

ACCESSING PASSIVE CANDIDATES

Expansion into Passive Territory

Revisiting the labor market distribution chart presented earlier, we examine how organizations can expand sourcing efforts into passive labor market segments more effectively.

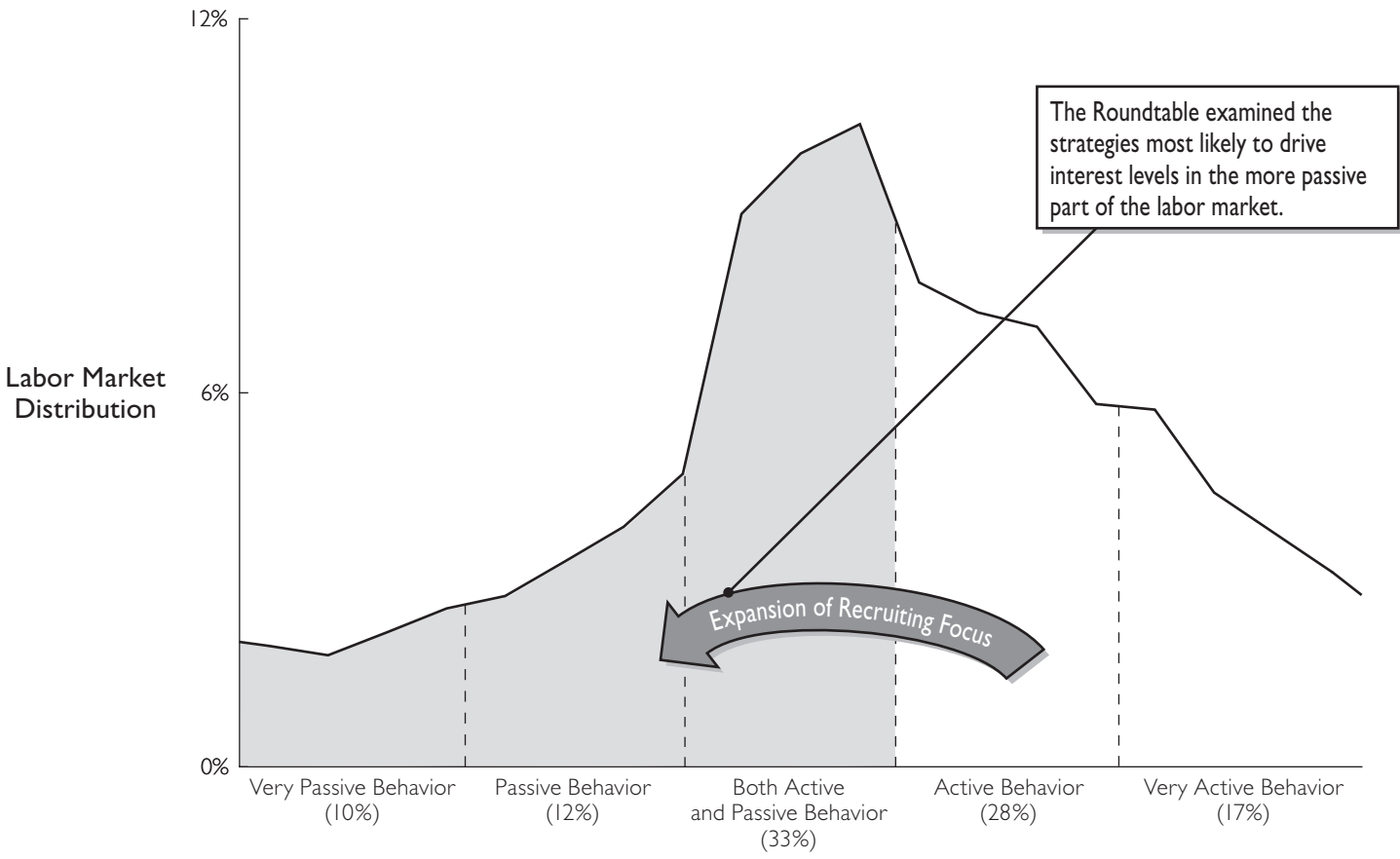
The central question here as recruiters contact passive candidates, is which types of messages are most likely to generate a positive response?

Crafting Candidate Outreach

DRIVING DEEPER INTO THE LABOR MARKET

Roundtable analyses examines how organizations can access the more passive part of the labor market

Labor Market Distribution
By Degree of Job-Seeking Behavior



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THE ROUNDTABLE MODEL OF OUTREACH

Determining Candidate Interest

To determine which outreach strategies are most effective, the Roundtable surveyed more than 50,000 potential candidates across the globe.

As part of the analysis, the Roundtable investigated which outreach messages and methods generated the largest changes in a potential candidate's interest level to pursue a job opportunity.

Blueprint for Maximizing Outreach

First, the Roundtable determined respondents' baseline interest in pursuing another job.

Second, the Roundtable presented respondents with scenarios of potential recruiting outreach messages (e.g., more compensation, different industry).

Third, the Roundtable asked respondents how the various scenarios would change their interest level.

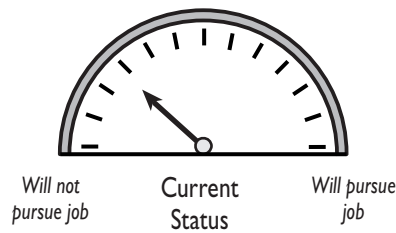
Combined, this method enabled the Roundtable to determine which outreach messages and methods generate the most positive response from potential candidates. The results, presented across the next few pages, provide a blueprint for recruiters to maximize the impact of their outreach efforts.

Crafting Candidate Outreach (Continued)

MEASURING OUTREACH IMPACT: A THREE-STAGE PROCESS

The Roundtable presented a series of sourcing scenarios to candidates to understand what drives their interest level

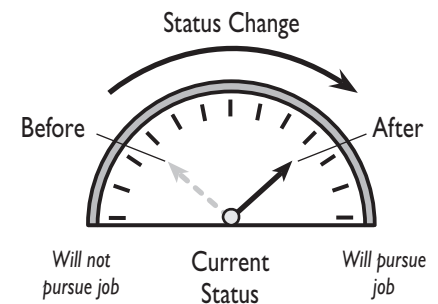
1 Determine a potential candidate's current interest in pursuing another job



2 Present an outreach scenario to potential candidates



3 Compute change in interest generated by the outreach strategy



Sample Question

Q: If a recruiter reached out to you offering a 15% increase in compensation, to what extent would this change your interest in applying for the job?

Decreases Increases

Source: Recruiting Roundtable research.

NUMEROUS OUTREACH STRATEGIES EXIST

Exploring the Strategies That Generate Interest

The Roundtable analyzed four different outreach categories to discover the strategies that organizations can use to generate interest in their open positions.

First, in the upper left box below are elements of the “Organization.” While most of these elements often represent the core of our organizations and are not easily altered (e.g., brand, industry, and location), recruiters must be familiar with how these factors impact their ability to get the attention of potential talent. Recruiters also need to consider whether there are certain pools of talent that might be more receptive to the organization than others.

In the upper right box are components of the “Message.” When someone from your organization calls a candidate, what should they say first? What hook should lead the conversation—will it catch the individual’s attention?





The inquiry further explores the extent to which certain “Events” may provide significant opportunities for leverage (lower left box). Specifically, is there something critical about the actual timing of the outreach that matters? Are there windows of opportunity recruiters can leverage that might increase candidate receptivity?

As to the “Messenger” in the lower right box, the question here is focused on whether the individual doing the outreach matters. Who should ideally be doing the outreach—is a recruiter better suited than a headhunter, but less effective than the hiring manager?

Crafting Candidate Outreach (Continued)

A WORLD OF COMPLEXITY

The Roundtable analyzes more than 30,000 strategies organizations can use to generate interest in their open positions

| Organization —“Who We Are” | | Messages—“What Do We Say” | |
|--|--|---|---|
|  <p>Brand</p> <ul style="list-style-type: none"> • Globally well-known • Known within your professional or social community • Unknown company | <p>Industry</p> <ul style="list-style-type: none"> • Same industry • Different industry <p>Location</p> <ul style="list-style-type: none"> • Desirable location • Undesirable location |  <ul style="list-style-type: none"> • Compensation increase • Improved work-life balance • Improved benefits • Talented colleagues • Friendly work environment • Engaging work | <ul style="list-style-type: none"> • Career advancement • Development opportunities • Manager quality • Product quality • Respect from others • Social responsibility |
| Events—“When Do We Say It” | | Messenger—“Who Says It” | |
|  <ul style="list-style-type: none"> • Mass layoffs • Direct manager resignation • Change in senior management • Outsourcing initiative | <ul style="list-style-type: none"> • Acquisition activity • Drop in stock price • Performance review period |  <p>Who</p> <ul style="list-style-type: none"> • Recruiter • Headhunter • Hiring manager • Acquaintance • Employee | <p>How</p> <ul style="list-style-type: none"> • In person • E-mail • Paper • Telephone • Social networking tool |



More than 30,000 potential strategies

Source: Recruiting Roundtable research.

