The
Permanent Hiring
Simplicity Report
2014

This Simplicity Report is intended to provide its readers with exactly that; simplicity in how the report is conceived, presented, absorbed and applied. The aim throughout is simply to capture the preferences and behaviours over five fundamental topics for job hunters and employers.

To acknowledge the contribution and significance of recruitment companies in the permanent hiring process, we explored their relationship and role as intermediaries between employers and candidates.

In keeping with the principle of simplicity, the results are presented in a way that is very easy to understand and benefit from. We hope you see it the same way.

John Dunaway
Director of Permanent Recruitment
Advanced Resource Managers

Executive Summary

The common theme running through this report is one of high demand in the recruitment market from both hiring companies and candidates. With the renewed buoyancy in the economy both parties are aware that they have more options and they (rightly) expect more in terms of quality, commitment and customer experience.

There is an implicit optimism shining through the data; the talent pools are dynamic and ambitious, and most hiring companies have growth plans.

By understanding the statements inferred by the data, we are able to make more informed decisions about how to engage and capture the talent required to support a competitive edge in the market.

Survey Methodology

The survey took a random sample from a pool of existing and potential ARM employer companies and candidates, with the impartial approach of collecting data to enhance customer experience and quality of service. Responses were split evenly across the five key sectors: Automotive, Information Security & Communications, Infrastructure & Built Environment, Oil & Gas and Technology. Data was collected during January 2014.

Candidates

The target sample of candidates is the mid-tier technical, permanent market, across five key sectors in the UK economy. Whilst we acknowledge there are distinct practices and characteristics in each sector, we find that the preferences and behaviours of candidates are largely uniform, giving a broad but rich sample to draw responses from.

Employers

On the employer side we specifically surveyed people who have a primary or direct duty to recruit permanent talent for their organisation: Hiring Managers, Recruitment teams, HR and Procurement.
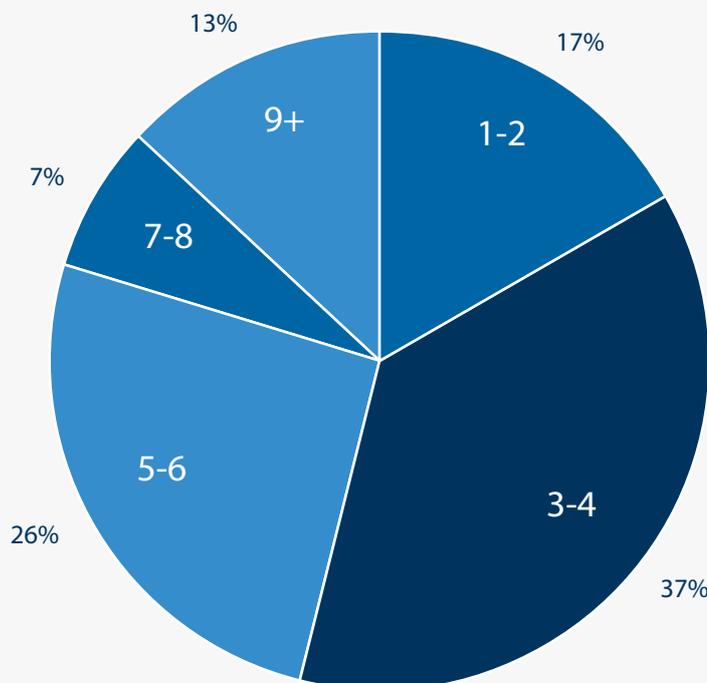
Focus on: Employers

Competitive or Saturated?

Over 80% of employers have three or more recruitment companies on their supplier lists. In some cases this gives the employer control over their supply chain, and the opportunity to keep them motivated and engaged. For larger supplier lists the efficiencies start to diminish with multiple contacts and varying levels of style and quality. But in a candidate led market can employers afford to 'restrict' their options?

The majority of employers surveyed (37%) have either three or four recruitment companies on their supplier lists. Just over a quarter have up to six suppliers listed and 20% have more than seven.

37%
OF EMPLOYERS SURVEYED WORK WITH 3 OR 4 RECRUITMENT AGENCIES

13%

9+

17%

7%

1-2

7-8

5-6

3-4

NUMBER OF RECRUITMENT AGENCIES ON SUPPLIER LIST

26%

37%

Focus on: Employers

DIY or Outsource?

