

By Sara Moss

CANDIDATE RELATIONSHIP

A NEW TREND IN STAFFING

Making an effort to proactively deepen and lengthen relationships with candidates is increasingly important to staffing companies as candidates become more powerful in the recruiting process. Many staffing companies have dabbled in candidate relationship concepts but most have not implemented comprehensive programs.

Fierce competition for candidates and Web 2.0 technologies are increasing candidate expectations around the recruiting and employment experience. Candidates are more engaged and expect highly interactive, two-way communication with their employer throughout the employment process.



MANAGEMENT

Further, gross margin per candidate increases when staffing firms keep candidates engaged through multiple assignments. “By investing and focusing our energy and resources towards the needs of our talent, we experience a return that affords all 3 parties in the chain – talent, agency and client – significant benefits. By helping to manage careers via our talent care and recruiting functions, we build deeper relationships with greater longevity. With the

Candidate Power

Competition for talent is increasing. Active job seekers are getting multiple offers, negotiating harder and being more selective. “In the past, the recruiter has held all of the cards in the hiring process,” says Alice Snell, vice president of research at Taleo, “but that power is now shifting toward candidates and away from recruiters. Sophisticated candidates, and there are more and more of these, know this; they are becoming

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increased shortage for technical talent, these relationships and the ensuing knowledge help grant us access to the most progressive clients and cutting edge projects. Everyone wins,” says Simon Billsberry, Kineticom CEO.

Candidates expect more from the hiring and employment process, so firms will have to step up and invest more. Employers who have a meaningful and long-term relationship with the candidate will reap meaningful financial rewards.

sophisticated consumers of staffing services. Candidates are more familiar with staffing methodologies than ever before, and the resultant education has made them able to pick and choose among firms and among assignments.”

Unfortunately, the staffing industry as a whole is not prepared for this new market dynamic. Traditionally, staffing companies have not been focused on building and nurturing their relationships with prospective, placed and alumni candidates. Rather, the attention has been on getting qualified and available candidates in the door and placed, forgetting about them once they find permanent employment. “Just-in-time staffing has been the bread and butter of the staffing industry,” notes Snell. “Clearly, candidate relationship management practices further this core practice.”

You’ve now got to start thinking about winning the candidate as much as winning the job order. Beating out the competition and wooing candidates is clearly taking more effort than it has in the past.

It’s Not Easy Being Candidate-centric

Candidate experience and candidate relationship management

Weddle’s 16 Corporate Recruiting Touch Points

Corporate recruiting has been aiming to improve candidate relationship management for several years now. E-recruitment expert Peter Weddle notes, “While there are early adopters of candidate relationship management in the corporate environment they are early adopters at a conceptual level and there are very few implementers to point to.”

Weddle explains that the best candidate prospects go to trusted agents to make career decisions. Candidates will pick the one where they feel the safest and will be treated most

respectfully. Optimizing the candidate experience requires close management of 16 interaction points between the recruiting organization and the candidate across three integrated areas: sourcing, evaluating and selling the candidate.

“Managing across the touch points is difficult for organizations to get right,” says Weddle, “since it requires organizational silos to be well coordinated. Once senior leadership makes the decision to optimize the experience, it’s like steering a ship – it takes a while to make the change.” **SI**



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philosophies and concepts are emerging and not well defined.

The terms are borrowed from the discipline of customer relationship management (CRM), which has evolved over the past 15 years. Implementers have learned that CRM is not just a kind of software (e.g., Salesforce.com, Siebel); it is actually a combination of strategy, business process, supporting organizational structure and enabling technology.

much as they have focused on transactional automation – a subset of CRM. Off-the-shelf front office packages do not typically support advanced CRM feature sets and firms often conduct their pre-first sales activities outside of their front office systems. The scalability and sales funnel transparency that CRM brings to management is therefore significantly curtailed or eliminated. On the candidate side of the house, most have not implemented

Candidate experience and candidate relationship management philosophies and concepts are emerging and not well defined.



Many staffing companies have implemented candidate relationship management concepts on a piecemeal basis, but few have comprehensive and funded strategies. Staffing companies have tended to focus their candidate relationship management efforts on managing applicants but have not embedded a full set of CRM capabilities. See aside: CRM Defined.