ORGANIZATION CHARACTERISTICS ARE MOST IMPORTANT

Organization Characteristics, Followed by Events and Message, Are Most Impactful

The height of the bars below shows the overall impact of high-level outreach strategies on candidate interest levels.

Of the four outreach strategies, organization characteristics (e.g., brand, geography, and industry characteristics) have the greatest impact on candidate interest level. Events (e.g., layoffs, disappointing performance reviews, drops in stock price) and the Messages (e.g., compensation increases, career advancements, improved benefits) also have considerable impact on driving interest levels. The Messenger (e.g., recruiter, hiring manager, headhunter) is relatively less important, but still significant.

Tactical Dimensions of Each Strategy Are Important

The notable impact of each strategy requires that each be inspected in closer detail. Indeed, understanding the impact of the tactics that compose each strategy is perhaps more critical than understanding the aggregate impact of the strategy.

The balance of this section thus examines the tactical dimensions of each of the four strategies presented below, enabling recruiters to appropriately emphasize the dimensions of each strategy that spur the most positive responses from potential candidates.

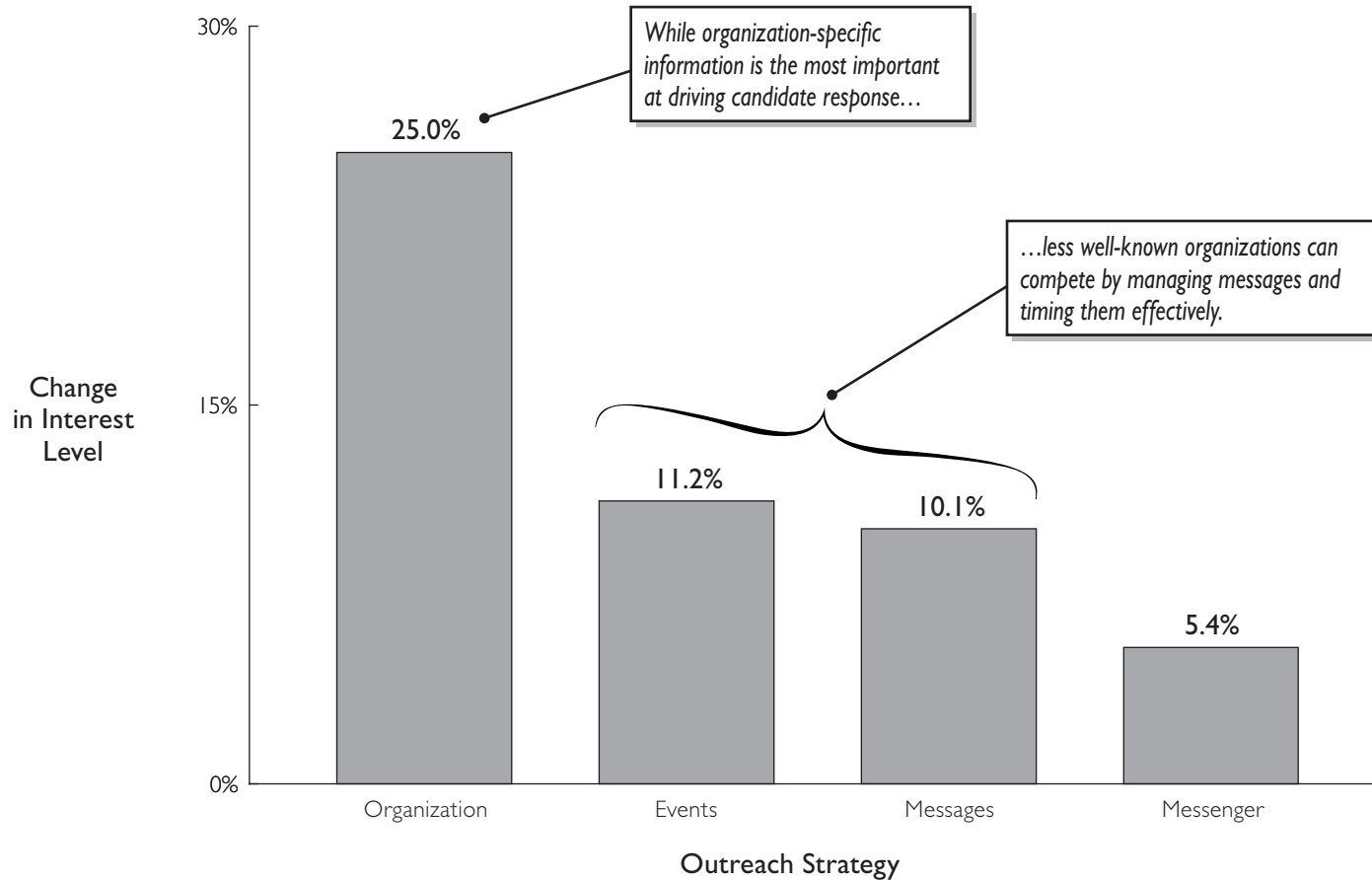
Crafting Candidate Outreach (Continued)

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

WHICH LEVERS TO PULL

Organization characteristics are most important at driving initial candidate response from outreach

Average Impact of Outreach Strategies



Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

BRAND, GEOGRAPHY, AND INDUSTRY IMPACT INTEREST LEVELS

Organizational Familiarity Breeds Interest

Prospective candidate interest levels are strongly influenced by organizational attributes that cannot be changed. For example, organizations that are globally well-known generate much more interest than organizations that are less well-known. Once again, the height of the bars below indicates the extent to which a particular organizational factor can increase potential candidate interest in an organization during an initial outreach conversation.

On the left, candidates are most likely to be receptive to a globally well-known organization. While this is a boon to organizations that fit this description, those organizations that do not can still rely on other levers to drive prospective candidate interest.

Moving further to the right of the chart below, the data reveal that prospective candidates are more likely to be receptive to opportunities in a desirable geography (which obviously means different things to different people). Furthermore, organizations that are known either to a particular talent community or local community still enjoy advantage within that community. In other words, two types of community were tested here (professional and social), and both matter. This finding continues the theme of leveraging warm leads that you have an “in” with, whether that “in” is the fact that you employ a lot of employees who hold the skill set that the potential candidate does, or the fact that you have offices in the same region as the prospective candidate.

