The Science of Talent Attraction:
Understanding What Makes People Click

Matt Berndt
Idea Center Evangelist
indeed.com
Why we recruit
Recruiting changes people’s lives

Recruiting is the #1 source of business impact

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"The secret of my success is that we have gone to exceptional lengths to hire the best people in the world."

Steve Jobs, Apple
"Our people are our greatest asset. And we are constantly trying to attract and retain high-quality talent."

Cathy Engelbert, Deloitte
"The biggest category of mistakes we've made is in hiring. Over the past 11 years, bad hires cost the company well over $100 million dollars."

Tony Hsieh, Zappos
"Human Resources isn’t a thing we do. It’s the thing that runs our business."

Steve Wynn, Wynn Hotel
The responsibility of talent leaders is immense
How will you fill key positions in 2017?
Part 1: The sociology of job search
Indeed conducted two comprehensive talent studies

**Employer survey**

Nationwide survey of 1,000 recruitment professionals. Survey conducted online April 6-10, 2015.

**Job seeker surveys**

Survey was conducted online within the US by Harris Poll and Decipher Research on behalf of Indeed from March 15-17, 2016 and March 16-22, 2016 among a total of 8,100 adults ages 18 and older.
Is it a fact or a myth?

20% Active

80% Passive

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It turns out that **91% of people** say that they are either actively looking or open to a new job.

- **9%** Not looking and not open
- **12%** have conducted a full job search in the last two years

Source: Indeed job seeker study conducted by Harris Poll and Decipher/FocusVision
It turns out that 91% of people say that they are either actively looking or open to a new job.

- **Look** at job opportunities: 91%
- Look at job opportunities at least monthly: 76%
- **Never** look at job opportunities: 9%

Source: Indeed job seeker study conducted by Decipher/FocusVision

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People who actively look at job opportunities are younger and more educated.

Sources: Indeed survey conducted by Harris Poll (Base=Employed or not employed but looking: 18-34, n=779; 35-44, n=420; 45-54, n=427; 55-64, n=436; 65+, n=178; High school or less, n= 592; Some college, n= 720; College graduate or higher, n= 951)
And the **vast majority** of them are currently employed.
Who doesn’t actively look at jobs?
Who doesn’t actively look at jobs?
People who are very unlikely to change jobs.
Visiting an online job search site is the #1 activity for people hired

95% of employed adults hired within the past year took an action to find a job 6 months prior to being hired.

- Visited an online job site or job board: 55%
- Visited company career sites: 52%
- Used a mobile job search app: 45%
- Visited an online professional social networking site: 25%
- Accepted help from a recruiter: 17%

Source: Indeed job seeker study conducted by Decipher/FocusVision
Candidates expect jobs to come directly to them via mobile.
A large percentage of people have job alerts that bring new listings to them.

- 59%: Workers subscribe to job alerts
- 52%: Between the ages of 18-34
- 49%: College Graduates or higher
- 40%: Household Earnings $100K+

Source: Indeed job seeker study conducted by Harris Poll and Deltapoll/FocusMelen

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Talent professionals see this every day

91% - Say that “people are always keeping an eye on the job market”

85% - Say “highly skilled workers are more likely to be keeping an eye out on new employment opportunities”

Source: The Polling Company

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And our research shows that starting a new job barely changes people’s job search behavior.

- **65%**
  - Of candidates look at new jobs again on Indeed within 91 days of being hired.

- **50%**
  - Of people who make $100K-$110K look at new jobs again within 28 days of being hired.

Source: Indeed Data.
The sociology of job search

Truly passive candidates are rarer than you might think

Younger, highly educated candidates are more likely to be active

Online job search is the #1 activity for people who get hired

Job search is never-ending: most new hires look for jobs again within 91 days

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Part 2: The psychology of job search
Candidates must make at least 7 major decisions before they become an employee with your company.
The Career Decision Making Process

01 Consider a change
02 Consider your company
03 Consider a position
04 Apply
05 Commit to the process
06 Accept the offer
07 Appear at new job

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1. Consider a change
The first step is the hardest by far
Research Observation #1
Career decisions are among the most stressful life decisions
After family and health, **career events have the biggest impact** on stress and happiness.
Career Changes

- 20 Change in working hours or conditions
- 23 Trouble with boss
- 29 Change in responsibilities at work
- 36 Change to a different line of work
- 45 Retirement
- 47 Dismissal from work

Other Life Changes

- 20 Change in residence
- 29 Child leaving home
- 30 Foreclosure of mortgage or loan
- 40 Pregnancy
- 50 Marriage
- 63 Death of a close family member

Source: Holmee and Rahe Stress Scale
Research Observation #2

Most people are wired to be resistant to career change
Career change requires people to project into the future and imagine the potential benefits and risks.
The Problem: Research shows that most people will overestimate risks associated with a change.
“When weighing up the costs and benefits of a decision, we make two errors. First, we overestimate the probability of failure in a new direction because of our negative bias. Second, we underestimate the benefits of change because we fail to imagine or visualize the results of that change in much detail.”

