

Small and Mid-Sized Business Recruiting Trends 2017

What you need to know about the
state of talent acquisition

What's in this report

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Why read this?

In order to plan for the future, you need to understand where you stand compared to your peers. The goal of this report is exactly that – to help talent leaders like you benchmark small and mid-sized businesses across the globe when it comes to the most important recruiting metrics and trends.

About this survey

This report is based on the survey responses of over 2,600 corporate talent acquisition leaders at small and mid-sized business across 35 countries. All respondents are at the manager level or higher.

Small businesses are defined as organizations with 200 employees or fewer. Mid-sized businesses are defined as organizations with 201 - 1,000 employees.



Top 5 takeaways

1

Talent acquisition has a prominent seat at the executive table.

The work environments at small and mid-sized business foster tight relationships between talent leaders and executives, giving them a competitive edge over their larger competitors.

4

Effective employer brand messaging focuses on culture and career growth.

77% of leaders acknowledge that employer branding has a significant impact on their ability to hire talent. Candidates reveal that companies can pique their interest if they talk about career growth, company culture, and challenges.

2

Recruiters will be even busier this year and are focusing on quality of hire.

57% of small and mid-sized business leaders say that their team's hiring volume will increase. To measure success, they are focusing on how long a new hire stays at the company, hiring manager satisfaction, and time to fill.

5

Diversity, screening automation, and purpose are key future trends.

Automating the screening and hiring process in order to eliminate human bias and time limitations will shape the future of recruiting, while boosting diversity.

3

Budgets go to traditional tactics, but branding tops investment wish list.

70% of recruiting budgets at small and mid-sized businesses are spent on job boards, recruiting tools, and staffing agencies. However, talent leaders at these organizations identify employer branding as the #1 area where they wish they could invest more.

A person wearing a white short-sleeved shirt with small black polka dots is sitting at a dark wooden desk. Their hands are clasped together on the desk. In the background, there is a dark chair and a grey wall. On the desk, there is a gold pen holder with pens, a smartphone, and a notebook. The text "How recruiting leaders perceive their teams" is overlaid on the image in a white, sans-serif font.

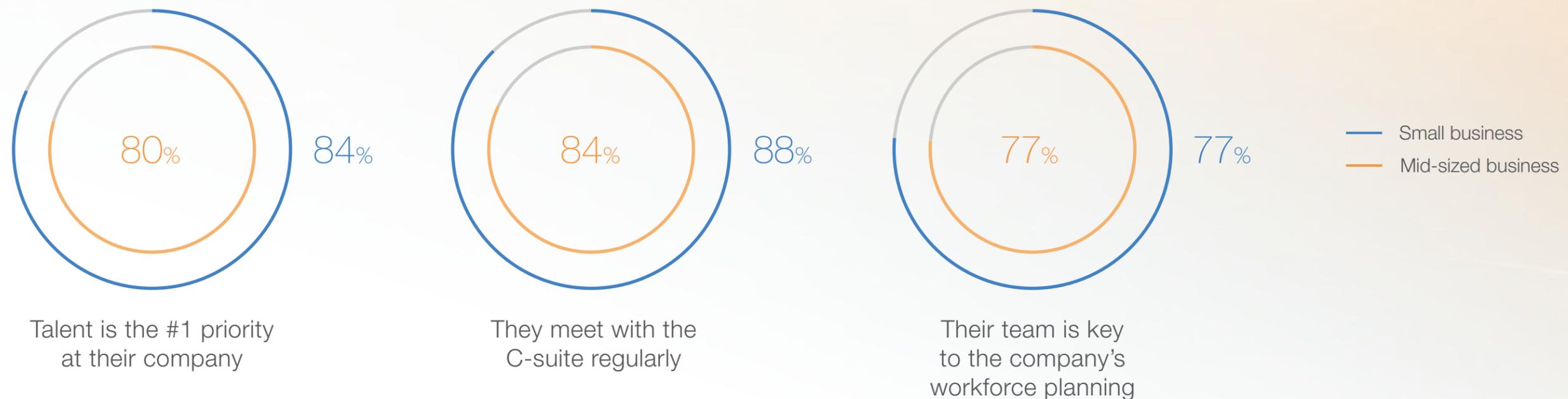
How recruiting leaders perceive their teams

Recruiting teams play a crucial role in the company's future

The recruiting organization is not the flashiest department. It doesn't directly bring in revenue or create game-changing products. Yet it is the quiet enabler behind these company successes and this has not gone unnoticed.

Talent and HR leaders at small and mid-sized businesses have a prominent spot at the executive table, giving them a competitive edge over their larger peers. SMB talent and HR leaders hold tighter relationships with the C-suite, and are more involved in shaping the future of the company.

Talent and HR leaders say that:

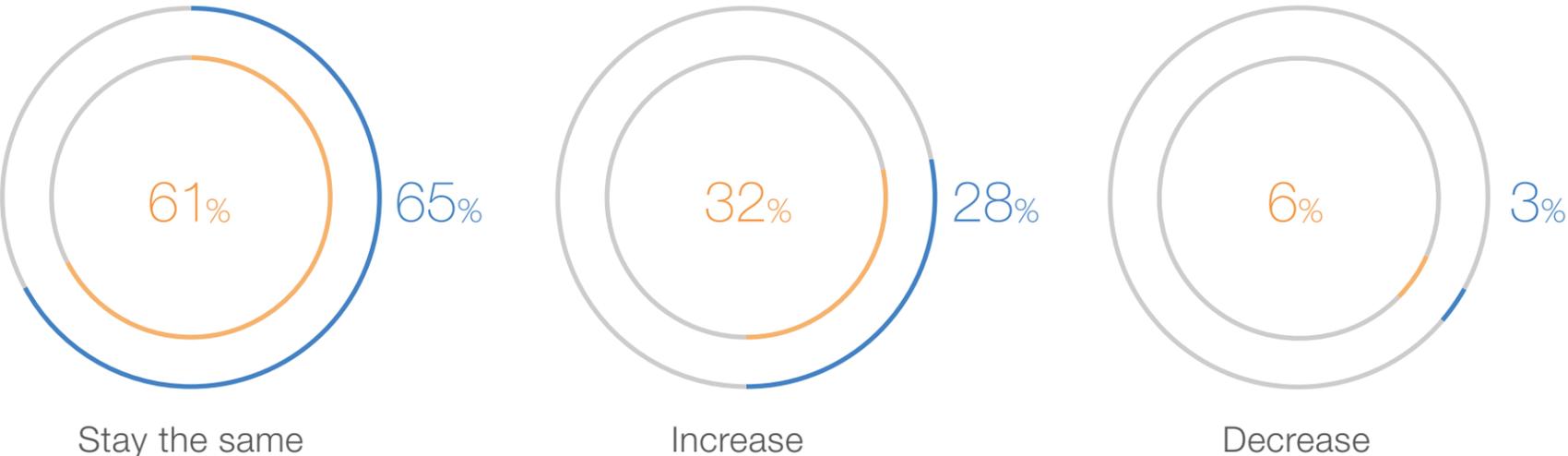


Most recruiting teams won't grow this year

Despite the importance of recruiting, most small and mid-sized businesses expect their recruiting teams to remain about the same size. Mid-sized businesses are more likely to slightly increase in team size so they can support company growth. This means that as the hiring volume rises, recruiters need to do more with less and automate their workflow as much as possible.

