

firstfridaypreview

Frontline Analysis by the MRINetwork Team of Global Search Experts

The Recruiter's View: Candidate-Driven Market is Impacting Hiring More Than Ever Before

Despite some challenges during the winter months, U.S. employment has experienced consistent growth in 2015, with 251,000 new jobs as the monthly average. Many companies are expanding their teams, but are finding it difficult to recruit, especially in the executive, managerial and professional job market. In this sector, which is candidate-driven, employers continue to lose great candidates who are accepting other job offers. This is due to lengthy hiring practices, below-market salaries and an inability of prospective employers to sell their brand, the role and career-pathing opportunities. Retention is also a challenge, as the brightest talent recognize more jobs are available and feel more confident about pursuing them. Now more than ever, companies are feeling the pressure of the candidate-driven market, forcing many to reevaluate and overhaul their recruitment efforts, to attract and retain the specialized talent needed to move their organizations forward.



New data from the [most recent MRINetwork Recruiter Sentiment Study](#), a biannual employment landscape survey of MRINetwork recruiters across approximately 600 worldwide offices, indicates that the candidate-driven market, which has experienced a consistent uptick since 2011, is here to stay, and the rate at which top performers are rejecting job offers continues to grow. According to the survey, 90 percent of respondents feel the executive, managerial and professional sector is candidate-driven. This stands in strong contrast to companies who still believe employers are driving the labor market, and that their pre-recession talent acquisition and retention methods can still be effective.

"The job climate has definitely shifted in the past three years to a candidate-driven market," said a recruiter responding to the study. "Candidates now have choices and employers need to make the interview process go smoothly and quickly." The report reveals in the first half of 2015, a 36 percentage point increase from the second half of 2011, that recruiters feel the talent market is candidate-driven.

The availability of more job opportunities and a growing shortage of highly specialized talent are the overriding forces behind the candidate-driven market. With multiple job offers to consider and the ability to reject less desirable work opportunities, top performers have the upper hand. To that end, a reluctance by many companies to provide respectable wage increases, or offer competitive salaries to prospective hires, is impacting their hiring and retention abilities. According to the study, 47 percent of recruiters say the primary obstacle to hiring is a failure to recognize that top candidates are no longer accepting the low salaries that were customary during the recession. Further, year-over-year survey data points to acceptance of another job offer as the most common reason that candidates turn down a role, with a six percentage point increase from the first half of 2014. The message is clear; employers who do not recognize this reality will continue to lose their top picks to competitors. Further, the time between the first interview and the rejected offer is shrinking, with

an eight percentage point increase from the second half of 2013, for candidates that rejected offers within two weeks of the first interview.

MRINetwork recruiters provide the following survey insight about rejected job offers:

- The shift to a candidate-driven marketplace has been enormous just over the course of the last year. The biggest concern is that candidates understand this, but companies do not.
 - Companies tend to feel their offer/opportunity is unique. Candidates are expecting more in the way of benefits and compensation.
 - Employers think there are better candidates out there who they haven't seen. They also don't seem to have a clue that the best candidates are in the driver's seat.
 - Many organizations still don't realize they need to bring their A-game to attract.

With more top performers moving on, the candidate-driven market points to several things:

- Internal and external branding will continue to be important as companies face growing pressure to sell their value proposition to employees and candidates. "Clients are beginning to, but not across the board at all levels, recognize this is a candidate-driven market where the best talent need to be convinced their lives would be better if they were in that particular role," says an MRINetwork recruiter.
- Lengthy hiring processes must be replaced with streamlined, candidate-facing interviewing practices. One recruiter notes, "Clients need to understand that they are in a competitive situation and good candidates are getting multiple offers. "They are still taking too long to finish the deal."
- Not surprisingly, talented employees who were hired at bargain salaries during the recession are moving on. According to one recruiter, "Clients are beginning to understand that if they aren't competitive with compensation and culture, they will struggle to make strategic hires. The time where companies could seek to hire someone who's already done/doing the job for which they're looking to hire, and willing to come for lateral compensation is just about over."

Although the study results demonstrate that top performers are driving the hiring process in the executive, managerial and professional space, recruitment and retention will continue to present challenges for overall hiring as the job market expands. The recruitment practices of the past are no longer effective and companies need to recognize that modern hiring approaches are now necessary to acquire and keep the best talent.

To view the complete study, visit <http://mrinetwork.com/recruitersentiment>.