



# Recruiting Senior Talent 2013:

A study on how successful employers  
fill management positions



# Introduction

Attracting and hiring top candidates for senior roles is a tremendous challenge across all industries. Historically, employers relied on executive search firms to fill these positions, but the Internet has considerably changed the overall recruitment landscape. Most talent acquisition today is done online. However, some companies question whether this method is optimal when looking to recruit for senior positions.

This study was conducted to understand how companies with a well-structured recruitment strategy hire senior executives in the modern environment. Key questions that drove our enquiry were:

1. Where did employers source their applicants for senior roles?
2. Where did the actual hires originate?
3. What was the turnaround time from candidate application to hiring?

“Most talent acquisition today is done online.”

## The study

This study took into account 619 senior hires made across more than 30 medium and large companies in Asia Pacific and the Middle East, operating within a wide selection of sectors including retail, construction, banking, transport and telecommunications. The period of hire included a 15-month period during 2012/2013.

The vacancies ranged from senior roles such as Director of Marketing, Financial Controller and Head of IT, to executive management positions such as Chief Executive Officer and Chief Operating Officer. A total of **350,174 candidates applied for those 619 positions.**

All the focus companies involved have a solid online recruitment strategy that includes a dedicated career website and an enterprise recruitment system, allowing them to track applications throughout the hiring process.



# Senior applicant sources

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- 1. More people apply to senior roles than to any other type of position. Across the board, an average vacancy attracted 274 applicants. For a senior vacancy however, this number was almost double: each senior job opening produced an average of 566 applications.
- 2. There are more senior applicants today than ever before. Since 2011, there has been a 70% increase in applicants for management positions. This rise could be due to the fact that:
  - Candidates are increasingly looking for work online, especially for senior roles
  - A growing number of senior candidates are searching for jobs due to the world's current economic climate

