

Direct sourcing

09/06/2011

Survey results of in-house recruitment professionals to understand the various methods of direct sourcing used and the motives behind them.

Prepared by Talent
Works International

Summary

Firstly, thank you to all that took the time to complete our survey!

Further to our previous survey carried out in March 2011, in which we found that many companies were looking to source more effectively by increasing their direct sourcing strategies, we thought we'd carry out a quick market snapshot of the behaviours and methods behind the current direct sourcing trends within in-house recruitment teams.

The majority of companies answering our survey stated that their usage of retained and contingent recruiters had reduced in the last year, which we believe is driven by the current economic climate because the competition for talent is even greater, as the pool of available talent to hire has fallen sharply. Many are now faced with reduced budgets and have to rethink their resourcing strategies and adjust their PSL's to suit the size of demand, which would support this change in sourcing methods.

From the respondents asked, networking/social media sites, external job boards/company websites and referrals were the top three methods of attracting/identifying prospective candidates.



Methodology

Talent Works International designed an online survey consisting of 7 questions (excluding contact information) to ascertain the motives and effectiveness in implementing direct sourcing. The questions required respondents to select a single answer from a list, or rank from experience.

The questions asked were centred on:

- ✂ **The comparisons between current resourcing strategies and those used 12 months prior**
- ✂ **How companies identified and even attracted prospective candidates**
- ✂ **What the benefits of direct sourcing are and how they would score them on a scale of 1 -6.**
- ✂ **We asked the respondents to comment on how working in-house compared to agency for those that this was applicable to.**
- ✂ **Also, out of interest, we asked how long the respondent had been working in-house**

Respondents were also asked to select from a list the most relevant sector description for their current organisation as well as provide their name, company name, email address and job title.

Based on this survey and also industry observations, we want to share ideas about how to cut recruitment costs while increasing quality and hope that the below will at the very least provide an interesting read.

Links to the survey were posted on individual **Talent Works** members of staff [LinkedIn](#) accounts, the **Talent Works** [Twitter](#) account.

The closing date for the survey was **Wednesday 8th June 2011**.

Results

A total of 93 people clicked through to the [Talent Works International](#) survey.

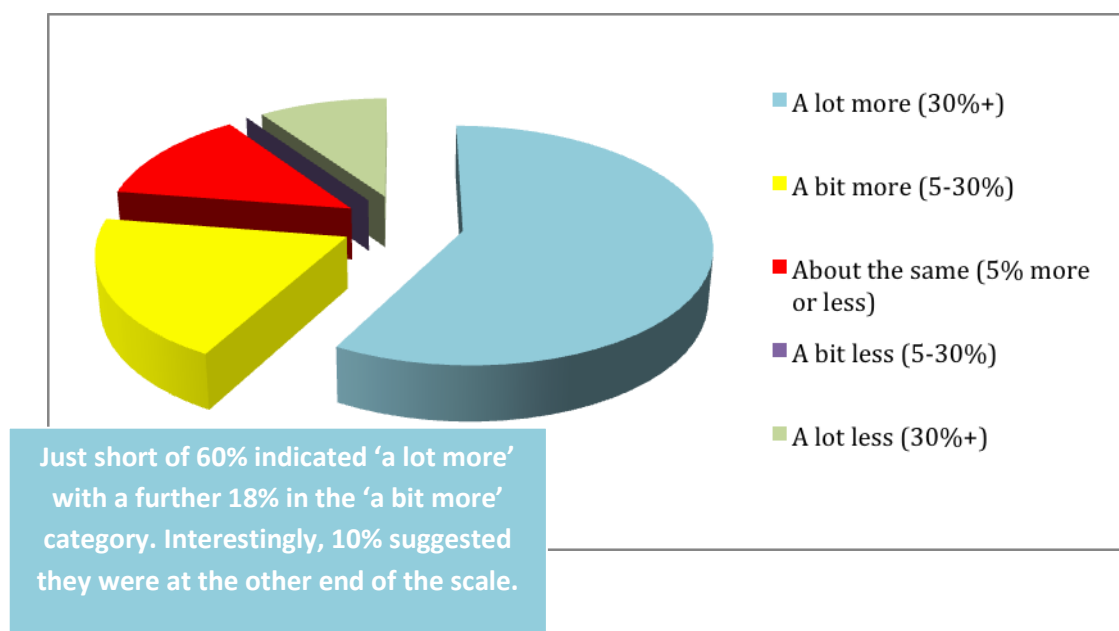
The respondents were evenly spread within the following sectors:

- ✂ Energy Oil & Gas
- ✂ Financial Services
- ✂ FMCG
- ✂ IT & Telecoms
- ✂ Management/Business Consulting
- ✂ Media & Entertainment
- ✂ Public Sector
- ✂ Recruitment
- ✂ Retail
- ✂ Other

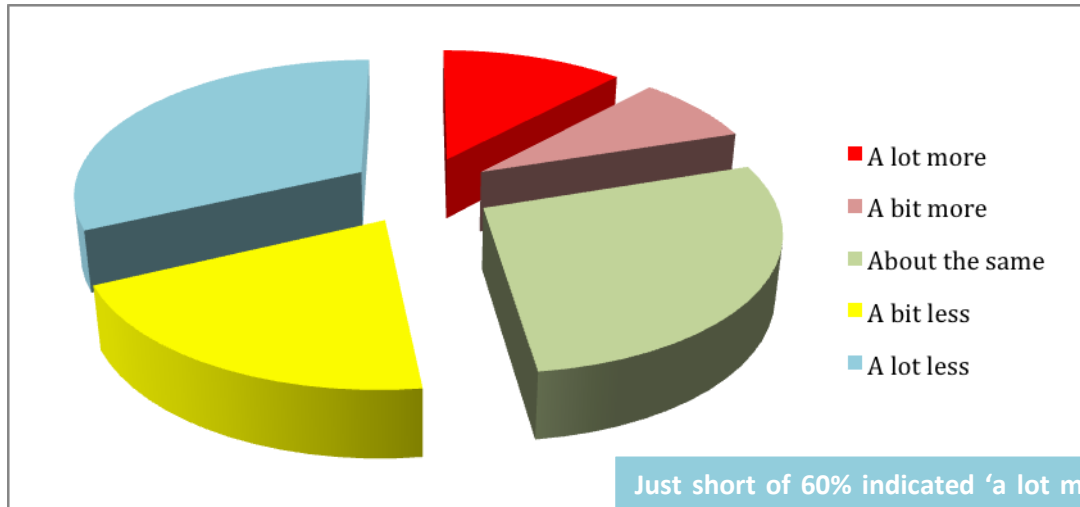
For Confidentiality purposes, we are unable to disclose the companies that took part in the survey however, can confirm that alongside blue-chip, multi-national companies SMEs are also represented.

Below is a selection of charts that summarise our findings.

Q1: Compared to 12 months ago, in terms of direct sourcing are you doing...