Cross-Industry Considerations Require a Compelling Reason to Move

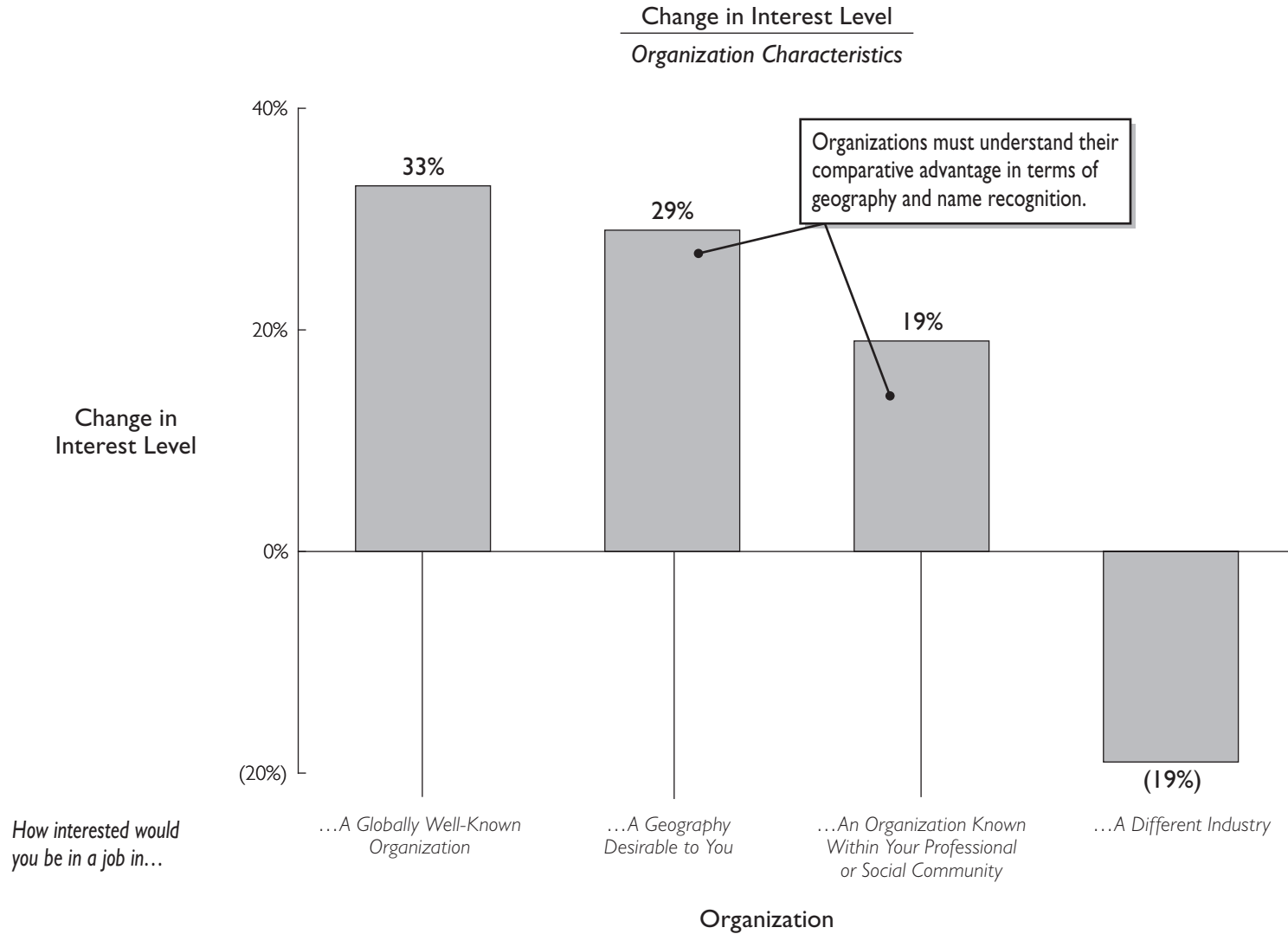
Finally, on the right-most side of the chart is a negative bar, which demonstrates the uphill battle associated with (often necessary) cross-industry appeals. Prospective candidates are actually far less likely to be receptive to opportunities outside their industry.

That said, as demonstrated on the following page, the aversion of prospective candidates to industry moves should not preclude organizations from pursuing out-of-industry talent. Instead, this finding reinforces anecdotal evidence suggesting that convincing a typical candidate to move across industries requires a job offer that is especially strong in other areas (e.g., compensation, promotion opportunities).

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

ORGANIZATIONAL REALITIES IMPACT INTEREST LEVELS

Geography and brand are critical at changing interest levels



Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

TRACKING LABOR MARKET MOVEMENTS

Labor Market Willing to Move for the Right Opportunity

In their most recent job transition, a good portion of the labor market changed some aspect of their job. Specifically, as the charts below show, in aggregate, 42% changed industry, 36% changed function, and 34% changed geography.

Thus, while the data on the previous page suggested that these types of moves have a negative impact on candidate willingness to pursue a job opportunity, the data here demonstrate that a large percentage of candidates are willing to make these moves for the right opportunity. Practically, this requires recruiters to know that while these moves generally dilute candidate interest, they do not create insurmountable barriers.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

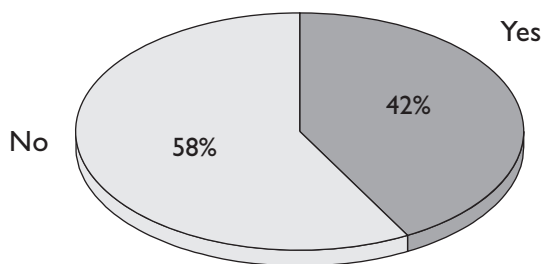
MOVEMENT WITHIN THE LABOR MARKET

In their most recent job transition, over 40% of the labor market changed industries...

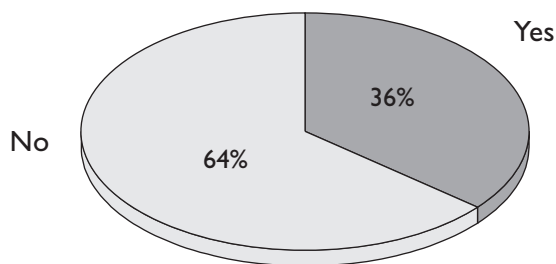
...over one-third changed functions...

...and one-third changed geographies

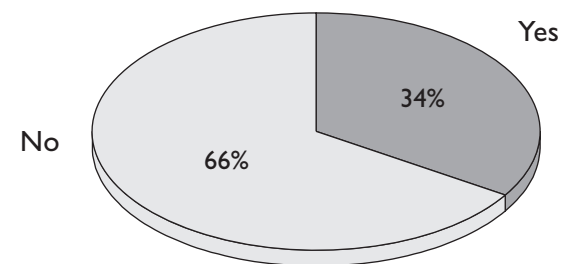
Changed Industry



Changed Function



Changed Geography



ORGANIZATIONS NEED TO FOCUS WITHIN THEIR INDUSTRY

Organizational Awareness Limited to Industry Lines

Organizational awareness, while a powerful driver of candidate interest, does not necessarily cross industry lines. Simply put, employed workers in the labor market are often unaware of well-known organizations that reside outside their current industry.

Candidates are less inclined to demonstrate interest in switching to different industries, even if it is for an organization that is touted as one of “Fortune’s 100 Best Companies to Work For.”

Interest Levels Rise for Candidates Within the Same Industry

On the right side of the page below, respondents were asked how interested they would be in working for a specific organization on Fortune’s list of 100 Best Companies to Work For. As the charts reveal, interest and awareness levels rise when the respondent was working in the same industry as the organization in question.

This data imply that recruiting organizations are likely to achieve greater returns on messages touting recognition of their organization’s work environment when contacting candidates currently employed in the same industry.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

FAME DOESN'T CROSS INDUSTRY LINES

The labor market is generally unaware of, and uninterested in, organizations outside their current industry

- | Fortune's 2006 100 Best Companies to Work For List | |
|--|------------------------|
| ① | Genentech |
| ② | Wegman's Food Markets |
| ③ | Valero Energy |
| ④ | Griffin Hospital |
| ⑤ | W.L. Gore & Associates |
| ⑥ | Container Store |
| ⑦ | Vision Service Plan |

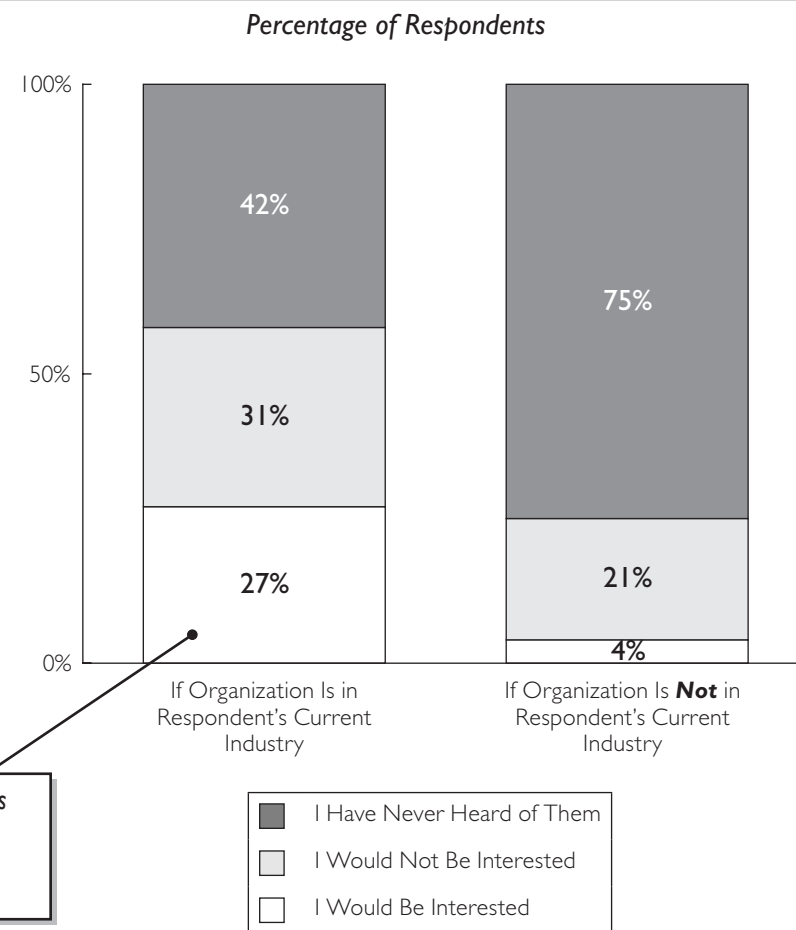
Are you interested in learning about job opportunities from {company name}...?

