

Hiring Managers'

Attitudes, Sources and Priorities Vary Worldwide

RIGHT VIEWPOINT™

RESEARCH-BASED INSIGHTS TO INFORM OUTPLACEMENT DECISION

In the era of the Human Age, where human potential itself is the catalyst for change, *Talentism* has become the new *Capitalism*. Despite the varied implications of dynamic market conditions, the one constant is the need for an exceptional workforce. Talent is the new *it*.

As organizations meet the challenges in the global readjustment to economic trends, the critical decision to restructure and reduce employee headcounts becomes a strategic imperative. The best companies feel it is their responsibility to assist exiting employees with outplacement services to find a new job. The competitive employment market necessitates that candidates be equipped with the latest and most effective job search techniques, supported with coaching and insights into local market nuances.

Best-performing organizations equip their departing employees with outplacement and career transition services. Research conducted by Aberdeen Group¹ found that 48% of companies with formal outplacement programs have greater than 60% of workers who are highly engaged compared to just 33% of those who do not provide outplacement. For job seekers, outplacement brings significant benefits and speeds the time to placement by 81%, resulting in a 5% saving to the company in unemployment claims. These findings are consistent with research Right Management has conducted over several years.

As the global outplacement leader and consistent with its reputation as an innovator, Right Management has invested in rigorous research to better understand the changing approaches used by human resource professionals and hiring managers when identifying and selecting candidates.

Participating in the survey were more than 2,000 internal and external recruiters, human resource executives and hiring managers from 17 countries, representing more than 20 industry sectors. The survey explored trends in recruitment as well as factors that influence hiring decisions. Four prominent trends were identified.

Monika Morrow

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1. “Outplacement Builds Its Value on Engagement,” research report by Aberdeen Group, 2011.

1. Prospective Employers Hold Reservations about Candidates with Multiple Past Jobs

Prospective employers in North America are more likely to have reservations about a candidate's multiple past jobs than are companies in any other part of the world. In many cases there were just marginal differences among North American, European or Asian respondents. But when it came to multiple jobs, there were statistically significant differences, with Canada and the U.S. most resistant to candidates who come across as job hoppers. That was a surprise since one could assume American and Canadian managers were more aware than most others of the job market turmoil of the past decade or more.

Table 1: Hiring Implications for a Candidate with Multiple Jobs

Percentage of respondents expressing reservations	
North America	57%
Asia Pacific	50%
Europe	38%
Global Average	45%

Having numerous former positions should not by itself disqualify a job candidate. Certainly many job changes would have to be explained if the individual gets to the interview. Indeed, 41% of respondents globally said they would not regard multiple jobs negatively if the overall experience is relevant to the position. Other respondents would take into account whether the candidate is in the early or middle career stage, in which case frequent job changes are more common.

In a downturned economy it is common for people to take on project and temporary work. And with sizeable growth of contract and temporary employees anticipated in the next five years, candidates with experience in multiple jobs are a reality to which hiring managers will need to adjust.

2. Networking Sites Are Used Frequently to Source Candidates

LinkedIn is the top networking site used by North American companies to find job candidates, with 93% of the respondents in the U.S. and Canada reporting on its popularity. Although it trails LinkedIn in North America, Facebook is dominant among European and Asian employers.

Table 2: Networking Sites as Source of Job Candidates

Percentage that said site was "useful"				
Websites	North America	Europe	Asia Pacific	Global Average
LinkedIn	93%	42%	32%	52%
Facebook	34%	62%	75%	58%
Twitter	18%	35%	48%	34%

“Most people tend to think of social or professional networking sites just as job-hunting tools. But career transition professionals are well aware that nearly all employers search these sites for possible job candidates.”

Most people tend to think of social or professional networking sites just as job-hunting tools. But career transition professionals are well aware that nearly all employers search these sites for possible job candidates. The survey, in fact, says that nine out of 10 large organizations in North America find at least one of these sites useful. It's also evident that companies consult more than one site when seeking suitable people for openings.

In addition to the top three networking sites, several others were also found useful by respondents, including Peoplenjobs, Plaxo, Scout, Viadeo and Xing.

Although nearly all employers today use networking sites as a sourcing method, it is only one among several. Number one is job posting on the company website, followed closely by referrals from company employees. Third are ads in printed media and on job boards, followed by informational interviews and staffing agencies.

3. Leadership Skills Are a Top Priority for Senior Hires

North American organizations place a higher priority on leadership ability and potential when filling top positions than do companies elsewhere. Considered among hiring factors for senior executive or C-level positions such as a Track Record for Driving Business Performance, Cultural Fit with the Organization, Creativity and Innovation, and Critical Thinking Skills, 71% of the respondents from North American companies gave Leadership Skills as the top priority.