The Career Psychologist, 2014
Maslow: Our Brains are wired for survival, not fulfillment

“Our brains evolved to anticipate and predict the worst and we try to eliminate this risk. That's why our cognitive functions and emotions evolved too—and why we're 3 to 5 times more sensitive to negative stimuli than positive.”

Career Psychologist on Maslow

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Research Observation #3
Career changes are major life changes and change takes a lot of work

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The forces against career change are incredibly strong.

1. Consider a change

- Career changes are **high stress**
- We **underestimate** the potential benefits
- We overestimate the **chance of failure**
- Making a career change is **hard work**

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So what leads employed people to make the decision to change jobs?
People look for jobs when they are inspired by new opportunities or disillusioned with their current work.

- **26%** When I see posts about an interesting company or job
- **19%** When I feel dissatisfied with my current job
- **21%** When I feel discouraged about my current job situation
- **18%** When I feel stressed about money
- **10%** When I don’t get recognized for an accomplishment at work

1. **Consider a change**
   - Career changes are high stress
   - We overestimate the chance of failure
   - We underestimate the potential benefits
   - Making a career change is hard

*Source: Indeed survey conducted by Harris Poll*
When all things are equal, 9 out of 10 talent professionals would prefer to hire an active candidate.

I would prefer to hire a candidate that is:

- **Active & Unemployed**: 45%
- **Active & Employed**: 45%
- **Passive & Open**: 9%
- **Passive & Not Looking**: 2%

Source: The Polling Company

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Active candidates have already done most of the psychological work to prepare themselves for change.
The Career Decision Making Process

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What attracts candidates?

Most candidates consider opportunities based on pay, location and flexibility.
92% would be attracted by:

8% none

(Source: Indeed survey conducted by Harris Poll
[Base—Employed or not employed but looking, n=2,213])
Generational and life-stage differences in the importance of “meaningful work”

Source: Indeed survey conducted by Harris Poll (Base=Employed or not employed but looking, n=2,293)
Research Observation #4
People feel better about decisions that they fully control
Candidates believe it’s important to direct their own job search

79% agree or strongly agree

“When deciding whether or not to accept a job offer, it’s important to me that I’ve looked around at other opportunities first.”

72% agree or strongly agree

“If a recruiter or a friend proactively contacted me about a position I would consider other available jobs as well (rather than only consider that specific position).”

Source: Indeed job seeker study conducted by Decliphic/FocusVision

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Even candidates believe they will be more successful if they actively look at new opportunities.

60% of employed adults think they would be more successful in a job they found on their own versus one they got from a recruiter or company that contacted them.

Source: Indeed job seeker study conducted by Decipher/FocusVision

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The psychology of job search

Career changes involve a stressful, multistep psychological process

For passive candidates, the psychological obstacles to change are enormous

Active candidates, by definition, are ready for change

Candidates prefer to be in control of their job search so that they find the best fit

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Part 3: Your tactics determine your talent
But they all fall into two basic approaches.
Inbound candidates apply to your jobs

The candidate applies first

Inbound

- People finding you in job search
- Referrals who apply
- Career fairs
- Responses to job postings
- Applications from social recruiting
- Visitors to your career site

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Outbound candidates respond to your recruiters

You contacted the candidates first

- Contacting people through Indeed Resume
- Contacting people via LinkedIn
- Contacting people in a resume database
- Referrals that you call

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Inbound and outbound tactics vary greatly in **cost, complexity and workload**.
Talent professionals believe it’s more expensive to recruit passive candidates.

Expense of Outbound Recruiting

- More/Equal: 87%
- Less: 13%

(Source: The Polling Company (n=1,000)) #indeedinsights
Most talent professionals try first to fill open positions with inbound candidates.

- Easier
- Faster
- Lower cost
- More likely to result in success

Source: The Polling Company (n=1,000)
Companies that fully measure cost per hire find additional reasons why outbound recruiting is more expensive

- Labor intensive
- Low candidate response rates to inquiries
- Low offer acceptance rates
- Long lead times
- Uncertain cultural fit
- Time-consuming to overcome psychological barriers to change

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Inbound and Outbound candidates are different: Once on the job, active candidates have a stronger desire to succeed.

**Motivational Drive to Succeed Once Hired**

- About the same: 41%
- Active: 51%
- Passive: 8%

Talent Professional Survey:
“Once employed in the company, who do you feel has better motivational drive to succeed: an active candidate, a passive candidate or both (about the same)?”

Source: The Polling Company (n=1,000)
When thinking about “passive candidates” that you have hired, what are the reasons some are not successful in their new roles?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of passion and commitment</td>
<td>45%</td>
</tr>
<tr>
<td>Can’t adapt to position</td>
<td>40%</td>
</tr>
<tr>
<td>Not a good fit</td>
<td>32%</td>
</tr>
<tr>
<td>Can’t adapt to culture</td>
<td>31%</td>
</tr>
<tr>
<td>Can’t get along with management</td>
<td>16%</td>
</tr>
</tbody>
</table>

Lack of passion is the #1 reason that passive hires fail.

(Source: The Polling Company (n=1,000))
Companies are chasing the wrong hires

THE WALL STREET JOURNAL.