Over a quarter of employers stated that they used recruitment companies to fulfil up to 20% of their vacancies. One fifth use recruitment companies to fill nearly all of their vacancies.

Unless candidates' job-seeking behaviours change dramatically, the channels for hiring will always be a balance between direct hiring and recruitment companies. Typically, in-house resourcing seems to be associated with cost-saving and external suppliers with investment, and with CFO confidence at a 3.5-year high[*] it would suggest employers will start to look externally for a flexible supplier pool.

22%
OF EMPLOYERS SURVEYED USE RECRUITMENT AGENCIES TO FILL NEARLY ALL VACANCIES

* The Deloitte CFO Survey, December 2013.

% VACANCIES FILLED BY RECRUITMENT AGENCIES

- Up to 20%: 26%
- 21 – 40%: 27%
- 41 – 60%: 14%
- 61 – 80%: 11%
- 81 – 100%: 22%
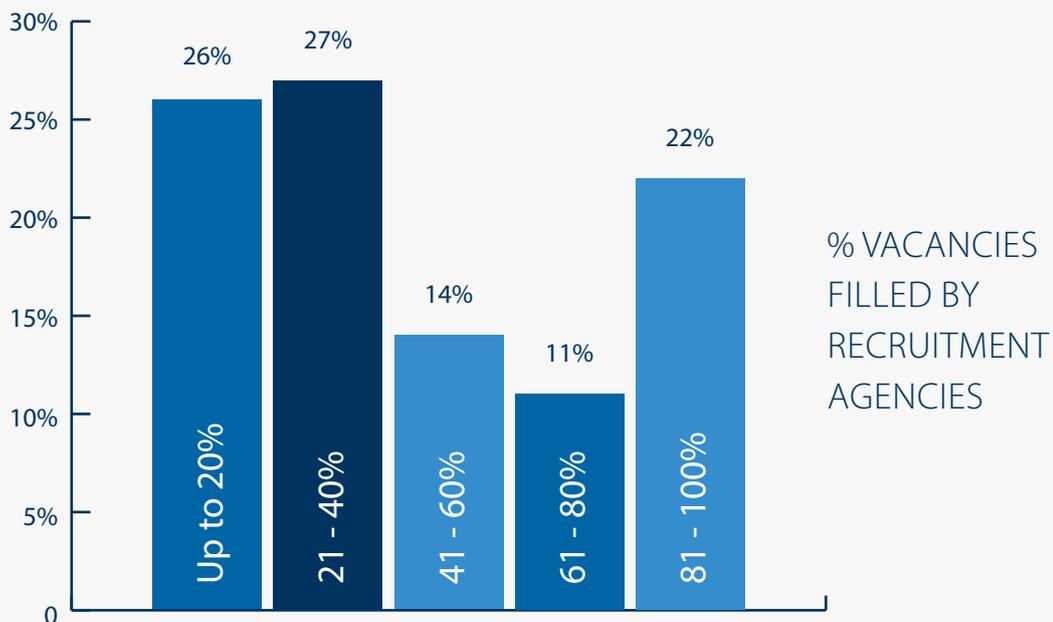
Focus on: Employers

Striking While the Iron is Hot

Naturally this varies from role to role, but 37% of employers said they interviewed a candidate three times before hiring them, and 31% hold two or fewer interviews. This may indicate smart employers, who are moving faster to capture high-demand candidates where competition for talent is fierce.

32% hold more than 4 interviews, demonstrating a cautious approach to hiring staff.