- I have never heard of them
- I would not be interested
- I would be interested

Respondents were asked how interested they would be in working for companies on the Fortune list of 100 Best Companies to Work For...

...and interest and awareness levels only rise when the respondent was in the same industry as the organization.

How Interested Are You in Working For {Company on Fortune 100 Best Companies to Work For List}?



Source: www.fortune.com; Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

SPECIALIZED SKILLS UNWILLING TO CHANGE INDUSTRIES

Industry-Switching Differentiation Across Functions

A closer analysis of a target population's willingness to change industry for job opportunities reveals significant variation across functional areas.

The negative percentages below indicate that the prospect of switching industries lowers interest levels across all functional areas. That said, the substantial variation in the size of the bars demonstrate that some functional areas are far more averse to industry switching than others.

Importantly, the data reveal that prospective candidates working in specialized technical functions (e.g., Research and Development, Engineering, IT) are less inclined than their peers to be interested in switching industries. By contrast, candidates with less specialized skills are still initially averse to switching industries, but not nearly to the degree of their peers with more specialized skill sets.

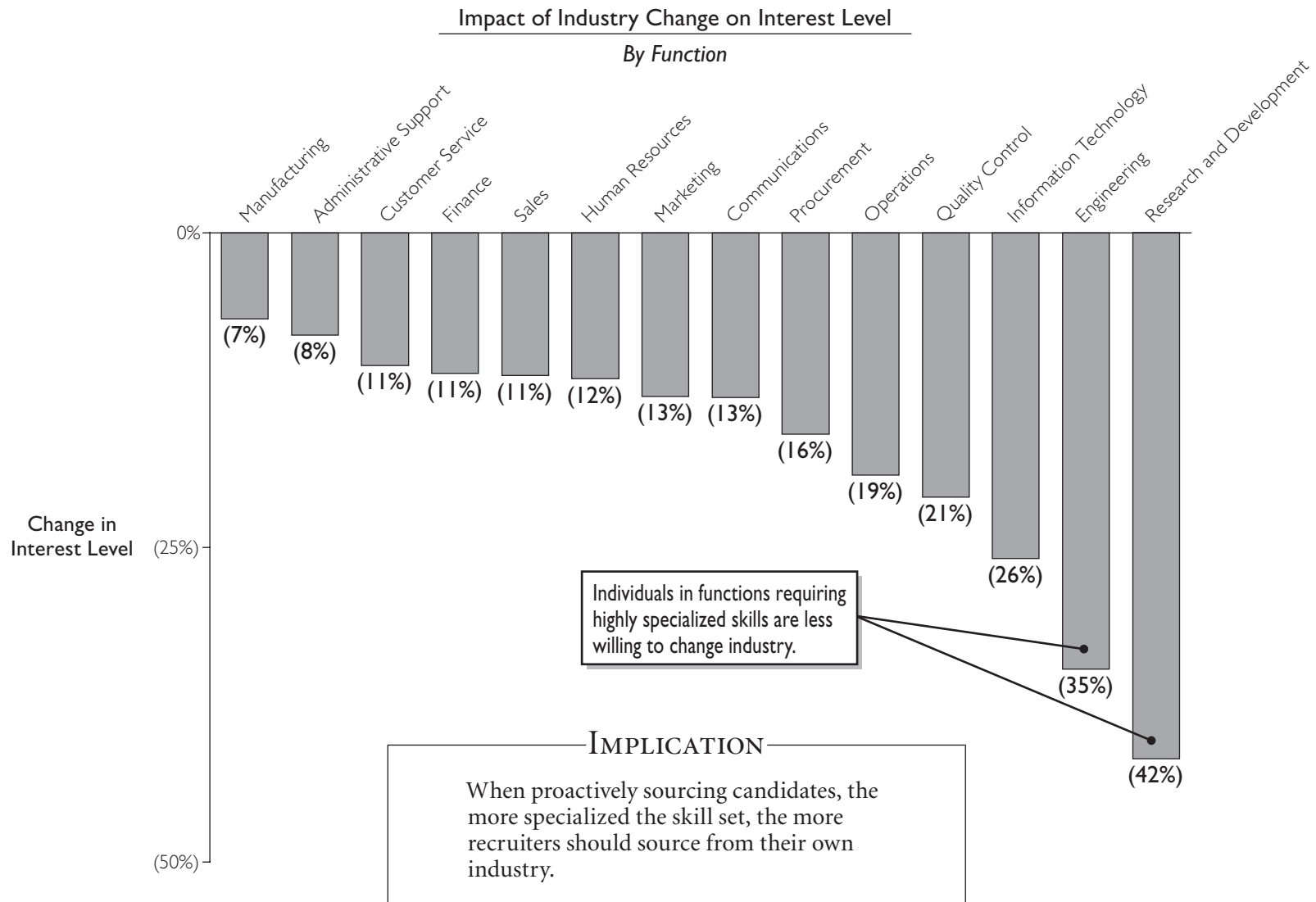
The More Specialized the Skill Set, the Less Likely to Consider Changing Industries

The implication here is that the industry-switching hurdle is more surmountable when the individual has a less specialized skill set. In other words, when proactively sourcing candidates, the more specialized the skill set, the more recruiters should source from their own industry.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

CHANGING INDUSTRIES: AN UPHILL CLIMB

Recruiting should focus on how willing candidates are to change industries when determining where to source



Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

TRANSFERABLE SKILLS LESS WILLING TO RELOCATE

The More Specialized the Skill Set, the More Likely to Consider Relocation

Prospective candidates overall are willing to consider relocating for the “right” opportunity; however, willingness to relocate is influenced by job function.

The previous page revealed that the more specialized a candidate’s skill set is, the less likely the candidate is to be open to switching industries. Yet, the data here show that those with highly specialized skills are more open to consider jobs that require a shift across geographies.

Source Across Geographies for Specialized Skills

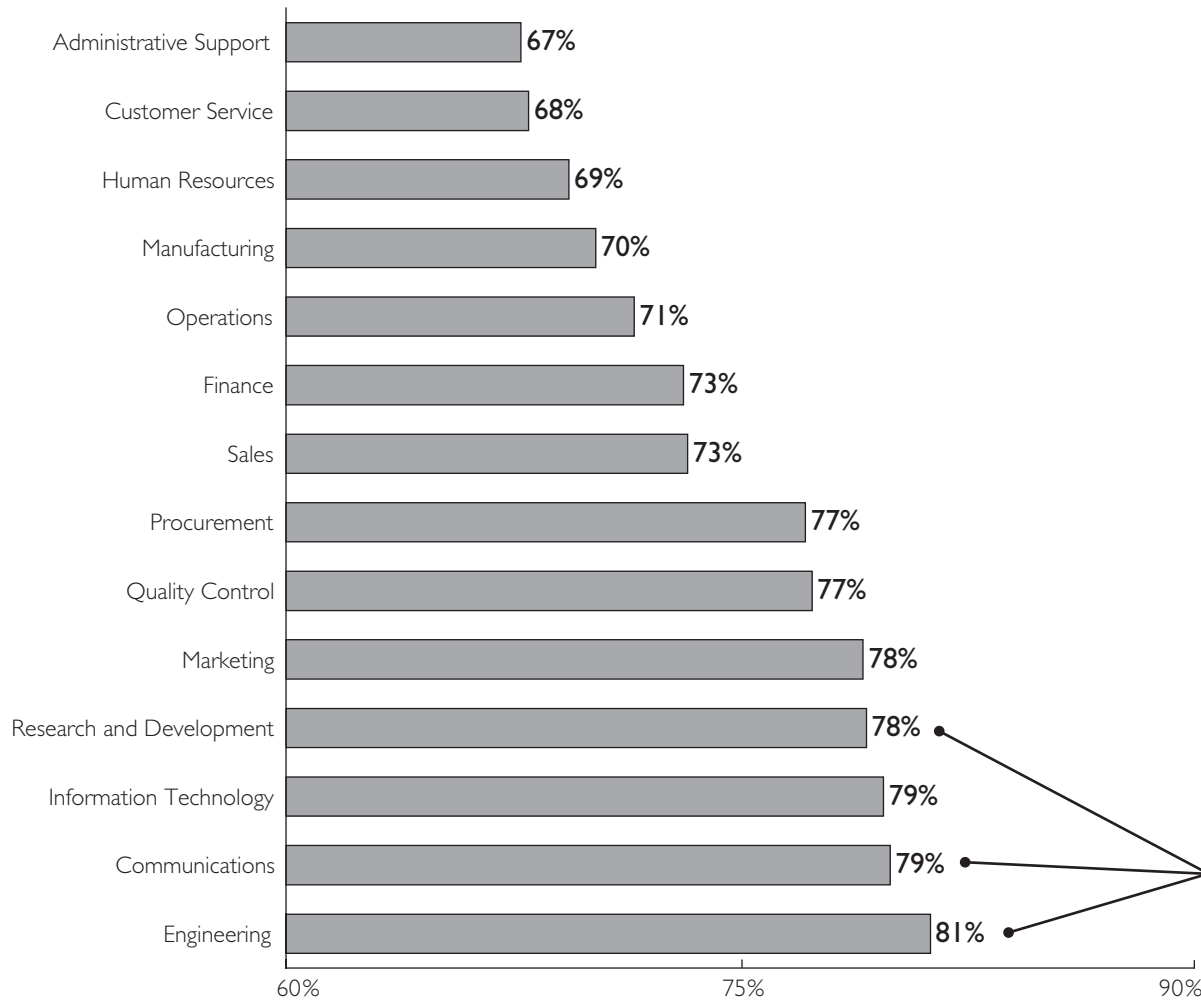
Practically, this means that recruiters can source across geographies when searching for specialized skills.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