In terms of technology, staffing firms have not invested in CRM as

technology outside of their candidate portals and may only have rudimentary applicant tracking (candidate funnel) capabilities. Even rarer is robust functionality aimed at managing and developing the candidate relationship over time.

Candidate relationship management is about strategy. Firms must commit to believing in managing these relationships over the long haul and not only during the pre-placement segment. As such, candidate relationship management is unique to staffing and HR and needs to be better defined so that it can be more easily implemented. CRM best practices often translate well to candidate relationship management, but nonetheless, a translation is required.

It is clear that staffing firms cannot go out, buy, install and quickly roll out CRM capabilities. Instead, a relationship management strategy must be crafted. From there, process, people and technology changes will be implemented to enable the vision which will result in stronger candidate relationships and more candidate wins. “Recruiters know that good talent gets multiple offers. You’ve got to track and manage candidates very well to win out over the competition,” states

CRM Defined

Customer Relationship Management (CRM):

CRM is a business strategy aimed at understanding, anticipating and responding to a prospect or customer's needs. CRM may facilitate customer facing business processes, provide a single, consolidated and holistic view of the customer relationship across the organization, streamline direct communication and interaction with customers over multiple mediums, and synthesize, analyze and understand customer data in order to predict customer behaviors, identify customer opportunities or better serve customers.

Customer Relationship Management Software:

CRM software seeks to manage and automate CRM business strategies. While CRM software vendors use varying definitions to describe their software solutions, most industry pundits agree that CRM software should at least offer sales force automation, marketing and customer support. The table on page 18 illustrates CRM software components (often called modules) in more detail. **SI**

Source: CRM Landmark, 2007

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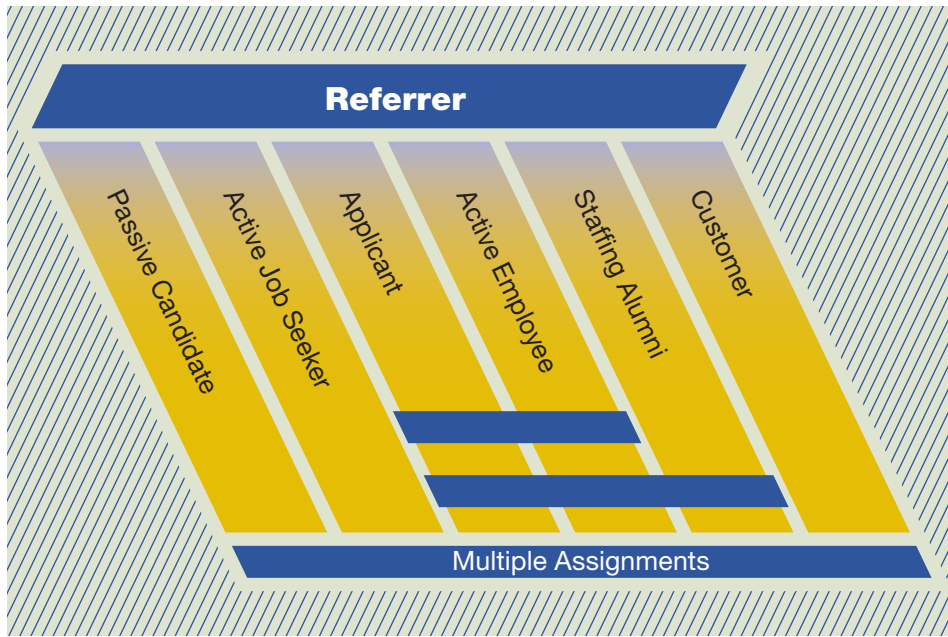
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Kevin Marasco, SVP of Marketing at Vurv. “There is a lot of technology out there that creates the opportunity to improve the candidate experience, but only those recruiting organizations with clear strategies are able to apply technology to get real results.”

Web 2.0 Upping the Ante

In its whitepaper “Career Site 2.0: Taking the Lead in the War for Talent,” Taleo lays out the case that Web 2.0 is driving candidate expectations around how candidates want to interact, at least electronically, with recruiting organizations.

