

Taleo Business Edition Summary Report

Social Networking: How It Changed Recruiting and the Next Generation of Online Tools

The down economy and the new drivers of more effective recruiting

Social Networking: How It Changed Recruiting and the Next Generation of Online Tools

Using new technologies to navigate a complex recruiting environment

For recruiters, the talent acquisition environment in 2009 is strikingly different and more difficult than in previous years. With 2008 ending as the worst year for layoffs in the U.S. since the end of World War Two and unemployment rates increasing to 8.5 percent in March 2009, 13.2 million people are now looking for jobs.

Most of these unemployed are turning to online job board and career sites that make it easy to apply for any position that seems like even a remote fit. As a result, finding top talent in a market flooded with unqualified candidates has become much more difficult.

To find the best candidates among active and passive job seekers, more recruiters are turning to free social networking technology as an increasingly attractive alternative to paid job boards. Whether the economy is up or down, the ability to source candidates on social networks will be essential for recruiters in the coming years. These mostly free technologies can provide a powerful advantage to find qualified candidates in specific locations with specific skills and training. However, recruiters must understand how the different applications work and the audiences these sites, applications and networks attract.

Recruiters who wish to succeed must become more adept at using social networking and other Web 2.0 technologies to find the best candidates. This paper provides an overview of current technologies and websites, and offers recommendations about incorporating them into daily practice.

Web 2.0 technologies continue rapid growth

Anyone who wants to understand how to best reach the best candidates in the current economy must first understand how Internet usage has changed over the past several years. Over the past several years, the exponential growth of social networks, blogs and Web 2.0 technologies have changed what is possible in the world of recruiting. [MySpace](#)[®], [Facebook](#)[®], [LinkedIn](#)[®] and other sites offer people with common interests a place to gather and share contacts, opinions, experiences, and increasingly, job opportunities. The numbers are staggering:

- **LinkedIn** has approximately 36 million members – more than half located in the U.S.
- **Facebook** has more than 175 million members, and about 30 percent of them – more than 50 million – are in the U.S.
- **Twitter**[®] has more than 11 million users and attracted 7 million unique users in February – a 1,382 percent growth since last year.¹

These innovative web solutions have also been a result of larger changes in the use of the Web, thanks to increased broadband access and cheaper data storage. According to Nielsen/Net Ratings, more than 72 percent of the U.S. population uses the Internet, but it is even more revealing what they are doing online. According to Forrester's North American Media & Marketing Online Survey done in Q2, 2008, 29 percent of adults between 25 and 34 years old create online content such as blogs, upload videos, and publish web pages on a monthly basis, and 42 percent post ratings or reviews of products and services online, comment on someone else's blogs, or use other means to critic already existing online content.

¹ Leberecht, Tim. SXSW thoughts on Twitter's past, present, future. CNET News. March 22, 2009. http://news.cnet.com/8301-13641_3-10201713-44.html

Expect these numbers to grow as media consumption habits continue to change. According to recent research from eMarketer², Web 2.0 technologies are among the fastest growing media sources:

- **Blogs** are now used by 24 percent of Internet users, up from 13 percent in 2006.
- **Social networks** are now used by 26 percent of Internet users, up from 17 percent in 2006.
- **Videocasts** are now used by 11 percent of Internet users, up from 6 percent in 2006.

Social networking is still the future of recruiting

Job opportunities, like any other content of interest for members of social and professional networks are being shared and tagged everyday. Although recruiters have been one of the first professional groups to embrace these online networks to source, screen and know more about potential candidates, today that advantage is shrinking and will be gone soon as more and more recruiters are using these tools.

The next generation recruiters must not only be aware of these online tools but also have a profound knowledge on how to maximize the value from them. They also need to be continuously watching new tools and experimenting with them.

“I’ll be stunned if 20-50 percent of candidate referrals aren’t coming through online communities in five or six years” says Jason Blessing of Taleo, a leading eRecruiting software company. Blessing says that while referrals and networking have always been the most effective techniques to source quality candidates, over the last couple of years, many of these efforts have gone virtual through both employee referrals and professional networks.

Even though most recruiters are already aware of the benefits of social networks geared toward professionals such as LinkedIn, a number of other

similar networks are available such as [Plaxo](#)[®], [Ecademy](#)[®] and [Ryze](#)[®], and other sites that offer access to niches or better manage their networks continue to come online, including:

- [Doostang](#)[®] is similar to LinkedIn but a good source for candidates from exclusive top schools and recently graduated candidates.
- [Naymz](#)[®] aims to simplify the process of managing and building an online professional network.
- [AffinityCircles](#)[®] is social networking for member-based online communities, such as alumni associations.
- [Xing](#)[®], [Viadeo](#)[®] and [Tianji](#)[®] provide access to international professional networks.
- [Vault](#)[®] is a network made of user generated content that provides great insight into company’s business in formation, culture and such that can help with finding new job orders and/or candidates.
- **School and corporate alumni networks** can also offer goldmine of candidates and information.