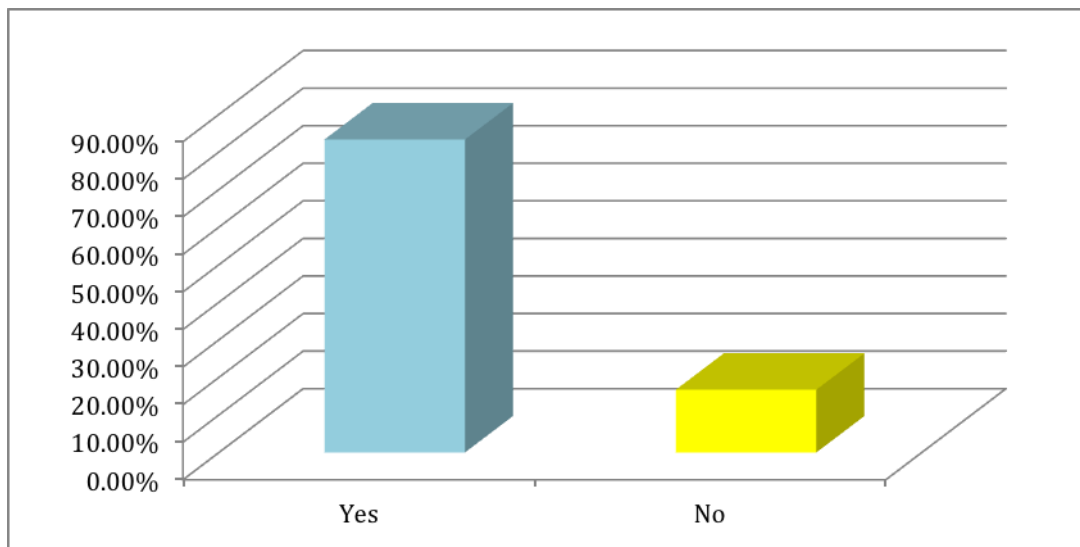


Q2: Compared to 12 months ago, would you say your use of retained and contingent recruiters is...

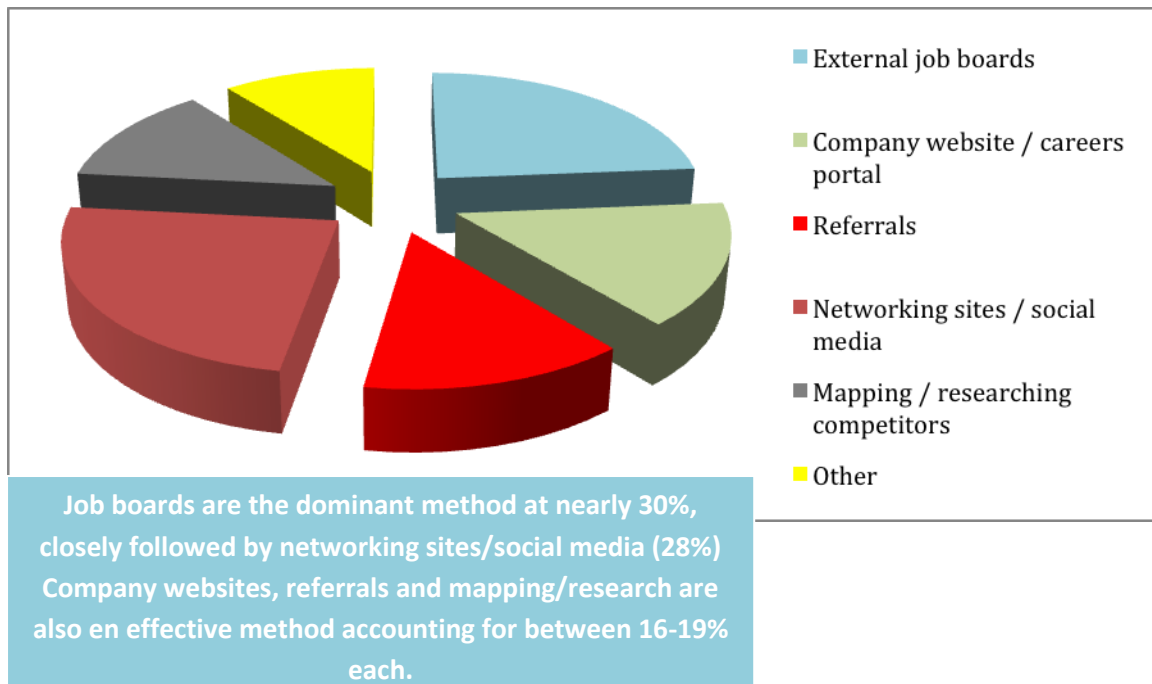


Just short of 60% indicated 'a lot more' with a further 19% in the 'a bit more' category. Interestingly, 10% suggested they were at the other end of the scale.

Q3: Do you (the Company) direct source up to senior / executive levels?



Q4: Please indicate an approx. % for each of the following methods of how you identify / attract prospective candidates



External job boards

Most active candidates will be registered on at least one of the top 5 job boards however, most passive candidates will not which ultimately reduces the talent targeted.

