

# 2017 Recruiting Trends Point To Technology Driving Change

By [Roy Maurer](#) Feb 23, 2017

As the labor market tightens, talent acquisition professionals in 2017 will be asked to fill more positions offering alternative work arrangements and to begin to use emerging technologies to find the right workers for their organizations.

Employers will staff on-demand and gig positions, utilize data analytics and artificial intelligence tools, emphasize skills over formal education to increase diversity, and target passive candidates through hyper-personalization.

According to Byrne Mulrooney, CEO of Los Angeles-based Futurestep, a Korn Ferry company specializing in recruitment process outsourcing, technology will tie all these trends together. "It doesn't matter what industry our clients are in—everything from manufacturing to professional services and retail—every company can now be classified as a technology company," he said. "This has forever changed the way talent acquisition experts do their jobs, and what candidates have come to expect."

More important than the buzz over 2017 trends, however, is the need for employers to keep their focus on maturing practices like continuing to strategically use recruitment marketing and employer branding; measure quality of hire; improve the candidate experience; and shift to mobile search functionality.

"Without an embedded commitment to mobile, candidate experience and branding, your recruiting team is likely losing candidates you don't even know about," said Lars Schmidt, the founder of Amplify Talent, a recruiting and branding agency in Tysons, Va.

## Mastery of Data Will Be Game-Changing

Industry thought leader John Sullivan says 2017 is "the year of the algorithm." Sullivan asserts that the recruiting function will finally "begin the shift away from a decision model based on past practices and intuition and toward data-driven decision-making."

Sales and marketing teams have relied on [big data, analytics and predictive models for years to optimize and personalize the process of converting prospects into applicants](#), according to Jon Bischke, CEO of Entelo, a social sourcing and talent analytics software company in San Francisco. "Talent teams are finally catching up to their colleagues," he said. "In 2016, we saw recruiters ... adopting technologies to automate aspects of their daily workload and leveraging the rich data stores they've amassed to create meaningful and actionable recruitment plans."

Organizations that take a data-driven approach to talent acquisition will find a competitive advantage in 2017, Bischke added. "Not only will they know for certain which sources lead to new hires, they'll also be able to identify and surface ideal talent profiles, and automatically seek out both active and passive job seekers who fit the mold. They will have a clearer picture of the talent population that exists and will be able to focus their efforts on the candidates who are the most receptive to new opportunities."

Using data to predict behavior will become increasingly important as technology continues to advance, said Brendan Browne, vice president of global talent acquisition at LinkedIn.

"Sourcing systems are becoming much more intuitive and can pick up on certain cues that will give employers a whole new level of insight," agreed Eric Presley, chief technology officer at CareerBuilder, an HR solutions firm based in Chicago.

Elaine Orlor, CEO of San Diego-based recruitment consulting firm Talent Function, said that predictive modeling—either robust succession planning or recruiting trend and analysis tools—will play a larger role in defining recruiting needs, position requirements and, ultimately, determining which talent is the right fit for the job.

Smarter use of talent data will expand recruiting metrics beyond the hire itself, from time-to-hire and cost-per-hire to longer-term metrics that measure tenure, performance, fit and retention. Data tools will help match a candidate to the position that best fits his or her skills and background; assess a candidate's personality, values and interests; rank the priority of jobs for workforce planners; and arguably, root out hiring bias.

With opportunities, though, come challenges. Kevin Wheeler, founder and president of the Future of Talent Institute, a San Francisco-area think tank, is as enamored by the exciting developments in predictive data analytics as anyone in the industry, but he doesn't want employers to become complacent to the troubling aspects of the technology—such as being able to find out too much information.

"A recruiter can go out and scrape someone's online profile and find out that he or she poses a potential health risk because of a mention on Facebook about diabetes," he said. "That's the big danger... [making observations and assumptions about] their personality, their reputation, their creditworthiness, and doing it without any candidate awareness."

Another danger is trusting these tools without knowing the validation criteria, Wheeler said. "Are they really predicting what they say they are predicting? I think it's really shaky today and it's totally unregulated, leaving a lot of potential for really negative consequences."

## **Tools Will Get More Intelligent**

HR and talent acquisition practitioners will hear a lot about artificial intelligence (AI), machine learning and bots in 2017. The [Harvey Nash Human Resources 2017 Survey](#) found that 15 percent of HR leaders polled from 40 countries said artificial intelligence and automation are already impacting their workplace plans. Another 40 percent said they expect AI and automation to affect their plans within two to five years.

But how this evolving technology impacts HR and recruiting isn't completely clear, as the technology is at an early stage, currently focusing on process automation and efficiency.

"The way we interact with AI right now is really simplistic," said William Tincup, SHRM-SCP, an expert on recruiting technology and president of recruitment media company RecruitingDaily. "It's like going from paper to digital. You used to write things down on a Post-It note to remind you to do something. Now you have a program where you type those things in and it reminds you," he said. Essentially, at this early stage, AI is automating manual tasks.

Tincup sees AI and bots in particular improving one of the biggest gripes about the recruiting process: communicating with candidates. "Recruiters are horrible at letting candidates know where they are in the recruiting process," he said. "AI will make it so that feedback is consistently given."

Communication and connectivity should also be improved as chatbots and other voice recognition apps allow recruiters to carry out relatively complex tasks simply by speaking, Wheeler said.