Although recruiters can use many of these networks to build extensive contact lists to source candidates better, LinkedIn is still the leader because of its size and integration with other useful applications, including:

- [SimplyHired](#)[®] allows recruiters to search for jobs posted on LinkedIn and also on other job boards.
- [Six Apart](#)[®] is blogging software that allows users to connect a blog to a LinkedIn profile and pull in the latest blog posts from the user’s network.

² Traditional Media Use Stabilizes as Online Rises. eMarketer.com. January 29, 2009. <http://www.emarketer.com/Article.aspx?id=1006892>

- **Twitter** allows users to track what is written about your company on a real-time basis with LinkedIn's "Company Buzz" application.
- **Wordpress**[®] is blogging software that can be synced with a LinkedIn profile.

Don't overlook the power of blogging

Although more recruiters are choosing to build their personal brand through blogging, even those who don't can use the power of the blogosphere to source candidates and job opportunities using these sites.

- **Twitter** is an often misunderstood site, but can be quite valuable to recruiters. With a post limit of 140 characters, this microblogging site is a must for recruiters who want to network, engage and market themselves.³ Using the search tool, recruiters can source candidates and also find job opportunities. However, use a hash tag (#) before a word in a post to tag it and make the content searchable.
- **Technorati**[®], **Blog Catalog**[®] and **Google Blog Search**[®] can help you identify and search relevant blogs that can yield talented passive candidates among those who blog and comment.
- **Friendfeed**[®], **Digg**[®], **del.icio.us**[®] and other content sharing sites can offer channels to maintain relationships with candidates⁴ and even source talent.⁵

Passive candidates still matter

In a job market flooded with active candidates, passive candidates still matter because much of the best available talent for any position is still employed. However, as these workers are being asked to do more to compensate for jobs cuts and a slow economy, they may be interested in a better offer if you can develop a relationship with them.

The personal aspect of social networking is one reason that draws many human resources professionals to sites like Friendster and Facebook. Of Facebook, Blessing says, "It's much more about sharing preferences and experiences and building a community of friends. All of the applications that have sprung up on Facebook really perpetuate that culture."

He says this makes Facebook and some of the other social utilities such great places for employers to source candidates, and why his company makes software that helps Facebook users share job openings with their friends. Often the friend noticing the job posting isn't actively looking to change jobs, but can be enticed by the right opportunity and by the knowledge that it's their friend who is making the recommendation. Blessing says it is these passive candidates that employers have to tap into, especially during a tight labor market where everyone is chasing a finite number of candidates. "Passive doesn't mean uninterested," he points out.

3 Meher, Jessica. Why Recruiters Should Use Twitter and Must-Know Tips for Finding New Talent and Business. RecruitingBlogs.com. December 9, 2008. <http://recruitingblogs.ning.com/profiles/blogs/why-recruiters-should-use>

4 Peterson, Geoff. Add FriendFeed to Your Bag of Tricks. ERE.net. July 21, 2008. <http://www.ere.net/2008/07/21/add-friendfeed-to-your-bag-of-tricks/>

5 Stroud, Jim. How to find passive candidates with Digg. The Recruiters Lounge. February 25, 2008. <http://www.therecruiterslounge.com/2008/02/25/how-to-find-passive-candidates-with-digg/>

Although social networks can be useful, recruiters should be aware of a network's audience and how it can be useful:

- **Facebook** is a good tool to find candidates using affinity groups as well as learn more about a candidate's personal life. With more than 175 million active users, more than half of its users are now outside of college, the network's fastest growing demographic is those 35 and older.
- **MySpace** has 185 million users with a primary demographic between 14 and 34, and is considered a good site for recruiters to find candidates for the retail industry, the armed services and for entry-level positions.
- **MiGente**[®] is social network geared toward this Hispanic community in the U.S.
- **MeetUp**[®] is good tool to use as a backdoor to find people that are part of certain affinity groups. Because users must meet certain criteria to qualify and join, recruiters can't get contact info, but can glean information and eventually learn qualified names that later can be profiled for contact information.
- **The growing number of international networks** with large numbers of users centralized in specific countries have become effective sources for candidates for recruiters of multinational talent. Several worldwide networks that may be less-known than Facebook and MySpace but still have very large user bases include **Friendster**[®] (100 million users) and **Tagged**[®] (70 million users). Recruiters sourcing international talent might also be interested in these job boards:
 - **His**[®] is the No. 1 social network in over 30 countries across Latin America, Europe, Asia and Africa.
 - **Bebo**[®] has sites around the globe, including the U.S., U.K., Ireland, Australia, New Zealand, Canada, Poland, France, Germany, Italy, Spain, India and the Netherlands.
 - **Orkut**[®], which is owned by Google, is a network especially popular in Brazil and India.
 - **Wasabi**[®] is a European-centered social network with sites for the U.K., France, Germany, Italy and Spain.
 - **Mixi**[®] is a Japanese-language site with over 10 million users and a 90 percent share of the social networking market in Japan.
 - **Kiaxin**[®] means "fun" and "happiness" in Chinese and is a fast-growing social network in China that attracts college students and white-collar workers. **Hainei**[®] and **Xiaonei**[®] are Chinese social networks with more of a focus on college-students.
 - **CyWorld**[®] has large numbers of users in Korea, China, Japan and Taiwan.
- **Ning**[®], a do-it-yourself platform that allows users to build their own social networks with little effort and no cost, has more than 700,000 networks with millions of users online as of the end of 2008. Using Ning, recruiters can build their own social networks to nurture and maintain relationships with candidates, or look for networks to join in the search for passive candidates.