37%
OF EMPLOYERS INTERVIEW CANDIDATES 3 TIMES

5%

18%

1

5+

26%

2

14%

4

INTERVIEWS
HELD PER HIRE

3

37%
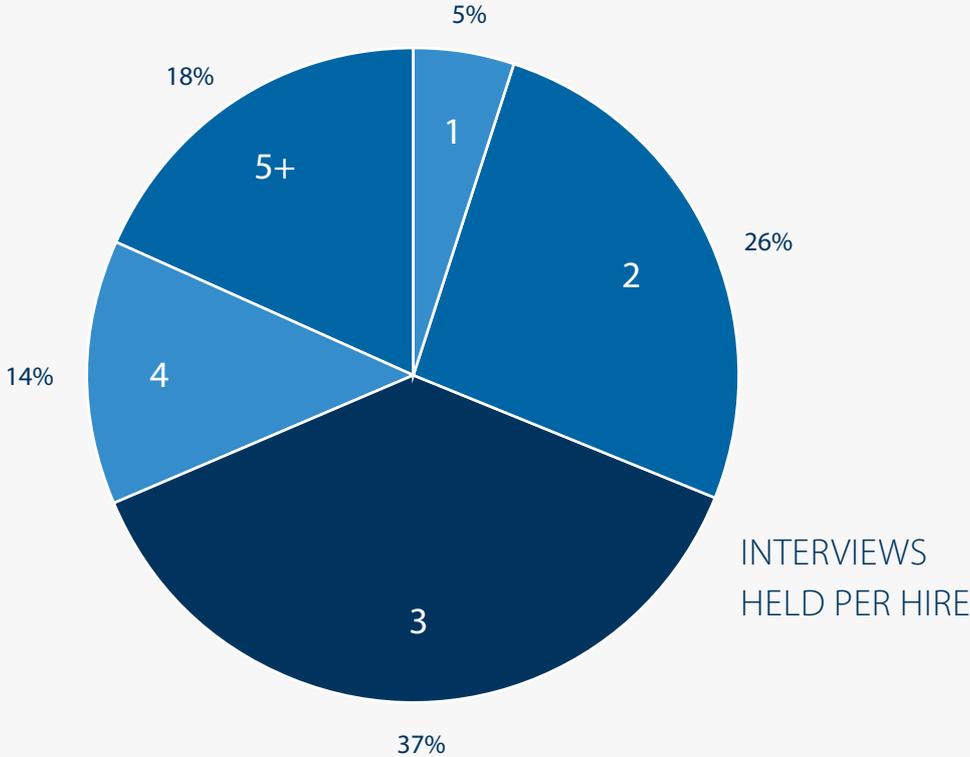
Focus on: Employers

Having Your Cake and Eating It

With pressure on recruitment companies to send increasing numbers of CVs to their clients, we asked employers how many they'd like to see for a typical vacancy. The majority (55%) want to see more than 5 CVs, which can be a tough brief for roles where skills are in high demand and candidates are passive. 11% were happy to see one or two CVs and 33% requested three or four.

In the technical market it's typically the high-demand skills where recruitment companies add the most value to employers. However, the desire for more CVs presents a risk to recruiters, who may be inclined to 'pad out' the portfolio of candidates simply to satisfy employers' expectations. More work for all, with less value.