FUNCTIONS MATTER

Willingness to relocate is influenced by function

Would You Consider Relocating for the Right Opportunity?



IMPLICATION
Recruiters can source across geographies when searching for specialized skills.

Employees with specialized skills are willing to move for the right job.

Percentage Willing to Relocate for the Right Job

Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

GEOGRAPHICAL DIFFERENCES

Majority Willing to Move Geographies for the Right Opportunity

Some variation exists across geographies regarding willingness to consider relocation for the right opportunity.

The rampant growth and expansion of industry and commerce in Asia, particularly China and India, creates opportunities that make individuals in those regions more willing to consider relocation. Likewise, a substantially greater percentage of candidates based in continental Europe are open to geographic moves than their counterparts in the United States.

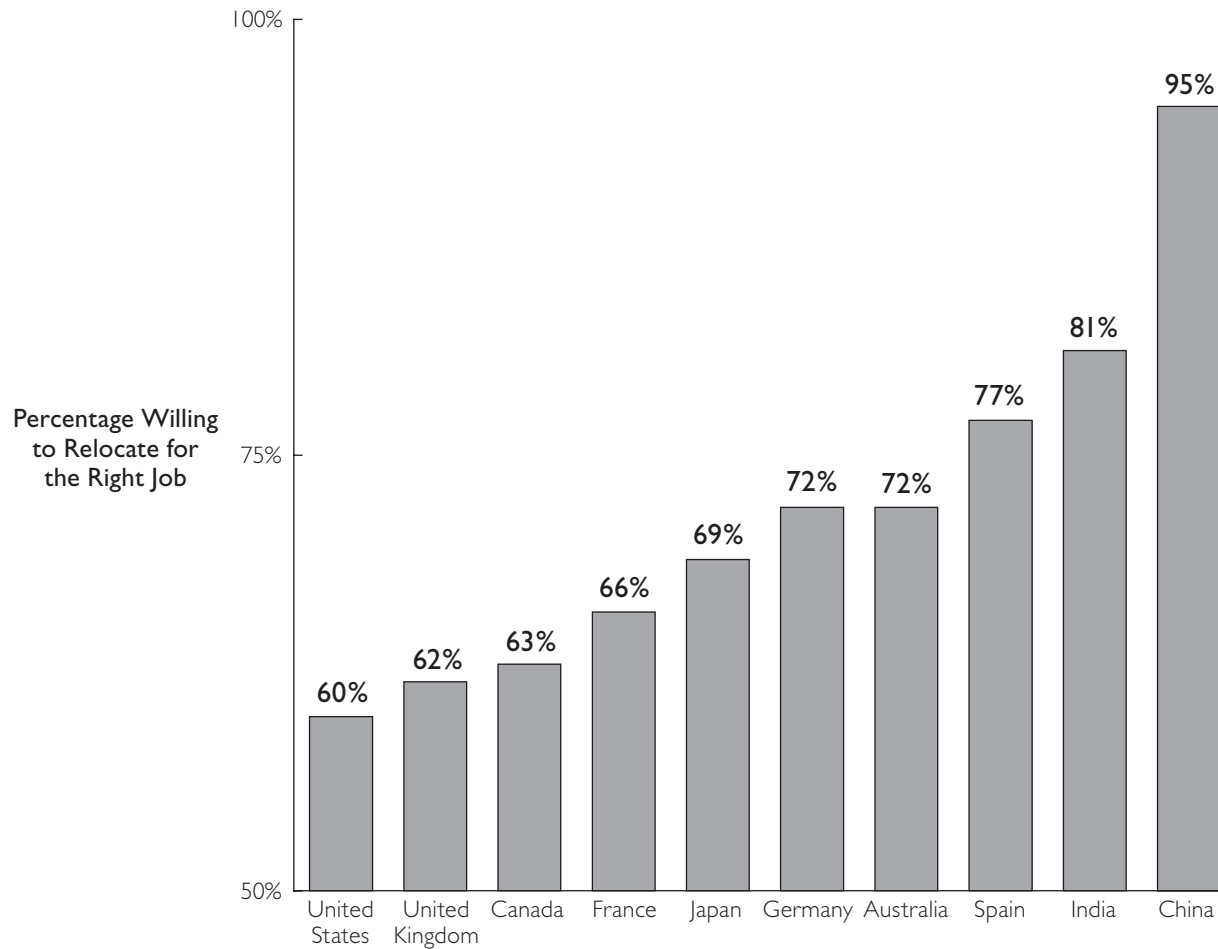
That said, the data here reveal that, irrespective of geographic location, a substantial majority of candidates are willing to move for the right offer. Indeed, even in the United States—the country with the lowest percentage of candidates willing to switch geographies—fully 60% of candidates are willing to move if the opportunity is right.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

VARIATION ACROSS GEOGRAPHY

Willingness to relocate differs across locations

Would You Consider Relocating for the Right Opportunity?



IMPLICATION
 Recruiters can consider willingness to relocate when searching for talent across geographies.

Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

AGE AND PARENTHOOD IMPACT RELOCATION

Age Influences Willingness to Relocate

Demographic factors can also have a significant impact on willingness to relocate.

As the chart on the left side of the page below shows, younger candidates are much more willing to consider relocating for another job. Eighty-one percent of employees who are between 23 to 29 years of age said they would be willing to consider relocation, whereas only half of employees between ages 50 to 59 said they would be interested.

Presence of Children Influences Willingness to Relocate

The presence of children in the household also impacts willingness to relocate. Childless individuals and parents of young children are much more willing to relocate for another job than parents of teenagers.

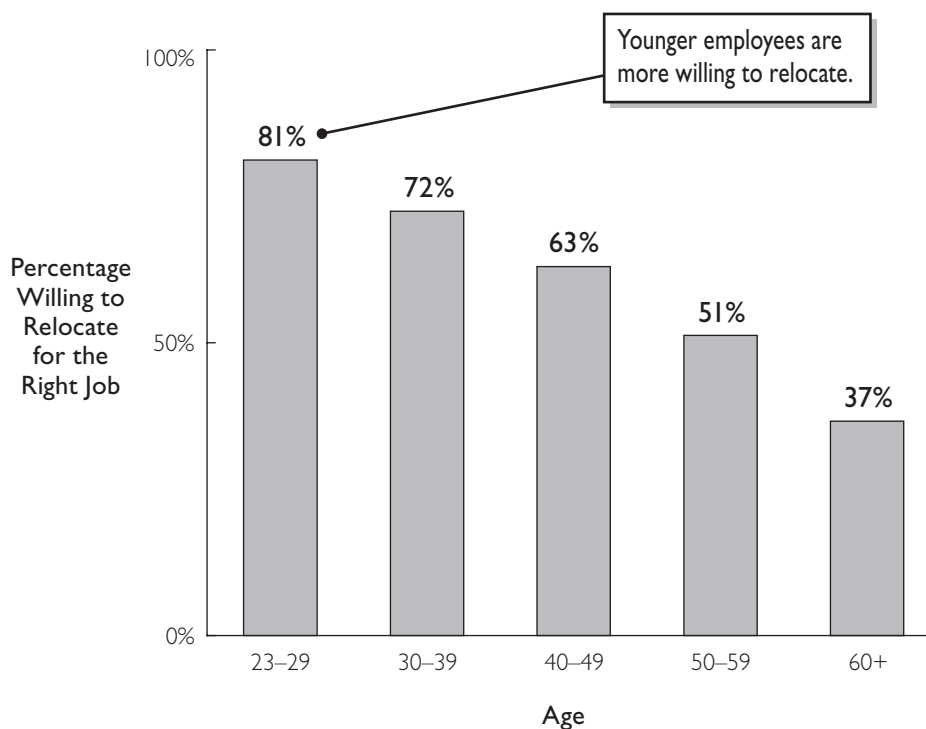
| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

WHO IS WILLING TO RELOCATE?