Networking/social media sites

Social media is a phenomenon that has rapidly percolated the English language and culture.

There is no question that using Social media recruitment techniques offers huge potential for any company looking to acquire talent and for recruiters working on assignments. Using social media recruitment techniques can offer significant cost savings however, these benefits can only be 'reached' if social media recruitment is approached in the right way.

Company website/careers portal

Many companies are investing in improving their online career portals, making their sites easier to use, adding more detailed company and job information and incorporating more social media. Job postings can be put on in the morning, with applications arriving in the afternoon. Not only is this method quick, it is also cost effective as once a website is up and running you can post jobs almost free of charge if you exclude the yearly maintenance fee that most companies encounter anyway.

The disadvantages of this form of online recruitment is having ‘too many’ candidates applying for your role, the age old saying *it’s quality not quantity* certainly applies here. It is a fact that dealing with inappropriate, irrelevant and ‘bad’ candidates is hugely time consuming.

Referrals

Referrals are great way of not only identifying potential talent for your business, but also measuring how you are perceived as an employer.

Generally, successful employee-referral programs offer some kind of monetary bonus for referrals who are hired and retained within a certain period of time (usually probationary periods). The reward amount should be sufficient to motivate employees to make referrals but not so large that they offer referrals who are unqualified for the positions.

Benefits of referrals are as follows:

- ✎ It’s unlikely that you are going to be referred a poor candidate, because the person referring won’t want this to reflect poorly on them
- ✎ It’s one of the most cost effective ways of attracting candidates
- ✎ It shows you that you are doing something right (if you are getting a lot of referrals, your perception in the marketplace is obviously good!)

Mapping/researching

Both market mapping and recruitment research are key to any business looking to gain insight and advantage. It provides a deeper understanding of their competitors and also illustrates how they themselves are viewed and how they compare in the marketplace.

Other

Most people who answered this question did not state a method. One person stated the use of Graduate Fairs.

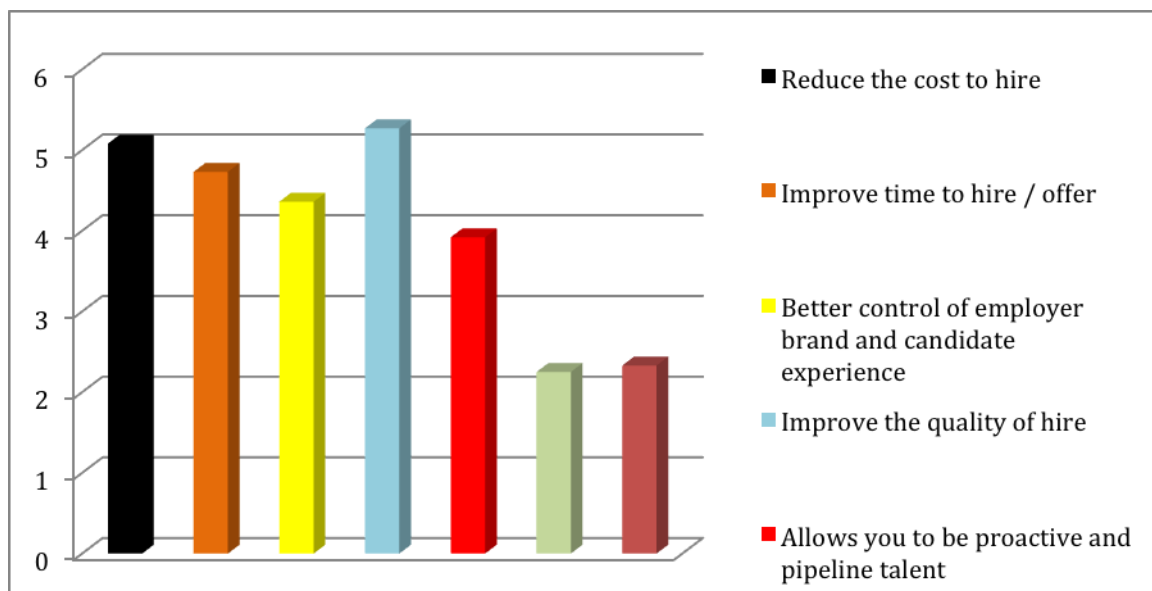
Employees are the lifeblood of any organisation in ensuring it's objectives are met and philosophies maintained and as such it's paramount that the right people are identified.