Number of applications per source

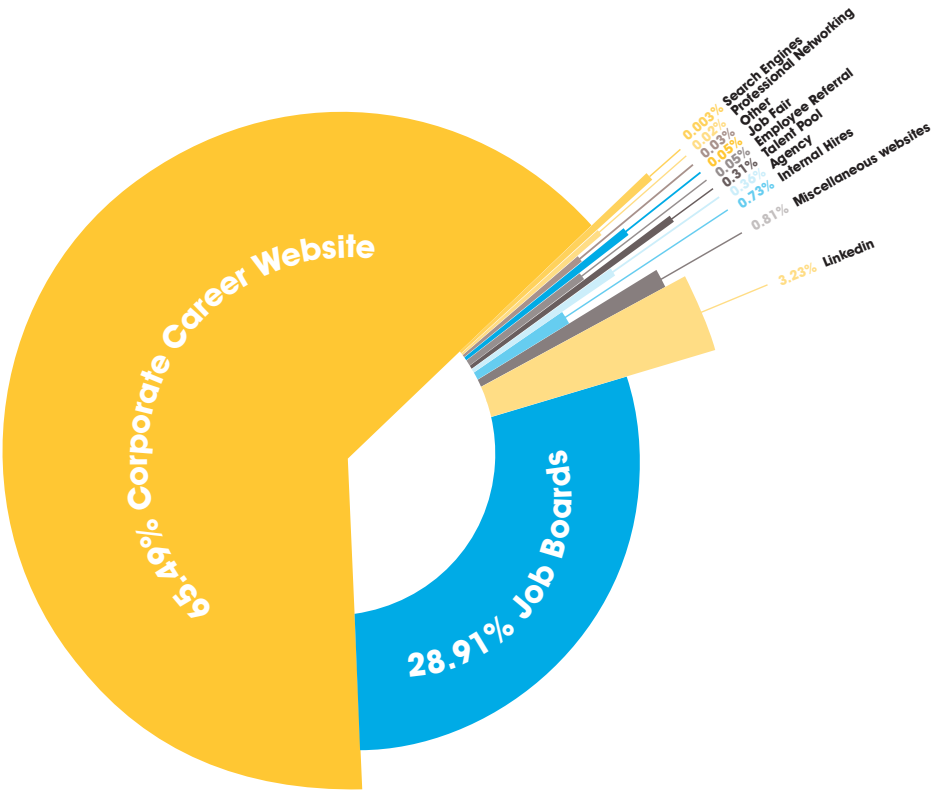


Fig 1.1



## Yes, senior candidates use the Internet to hunt for jobs

**Over 98% of applicants for management roles applied online.**

Past studies show that quality candidates prefer to apply through an employer's career site<sup>1</sup>, and it seems that applicants for management positions have an even stronger preference to do so: a staggering 65% of applications for senior vacancies came through the companies' dedicated career websites. Senior managers probably have a better sense of where they would like to work and are more selective about where they send their CV. Naturally, they prefer to build a direct relationship with these employers rather than going through a third party.

Job boards produced 29% of applicants for senior roles, which is normal given the large volumes of job seeker traffic they receive. However, the overall quality of candidates they produce is particularly low when it comes to managerial jobs (see details, p.5).

In other words, job boards must produce vast amounts of applications in order to yield a small quantity of quality ones.

**"65% of applications for senior vacancies came through the companies' dedicated career websites."**

Linkedin was the third biggest source of senior applicants (3%).

All other application channels, including agencies and employee referrals, produced very small numbers (<1%). In fact, some mediums such as Facebook didn't register at all. Yet, despite their low applicant volumes we found these sources can't all be dismissed, as some of them have produced many high quality profiles that ended in hires (see Fig 1.2, p.4).

<sup>1</sup> Where to find Top Talent: A study on 1.1M job applications in the Middle East and Asia, Cazar, 2012



# Where senior hires actually come from

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**Company career websites were the top source, producing 38% of new management recruits.**

Having studied where candidates applied, we then focused on the candidates that actually got hired to see where they originated from. It appears that senior hires were sourced from a large variety of channels, some of which were unexpected given the relatively low number of applications they had yielded.

Company career websites were the top source, producing 38% of new management recruits. This confirms the hypothesis that good quality candidates see a benefit in having a direct relationship with potential employers.

The second most popular source that corporate recruiters used to find these hires was the company's talent pool (22%) (see "What is a Talent Pool?", p.5).

Internal promotion was also a successful method for filling managerial positions. Companies that advertised job vacancies on their intranet found 14% of their management hires this way.