When companies hire for their recruiting team, they are focusing mostly on finding full life cycle recruiters and HR generalists. Small businesses are more likely to hire employer branding specialist before a dedicated sourcer, likely because they struggle with brand awareness more than mid-sized businesses.

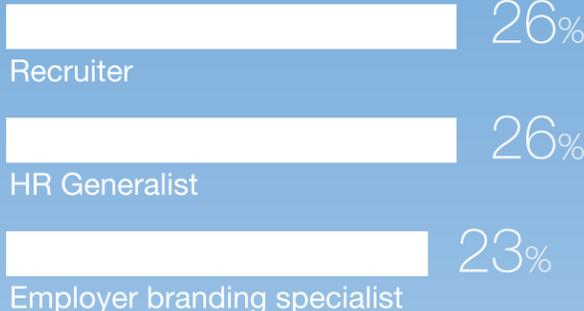
How will the size of your recruiting team change over the next year?



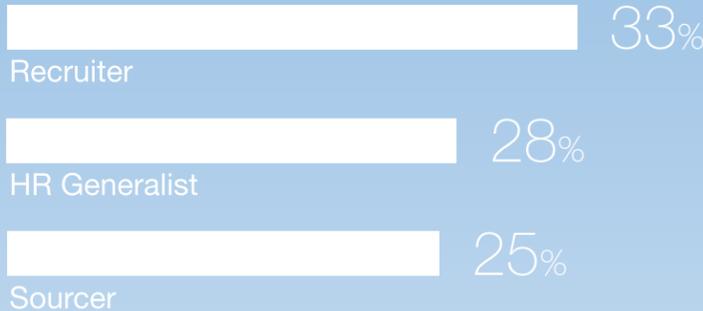
— Small business — Mid-sized business

What roles would you like to hire for on your team?

Small business:



Mid-sized business:



A man with a beard, wearing a light blue button-down shirt and a watch, is sitting at a wooden desk. He is looking down at an open notebook with a pen resting on it. A white mug is on the desk to his right. The background is blurred, showing what appears to be an office or meeting room with green plants and a window.

Key benchmarks and metrics to monitor

Hiring volume will increase for many companies

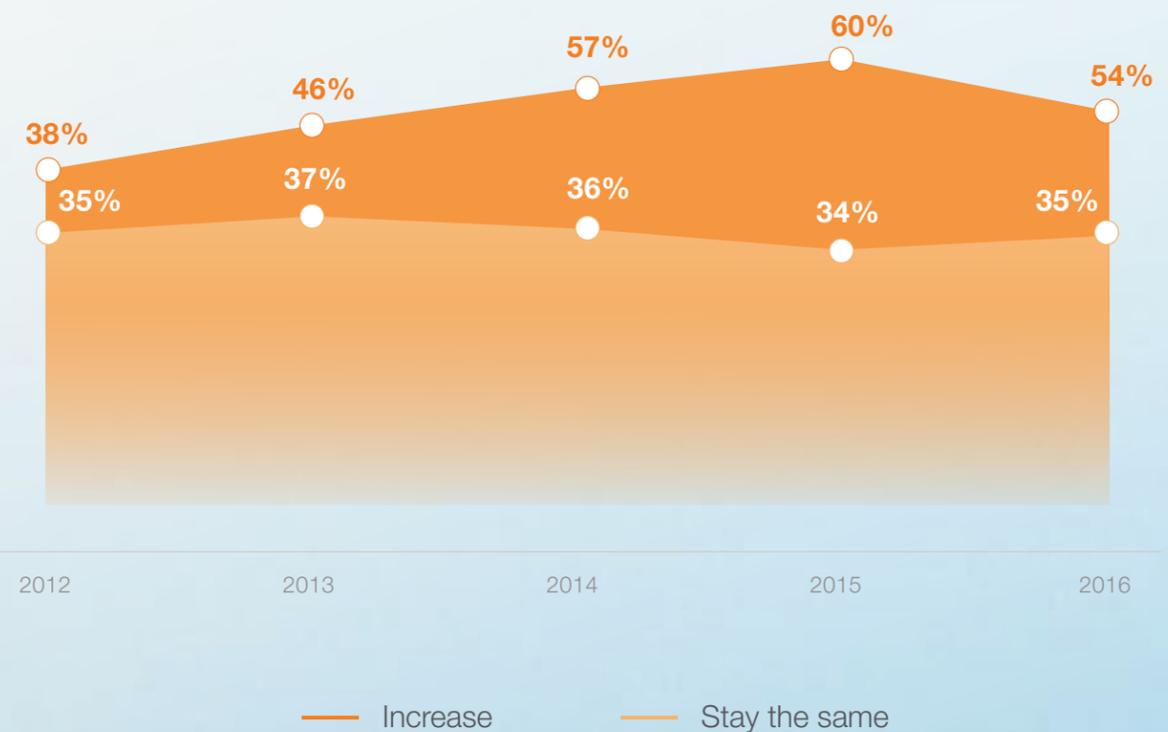
Over half of small and mid-sized businesses plan to hire more people than last year, showing healthy signs of business growth. While the global numbers are very positive, this is the first time in five years when the year-over-year growth is slowing down.

How do you expect your hiring volume to change over the next year?