Job seekers expect engagement

As social networking becomes more pervasive, candidates expect more transparency and interactivity with potential employers. With these expectations come opportunities for recruiters to use these technologies to assess and engage employees.

Because most Internet users prefer to watch rather than read, video offers recruiters and hiring managers an opportunity to make a compelling case to a candidate why they should – or in some cases shouldn't – be interested in the organization. Businesses can show important details about the position and the workplace that will encourage interest from qualified candidates and help those who are unqualified or a poor fit realize that they should not apply.

Instant Messaging (IM) is another important Web 2.0 tool for recruiters. Some organizations are building into their pre-screening processes the ability to connect uniquely qualified candidates directly with recruiters by IM for further screening or an immediate pre-interview. In spite of the economy, the best candidates will still get job offers quickly, and the speed of IM offers savvy recruiters a significant advantage. One job site, **Jobirn**[®], sets itself apart by using IM to connect candidates, employers and recruiters.

Additional software allows recruiters and hiring managers to keep track of applicants, acknowledge receipt of their applications and resumes, and begin building a database of potential hires. Offering candidates the chance to build and maintain profiles allow recruiters a channel to nurture relationships for positions that will be needed in the future but may not be currently available. Keeping these lines of communication between potential candidates and recruiters can have an impact on candidate experience and conversion rates.⁶

Recruiters must be mindful of diversity

Even though Web 2.0 technologies can make it easier to source candidates, recruiters who recruit minority or older workers must be aware that their lower rates of computer ownership and Internet usage will make them harder to find, not easier.⁷

In many instances a recruiter may spot something in a profile that looks promising and informally sound out the person on their professional interests. This personal touch can counterbalance the transactional nature of so much online sourcing. People are often flattered to hear from recruiters impressed by their profile. The amount of information online acts as a pre-qualifier and gives both participants a framework to begin establishing a relationship.

Filters can be activated to prevent potentially discriminatory data – a photo, say, or a person's age or race – from being transmitted to the recruiter, shielding the recruiter from any compliance issues.

The changing face of online recruiting

The growth of social networking blogging doesn't mean that job boards are extinct, but these technologies are changing how job boards are used.

- **Job aggregators** such as **Indeed**[®] and **Simply Hired** have increased in popularity as one-stop-shops for job searches on a wide variety of job boards, including free sites such as **FreeBug**[®], **Craigslist**[®], city-specific job boards and industry-specific sites such as **Staffitnow**[®] and **Vitruva**[®] for IT jobs.
- **New ways to search** differentiate other boards – **My Perfect Gig**[®] features a skill cloud interface in order to navigate job seekers to their ideal job in a few clicks, and **Jobfox**[®] uses an in-depth question and answer format to learn about your experience, wants and needs.

⁶ Henricks, Mark. Recruiting 2.0. Entrepreneur Magazine. February 2009. <http://www.entrepreneur.com/magazine/entrepreneur/2009/february/199672.html>

⁷ Ibid.

Recruiters also have more information than ever at their fingertips, and a number of sites allow them to access contact and company information with ease.

- [JigSaw](#)[®] allows recruiters to receive contact information in exchange for submitting contact information. Contact information is also available for purchase.
- [ZoomInfo](#)[®], [Spoke](#)[®] and [Hoover's Connect](#)[®] allow recruiters to gather business information such as executive names, titles and in some cases contact information. Although some information can be accessed for free, all require a paid membership for more detailed information.

Other sites offer services that help recruiters maximize the value of their social networks and find candidates online quickly and efficiently.

- [Arbita](#)[®] and [Avature](#)[®] provide recruiters with training and education to help recruiters learn how to make the most of the social networking strategy.
- [RealContacts](#)[®] allows recruiters to post jobs into their extended network of personal contacts and pay only when jobs are filled.

Conclusion

Even though technology is changing the practice of recruiting, it isn't completely changing the fundamentals. Whether you are a corporate recruiter or from a staffing or recruiting agency, you must keep using and prioritize proven sales and sourcing techniques such as the cold calling, asking for referrals, leveraging your offline networks and searching through your in-house candidate database. However, recruiters that master the use of online tools and integrate them into their daily workflow will find it will facilitate hiring better candidates in less time.

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ABOUT TALEO

Taleo (NASDAQ: TLEO) is the leader in on demand, web-based talent management solutions that empower organizations of all sizes, around the world to assess, acquire, develop and align their workforce for improved business performance. More than 1,380 organizations use Taleo, including 35 of the Fortune 100, for talent acquisition and performance management, with over 1 million users processing 71 million candidates from over 100 countries. Requiring no capital investment, Taleo's software as a service and on demand delivery offers 99.9% availability.

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