Specific age and parental factors influence willingness to relocate

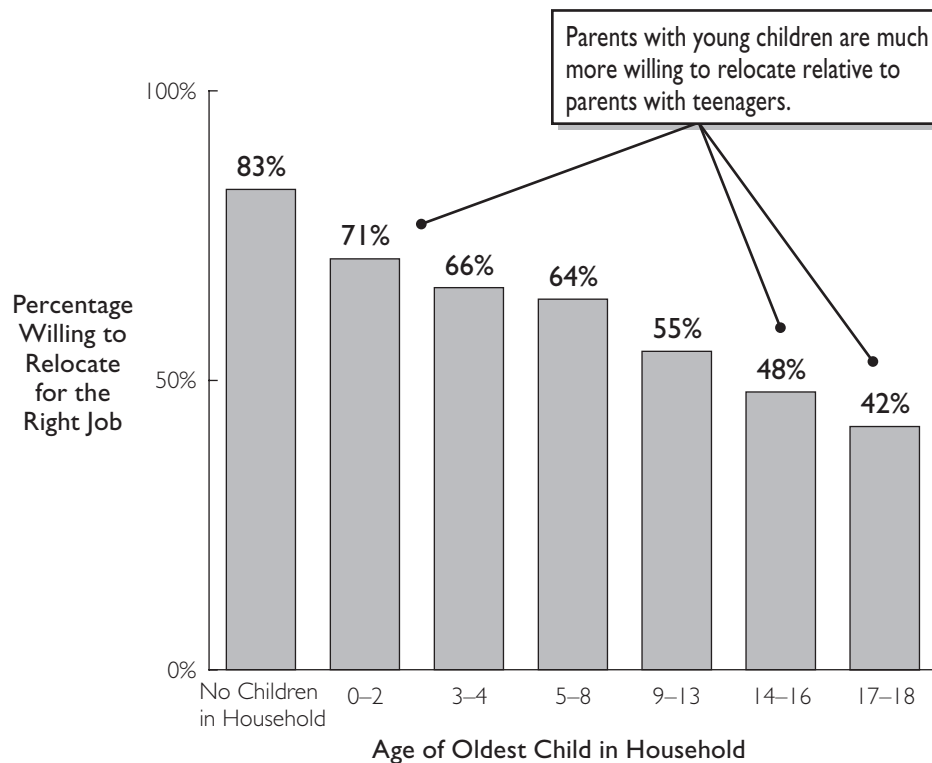
Would You Consider Relocating for the Right Opportunity?

By Age



Are You Willing to Relocate for the Right Job?

By Age of Children in the Home



IMPLICATION

Recruiters need to be aware of demographic factors when sourcing outside of a particular geography.

Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

KEY LESSONS REGARDING ORGANIZATIONAL IMPACT ON CANDIDATE INTEREST LEVEL

1. Target available talent in your industry and geography.

Know local market brand advantage: While well-known organization brands have an advantage across the labor market, less well-known brands have an advantage within their local market.

Target professional and social networks: Organizations should target candidates within their immediate social or professional networks.

2. When looking beyond your industry and geography, consider the skill sets you are looking for.

Specialized skills more willing to relocate: Candidates with specialized skills are less willing to change industries, but are more willing to relocate.

Transferable skills more willing to change industries: Candidates with transferable skills are more willing to change industries, but are less willing to relocate.

3. At all levels, recognize that personal factors will impact candidate interest.

Relocation interest declines with age and family: Willingness to relocate for the right job declines with age and the presence of teenage children.

CANDIDATES RESPOND TO OPPORTUNITY

Lead with Job-Based Opportunity Messages

The data featured below focus on the impact of “Messages” on driving candidate interest.

The clear finding here is that candidates respond most positively to the “raw opportunity” associated with a potential job. Candidates are much more likely to be interested in positions that offer greater monetary gain and career advancement opportunities. Attributes toward the left of the chart below, such as “Increase in Compensation,” “More Senior Position,” and “Career Advancement Possibilities,” all focus on opportunity gains that could be reaped at the new potential employer.

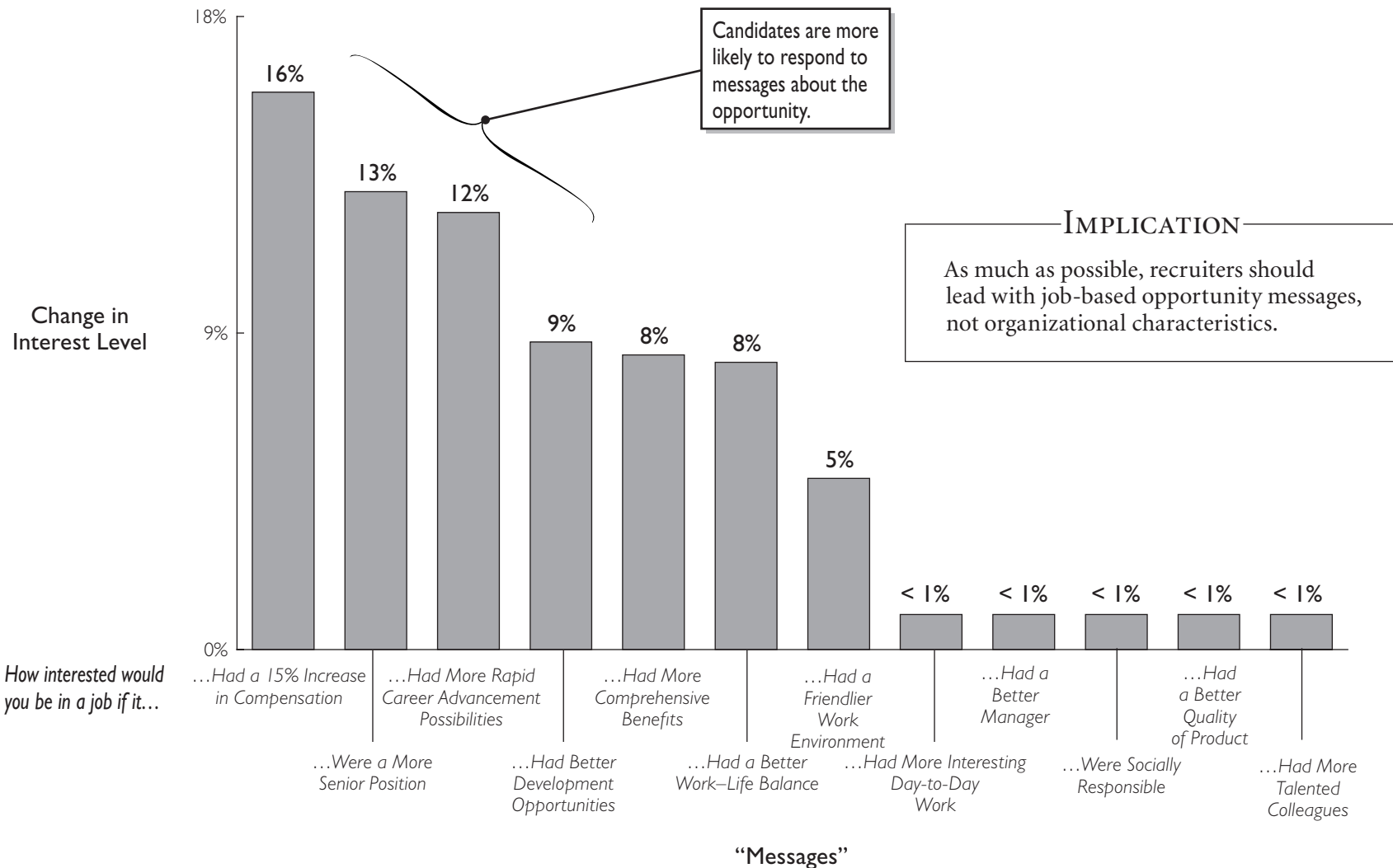
Desirable, but more subjective, attributes related to the organization’s work environment, such as “work-life balance” and “friendlier work environment,” are relatively weak drivers of interest. Simply put, promises regarding positive work environments have relatively little impact on initial candidate interest. That said, this finding should be placed within context. Research from the Roundtable’s sister program, the Corporate Leadership Council, reveals these types of attributes to be significant drivers of employee engagement and commitment—something that is developed over time within an organization. Thus, while these attributes may not drive initial interest in an opportunity, they are nonetheless critical to building a high-performance workforce. The primary lesson: recruiters should generally lead with job-based opportunity messages, not organizational characteristics in their initial outreach “pitches.”

