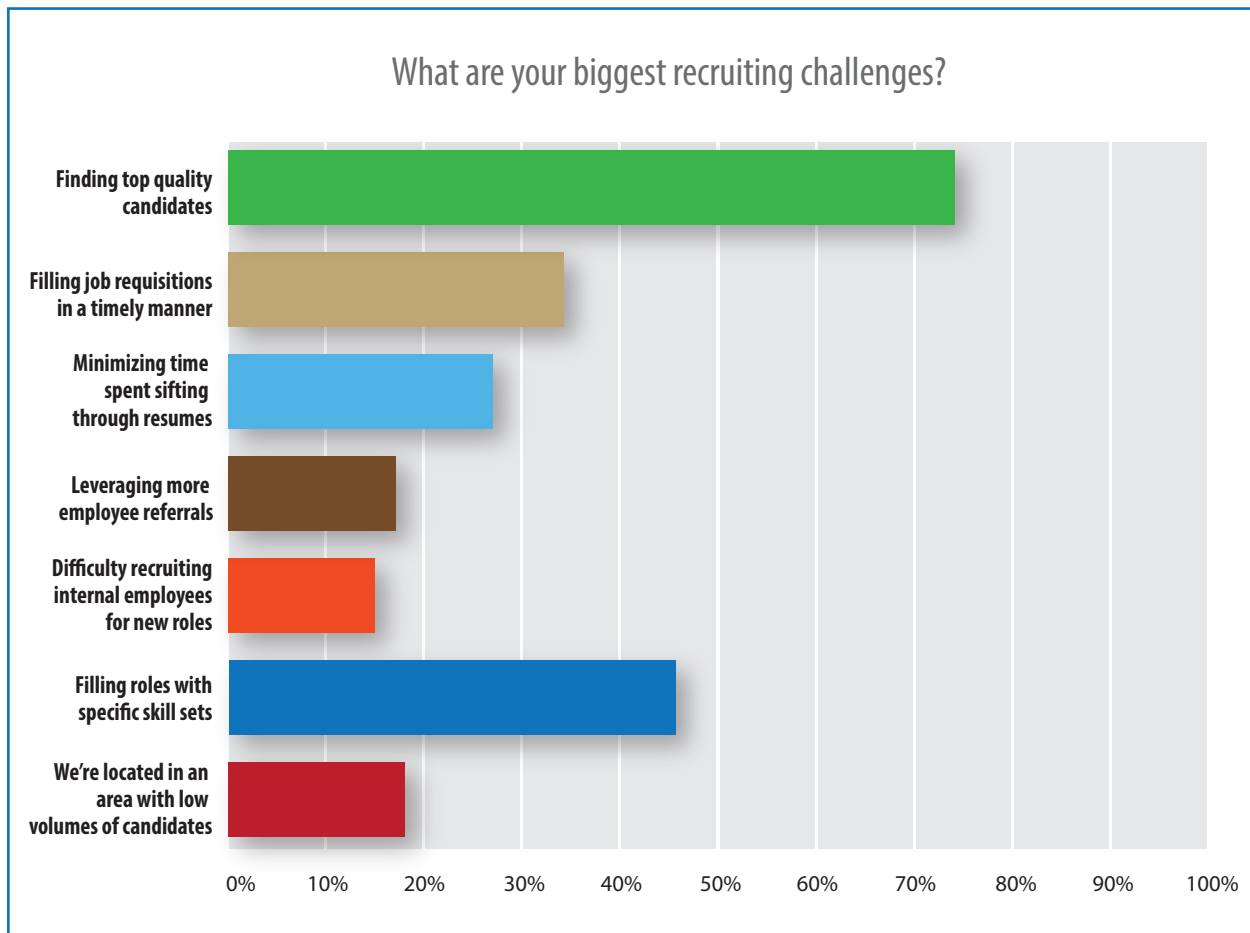
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Tapping into the Recruiting Power of Existing Employees

If your business is like most others, your next hire already works for you, or knows someone who does. Yet most organizations don't have the tools necessary to effectively identify or recruit talented internal candidates or manage referrals. With businesses facing the challenge of hiring the best people in an increasingly complex job market, the ability to successfully engage internal candidates and referrals is critical to reducing overall hiring costs and improving organizational performance and success. It is for this reason that more companies are turning to unified recruiting solutions that go beyond merely tracking and evaluating candidates to creating ready talent pools, building custom career sites, and leveraging employee referrals.