Small business:



Mid-sized business:

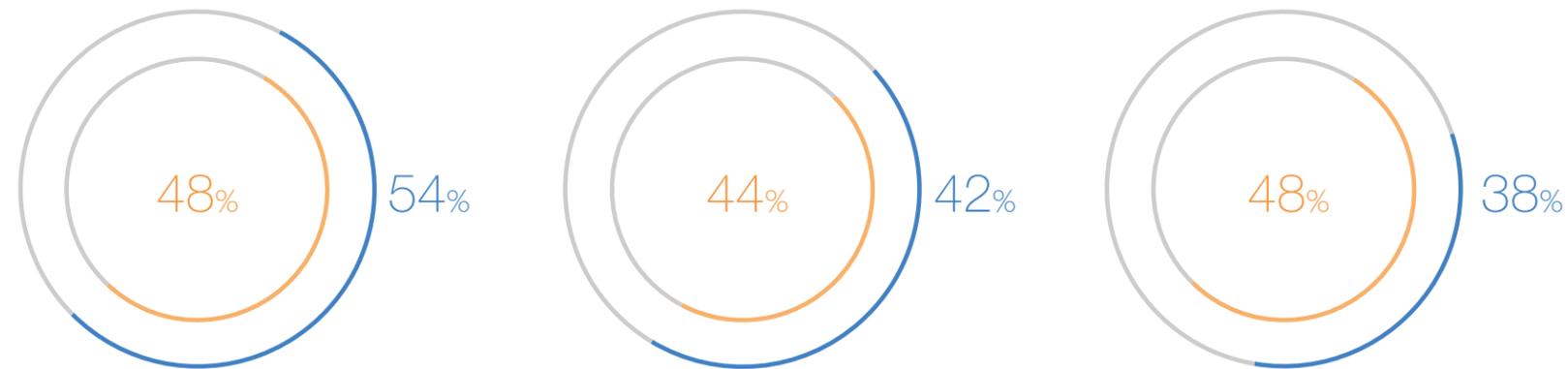


New hire retention is the most important metric to track

Employee turnover is extremely costly to small to mid-sized businesses, which is why recruiting and HR leaders measure success by how long new hires stay at the company.

Small businesses also hire talent faster than larger businesses – it’s rare for the process to take longer than 2 months. This is where fast and lean teams have a competitive edge over larger, process-filled organizations.

What are the top three ways you measure success in your role?



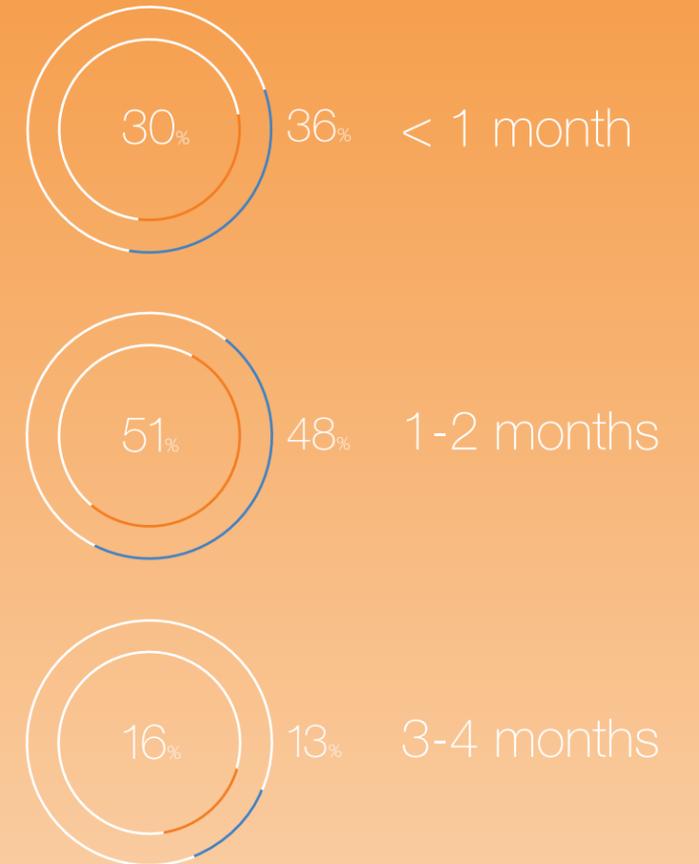
The length of time new hires stay at the company

The satisfaction of the hiring managers

Time to hire: the time it takes to fill a job requisition

— Small business — Mid-sized business

What is your average time to hire?



— Small business — Mid-sized business

Sales, operations, and business development are the highest priority roles to fill

The demand for sales, operations and biz dev talent is prevalent for both small and mid-sized businesses, but the priority varies based on where they are in their company's growth. Regardless, recruiting teams have to think more strategically about how to find and recruit these talent pools. Relying on data to pinpoint locations where the supply of talent is higher than the demand is a crucial first step. Another successful tactic is targeting each of these functions with highly customized employer branding content.

What are the highest priority roles to fill at your company?

Small business:

- 1 Sales
- 2 Business development
- 3 Operations

Mid-sized business:

- 1 Sales
- 2 Operations
- 3 Engineering



Learn more:

[How LinkedIn's talent pool reports can guide you where and how to recruit](#)

Employee referrals are the key source of quality hires

Employee referrals are a key source of quality hires for small and mid-sized businesses. This is not a surprise, given that referred employees are faster to hire, perform better, and stay longer in the company (some of the top metrics recruiters care about). As mid-sized businesses grow faster, they tend to rely more on job boards and social networks to scale efficiently.

What are your top channels for quality hires?

Small business:



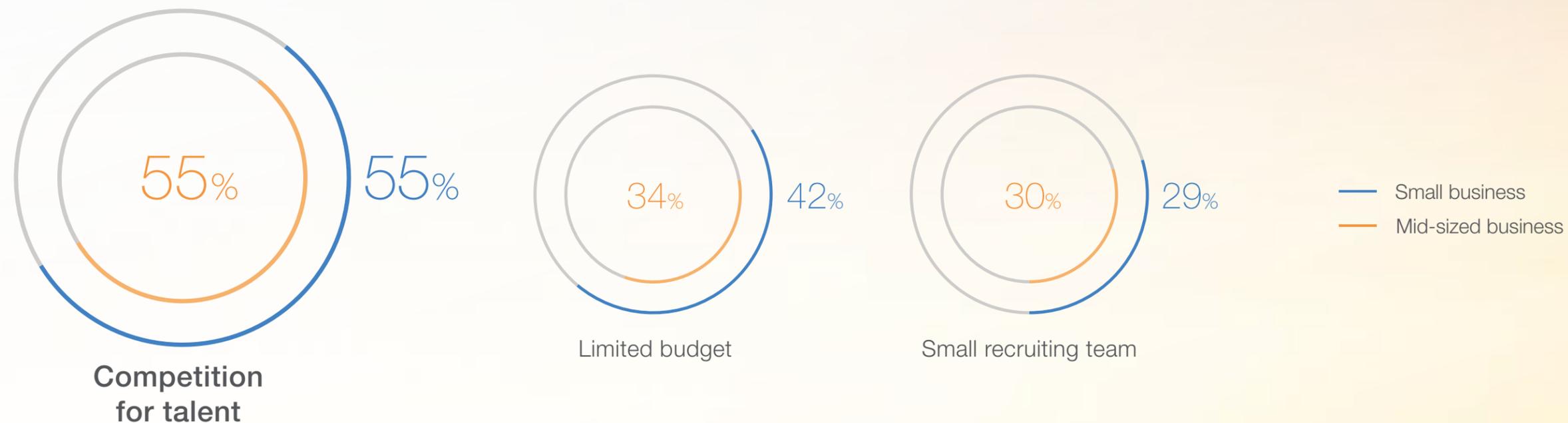
Mid-sized business:



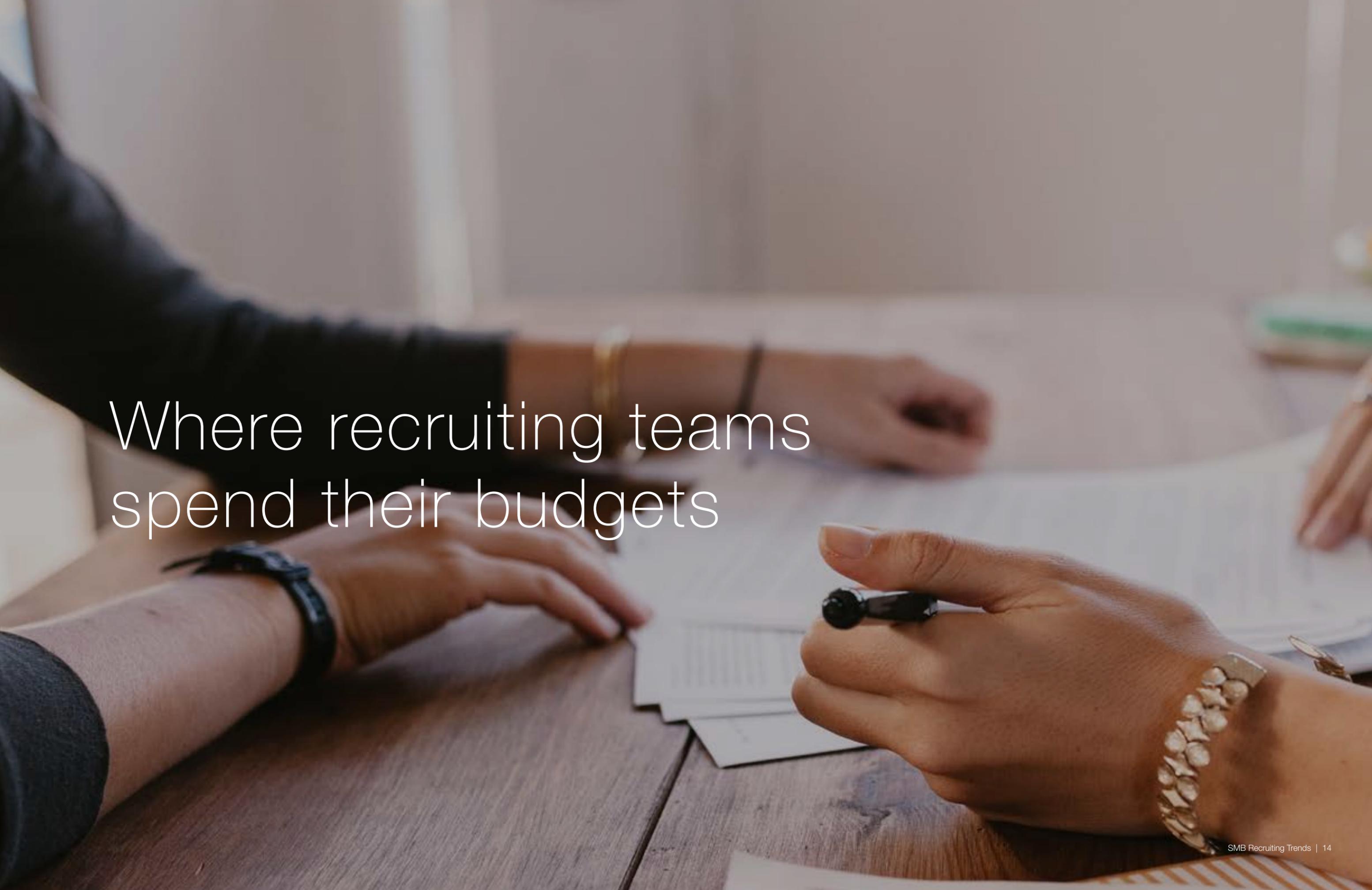
Differentiating from the competition is a top concern for recruiters

When your team is strapped for resources and dealing with intense competition, focus on initiatives that have the biggest impact. One of the most effective ways to do that and differentiate from your competitors is to work on your employer brand. Craft messaging that is the right blend between what your target candidates are looking for and the unique value proposition of your company.

What are the top challenges your team is facing?



 **Learn more:** [Read the 2016 SMB Talent Trends Report to find what candidate rank as most important in a job](#)



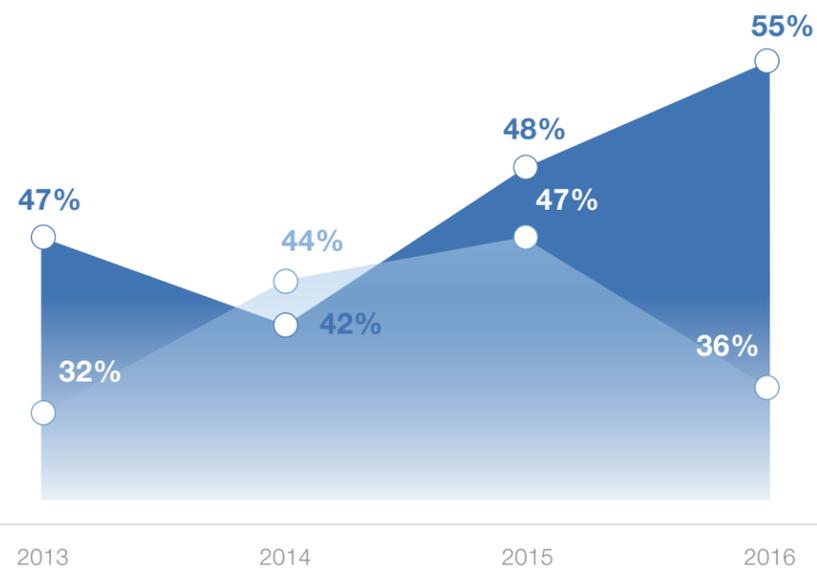
Where recruiting teams
spend their budgets

More teams will have flat budgets, especially those in small businesses

When planning for next year, one in two recruiting teams will have to rely on the same budget as in 2016. This is yet another reason to think about investing your team's time in initiatives and tools which will bring you efficiency, scale and allow for automation of time-consuming tasks.