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

LEADING WITH OPPORTUNITY DRIVES CANDIDATE INTEREST

Focusing on opportunity drives candidate interest

Impact of Messages on Candidate Interest



Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

CANDIDATES RESPOND TO NEGATIVE EVENTS

Interest Increases During Negative Events

Events, or the timing of outreach, can significantly alter a prospective candidate's attitude toward proactive outreach.

Receptivity to outreach increases when events at a candidate's current organization threaten his or her job security. As the data on the left side of the chart show, negative events that put an employees' job at risk are most likely to increase interest.

Track Competitor Movements to Time Outreach Appropriately

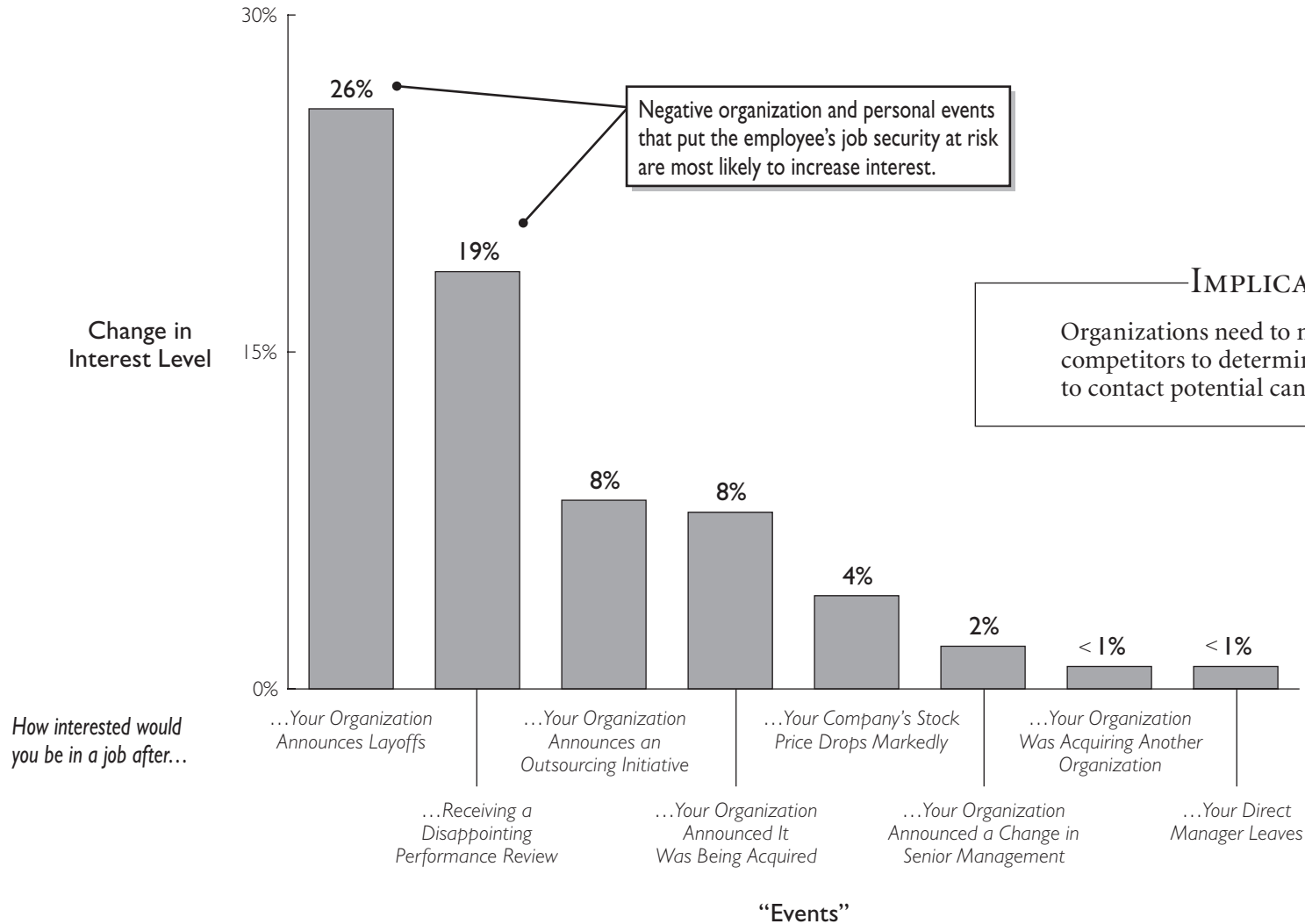
The implication for recruiting organizations here is to stay abreast of industry and talent competitor movements to track optimal outreach moments. Negative events at talent competitors create powerful "windows of opportunity" to initiate conversations with employees at those organizations.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

BAD NEWS = RESPONSIVE PROSPECTS

Events affecting job security have the biggest impact

Impact of Events on Candidate Interest



Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

SENIOR LEADERS REQUIRE DIFFERENT APPROACHES

Senior Leaders More Responsive to Future Rewards

While most talent segments respond similarly to opportunity-based messages and negative events, one segment—senior leaders—demonstrate a handful of unique response behaviors.

For example, as the data on the chart on the left side of the page below shows, senior leaders are more responsive to the prospect of immediate rewards (e.g., increased compensation) and less responsive to the prospect of future rewards (e.g., career advancement). This is likely due to the fact that they have less opportunity for upward movement.

Senior Leaders More Willing to Listen During Negative Events

Senior leaders are also much more sensitive to negative events that threaten the health of their organizations. As the chart on the right of the page below reveals, senior leaders are much more willing than other employees to respond to outreach when their organization announces layoffs, or its stock price declines.

When these events occur at talent competitors, recruiters are in a good position to drive interest among senior talent in jobs at their organization.

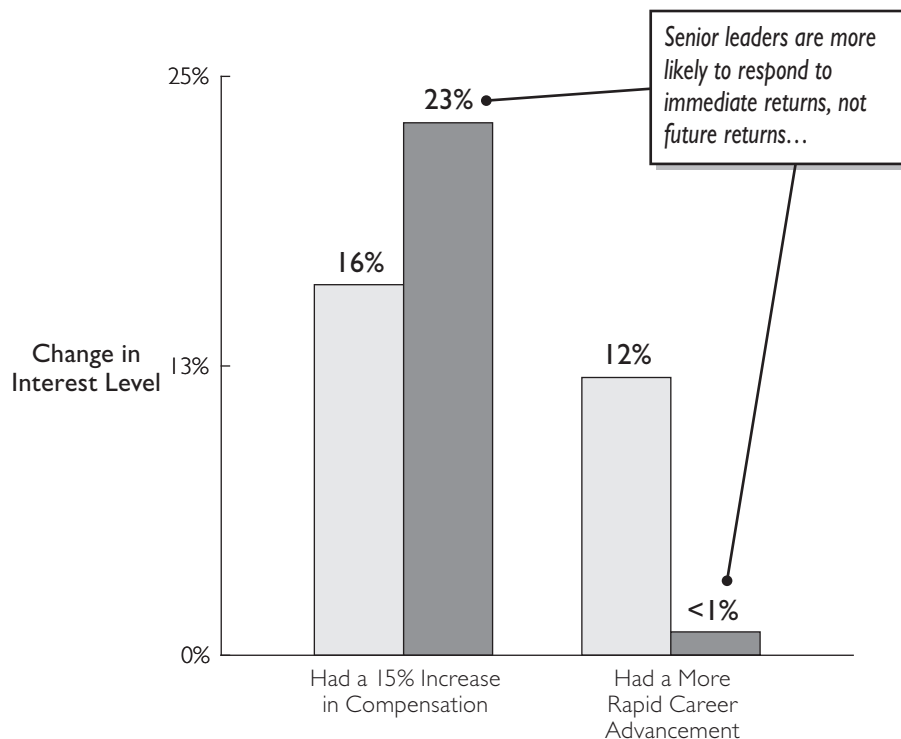
| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

SENIOR LEADERS RESPOND TO TRAUMATIC EVENTS

Senior leaders have already achieved significant career and development opportunities, making these outreach strategies relatively less effective