55%

OF EMPLOYERS SURVEYED SEEK 5 OR MORE CVS PER ROLE

2%

9%

1

2

16%

3

CVs SOUGHT
PER VACANCY

55%

5+

4

18%
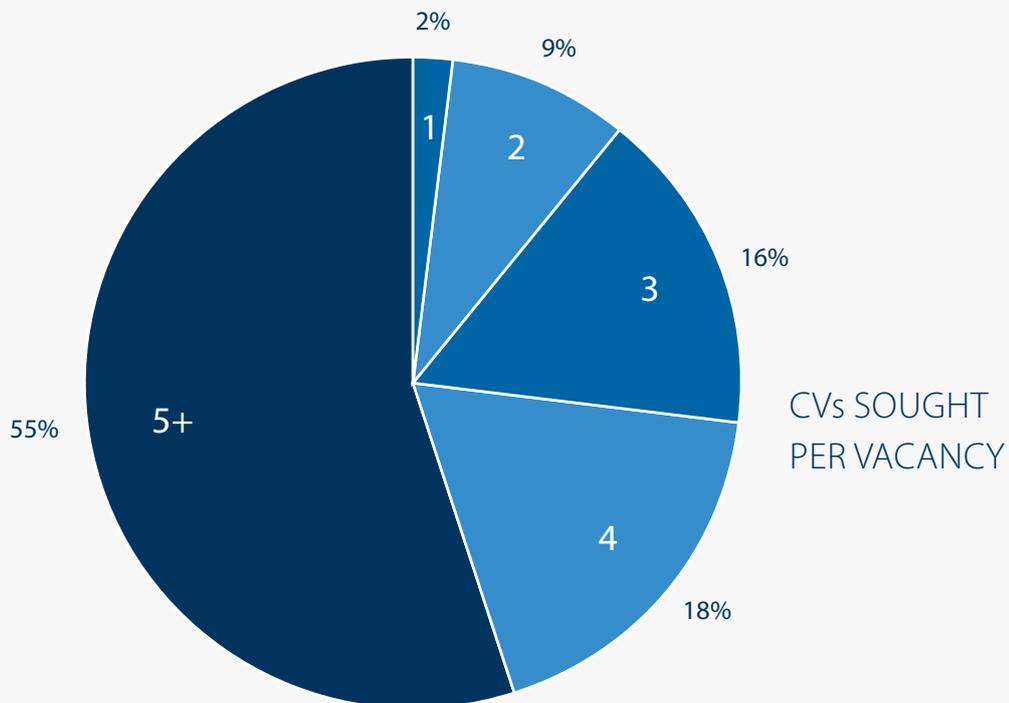
Focus on: Employers

Supplier Attributes

We asked employers to consider the most important attributes of their recruitment suppliers. Unsurprisingly, the quality of the candidates was ranked as most important by 54% of respondents. Second in place was price, which was most important to 21% of respondents. Third was the quality of the recruitment consultant that's supplying them.

Ultimately, the one common element that measures success for employers and recruitment companies is delivery of the required candidate.

54%
OF EMPLOYERS SURVEYED VOTED CANDIDATE QUALITY AS THEIR NUMBER 1 PRIORITY

MOST IMPORTANT ATTRIBUTE OF A RECRUITMENT SUPPLIER

|	54%	21%	11%	10%	4%
	Quality of candidate	Price	Quality of recruiter	Delivering on expectations	Quality of service

Focus on: Candidates

ARM's Consultants surveyed job hunters and passive candidates registered across our specialist recruitment divisions to explore their preferences and behaviours when seeking their next role.

Money Talks or Merely Whispers?

Perhaps surprisingly, 49% of respondents were seeking a pay rise of just 0-5% when changing roles. 32% were seeking a rise of 6-10%, but only 19% were seeking more than this (we cover how important pay is to candidates later).

The technology generation appears to be more savvy about the wider benefits associated with employment packages. It is no longer the case that 'everyone has their price', because people have deeper motivators beyond cash.

49%
OF CANDIDATES SURVEYED SEEK A 0-5% RAISE

DESIRED PAY INCREASE

- 2%
- 5%
- 12%
- 16-20%
- >20%
- 11-15%
- 0-5% 49%
- 6-10%
- 32%
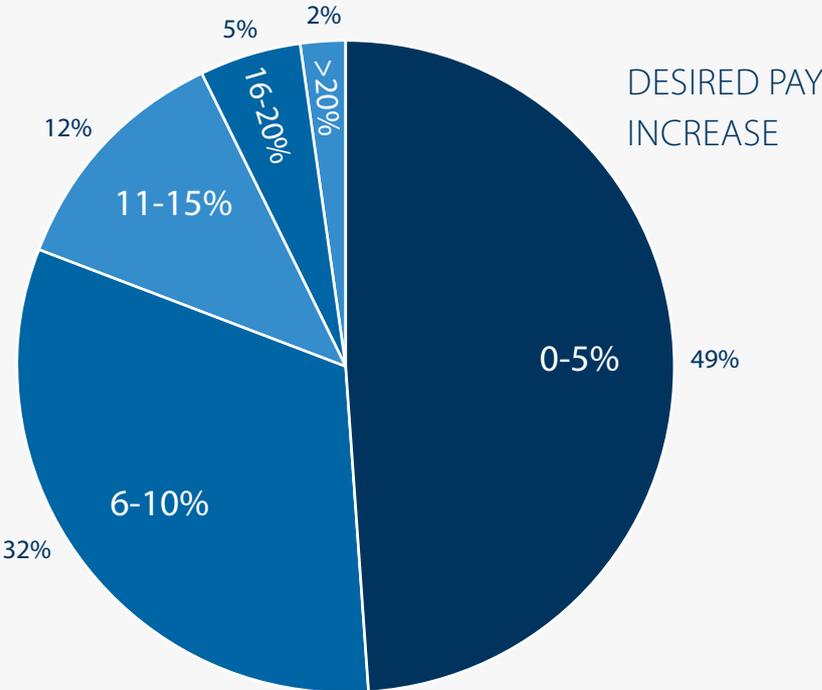
Focus on: Candidates

People Want Multiple Options

We asked job hunters how many roles they typically apply for when they decide to move jobs. 46% of respondents applied for more than five roles and just 11% had applied for a single role.

