

SPOTLIGHT

The Effect of High-Tech Solutions and Social Networking on the Recruiting Process

Like many other business functions, recruiting has become increasingly tied to technology. For job candidates, the standard practice of mailing in a resume and waiting on a phone call for an interview has been trumped by the ease of electronic communication. For recruiters themselves, the search process has been drastically altered by social networking web sites, online job boards and software that automatically routes applicants to hiring professionals based on their knowledge, skills and abilities.

Given the fast-paced nature of technological change, the already-competitive art of matching the right candidate with the right job has been turned up a notch. The median time to fill an open position was 23 days in 2009, down from 30 days in 2008, according to the SHRM Human Capital Benchmarking Database. Many recruiting departments are also spending less money on hiring-related operations, and they're relying partially on social networking sites and web-based job boards as cheaper means of filling their vacancies. According to a SHRM poll from March 2009, 74% of large companies made cuts to recruitment-related advertising and use of paid recruiters in the previous six months. Smaller companies also reduced these expenses, although to a lesser extent (50% for medium-sized companies and 24% for small businesses).

The decline in time-to-fill and the decreased spending on hiring activities are clearly reflections of economic conditions. Job seekers in a period of heightened national unemployment are scrambling to find work, and companies are trimming costs across the board. But these changes also signal an increased reliance on quicker, easier methods of recruiting.

Keeping abreast of technological advancements will be paramount to recruiters' future survival, particularly for private consultants, says Anne Nimke,

a member of SHRM's Staffing Special Expertise Panel. Nimke is co-founder and executive consultant at Wisconsin-based Pinstripe Inc., a recruitment process outsourcing company. About half of Pinstripe's business is connected to the health care industry, and Nimke says that while demand is strong for the firm's services at the moment, it's not a time to relax.

Previous recessions featured quick recoveries and spikes in recruiting activity, but those scenarios will not be repeated this time around, she says. Many companies have used the recent lengthy downturn to restructure their internal recruiting practices and have incorporated social networking and new technologies to streamline their hiring processes.

"There has been a lot of innovation the past couple of years. Sourcing technology has made great strides, such as how we stay in touch with our candidates. There have been innovations in video interviewing, which is a tremendous resource not only for companies that operate 24/7, but also for those that have hiring managers throughout the world. There have been advancements in automated reference checking that result in a quicker screening process. All of these innovations are helping organizations learn to do things differently. This isn't your father's recruiting department any more. Recruiters need to know how to tap into these new methods of finding candidates."

"Technology can be a great friend to you, or a terrible impediment. If you're relying on it completely for communication, it only goes so far."

*Mark Stelzner, principal,
Inflexion Advisors*

Did you know?

54% of employees say they network professionally by using some form of online job search or social networking web site.

SHRM Poll: Networking Professionally: Employee Perspective (April 2009)

High-tech has already left its mark on the recruiting process

This isn't the first time that technological advancements have reshaped the recruiting industry. It began during the Internet boom of the late 1990s and early 2000s, says David Manaster, founder and president of New York-based ERE Media, which operates an information-sharing web site for recruiters.

"At that time, the Internet sort of burst into recruiters' consciousness," says Manaster, who founded ERE in 1998 while working for Monster.com. "People discovered there was another method of recruiting besides the phone and newspaper. I would say that after the dot-com bust in 2001, everything was still sinking in. It was a catch-up period for many recruiters, as far as getting used to the new technology."

The recruiting process didn't experience any sweeping changes again until the past couple of years, when the recession and the emergence of web sites like Facebook and LinkedIn acted as "twin forces" to change the way recruiters do business, Manaster says. Economic conditions that have led to several millions of lost jobs have narrowed the opportunities for recruiters to make a buck, but the advent of social networking has also put a plethora of candidate information at their fingertips.

Other technologies like video interview systems have added new tools to recruiters' arsenals, but they're not necessarily "game-changers," Manaster says, since they're still rooted in face-to-face interaction. A more radical shift in recruiting has resulted from the multitude of "open source" software—products that are accessible to the general public without licensing restrictions—that is geared toward streamlining the hiring process.

Some products currently on the market feature technology that automatically pools personality traits and job qualifications of candidates for recruiters. Other software simply eliminates a ton of paperwork by managing requisitions, resumes, offer letters and other documents associated with finding a candidate.

"Most of this software is 80 percent ready for you to use; you just modify it for your needs," Manaster says. "You don't need to go to a special provider. Let's use the video interviewing aspect as an example. You can go to all kinds of companies that will charge you by the minute, and it will be quite expensive. Or you can set up your own software, buy a \$10 web camera and do it yourself."

Recruiting has been a "boom and bust business" forever, Manaster says, and it certainly won't die as a result of the recent economic downturn. But the process has clearly gone high-tech, and even when the job market experiences a

strong recovery, recruiters should be ready to deal with the changes.