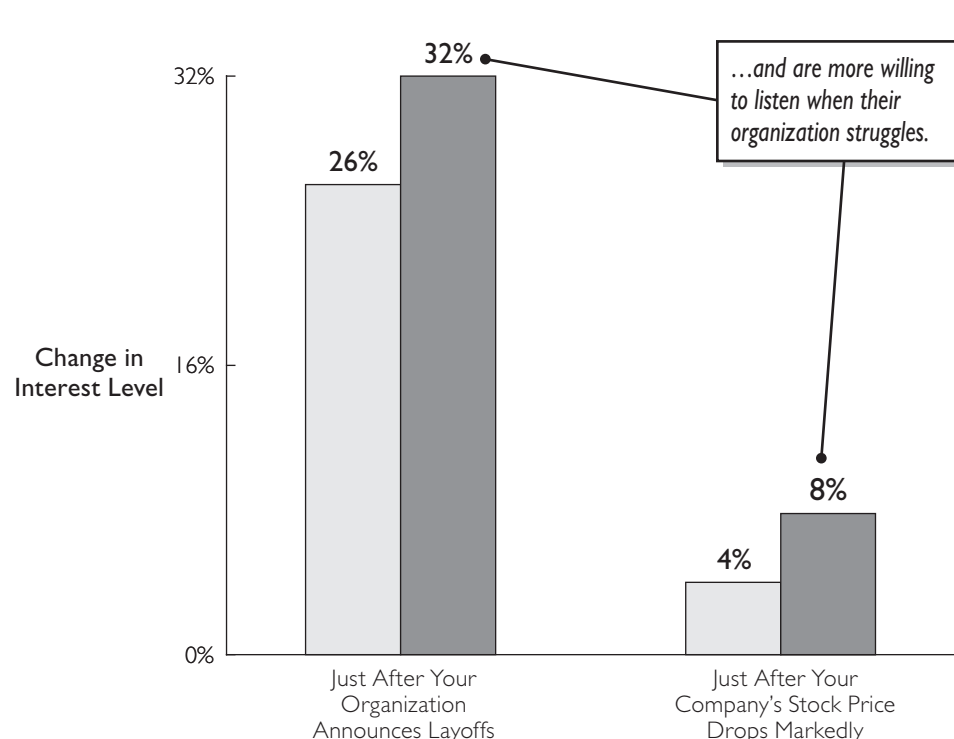
Change in Interest: Senior Leaders* Versus Aggregate

Selected Message Strategies



Change in Interest: Senior Leaders* Versus Aggregate

Selected Event Strategies



* Senior leaders are defined as employees who are director level and above.

Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

JOB KNOWLEDGE IS CRITICAL

Knowledge of Job Is More Important Than the Messenger

On the far left side of the chart, it is evident that recruiters are the single most effective messenger to stimulate candidate interest, followed by headhunters, and then by hiring managers. Recruiting's expertise thus pays clear dividends in an outreach situation.

The more important takeaway from this page, however, is highlighted on the right side of the chart. Namely, the knowledge level of the person doing the outreach is actually more important than "who" is doing the outreach.

As the chart shows, if the person calling "greatly understood the job," the candidate is 14% more likely to be interested in that job, while the magnitude of the difference of the messenger doing the outreach is much smaller (e.g., the candidate is 9% more likely to change interest level if a recruiter calls).

On a related note, the negative bar (-4%) on the far right of the page represents the decrease in interest level if the person doing the outreach does not fully understand the job. Recruiting organizations should ensure that whoever is conducting the outreach understands the job well.

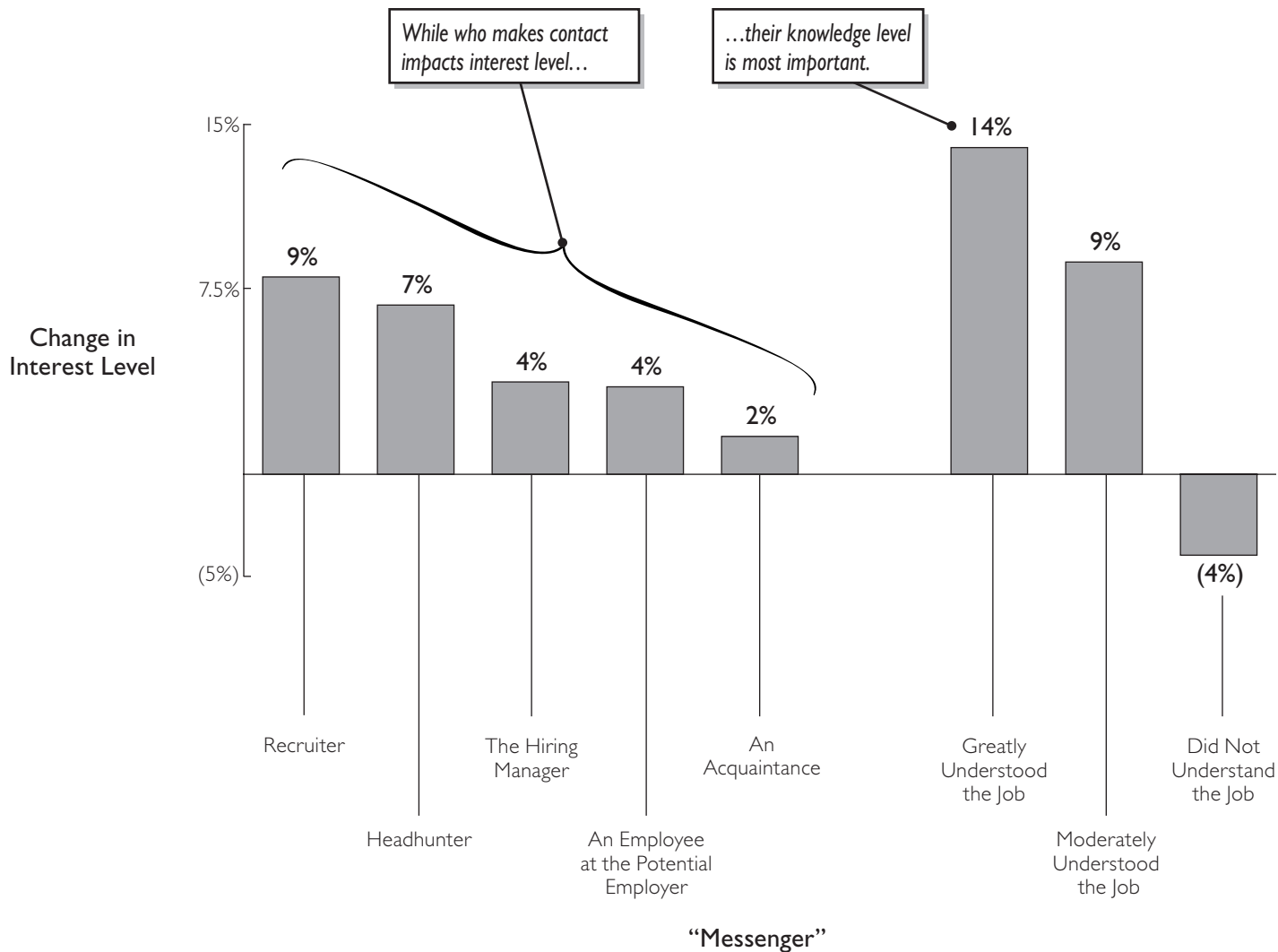
Finally, it is also worth noting that it is likely the hiring manager who is best suited to understand (and thereby explain) the job well. Thus, securing hiring manager participation is important.

| | |
|--------------|-----------|
| Organization | Messages |
| Events | Messenger |

THE MESSAGE NOT THE MESSENGER

Information about the job trumps the person reaching out

Impact of the Messenger on Candidate Interest



IMPLICATION

It is more important for organizations to ensure that whoever does the outreach is knowledgeable about the job.

Source: Recruiting Roundtable Building Talent Pipelines Survey; Recruiting Roundtable research.

KEY QUESTIONS FOR RECRUITERS CONDUCTING OUTREACH

| Organization | Message |
|---|---|
| <p>① Where are we best known? Recruiters should focus on candidates that will have some knowledge of their organization.</p> <p>② How transferable is the skill set of the person I am contacting? It is easier to get candidates to change industries if their skill set is transferable.</p> <p>③ How willing would candidates be to relocate? It is harder to get candidates to relocate if their skill set is transferable.</p> <p>④ What do I know about the family situation of the contact? Younger employees without children are more willing to relocate.</p> | <p>⑤ What opportunities can my organization provide that their current organization can not? After compensation, candidates are most likely to respond to outreach based on opportunity.</p> |
| Events | Messenger |
| <p>⑥ What negative events have recently happened at their organization? Candidate interest dramatically increases after a negative event has occurred at their own organization impacting their job security.</p> | <p>⑦ How much do I know about the job that I am contacting them about? Whoever reaches out must have job knowledge.</p> |

Source: Recruiting Roundtable research.

INTERESTED IN MORE ON THIS TOPIC?

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