This is a shift in previous trends where candidates were more cautious about 'spreading themselves around.' In fact we are now experiencing more trust and discretion in the handling of applications, and an increased accessibility to a wide range of opportunities, in a market that is in growth mode. Specialist recruiters are able to offer a number of closely matched roles through a single channel, making the candidate's journey more satisfying and manageable.

11%
OF CANDIDATES SURVEYED APPLY FOR JUST ONE JOB

NUMBER OF JOB APPLICATIONS
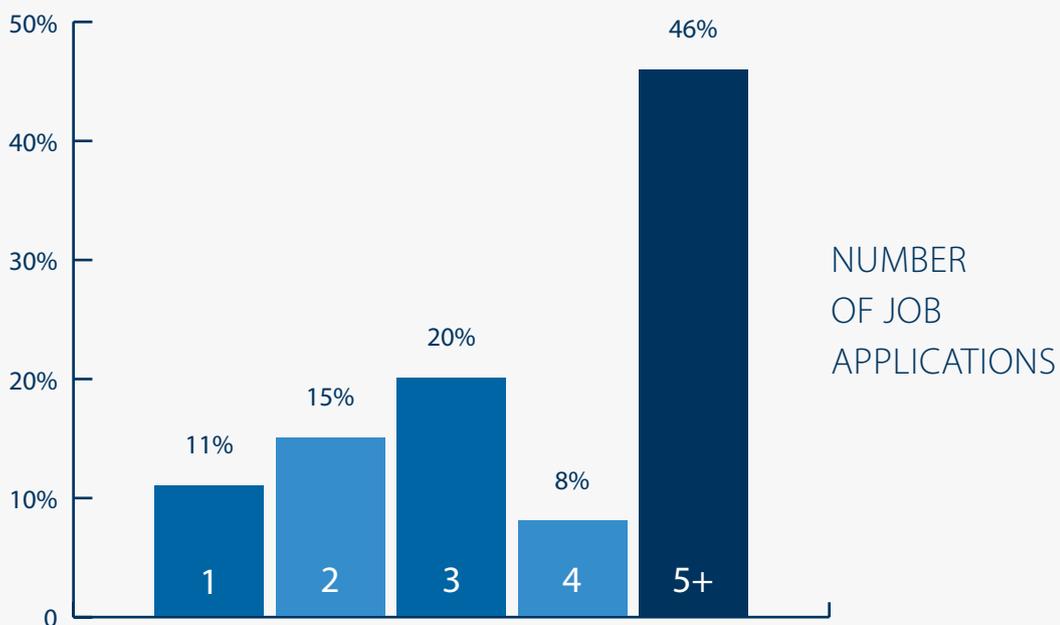
Focus on: Candidates
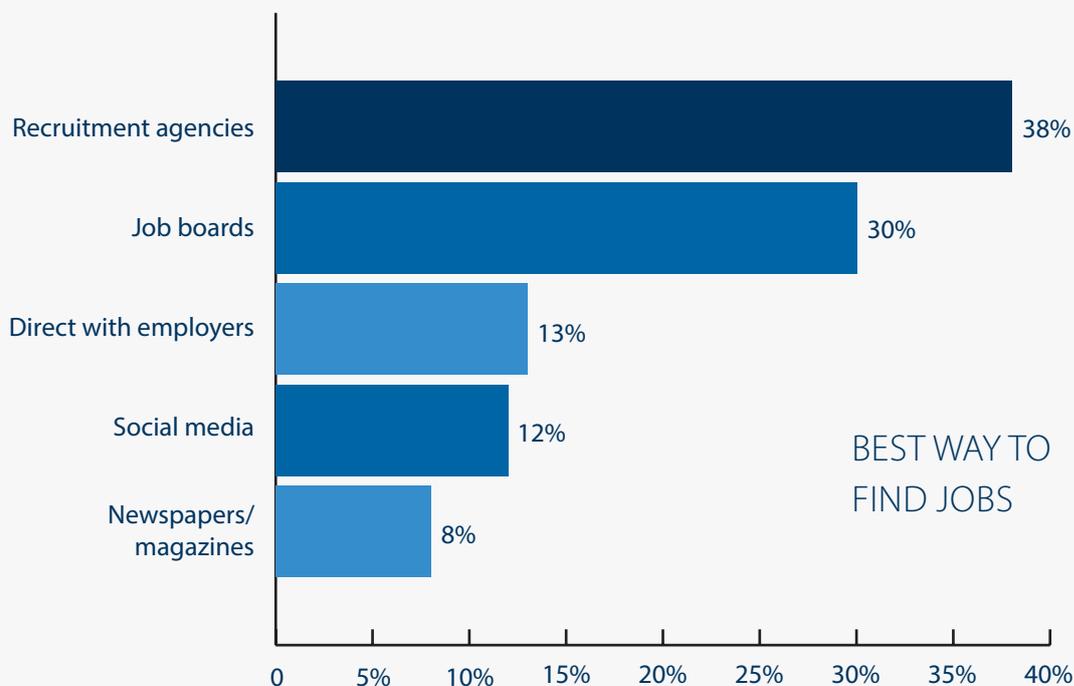
The Personal Touch Still Prevails