Ultimately, different resourcing solutions will appeal dependent on sector, size of company, volume of recruitment and of course, people's understanding of what solutions are out there.

Direct sourcing and recruitment research is becoming more popular as it saves on advertising costs and guarantees discussions with candidates who are qualified and experienced for job in question. Economically this makes sense as it saves time (and therefore money) not having to review and respond to unsuitable CVs/candidates.

Q5: Respondents were asked to order the importance/benefit of direct sourcing to their company.

The net result is that each answer has an average score of 1-6, with 1 being of least importance / benefit, 6 being most.



Improved quality of hire (5.27) and reduced cost to hire (5.08) scored highest, followed closely by improved time to hire / offer (4.73).

Q6: Respondents were asked to indicate how long they had worked in-house.



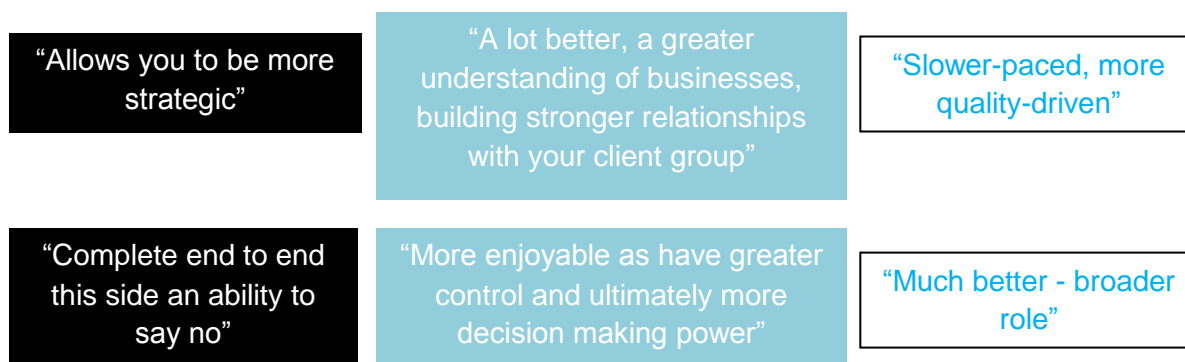
The average answer is 4.5 years but answers ranged from less than 1 year to 8+.

“The growth in recruiting from in-house employer teams may herald a new approach for all those in the industry if the rise of networking groups, such as the Direct Resourcing Think Tank and the FIRM (Forum for In-house Recruitment Managers) is any indication; something is stirring in the world of recruitment!”

Quote as seen in the Recruiter. Original article can be viewed below:

<http://www.recruiter.co.uk/the-rise-of-the-internal-recruiter/1006847.article>

Q7: Respondents who had worked agency-side were then asked to give comments on how working in-house compared. Comments include:



Thank you

Many thanks for reading this report. We trust that you have found it insightful and though it is only intended to be a snapshot of views rather than a robust, statistically significant piece of research, we hope it has provided food for thought.

As part of Talent Work’s continued commitment to understand the market challenges and deliver solutions that meet the changing needs of our Clients, we will commission further surveys in the future, which we hope you will have a few moments to complete.

About Talent Works

Talent Works International are one of the first true global suppliers of Talent Acquisition solutions through means of market mapping, talent pooling and recruitment research solutions to the corporate market. We believe that offering a true global solution means providing our clients with global reach but most importantly, local support.

That's why our Talent Acquisition teams are based in strategically located offices in regions around the world that enable us to be in front of our global clients and not just at the end of the phone.

If you would like to know more about our innovative, cost-effective resourcing solutions please use the links below to find out more.