Leveraging Existing Employees

Despite high unemployment rates, a 2014 Recruiting Trends survey shows that finding top quality job candidates is the primary challenge of nearly three-quarters (73 percent) of recruiters. Other top recruiting challenges include filling roles with specific job skills (cited by 45 percent of respondents to the survey), filling job requisitions in a timely manner (34 percent of respondents) and minimizing time spent sifting through resumes (26 percent of respondents). Some 17 percent of recruiters say their organization is located in an area with low volumes of candidates.

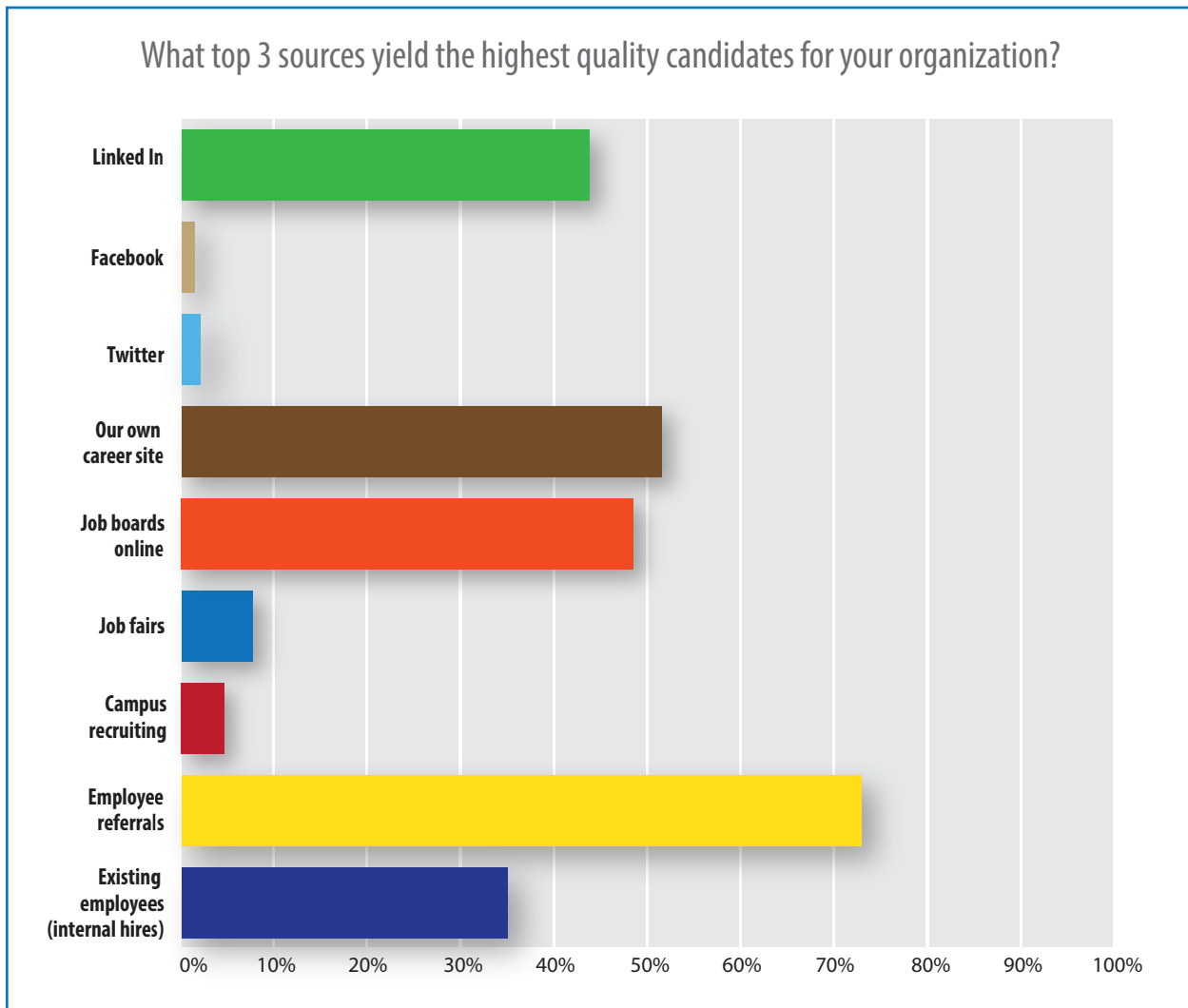


Source: Recruiting Trends, 2014

Leveraging the power of existing employees solves many of the challenges identified by recruiters.

While U.S. businesses spend \$110 billion on employee acquisition (reports Bersin by Deloitte), nearly half of all positions are filled by internal candidates, employee referrals or social networking. Fifty four percent of recruiters cite employee referrals as one of their top sources of candidates, finds a 2014 survey conducted by Recruiting Trends and sponsored by Cornerstone OnDemand, Inc.

What's more, 73.6 percent of recruiters surveyed by Recruiting Trends say that employee referrals generate the best quality candidates. Employee referrals was followed by the organization's career web site (cited by 52 percent of recruiters), online jobs boards (cited by 48 percent), and LinkedIn (cited by 44 percent) as other sources of high quality job candidates.