Our job hunters were asked their opinion on the most effective ways to find out about job opportunities. Recruitment companies came out top, with 38% voting them as their number one method of finding out about jobs. Second (29%) were job boards and third (13%) directly via employers.

Social media was fourth with just 12%, which in the digital age is low (but in-line with other research). This suggests that, no matter how user friendly or innovative a digital platform may be, candidates still want meeting or speak with their Consultant before embarking on the life-changing experience of finding a new job.

Newspapers and industry magazines were voted least effective, with just 8% of job hunters voting them the most useful.

38%
OF CANDIDATES SURVEYED SAY RECRUITMENT AGENCIES ARE BEST FOR FINDING JOBS

BEST WAY TO FIND JOBS

- Recruitment agencies — 38%
- Job boards — 30%
- Direct with employers — 13%
- Social media — 12%
- Newspapers/magazines — 8%

Focus on: Candidates

What Candidates Want

Reflecting back to desired pay increases, we now examine candidates' wider motivators when job seeking.
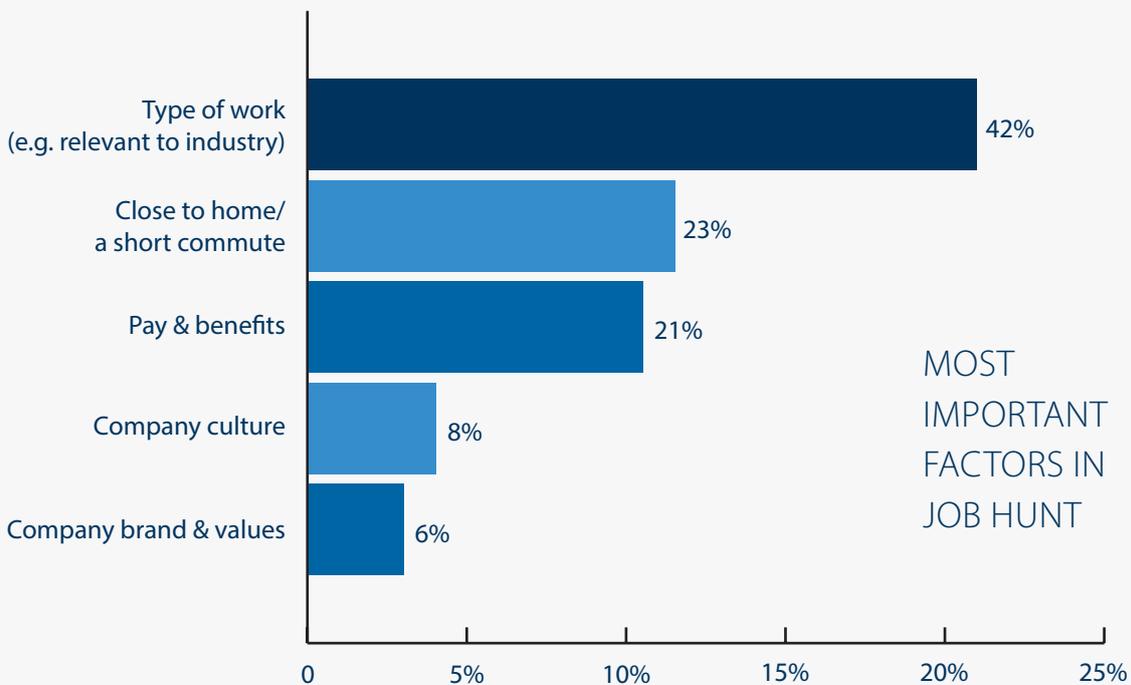
When people were asked to name the most important factor in their job hunt, 42% voted 'type of work' as their top priority. Second came the length of the commute (23%) and in third place was pay and benefits (21%).