Number of hires per source

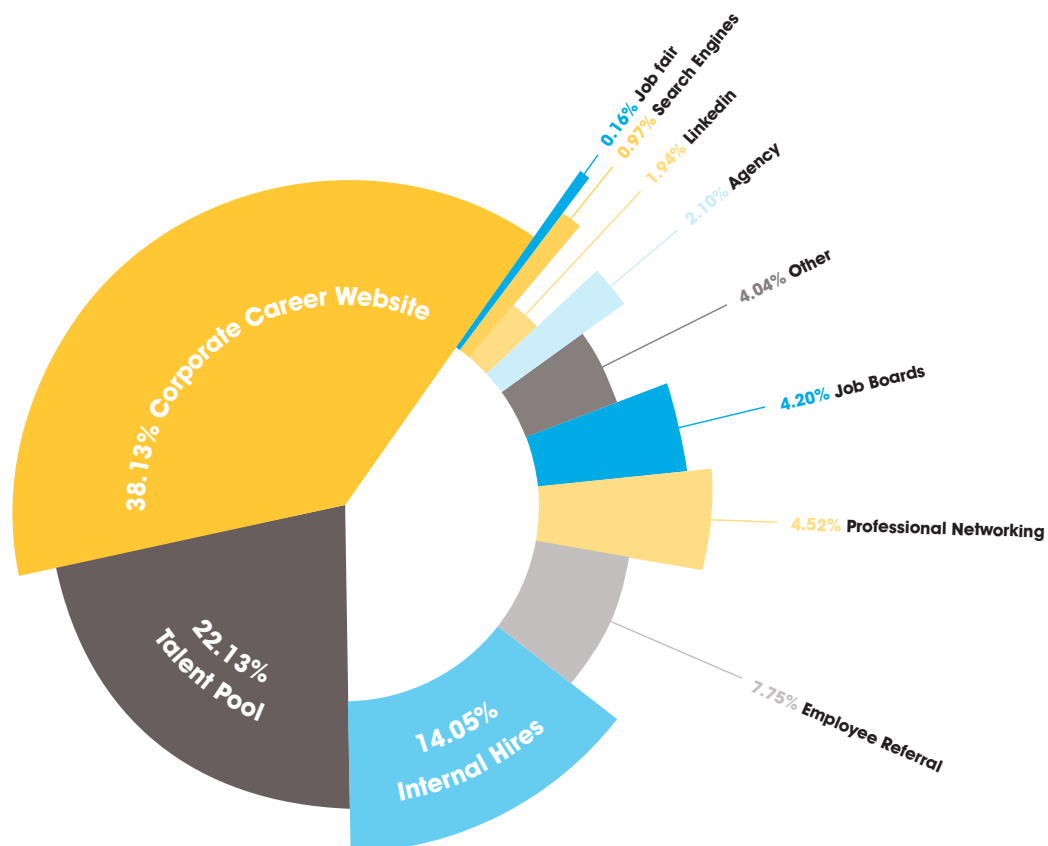


Fig 1.2



Professional networking and employee referrals combined made up 12% of hires while job boards represented only 4% of new senior employees.

Although some employers used executive search agencies for management positions, they only hired 2% of their senior employees through them.

#### **The most efficient channels**

We observed that certain channels had a high probability of producing new senior recruits. For instance, 37% of applicants resulting from professional networking got recruited for a senior position.

Employee referrals were also very successful: 27% of candidates that came through an employee referral got hired. When it came to internal applicants, 3% of them got the job.

Job boards however, were much less effective: only 0.026% of job board applicants made it to the hire stage. This could be partly due to the very wide audience these websites tend to have. For example, generalist job sites are known to attract a lot of middle executives, who may apply to senior jobs they are not qualified for.

“37% of applicants resulting from professional networking got hired.”

### **What is a Talent Pool?**

Employers with a strong recruitment strategy receive hundreds of applicants for each vacancy they advertise. Once hiring is complete they are left with a surplus of quality candidates. A talent pool is a central database that recruitment departments build and develop by storing these candidates' details for future reference. Used effectively, it is the fastest and one of the most cost-effective method of hiring employees.

Some employers have millions of candidates in their talent pool, so for the sake of efficiency it needs to be easy to search and organise.



## Knowing your candidates reduces time-to-hire

**Recruiting someone from the corporate talent pool took 24 days on average.**

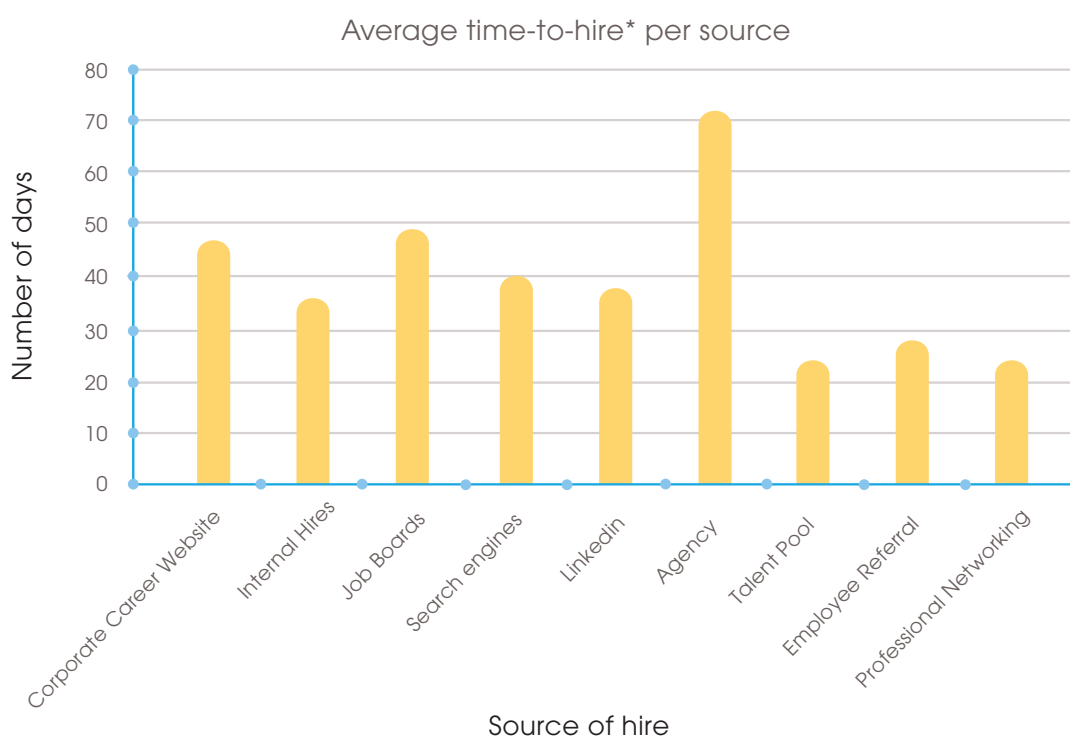
Leaving a senior position unfilled for an extended period of time has a negative impact on any business. In order to gain more insight into which recruitment sources were most time-effective, we looked at each channel individually and calculated the average number of days it took for a successful candidate to be recruited from the time they applied to the day they accepted the offer.