Source: Recruiting Trends, 2014

More than one-third of respondents surveyed by Recruiting Trends (35 percent) put existing employees (or internal hires) among their top three sources of the highest quality job candidates.

Not only do internal referrals tend to attract better people, they also help create brand evangelists within the company, further strengthening the company's ties to current employees and its culture.

Employee referrals also lead to more diversity, faster application-to-hire times and greater happiness.

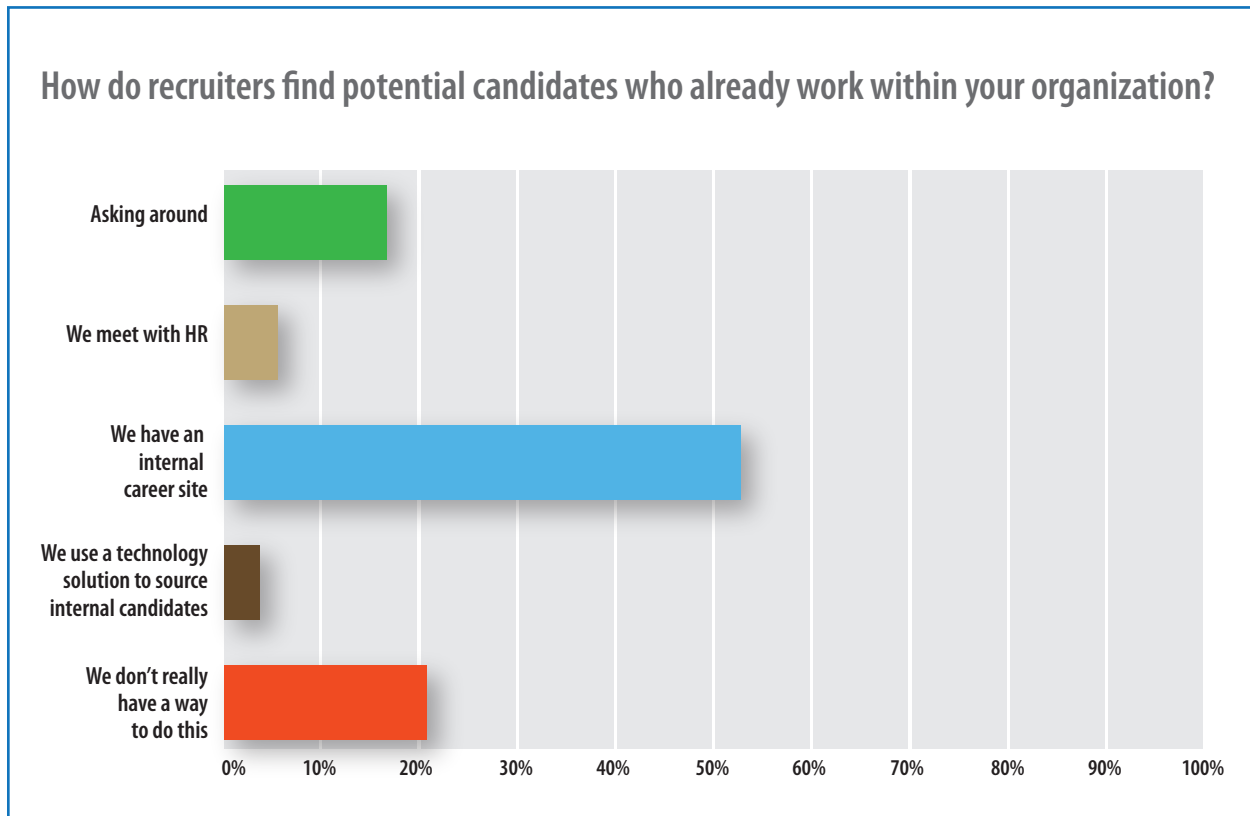
Despite the importance of internal employee management, most businesses rely on recruiting or applicant tracking systems that were built for the way organizations recruited 10 years ago. These antiquated systems are far better suited to supporting applicant tracking and related compliance requirements than to assisting a recruiter or hiring manager in identifying and learning about internal candidates or sharing referrals. These systems also are extremely hard for candidates and human resources teams to use, are focused on external (rather than internal) candidates, and are largely isolated from the new hire onboarding process. What's more, the systems tend to be disconnected from valuable data -- such as internal employee performance data, role competencies, and skills -- stored elsewhere.