When it comes to the very top positions, all organizations recognize the pivotal importance of leadership skills, whether they include innate charisma or skills carefully developed over a lifetime. But the survey findings reveal different levels of priority according to region, with organizations in Canada and the U.S. setting the highest priority on leadership. Europe matches the global average of 61%, but the percentage drops among Asia Pacific respondents.

Table 3: Leadership Ability and Potential as Hiring Factors for C-Suite

Percentage priority by region	
North America	71%
Asia Pacific	61%
Europe	53%
Global Average	61%

Leadership is the first priority everywhere. But in some regions other hiring factors are given relatively greater weight in hiring decisions. Nonetheless, the findings are statistically significant.

4. Employee Turnover Is Expected to Rise in the Next Five Years

Employee turnover is expected to increase worldwide during the next five years, with half the survey respondents globally expecting higher turnover. About a third foresee no change, and a minority see a decrease ... all of which points to greater turnover than organizations have been used to dealing with in the past decade. Only 14% of respondents globally anticipated a decrease in employee turnover.

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Table 4: Expectations of Higher Turnover in Next Five Years

Percentage anticipating slight or significant increase	
North America	59%
Asia Pacific	58%
Europe	41%
Global Average	49%

There's no such thing as typical or average turnover. Turnover varies widely from industry to industry. Moreover, some turnover is healthy, but high turnover is a top concern for all organizations everywhere. Yet, unless current expectations are wrong, most employers are soon going to have to cope with more loss of talent and know-how, greater recruitment and training costs, and all the turmoil entailed with people leaving and waiting for their replacement. Aside from the tangible costs, organizations may lose business opportunities as well as momentum, and constant departures undermine the trust and engagement of remaining workers.

Employers need to make greater efforts at identifying and retaining key contributors. Even high turnover may be manageable if an employer is able to keep most of the best workers

CONCLUSION

Sourcing and selecting job candidates are changing, and some approaches are losing ground to others. Classic, systematic networking continues to be the most effective way to find suitable employment, and Facebook and LinkedIn are the sites most used by hiring managers to source candidates.

Certainly technology plays a growing role in opening up new tools and enabling fresh ways to grow and maintain networks. But what is most interesting is that the fundamentals of what buyers and users want and need in outplacement solutions remain consistent over time. A job seeker uses the Internet to track down former associates or acquaintances and then reaches out to them in person. And, just like a cold call, the Internet is a way to make an initial contact with a prospective employer. Outplacement providers will do well to intensify their efforts here when assisting candidates in transition.

The net is that people, not technology, help people land jobs. Technology is an enabler. The heavy reliance on networking as the best source of identifying opportunities for job seekers, as well as the most lucrative source for finding new candidates by hiring managers, reinforces that "new age" fly-by-night virtual outplacement solutions don't make the grade for what is required by those buying and using the services. It is the quality of one's career coach and network that will deliver the best opportunities in the shortest amount of time.

The forecasted increase in turnover is certainly more than what many managers and leaders have dealt with in recent years. Employers need to make greater efforts at identifying and retaining key contributors. After all, talent is the only source of sustainable competitive differentiation today.

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Not all outplacement services are created equal, and providers vary from traditional consultants to technology startups and self-proclaimed next-generation outplacement vendors. Right Management stands ready with the most effective outplacement solutions based on over 30 years of experience working with two million candidates in transition. Right Management's body of research provides ongoing insight into what employees, candidates and clients need to be successful in today's job market.

Continual enhancements to programs are grounded in the actual realities of how candidates find their next job, supported by research with outplacement buyers and users, employers and recruiters. Right Management delivers what candidates need and clients demand with exceptional results. This is the standard that sets the bar for the entire industry.

About the Author

Monika Morrow is Senior Vice President, Career Management Services for the America's. In this role she is responsible for driving continuous improvement in the operating efficiency and effectiveness of the Career Management organization. This includes direct oversight for the Home-Based and Shared Services teams.

Her responsibilities also encompass service quality and driving exceptional candidate satisfaction as well as providing thought leadership and direction to the Global Centre of Excellence for Career Management in the areas of outplacement, individual career decision and career management and redeployment.

Monika holds an MBA from the University of Western Ontario and is a member of the Human Resource Professional Association of Ontario.

About Right Management


Right Management is the global leader in talent and career management workforce solutions. As the workforce consulting experts within ManpowerGroup, the firm designs and delivers solutions to align talent strategy with business strategy. Expertise spans Talent Assessment, Leader Development, Organizational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes—including more than 80% of the Fortune 500—to help grow and engage their talent, increase productivity and optimize business performance.


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