“Active candidates are already looking and mentally prepared to switch companies, locations, or careers. [Passive candidates, by contrast, are] “more difficult to find, engage with, and motivate to make major life changes, which leads to longer times to fill.”

—Jonathan Turner, Corporate Director of Human Resources at B/E Aerospace, in the Wall Street Journal, “Companies are Chasing the Wrong Hires”
Inbound recruiting has its challenges as well:

1. Some roles get too many applications to screen
2. Some roles are hard to quickly fill
3. Difficult to control who applies
4. Some open roles need to be kept confidential
5. Resume often don’t provide enough data to find best candidates
So how can you shape your recruiting organization to best take advantage of the changing nature of job search?
5 Practices to Find the Right Talent
1. Sequence recruiting tactics to maximize quality, cost and performance
Sequence investments to maximize quality and minimize cost

Inbound first: Free Inbound, Paid Inbound

Outbound if needed: Outbound
In the US, the hardest positions to fill include software engineers and many other high-demand technology-related positions.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Detailed occupation</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retail Sales Manager</td>
<td>Chicago</td>
</tr>
<tr>
<td>2</td>
<td>Operations Manager</td>
<td>Austin</td>
</tr>
<tr>
<td>3</td>
<td>Retail Sales Manager</td>
<td>Atlanta</td>
</tr>
<tr>
<td>4</td>
<td>Computer Software Engineer</td>
<td>Washington</td>
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<td>5</td>
<td>Computer Software Engineer</td>
<td>Seattle</td>
</tr>
<tr>
<td>6</td>
<td>Management Analyst</td>
<td>Atlanta</td>
</tr>
<tr>
<td>7</td>
<td>Computer Software Engineer</td>
<td>San Francisco</td>
</tr>
<tr>
<td>8</td>
<td>Computer and Information Systems Manager</td>
<td>Seattle</td>
</tr>
<tr>
<td>9</td>
<td>Software Quality Assurance Engineer</td>
<td>Washington</td>
</tr>
<tr>
<td>10</td>
<td>Retail Sales Manager</td>
<td>Dallas</td>
</tr>
</tbody>
</table>

Source: Indeed, CNS, Career analysis, Dec 2014
2. Shape your candidate pipeline
In the era of search, you control your talent

5 key levers to shape your talent pipeline with search

1. Job titles
2. Job descriptions
3. Career site
4. Apply process
5. Company reviews

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Write great job descriptions that **draw talent** and perform well in search.

We’re looking for **thoughtful, well-rounded** front-end engineers to join our team. If you’re the right one for us, **you love the Web**, **take great pride** in your work, think of coding as **more than just a job**, and have a few great projects to show off. You can **take a concept and transform it** into an awesome Web-based experience with your own technical and UI/UX expertise.

**Spotify** job posting

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Write great job descriptions that draw talent and perform well in search

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Spotify job posting

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Make it easy for candidates to browse and apply on mobile devices

Use mobile: 68%
Don’t use mobile: 32%

Source: Indeed Data
Be careful not to lose good candidates to overly complex application processes

Source: Indeed Data

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3. Build a brand that brings talent to you
Your brand determines your candidates

83% Say reviews impact where they apply

46% Say company reputation has a big impact on decision to accept a job

5% Increase in apply rate when employer reviews are available

Source: Redshift Research Study for Indeed

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4. Optimize the inbound and outbound candidate experience for top talent
Your inbound process needs to be good enough that you would encourage a great candidate to go through it.
Airbnb recognized that their candidate experience needed an overhaul

**Storyboarding Exercise | Mapped experience end-to-end**

1. What do we want them to **know**?

2. What do we want them to **feel**?

3. What does **rejection** look like at this stage?

4. What makes this stage **uniquely** Airbnb?
5. Build a platform for inbound recruiting
If outbound recruiting is akin to sales, inbound recruiting is much more like marketing
Recruiting technology will continue to evolve to look more like marketing technology.

Using technology to get great at matching applicants and opportunities.

<table>
<thead>
<tr>
<th>Marketing Technology Platform</th>
<th>Recruiting Technology Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website and Landing Page</td>
<td>Career Site</td>
</tr>
<tr>
<td>Lead Capture</td>
<td>Apply</td>
</tr>
<tr>
<td>Predictive Scoring</td>
<td>Screening</td>
</tr>
<tr>
<td>Marketing Automation</td>
<td>Candidate Marketing Automation</td>
</tr>
<tr>
<td>CRM</td>
<td>Candidate CRM</td>
</tr>
<tr>
<td>Performance Analytics</td>
<td>Talent Performance Analytics</td>
</tr>
</tbody>
</table>
Measure fully loaded cost per successful hire including recruiter labor costs
1. Sequence recruiting tactics

2. Shape your candidate pipeline

3. Build a brand that brings talent to you

4. Optimize candidate experience

5. Build an inbound recruiting platform

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What is the impact of becoming great?
87% reduction in cost per hire
½ the applicants required to fill a position
Targeted candidates 8X+ more likely to apply
+faster time to hire

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Get all the insights from our Talent Attraction Study:

indeedhi.re/attractionreport

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