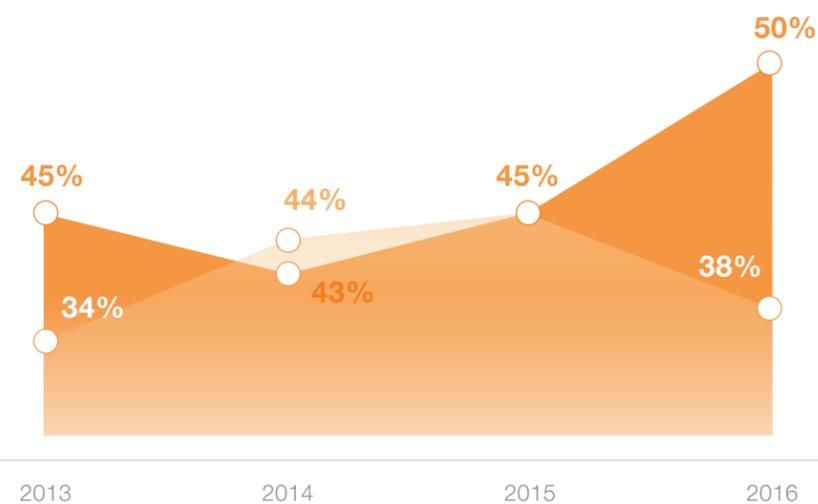
How do you expect your organization's budget to change over the next year?

Small business:



— Stay the same
— Increase

Mid-sized business:



— Stay the same
— Increase

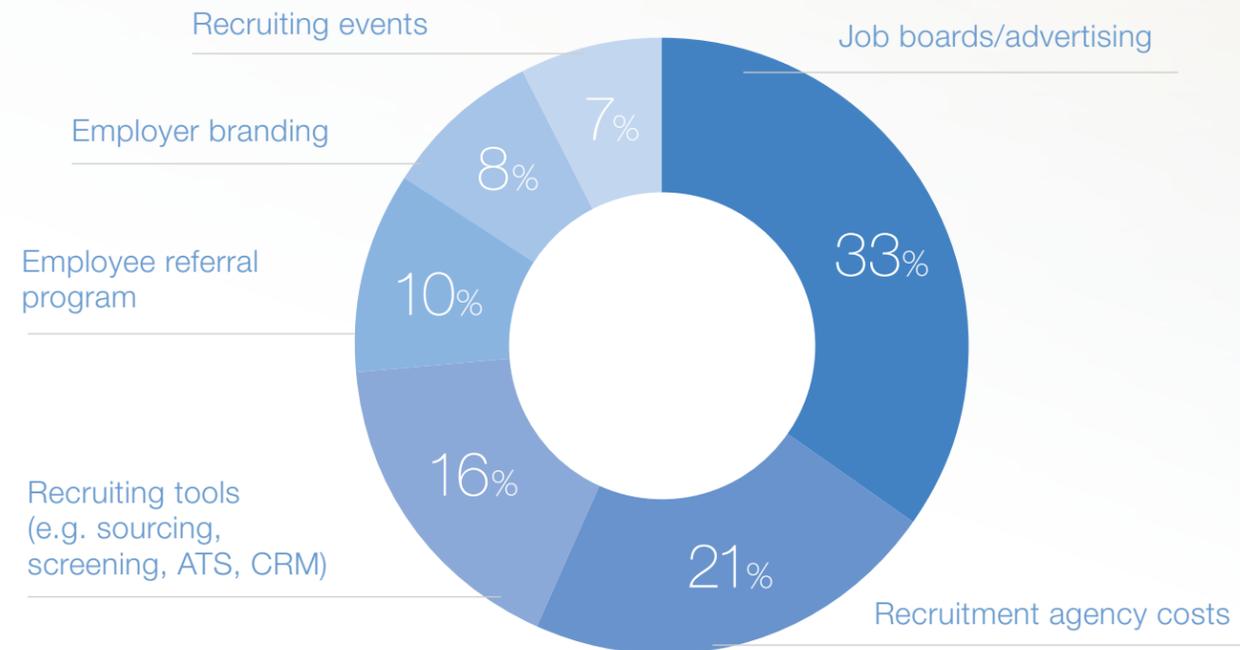


Most teams invest their budgets in job postings and recruiting tools

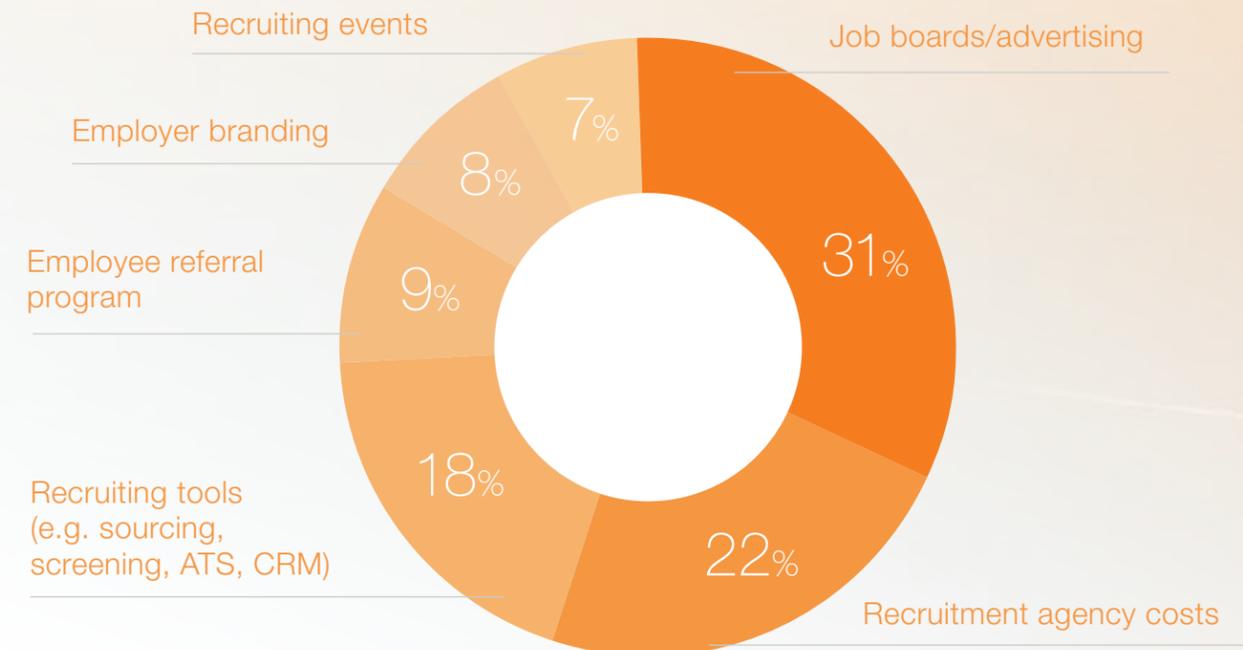
Despite recruiters sharing that employee referrals are the top source of quality hires, most of them barely invest in building out a strong referral program. Same with employer branding – described as one of the most important trends, it is about the last places where teams invest. The bulk of the budget small and mid-sized businesses have goes to more traditional tactics like posting jobs.