The Need for Unified Recruiting Solutions

Recruiters recognize the need for a unified recruiting strategy. Recruiting Trends research shows that 17 percent of recruiters are challenged with leveraging more employee referrals, while 14 percent of recruiters cite difficulty in recruiting internal employees for new roles. Not surprisingly, only 23 percent of recruiters say internal hires are among their top sources of candidates.

Traditional recruiting approaches are largely to blame for the poor results that organizations are having in leveraging employee referrals and identifying internal candidates. Recruiting Trends research shows that recruiters from a majority of organizations (52 percent) rely on an internal career site to identify internal candidates. Some 16 percent of organizations identify internal candidates by "asking around," while 5 percent of organizations speak with HR to identify internal candidates. Only 4 percent of organizations use a technology solution to identify internal candidates.

About one-fifth of organizations (20.8 percent) do not have a way to identify internal candidates.

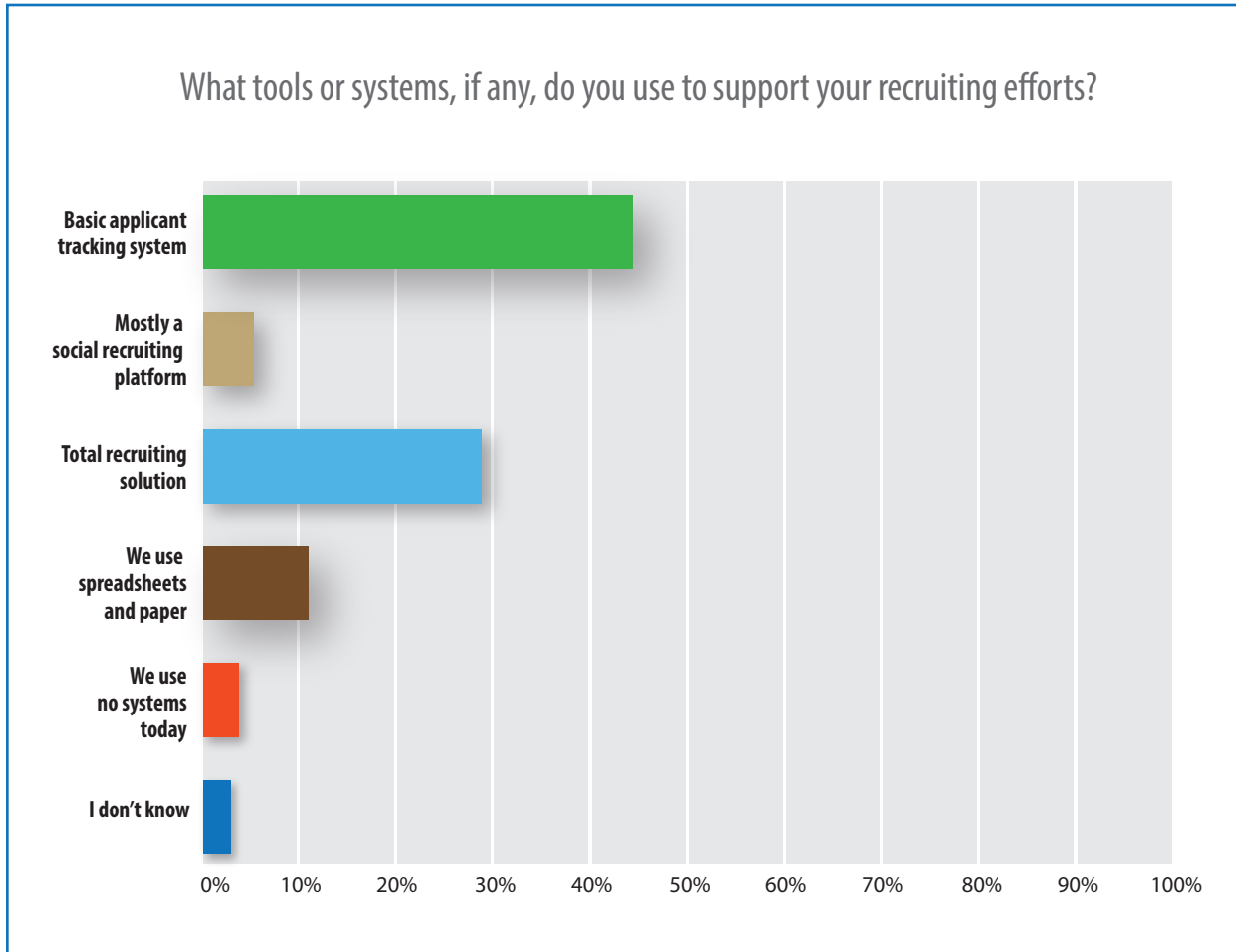


Source: *Recruiting Trends, 2014*

A closer examination of the findings of the Recruiting Trends survey illustrates the need for unified recruiting tools. Only 12 percent of organizations that responded to the survey have deployed a technology solution that employees can browse to learn about potential job opportunities. Current employees at most organizations (58 percent) hear about job opportunities within the organization through an internal career web site. Tellingly, 11 percent of organizations told Recruiting Trends that their current employees find out about other potential job opportunities by “asking around,” while 10 percent of organizations say their current employees must speak with HR to learn about other potential job opportunities within the company. Eight percent of organizations say there is no way for their employees to learn about job opportunities.

Organizations also have been slow in adopting social recruiting tools. Today’s job candidates research companies and job openings through social and professional online networks more so than through a company’s Web site, according to Career Builder’s 2012 “Candidate Behavior Study: The Myth of the Passive Job Seeker.” The job seeker currency is changing from historic resumes to dynamic profiles maintained in channels like LinkedIn, Facebook and Google+. But the Recruiting Trends research shows that 45 percent of organizations rely on a basic applicant tracking system with no social capabilities to support their

recruiting efforts. Some 5 percent of organizations surveyed by Recruiting Trends support their recruiting efforts using a platform with mostly social capabilities and no applicant tracking. Worse, 11 percent of organizations use spreadsheets and paper to support their recruiting efforts, while 4 percent of survey respondents have no systems to support their recruiting efforts and 3 percent didn't know which systems their organization was using. Only 29 percent of organizations have a total recruiting platform that incorporates applicant tracking and social capabilities, according to the Recruiting Trends survey.



