

HR & TALENT ADVISORY

# Acquiring Talent in High Tech

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Trends in Talent Acquisition  
for Technology Companies

**KINCENTRIC** A Spencer Stuart Company

# A New Focus

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The concept of return on relationship<sup>1</sup> has popped up in recent years as a way to define the perceived and real value of building a relationship with a customer. With the advent of social media, customers can make connections and share information to build relationships with companies like never before, and companies need to actively foster those relationships.

Faced with elevated competition for talent, talent acquisition functions are shifting the way they are organized and how they think about the talent acquisition process. Recognizing that potential candidates are similar to customers, with unique demands and values, talent acquisition functions are putting an increased focus on building candidate relationships with an expectation that it will ultimately pay off.

A Kincentric study of talent acquisition functions at seven technology companies<sup>2</sup> indicates that they are increasingly applying sales and marketing concepts to traditional organization structures, practices, and programs. With a focus on candidate experience, the functions have become more integrated to drive consistency in processes to ensure a seamless and standardized customer experience. The need to make connections and build relationships with potential talent has led to teams with dedicated sourcing specialists. In addition, new imperatives to clearly articulate an employee value proposition to candidates and optimize social media channels have driven an increase in dedicated branding and marketing resources aligned to talent acquisition.

To effectively make these changes, talent acquisition functions must build or acquire new skills, operate with increased costs that likely will not be offset by efficiency gains, and coordinate more closely with HR to retain talent and ensure the highest possible return on their organizations' investment in acquiring the talent.

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## THESE SHIFTS HAVE BEEN DRIVEN PRIMARILY BY:

- **Objective of “0 days to hire”**  
There is a newfound belief that the talent acquisition function should know the business well enough to recognize a business need before a requisition is submitted—and proactively have the best candidates ready to interview.
- **Competition on campus**  
Campus hiring has increased significantly over the past three to five years and remains a strategic priority for hightech companies.
- **Rise of social media**  
Strategic social media campaigns and dedicated resources for curating social media content have become prevalent in the past year.

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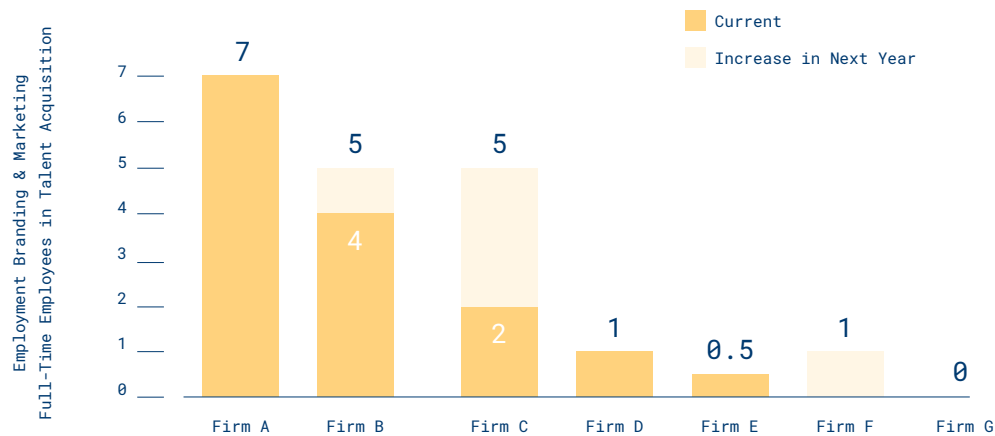
1 - Rubin, Ted. "Why 'Return On Relationship' Makes Marketing Dollars (And Social Media Sense)." Forbes. July 30, 2013.

2 - The seven companies in the study have median 2015 annual net revenues of \$3 billion, median full-time employees of 7,250, and median years of business operations of 23 years.

## Growing employment branding and marketing teams

- Seventy-one percent of study participants have employment branding and marketing resources aligned to talent acquisition. Forty-two percent plan on increasing the number of resources in the next year.

Growing Employment Branding and Marketing Headcount



## Prevalent sourcing models

- Seventy-one percent of study participants have dedicated sourcing resources.
- Two participants use a team model with a sourcing specialist and a coordinator aligned to a recruiter.
 

**Advantage:** Allows recruiter to spend time with manager.
- Two participants use a pod model with a lead, a couple of recruiters, and a couple of sourcing specialists dedicated to a business or type of role.
 

**Advantage:** Allows sense of ownership and creative problem solving.
- Two participants use a regional alignment model with sourcing specialists dedicated to a specific region.
 