What is the current breakdown of your recruiting budget?

Small business:



Mid-sized business:

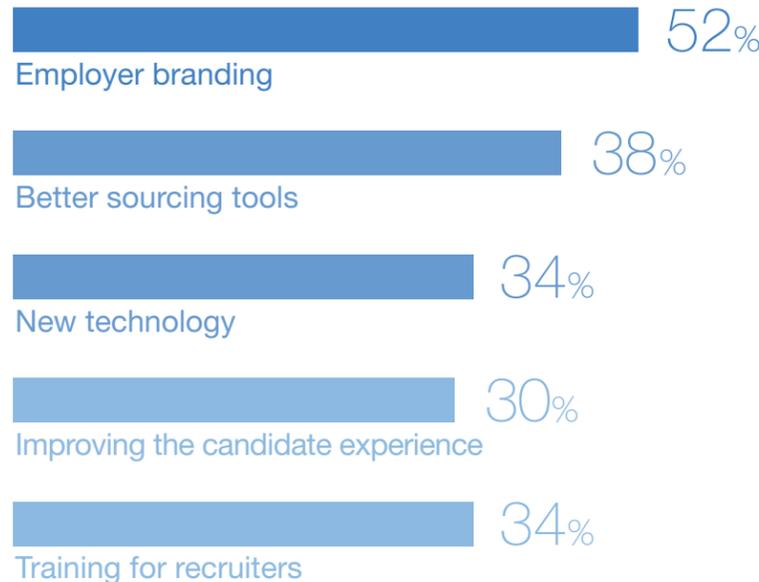


If money weren't a constraint, talent leaders would invest in branding and tools

If budgets weren't an issue for teams, most leaders would prioritize investing in long-term strategic plays like branding, tools, technology, and candidate experience. Small businesses would love more employer branding and marketing resources to overcome their brand awareness challenges. As mid-sized businesses focus on scale and growth, they'd want more technology resources, training, and more recruiters. Below is a great list of big bets you can explore in 2017.

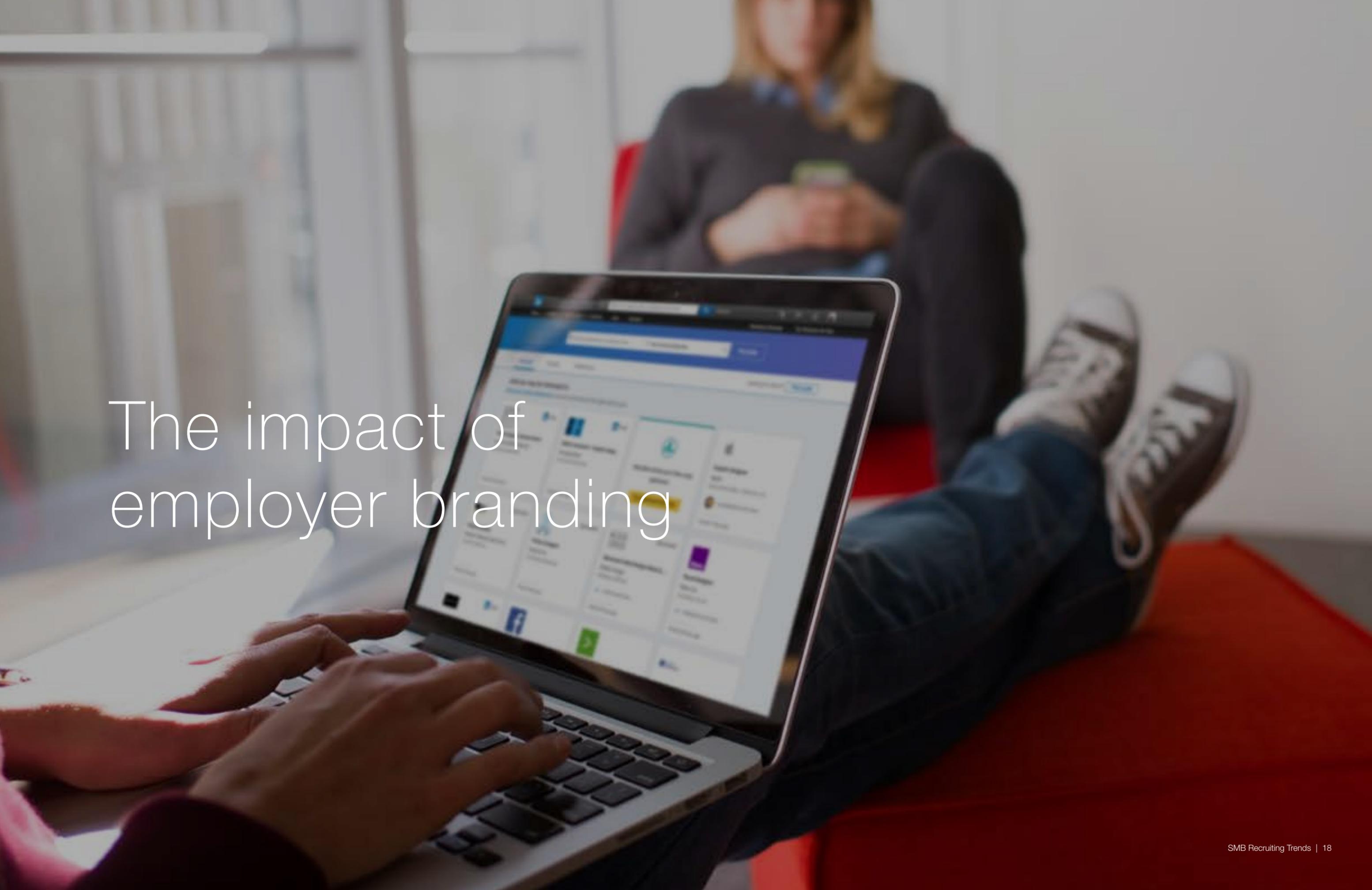
If you had unlimited budget, where would you invest?