[Sourcers also are starting to use AI.](#) "We are moving away from a world where candidates seek a job to one where the job finds the candidate," said Steve Goodman, CEO of Restless Bandit, a workforce analytics and talent matching company based in San Francisco. "AI can analyze a job description, compare it to a resume, and then reach out to candidates via e-mail to request they apply. Machine learning and matching-algorithm intelligence is turning the process upside down."

It's important to note that the future of AI is based on the tool getting smarter over time as more people interact with it. "The first years will not be that great," Tincup said. "But it will get smarter via the users' behavior. There is no ceiling for knowledge. The technology will take data, put it together and keep learning. But it will not displace recruiters."

Experts assert that the technology will instead elevate HR to become more strategic. "Humans will still need to do the qualitative stuff," Tincup said. "The technology will free recruiters to spend more qualitative time with candidates and hiring managers. Robots will not strategize, not for a long time."

## **The On-Demand Workforce Will Grow**

Some researchers estimate that by 2020 as much as 40 percent of the American workforce will be made up of contingent workers, which includes [temporary employees, independent contractors and project-based on-demand workers](#).

Josh Wright, chief economist for recruitment software company iCIMS, based in Matawan, N.J., said that while the pursuit of short-term, project-based freelance work is not new, the ability to centralize this type of work and give freelancers access to potential clients through online apps has led to an explosion of the practice.

According to Mulrooney, the two key drivers responsible for the rise of the on-demand workforce are workers' demand for diversity and flexibility in their roles and a shift in organizational strategy from needing to hire a person to needing to complete a task.

Wheeler explained that, historically, recruiting focused on full-time regular hires or temporary hires. Gig hiring—such as when retailers ramped up headcount during the annual holiday season—fell under purchasing or procurement. "TA was unaware that those people even existed," he said. "The TA function had been insular, focused on growth or replacement. Many colleagues in TA have told me they are now looking at taking over gig workforce hiring as a part of their responsibilities."

Determining the optimal workforce composition will be a core competency for HR and TA functions going forward, Wheeler said. "HR will be asked to help determine which positions should be full time and which should be done by contractors, or staffed by third-party agencies. We'll see a shift to contracting with more niche expertise workers as needed instead of hiring full-time generalists to all-purpose roles."

The [growth in recruitment process outsourcing](#) (RPO) firms will also continue. "Agencies will have to include RPO or they will not survive, except a small sliver of executive search firms," Wheeler said.

But Andrew Chamberlain, chief economist for employer review website Glassdoor, is pushing back on speculation about the growth of the gig workforce. "Without a doubt, there has been massive growth in the gig economy in recent years. But growth in gig work will likely trail off in 2017 and beyond as reality sets in about the actual pros and cons of contract work—both for workers and employers," he said.

Chamberlain explained that using contract or gig workers allows for flexibility for workers and cuts overhead costs for employers, but "it only works for relatively simple jobs that are easy to measure."

He said that skilled work in professional services, technology and finance increasingly require deep institutional knowledge, trust, reputation and personal relationships inside the organization. "These jobs have many intangible attributes that are hard to measure, making it hard to carve them up in pieces, each with their own contract written to specify exactly what will be delivered. For that reason, the gig economy is likely to remain a small, although important part of the U.S. labor market."

### **'Skills over Schools' Movement Will Diversify Hiring**

By 2020, estimates the McKinsey consulting firm, there will be a global shortfall of approximately 85 million qualified workers.

There is a "critical need for organizations to broaden their views to source and hire talent with diversity being a crucial consideration," Mulrooney said. "By diversifying their workforce, businesses can utilize a currently untapped pool of talent to help plug the skills gap."

One trend gathering followers is the ["skills over schools" methodology](#).

"In the past, recruiters and hiring managers looked at resumes and put too much stock into where a candidate previously worked or went to school, rather than the specific skillsets they possess," said Susan Vitale, chief marketing officer for iCIMS. "Recently, they have been shifting the focus to hiring driven candidates who have the determination to learn the skills they need for the job and who share the same competencies of the organization."

Hiring based on academic pedigree is becoming a thing of the past, Schmidt said, though many hiring managers still have this mindset. "This creates opportunities for savvy recruiters more focused on experience, skills and potential to find true high-potential candidates," he added. Industry leaders like Deloitte, Google and LinkedIn have announced efforts to hire for skill over alma mater.

Many employers have long complained that universities don't provide graduates with the skills competitive businesses need today, Vitale said. "Online education courses are on the rise, allowing people to learn coding and other skills that allow them to earn full-time or on-demand work in highly sought-after areas. These learning opportunities are more accessible to a wide variety of individuals, which in turn should make the pool of talent more diverse for hiring organizations."

### **Recruiting Will Get Hyper-Personal**

With the talent market becoming more competitive, companies are switching focus from what employees need to what employees want, Browne said.

"Today's candidates require a consumer-quality experience, similar to what they receive when shopping online," said Roopesh Nair, president and CEO of Symphony Talent, a leading recruitment marketing company based in New York City. "Personalization is the key to capturing their attention. Thanks to [omnichannel solutions](#) and artificial intelligence, data is getting more precise than ever and can be gathered from every point of contact with a candidate to provide a more relevant, consistent and personalized experience."

Personalizing careers sites and recruitment marketing will significantly impact not only the quality of candidates companies can reach and attract but also the number of relevant applications. "Data can be used by recruiters to create persona-based content to reach higher quality candidates, while at the same time relieving them of mundane tasks so they can refocus on their actual job—recruiting," Nair said.