By having a job you can develop and flourish in, playing to your strengths and achieving purpose and fulfilment – there will always be a correlation to high performance. This is also highly influential to work/life balance.

Engaged and high performing employees typically get well compensated; hence money is an output, not a primary enticement.

42%

OF CANDIDATES SURVEYED SAY TYPE OF WORK IS THE MOST IMPORTANT FACTOR

MOST IMPORTANT FACTORS IN JOB HUNT

Factor	Percentage
Type of work (e.g. relevant to industry)	42%
Close to home/ a short commute	23%
Pay & benefits	21%
Company culture	8%
Company brand & values	6%

Focus on: Candidates

Get Connected

We asked candidates what factors they look for when working with a recruitment consultant. Recruiters are their connection to their (potential) future employer, so it's vital to understand which aspects add the most value to the relationship.
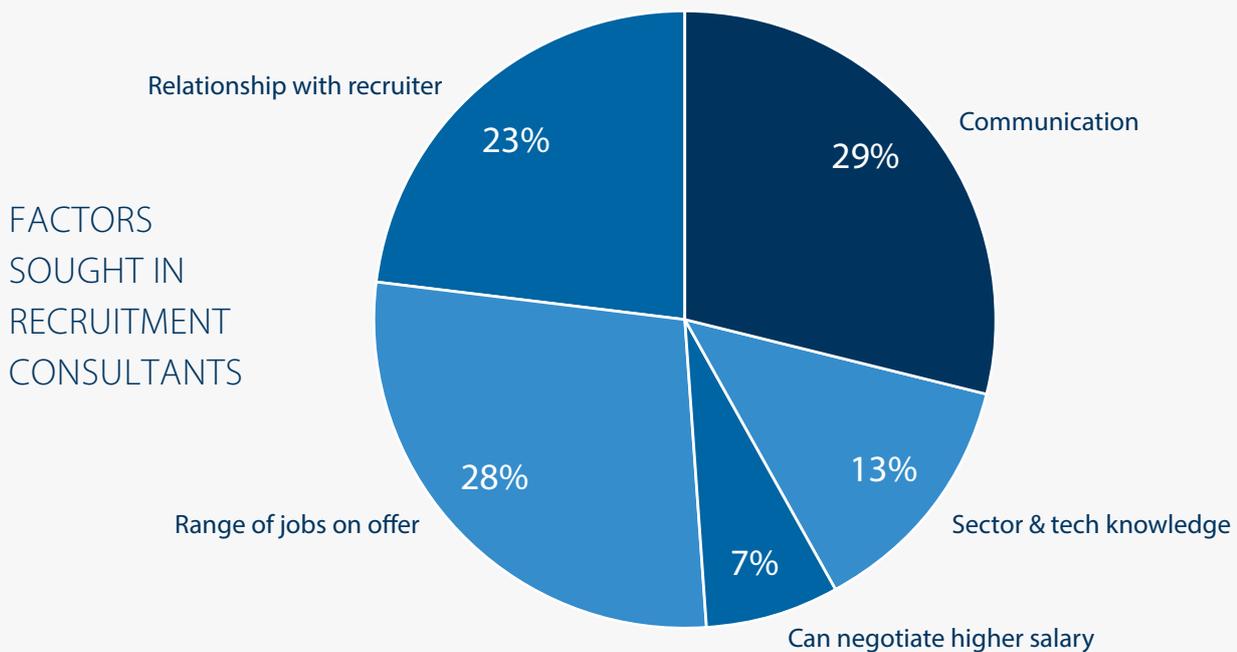
Communication scored highest with 29% and range of jobs scored 28%. In line with our previous discoveries about pay, the recruiter's ability to negotiate higher salaries scored the lowest with just 7% voting it as their most important factor.