"I remember a lot of people who said the business wasn't coming back in 2001 (during the recession)," he says. "It'll come back again. But there will be losers in this, too. In the last recession, I know a lot of recruiters who decided to become real estate agents. I'm sure they're not doing that this time around."

Did you know?

In 2009, one out of four HR professionals said their organization used social networking sites like Facebook and Twitter to look up candidates before inviting them for an interview. In 2008, only 3% of organizations said they used social networking sites for recruitment.

SHRM Poll: Interviewing Do's and Don'ts for Job Seekers (November 2009)

There are benefits and drawbacks to relying too much on high-tech

The breadth of new technology has provided at least one advantage for small-shop recruiters—it has leveled the playing field, says Bob Corlett, president of Maryland-based placement agency Staffing Advisors.

Large firms used to spend a fortune on research, Corlett says. "They built a database out of newspaper clippings, publications and anything else that provided a little information about candidates. Now, thanks to a little tool like LinkedIn, it has made things easy for the small guys."

Perhaps it has gotten a little too easy. A funny thing happened, Corlett says, when social networking venues like LinkedIn began their meteoric rise in popularity: the economy crashed and millions of people lost their jobs. Now, with an abundance of candidates competing for a relatively small number of available positions, technology has also made it easier for companies to be downright rude with applicants, he says. Maybe it's a dismissive rejection letter delivered via e-mail or a total avoidance of follow-up contact with an applicant, but the reliance on technology has also reduced personal interaction.

Job seekers, meanwhile, have much more power today than they used to, Corlett says. Some have their own sounding boards with blogs, and there is now plenty of information available on the web about companies themselves, as well as the people who are seeking work.

"Employers were previously used to operating in a world where nobody shared information about them," Corlett says. "All of these tools have broken down those barriers. When the economy recovers, there will be backlash against those companies that used recruiting technology simply to shave

costs. Hiring used to be a one-to-one experience. That's not the case anymore."

Did you know?

86% of HR professionals say they would be less likely to hire a candidate whose social networking profile showed evidence of "unprofessional behavior."

SHRM Poll: Interviewing Do's and Don'ts for Job Seekers (November 2009)

Still, with so many people eager to share their personal information on the web, hiring professionals can literally read the minds of those seeking work. Chris Forman, CEO of New Hampshire-based recruiting training company AIRS, says job search has experienced a "Googleization" of sorts—more than 200 million job-related web searches are performed each month, he says.

Companies are now devoting part of their budgets specifically for "search engine optimization," or SEO, in order to make their information readily available when a job seeker conducts an online search. And a simple function like a "status" box, which allows users of Facebook and LinkedIn to post whatever is on their mind at any moment, has allowed recruiters to get one step ahead on identifying potential candidates, Forman says.

"In the past, you'd only know if somebody was looking for a job if they sent out their resume or if you called them on the phone," Forman says. "Now you've got these status boxes where people are saying things like, 'My boss is an idiot,' 'I haven't had a vacation in six months,' or 'My salary stinks.' If you're a recruiter and you see that, don't you think it's more likely that this person will take your phone call? It's a way to determine who is recruitable and who is not. That's transformative, in my opinion."

Despite ease of electronic communications, the human element is still important

Before recruiters can fully embrace these changes, they need to know their audience, says Mark Stelzner, principal of D.C.-based HR consulting firm Inflexion Advisors. A sheet metal company, he says, probably doesn't need to fully immerse itself in Facebook and LinkedIn as much as a financial services interest that's seeking a recent MBA graduate.

"It's all about determining the demographics of your future workforce," Stelzner says. "For most 20-somethings, the Internet is like motherhood and apple pie. This is also creating a new generation of recruiters. They're relying less on their Rolodex and more on their personal brand. Then again, if you're an 'old school' recruiter and you're targeting an older audience, your candidates probably don't use these tools, either."

Greater transparency in the hiring process and companies' use of new technology and social media would clear up much of the confusion that arises between candidates and their prospective employers, Stelzner says. "A lot of candidates have no idea what tools companies are using. Technology can be a great friend to you, or a terrible impediment. If you're relying on it completely for communication, it only goes so far."

In the end, technological advancements and the ubiquity of social networking can be powerful additions to the recruiting process, Corlett says. But they should never be considered the only solutions to finding the right candidate.

"Recruiting has certainly become easier, faster and cheaper, but the rules are still being written," he says. "A lot of people are treating this like, 'Oh, now we don't need search firms.' But all the new technology doesn't guarantee a hiring manager will have any idea what they're looking for in an interview. You still have to have experience, and you certainly have to be careful about what you're saying when you reach out to a candidate."

Sources

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