Small business:



Mid-sized business:

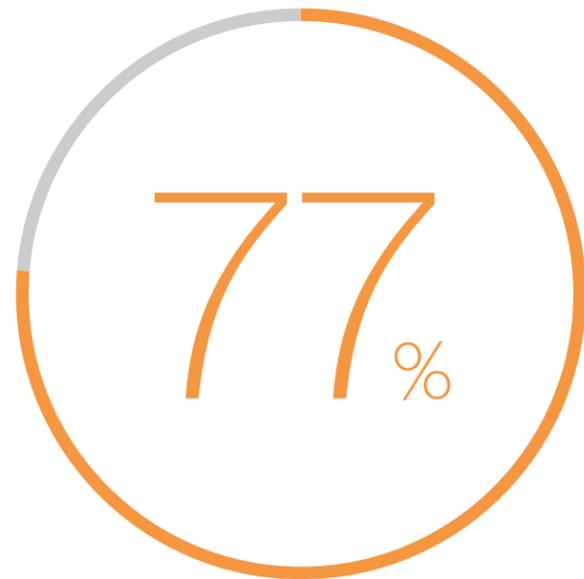




The impact of employer branding

While leaders under-invest in branding, they do appreciate its impact

Most teams spend only a small portion of their budgets on employer branding. Yet, the stat below shows that leaders overwhelmingly believe in its importance. One reason for this paradox is that employer branding ROI is hard to measure and most teams cannot show a direct correlation between a stronger candidate pipeline and their branding efforts.



of talent acquisition managers in small to mid-sized businesses agree that their employer brand has a significant impact on their ability to hire great talent

Partnering with marketing is the key to employer branding

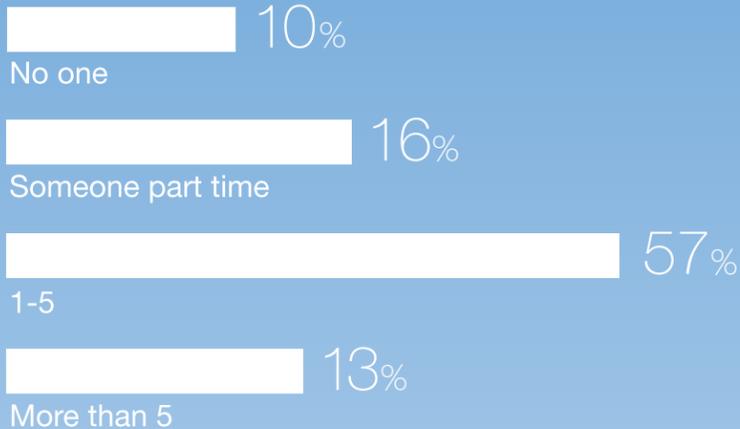
As many recruiting teams struggle with resourcing employer branding, they look to their marketing partners for support. This usually includes joint ownership of social media channels and content production. This partnership also accounts for the reason why many companies have up to five people managing their employer brand.

Who manages your company's employer brand?

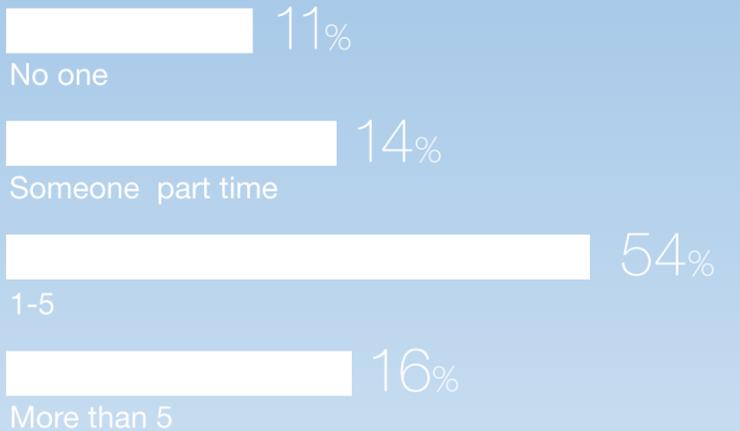


How many people manage your employer brand?

Small business:



Mid-sized business:



Company culture messaging is effective at grabbing candidates' attention

Both candidates and recruiters are on the same page – company culture is crucial when it comes to standing out from other employers. Aside from culture, candidates are more interested in hearing about the small or mid-sized business' long-term vision and fun perks over the company's reputation.

Recruiters:

What do you think attracts candidates to your company?

- 1 Company culture
- 2 Company reputation
- 3 Challenging work

Candidates:

What information would be helpful when considering a company?*

- 1 Culture and values
- 2 Perks and benefits
- 3 Mission and vision

*Source: [2016 Talent Trends for Small to Mid-Sized Businesses](#)



For candidates to accept your job offer, focus on career growth

Employer branding should not only focus on company culture and perks. When candidates accept a job offer at a small or mid-sized business, the deciding factor for them is how the company would impact their career advancement and how stimulating the job will be. Of course, compensation and benefits are important, but candidates realize a great opportunity for career development is more important in the long-run.

What swayed you to accept your current company's job offer?*

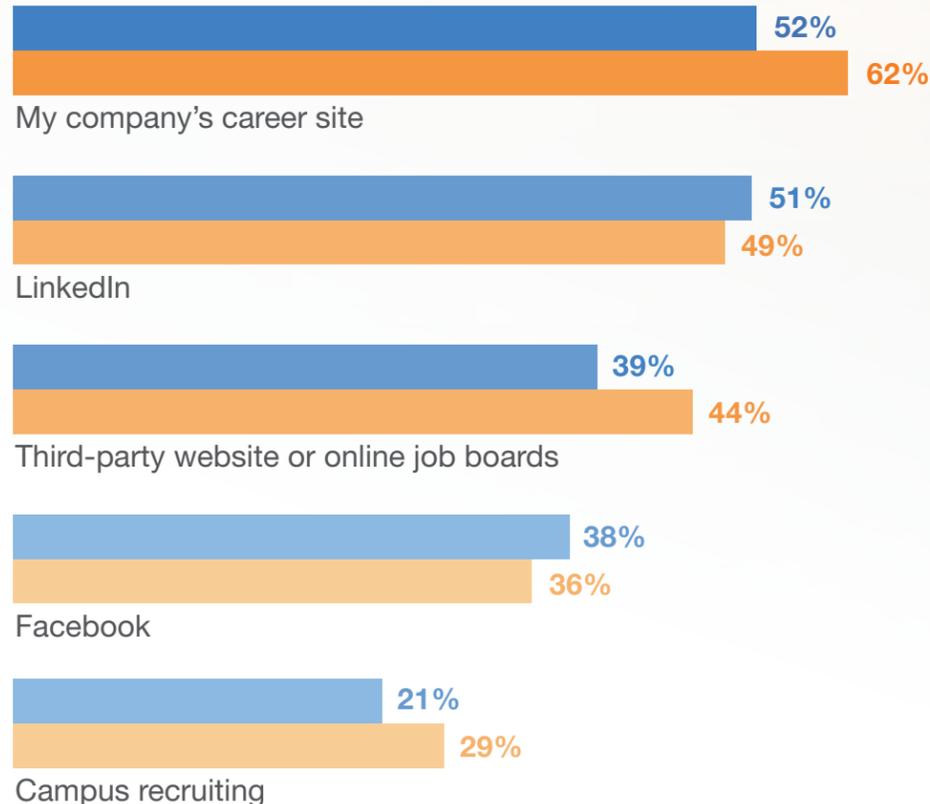


*Source: [2016 Talent Trends for Small to Mid-Sized Businesses](#)