Let's return to communication. This can either be the most complicated and perplexing subject on the planet or you can chose to keep it simple; clear, honest and timely.

Respondents to our survey were given the opportunity to leave comments and reflect exactly that. There's a mutual obligation to communication and, if this is done well, it will enrich the candidate journey, gain kudos for the recruiter and create efficiencies (and cost savings) for the employer. So perhaps, once again, simplicity is the key.

29%
OF CANDIDATES SURVEYED SAY COMMUNICATION IS KEY

FACTORS SOUGHT IN RECRUITMENT CONSULTANTS

Relationship with recruiter 23%

Communication 29%

Sector & tech knowledge 13%

Can negotiate higher salary 7%

Range of jobs on offer 28%

Summary & Conclusions

As the economy begins to bounce back, job hunters and employers are equally aware of their options in the recruitment process. They are more demanding of their suppliers and seek increasing levels of quality, relevance and communication.

An implicit optimism shines through the survey data; candidates within the talent pools are dynamic and ambitious, and most hiring companies have growth plans. By examining the data and understanding inferring the reasons behind it, we are able to make more informed decisions about how to engage and capture the talent required to support a competitive edge in the market.

WE HOPE THAT YOU HAVE FOUND OUR SIMPLICITY REPORT USEFUL. LET US KNOW IF YOU HAVE ANY COMMENTS OR SUGGESTIONS ABOUT THIS REPORT:

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Key Findings

Candidate and employers alike are seeking greater communication from their recruitment agencies.

Employers:

- 80% of employers have three or more recruitment companies on their supplier lists

- 22% use recruitment agencies to fill nearly all vacancies

- 37% interview candidates three times

- 54% rate candidate quality as the most important factor that agencies can deliver

Candidates:

- 49% are seeking a pay rise of just 0-5% as they have deeper motivators beyond cash

- 42% voted type of work as their most important factor when choosing a new role

- 46% of respondents apply for five or more roles - 11% apply for just one

- Recruitment companies are perceived as the most effective way to find jobs

About ARM

ARM is a specialist technical recruitment consultancy providing IT, Engineering and Business Solutions jobs for contract and permanent staff in the UK and internationally.

What makes ARM different?

We are committed to matching the right people to the organisations that need their skills. Our focus on niche specialisms and our commitment to providing a high-quality service sets us apart from other recruiters.

Recruitment specialisms

▶ **ARM Technology**

ARM Technology's team works across industries including: Media, Technology, Retail, Finance and the Public Sector. It has a strong track record of placing Developers, Business Analysts, Project and Programme Managers and ERP professionals.

▶ **ARM Information Security & Communications**

The ARM Information Security & Communications team places high calibre contract/interim and permanent professionals into a range of businesses – from the vendors that develop and sell products and solutions, to the consultancies that provide integration and value added services, plus the end users that seek protection, assurance and compliance.

▶ **ARM Automotive**

As Automotive specialists, the Automotive team offers an effective recruitment service based on its thorough understanding of the industry and an extensive network of engineers.

▶ **ARM Infrastructure & Built Environment**

As market experts in the Built Environment sector, the team supplies a quality-led recruitment solution across Construction, Property, Rail and Infrastructure.

▶ **ARM Oil & Gas**

The Oil & Gas team sources the best people for technical engineering and executive roles in the global Oil & Gas, Petrochemical and Marine industries.

▶ **ARM Specialist Engineering**

ARM's Specialist Engineering division sources skilled engineers and scientists within four core engineering domains: systems, software, electronics, and mechanical.

▶ **ARM Utilities**

ARM's Utilities division offers a unique service to the Energy and Utility industry. We have a 15-year track record of proven delivery of IS and Business Consultants to clients within this sector including: Scottish and Southern Energy, British Gas, Southern Water, Centrica Energy, Scotia Gas Networks, and EDF Energy.