According to Taleo, the 2.0 user experience has resulted in candidates

In short they want to be engaged participants in the recruiting process.

Next generation job sites like itzbig and Jobfox are also building this type of real-time communication to get candidates more engaged. Itzbig offers candidates live chat with recruiters for job postings that are a good match. Jobfox enables candidates to receive text messages on their cell phones when recruiters view their resumes. This type of instant communication and gratification helps get and keep candidates engaged.

Web 2.0 will reach further into the candidate lifecycle. Sites like Jobster and H3 provide the opportunity for candidates to benefit from referrals and they will come to expect the same level of ease and automation when referring candidates to staffing companies.

Companies are realizing that candidates want to stay connected while working. Candidates who have poor experiences while on assignment, with the time sheet process or with their pay checks will find outlets for their dissatisfaction. Firms embracing Web 2.0 will provide constructive ways to capture this feedback or they will find themselves being discussed online in public forums.

“Candidates don’t just want to gather information, they want a voice in the process and they want to get and give feedback,” states Adrienne Whitten, Director of Product

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that want continuous communication and a highly interactive and transparent recruitment process. Not only do candidates expect to be notified with updates, they want a real-time view of the status of the job opening and their application, and they want to give and get feedback in the recruiting process.

Marketing at Taleo, “and if you don’t give them the outlet, they will create the opportunity to give feedback in the public domain on sites like JobVent and Vault. Welcome to the Web 2.0 democracy!”

Candidate expectations about communication and transparency are raising

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and so are the stakes when recruiting and staffing organizations don't deliver. Web 2.0 is upping the ante, and staffing firms are going to feel increasing pressure to get into the candidate relationship management game.

Building Candidate Relationships

Candidate experiences at staffing companies cover a wide range of relationships that have different needs and can be supported in different ways.

Generally, candidates start as passive candidates or active job seekers. Hopefully, they eventually become applicants and active employees.

Staffing companies hope to staff the same candidate on multiple, serial assignments since increasing their tenure provides a higher gross margin. Over the past several years, corporate recruiting has focused heavily on developing alumni networks, networks of former employees because alumni networks offer the opportunity to rehire proven candidates. Staffing companies have not focused on this type of continued investment in the candidate relationship. It is also somewhat common for staffing company candidates to eventually become staffing company clients.

In the corporate environment, recruiters have started to proactively develop talent pools of sought after, passive candidates that they market to with the hopes of eventually hiring. Within the staffing industry, executive recruiters are known to conduct the same type of relationship development practices but conduct their business using very high-touch and personalized methods. For staffing companies to manage talent pools of potential contingent labor, a scalable solution is required that enables staffing firms to effectively manage and actively communicate with all of the candidates in their large candidate databases.

Vision and ROI

It is commonly understood that acquiring new clients is more expensive than keeping the clients we already have. One could argue that the same anecdote applies to candidates. The methodology of finding, placing and then discarding candidates is a tried and true process, but the cost of continually attracting new candidates to the process and the continued reliance upon advertising sources are much more expensive than the alternative of hanging on to candidates as they move from temporary to full-time placement and back to temporary through the various cycles in the career. Gray workers exemplify this finding.

Once we invest in a candidate (e.g., load them into our candidate database) it seems intuitive that nurturing that relationship will lead to an increase in gross margin through longer candidate tenure, higher fill ratio and more referrals. Candidates that prefer your firm will let you be the first to know when they shift into active job seeking mode, giving you the first opportunity to staff them. Even better, your trusted relationship may provide enough leverage to entice the candidate to make a change before the competition even knows they are on the market. Further yet, your firm will be better positioned to catch and act on valuable candidate referrals. If nothing else, your candidates will feel positively about your brand.

At the end of the day, a staffing company focuses on a specific geography and staffing segment which means the pool of qualified candidates is finite. Developing long-term relationships with the candidates that matter to you is a very powerful concept and highly differentiating in the competitive staffing landscape. **SI**



Sara Moss (sara@thecodeworksinc.com) is a partner and consultant at The Code Works Inc., a technology strategy and software development firm based in San Jose CA.

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