

Generator Group 2009 Talent Acquisition Trends Survey

Technology Services - Executive Summary of Results – 8/13/2009

Executive Summary

As expected, the economy and related downsizing has impacted companies in the technology sector. While it has been easier to find and attract top talent due to an influx of candidates, commute and relocation issues are still having a negative effect. On the positive side, cost of hire and time to hire have both decreased dramatically.

Retaining talent is the biggest talent management priority for companies. This and other talent management initiatives are being driven primarily by Human Resources in technology companies.

For acquiring new talent, networking continues to be the top source of candidates. However, “networking” continues to expand to the world of social media such as LinkedIn.

Summary of Results

The Economy

- While many companies experienced layoffs in the last 12 months, only a small portion expect to have an overall reduction in headcount through the course of 2009.
- The current economic climate has made it easier to find and attract top talent.
- Relocation and commute issues are still impacting the ability of companies to attract and retain key talent.
- Compensation has become less of an issue in attracting new talent.

Talent Management Priorities

- The biggest priority for almost all respondents is retention of talent.
- Cost of hire and time to fill have decreased dramatically.
- The majority of respondents have some sort of structured interview process and use behavioral interviewing as an assessment tool.
- Talent management initiatives are being driven mostly by Human Resources.

Talent Acquisition

- Both online and offline networking are effective sources for finding top talent.
- The toughest industry jobs to fill include software development, product management and project management.

Survey Participants

The Generator Group Talent Acquisition Trends Survey is an annual analysis of talent acquisition and management trends with a focus on economic impact, talent management priorities and talent acquisition. The survey is in its second year and has collected data from twenty-one technology companies and IT departments in the Pacific Northwest. Data was collected via a confidential online survey tool.

The breakdown of company types includes:

52%	Software	38%	Other Technology
14%	Company with large IT department	24%	Other



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Key Findings

The Economy

- 48% of companies have experienced a layoff or reduction in force over the last twelve months, with an additional 5% citing it as a future possibility.
- The current economic climate has made it easier to find and attract top talent according to 48% of companies, versus 25% of respondents in 2008.
- Only 10% will reduce headcount over the course of 2009, while 48% will stay the same and 33% plan to increase.
- Relocation and Commute Issues:
 - 44% of respondents have encountered candidates unable to relocate due to housing market issues and this is also the top reason given when candidates turn down an offer.
 - 27% of respondents had candidates turn down an offer due to commute issues, up from 18% in 2008.
- Compensation has become less of an issue when attracting new talent. There was a decline in compensation-related issues around candidates refusing an offer:
 - Competing offer from another company – 20% versus 50% in 2008
 - Compensation not competitive – 20% versus 47% in 2008

Talent Management Priorities

- Retention is the most critical talent management priority for 87% of respondents, versus 60% in 2008.
- Time to fill positions has declined, with the majority (57%) filling jobs within 60 days.
- Cost per hire has declined as well, with 48% of respondents spending between \$0-2,500 on average (versus 25% at that level in 2008).
- Only 40% of respondents are actively applying talent management methods to align talent with strategic goals. For those who are, 67% of those initiatives are being driven by Human Resources.
- The majority of respondents (83%) have some structure to their interview process, with 73% using behavioral interviewing as an assessment. Other commonly used assessments including Knowledge and Skill Tests (47%) and Cultural and Organizational Fit Measure (47%).

Talent Acquisition

- LinkedIn was cited as one of the top three most effective sources for recruiting executive level talent by 60% of respondents. Networking was the top source (100%) and employee referrals were third (53%).
- At the mid to senior level, networking was the top choice of effective recruiting sources (93%), along with referrals (67%) and niche job boards (41%)
- Least effective sources for tech companies included print ads and tradeshows.
- Toughest jobs to fill include:
 - Software Development (33%)
 - Product Management (20%)
 - Project Management (20%)

For more details on the 2009 Talent Acquisition Trends Survey or to obtain a full copy of the survey results, please contact Candie Fisher, Director of Client Development, at 303-664-1606 or candie@generatorgroup.net.



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