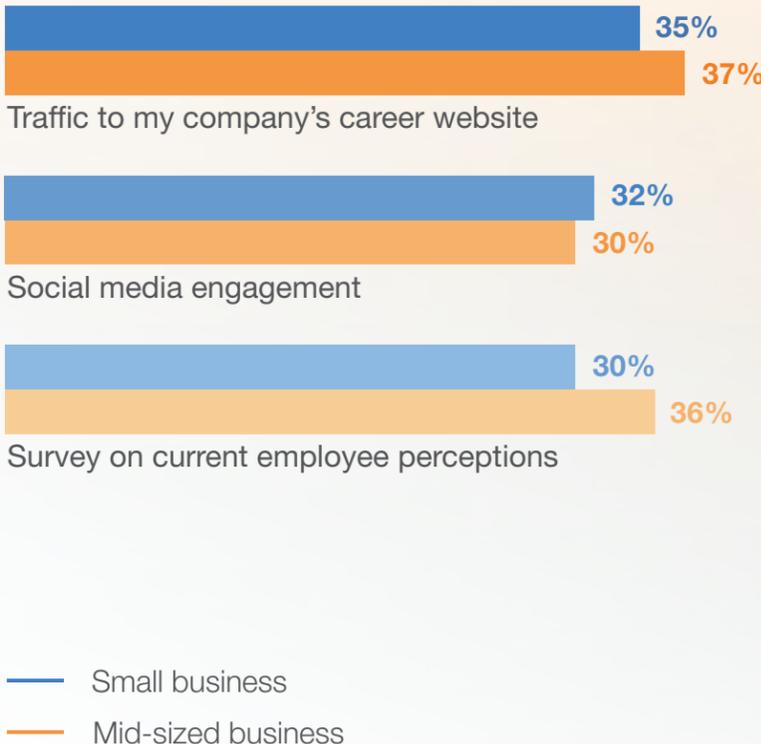
The company's website and social media are top ways to promote and measure your brand

Most teams generate awareness by relying on their website and LinkedIn. Measuring the effectiveness of their efforts is more challenging and vary based on company size. Small businesses use more web and social metrics, while mid-sized businesses look at internal survey data and best employer awards.

Best channels to build employer brand:



Top ways to measure employer brand:





Looking ahead: Recruiting in 2020

Diversity, automation, and focus on mission are key trends for the future

Given that small and mid-sized businesses report limited headcount and budget, and that hiring demands are growing, it makes sense that automation is top of mind for the industry. Not only would automation increase the speed of screening candidates and assess soft skills more precisely, it would also remove human bias. Many companies are also interested in diversity and purpose initiatives as a way to differentiate from competitors and boost engagement.

What are the top trends that will shape the recruiting industry over the next few years?

38%

Recruiting more diverse candidates

36%

Soft skills assessments

33%

Company's mission as a differentiator

32%

Innovative interviewing tools

27%

Candidate relationship management (CRM) tools

Next steps

Dig deeper into the topics uncovered by this report and learn more about LinkedIn:

-
- 1 **Find out more about the the candidate's perspective:**
[2016 Talent Trends for Small to Mid-Sized Businesses](#)
 - 2 **See what it takes to engage the candidate end-to-end:**
[The Small Business Guide to Modern Recruiting on LinkedIn](#)
 - 3 **Learn more about LinkedIn Talent Solutions:**
[Posting jobs, sourcing, employee referrals, and employer branding](#)



Survey methodology

We surveyed 2,604 talent acquisition leaders who work in a small or mid-sized corporate HR department in 35 different countries. All respondents are at the manager level or higher and have some authority in their company's recruitment solutions budget. These survey respondents are LinkedIn members who were selected based on information in their LinkedIn profile and contacted via email.

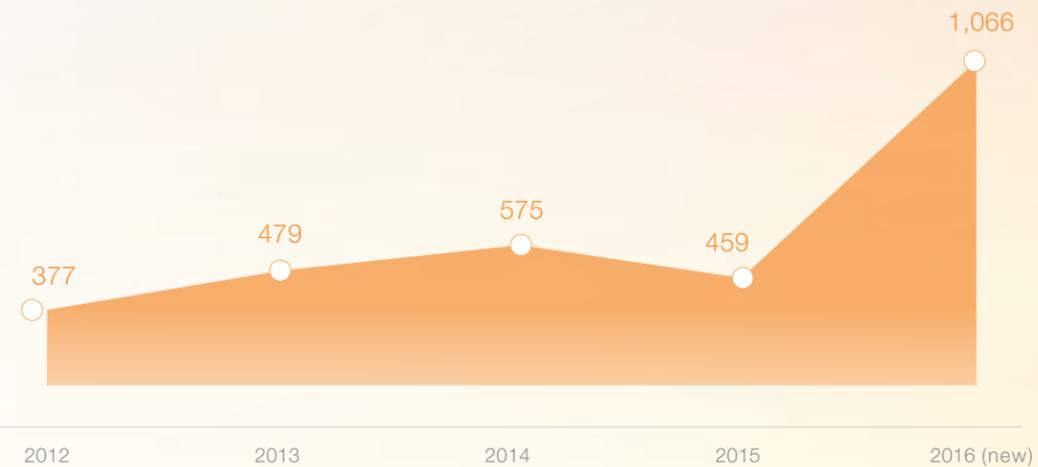
We also compared historical Global Recruiting Trends research taken from 2012 – 2015, which had similar sampling criteria and methodology:

The number of small business recruiting leaders surveyed:



Small businesses are defined as corporations with 200 employees or fewer

The number of mid-sized business recruiting leaders surveyed:



Mid-sized businesses are defined as organizations with 201 - 1,000 employees

About LinkedIn Talent Solutions

Attract, engage, and recruit the best talent using the world's largest professional network. LinkedIn Talent Solutions helps you source talent, post jobs, build your employer brand and create a stellar referral program.

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