The results demonstrated that sources where companies had a direct relationship with candidates resulted in faster hires than in cases where the company was unfamiliar with the candidates. Recruiting someone from the corporate talent pool, for instance, took 24 days on average. This unusually fast hiring time is easily explained: talent pools are essentially made up of candidates with whom companies already have a relationship – individuals who were previously flagged as potentially interesting. It is therefore understandable why many employers choose to run a talent pool search before they even advertise the vacancy anywhere, as they can start interviewing right away.

“Sources where companies had a direct relationship with candidates resulted in faster hires.”

For similar reasons, hires that were sourced from professional networking also took 24 days: this method produces applicants that are pre-qualified by someone who knows the company and the position, significantly reducing the time-to-hire.

Successful employee referrals had a 28-day lead-time, while intranet hires took 36 days. LinkedIn followed with a 37-day hiring window. Other channels where candidates were unknown to the company took longer to produce a hire. Search engine hires for example took an average of 40 days, career websites 46 days and job boards 48 days. At 71 days, agencies were the poorest performers.



\* Average time from the moment a candidate applies to a position until hire date.

Fig 1.3



# Conclusions

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## There are many individuals to choose from

There is absolutely no reason why an employer should struggle to find candidates for senior roles, as there are more applicants today than ever before. The key is to tap into the right sources with the right tools.

## A dedicated career website is not optional

Based on this study a dedicated career website is an essential tool for employers who want to hire quality candidates for senior roles. Our focus companies hired 38% of their new senior recruits in this manner. Without career websites these hires would have cost the companies substantially more.

**"A career website is an essential recruitment tool for senior roles."**

## A good talent pool is essential

Having a talent pool allows employers to create a pipeline of top candidates for future vacancies. It is the simplest, fastest and most cost-effective recruitment method. It also helps prevent poor hiring decisions resulting from lack of time and a shortage of employee skills. To be efficient and yield results, talent pools need to be actively managed, while being easy to search and organise.

## An employee network is priceless

Engaging in relationships with candidates who are known to a company – whether through previous interviews, an employee or a professional contact – truly helps recruiters to quickly identify quality profiles for senior roles.

It is therefore essential to have tools to connect with these candidates, as they will provide you with the biggest return on investment. These sourcing channels include:

1. A well-designed employee referral programme,
2. An intranet that communicates vacancies effectively
3. The ability to easily share job postings with a professional network

### Do it yourself

According to this study, companies with a well organised recruitment function produce 98% of their senior hires independently.

Candidates for these roles are all online today, making them easier to reach. In addition HR/ Recruitment departments have become well-versed in online recruitment and are now using sophisticated recruitment systems and marketing tools like career websites to engage with candidates.

As a result, only 2% of the senior hires in this study required the involvement of an executive search firm. Not only did the focus companies save millions of dollars; they were also able to recruit their top candidates in 35 days on average as opposed to the 70-day cycle brought on by agency hires.



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