Source: Recruiting Trends, 2014

The limited use of unified recruiting solutions is reflected in the answers respondents gave when asked about the most important thing their organization can do to improve their recruiting efforts. Here is a sample of the measures respondents would like to see their organization take:

- Emphasis of an internal referral program
- Better use of employee referrals

- Implementation of a better applicant tracking and social recruiting system
- Investments in recruiting tools
- Use of an integrated social media campaign
- Tracking-to-hire
- More effective database utilization
- Routine texts regarding job opportunities to current employees
- Use of a mobile-enabled application system
- Ensure that all recruiters have LinkedIn recruiter accounts
- Use of focused mapping for internal and external candidates
- Recruiting dashboards
- Increased recruiting budget
- Relocation to more heavily populated area

Case Study: New Belgium Brewing

New Belgium Brewing, a nationally renowned craft brewery that produces high quality, Belgian-inspired beers, is benefiting from the deployment of a unified recruiting solution.

In just over two decades, New Belgium has grown to become the third-largest craft brewery in the United States, employing approximately 500 people. To support its growth, including the recent construction of a second brewery in Asheville, North Carolina, and the expansion of its sales force, New Belgium's hiring teams needed to increase their sourcing efforts while reducing time to hire.

After an evaluation of available solutions, New Belgium deployed a unified recruiting system. The solution stood apart based on its flexibility to adapt to the company's existing hiring processes and its ability to expand with the company as business and workforce needs increase.

Deploying a unified recruiting tool provided the brewery with a range of benefits:

- **Faster identification of candidates:** New Belgium was challenged with how to efficiently review the 200 to 300 applications it receives for each of its job openings to quickly identify candidates with the necessary skills, and who self-select into the company's culture. With a unified recruiting solution, the brewery can find the right people for the right jobs, in less time, providing hiring teams with more time to engage with candidates.
- **More collaboration among hiring teams:** New Belgium's recruiting platform enables geographically dispersed members of its hiring teams to review the same applicant data to more easily collaborate on applicant assessments and hiring decisions.
- **Enhanced workforce planning:** New Belgium's current and future expansions will require a steady stream of job candidates to help grow the brewery's brand across the country. A unified recruiting solution supports New Belgium's hiring needs by enabling the brewery to source, engage with, and recruit candidates, no matter where they are located.

Unified recruiting provides New Belgium with a one-stop-show to source and recruit great candidates, independent of location, as the brewery continues to grow.

The Solution

Unified recruiting systems address the modern challenges recruiters face in identifying and engaging internal candidates and referrals. These tools provide several key capabilities:

- **Social recruiting:** identify candidates from internal and external networks, discover how applicants are connected to existing employees, and make it easy to exchange feedback and comments among the candidate review team. Businesses are tapping into their employee networks to uncover potential candidates via social network integration, employee referral engines, internal and external candidate searches,

and integration with resume databases. Recruiters also are using unified solutions to create and post job ads across job boards, social networks and employee communities from a single interface.

- **Recruitment management:** empower managers, employees and recruiters to evaluate and track potential candidates using applicant management, configurable workflow and requisition management, and custom interactive career sites that showcase your employer brand.
- **Employee communities:** enable organizations and individual managers to more easily build bench strength and nurture internal and external candidate pools and foster ongoing candidate relationships. Businesses can engage candidate pools with targeted communications that increase awareness of their employer brand and provide internal candidates the training they need to advance their careers.
- **Interview management:** schedule, manage and track every element of the candidate interview process, and provide necessary prep materials, through integrations with organizational calendars.
- **Embedded video interviewing:** connect with candidates sooner, no matter where they are, and provide more immediate feedback to hiring managers.
- **Mobile recruiting:** review resumes, collaborate on applicants, check the status of candidate pipelines and review organizational requisition dashboards from any smartphone or tablet.
- **Background check integration:** populate candidate information in background check forms to accelerate the turnaround for new hires and more quickly identify potential issues.