**Advantage:** Allows sourcers to have thorough knowledge of the nuances of the marketplace and candidates.

100%

All participants say that social media has become a focus over the past year. Most are building skills or acquiring dedicated resources with social media expertise to focus on managing social media channels.

## Other Notable Trends



### Embedded contractor models

All respondents are optimizing their contractor models and have made contractors a core part of the talent acquisition staffing model. At 32% of the total function headcount, contractors make up a significant portion of these organizations. Most companies have contractors embedded within the organization, sitting onsite with employees to build a sense of team and help ensure standard processes and a consistent candidate experience. The use of contractors in this model provides increased flexibility for organizations, allowing the function to expand or contract quickly with hiring demand. Most companies have contractors supporting campus hiring only during the peak season. Responsibility for campus recruiting remains with the organization's employees, not only because the recruiting is more stable and predictable so there is less need to flex with demand, but also due to the strategic importance of the program.



### Measured experience

All respondents assess customer satisfaction scores and/or collect net promoter scores to measure candidates' and managers' experience with the process. Net promoter scores assess whether or not a new hire would refer others to apply to the company (these scores are important because new hires are a good source for more candidates). Three of the study companies started collecting net promoter scores during the past year to gather additional data on candidate experience. Most organizations believe that with the reporting and analytics tools that exist today, assessing candidate experience and linking it with hiring and performance data to assess hire quality will become easier.



### Focus on campus

Campus programs have grown significantly over the past three to five years in terms of both the number of candidates hired and the size of the teams supporting the program. Growth in campus programs has been driven by the desire to gain talent with new perspectives and ways of thinking. More resources have been added to the internal talent acquisition function to ensure the ability to develop relationships with schools and attract talent by conveying a compelling value proposition for working in the technology industry.



### Tools for building a pipeline

Applicant tracking systems (ATS) have become foundational technology and are no longer a differentiator for best practice talent acquisition. Generally, organizations have ATS to serve their applicant tracking needs, even if they don't have best-in-class ATS technology.

The new focus is on customer relationship management (CRM) tools and tools that integrate with the external talent marketplaces. Such tools support the development of candidate relationships, building the pipeline of candidates necessary for meeting business needs and the objective of "0 days to hire." While emerging technologies geared toward matching potential candidates to open roles are becoming more prevalent, the companies in the study have not fully integrated these technologies with their sourcing programs.

# Conclusion



### **New skills and capabilities in talent acquisition**

Talent acquisition must develop or acquire skills to support new strategic imperatives. Talent acquisition today does not have the sales and marketing skills needed to segment talent populations and strategically determine how to best meet their demands. Social media expertise and skills are necessary for optimizing social media channels, which quickly have become the most common ways to search for candidates and for candidates to search for jobs.

This new model for talent acquisition will require recruiters to act as talent acquisition business partners who can consult with managers to identify needs and solutions, not just act as order-takers. As sourcing teams free up recruiters' time, recruiters gain the capacity to serve the business in this expanded role—provided they have the capability.



### **Focus on return instead of costs/efficiency**

An increasingly competitive talent market is making it more costly to get talent in the door. Candidates have access to more information than ever on company culture and expected compensation, and are able to weigh options when choosing a job. The changes necessary to meet this growing competition mean real costs for companies. The study participants with a dedicated sourcing staff, the highest headcounts in marketing and branding, and the most support for campus programs have the highest costs per hire of all participant organizations.

The increase in costs to support this new talent acquisition model will not be offset by greater efficiencies in processes or technology as they have in the past. The study participants with the highest costs per hire have relatively advanced talent acquisition functions with mature processes and optimized technology.



### **Coordination with HR to deliver on the employee value proposition**

While talent acquisition can articulate the employee value proposition to candidates and track candidate experience for the first 12 to 18 months of employment, the function cannot deliver beyond getting talent in the door. HR and managers need to take over ownership of the employee experience. They must retain talent through talent management programs that support employee engagement and career development, along with total rewards programs that meet employees' expectations.

Increases in campus hiring will have downstream impacts for HR. The influx of younger generations means that organizations must be ready to support this population. With large pools of top talent, campus programs represent a high-volume channel for getting good talent in the door. However, HR functions should be prepared to train managers to manage the millennial and Gen Z populations, have impactful early career development programs, and reward them in a meaningful way.

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**Contact us** to talk about how we can help.

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## About Kincentric

Kincentric, a Spencer Stuart company, approaches human capital differently – we help you identify what drives your people, so they can drive your business. Our decades of expertise in culture and engagement, leadership assessment and development, and HR and talent advisory services enable us to help organizations change from the inside. Our global network, proven insights and intuitive technologies give us new ways to help organizations unlock the power of people and teams. For more information, visit [kincentric.com](http://kincentric.com).

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