- **Workforce planning:** identify talent gaps and plan for future workforce needs. Today's market for employees is a fluid one with workers being asked to update their skills more often than ever. And recruiting is no longer a static or periodic event – 74 percent of workers are either actively searching for a new job or open to new opportunities, according to Career Builder's 2012 study, "Candidate Behavior Study: The Myth of the Passive Job Seeker."

This approach delivers major business and operational benefits for recruiters and hiring managers:

- **Build bench strength:** unified recruiting solutions enable businesses to gain visibility into existing employee pools, proactively train and develop employees for key positions, and nurture external candidate pools to foster ongoing relationships.
- **Expand your candidate pipeline:** recruiting systems empower recruiters, employees and candidates to share jobs across hundreds of social networks. Businesses can create and post requisitions on popular job boards and social employee communications, expanding their reach and raising the effectiveness of their talent pipeline building. Tapping into employee networks can also result in rapid referrals and fast hires for immediate needs.
- **Attract higher quality candidates:** as the 2014 Recruiting Trends survey illustrates, employee referrals generate the highest quality job candidates. Higher quality hires also mean that new employees can make a larger impact, sooner. And employees are more likely to mentor and assist people they have referred, resulting in faster time to productivity.
- **Improve employee retention:** unified recruiting tools help enable candidates to self-select into a company's culture, so hiring managers waste less time on candidates who are the wrong "fit." Making greater use of referrals also improves retention as employees understand their employer's culture and screen out those who are a weak fit. What's more, proactively training and developing employees to fill open positions will increase engagement among existing employees, in turn, improving retention.

Facilitate collaborative hiring: recruiting solutions promote internal team reviews, discussions and ratings of candidates, regardless of where team members are located.

These benefits are much harder to achieve with antiquated recruiting and applicant tracking systems.

Conclusion

Despite high unemployment rates, Manpower Group's 2013 Talent Shortage Survey reports that 20 percent of employers are faced with employee shortages that are affecting their ability to meet client needs. Nearly half of business leaders are experiencing difficulty filling key positions, Bersin by Deloitte reports. The challenge will become even greater as businesses shift their attention from cost-cutting and retrenchment to globalization, innovation and growth. The root of the problem is that traditional recruiting technology and applicant tracking systems are not effective in managing internal candidates and referrals. It is for this reason that more businesses are deploying unified recruiting solutions that go beyond merely tracking and evaluating candidates to creating ready candidate pools, building custom career sites, and leveraging employee referrals. By tapping into their existing employee base with a unified recruiting solution, businesses can discover and hire top people in ways that support their goals to build stronger internal mobility, fill roles faster, increase the quality of external referrals, and provide a well-supported transition from candidate to employee.

About the Respondents to the Recruiting Trends Survey

Recruiting Trends conducted its survey on integrated recruiting in March 2014.

Approximately 125 people completed at least part of the survey.

Nearly half of the respondents to the survey (45.6 percent) were from organizations with more than 400 employees, while 10.4 percent of respondents were from organizations with between 400 and 999 employees. Conversely, 24 percent of respondents were from organizations with over 5,000 employees, and 20 percent reported that their organization has between 1,000 and 4,999 employees.

Survey respondents represented a wide variety of industries.

The plurality of survey respondents (20 percent) represented business services, while 13 percent of respondents represented the technology industry and 12 percent represented healthcare. Financial services, manufacturing and non-profit each represented 10 percent of survey respondents. Energy and chemicals (accounting for 6 percent of survey respondents), retail/supply chain (4 percent) and the public sector were other industries represented by respondents to the Recruiting Trends survey.

Thirty-nine percent of respondents to the Recruiting Trends survey identified themselves as recruiters, while 29 percent of respondents identified themselves as managers or senior managers within their organization. Eighteen percent of survey respondents identified themselves as a vice president or director within their organization, while 12 percent of respondents were C-level.

About the Survey Sponsor: Cornerstone OnDemand, Inc.

Cornerstone OnDemand helps organizations great and small create places where employees actually want to work. We provide unified talent management solutions that help our 1,600 customers around the globe hire the best and brightest, manage and develop them, and most importantly, keep them. To learn more, visit www.csod.com