

# 7

## Social Recruiting

It's hard to find good people, and it's only getting worse. A growing number of articles in publications like *The Economist* and *McKinsey Quarterly* speak of "the war for talent" and "looming talent shortages" around the world. To make things even harder for employers, people today are switching jobs more often, creating sometimes very sudden staffing gaps that can disrupt company growth and productivity if not immediately backfilled.

As the competition for talent grows, recruiting is becoming an even more vital function than ever, and recruiters who understand how to tap the online social graph will be at a disproportionate advantage. The reality is most people find jobs through someone they know and accept job offers from people they trust. Recruiting through social networking sites takes advantage of these facts, and makes the matching of job opportunities and candidates faster and more efficient.

In many ways, recruiting resembles a sales cycle. The recruiter is "selling" the employer, role, and job opportunity. She has to generate leads and pipeline, and manage candidates through a qualification process that hopefully results in some percentage of successful hires. But, compared with selling a product or service, recruiting is typically more welcomed by the recipient because it is viewed as a mutual win-win situation more of the time.

Because there is a limited supply of good jobs, the ratio of jobs to job seekers is typically low. In contrast, there are far more product advertisements and sales pitches than interested buyers. Recruiting is also far more personal. Accepting a new job is a major life decision. Few goods and services can be classified with the same level of importance. Together, this means that interpersonal rapport between recruiters and candidates is even more important than in sales and that online social networking tools have the potential to be even more transformational.

This chapter is divided into seven sections. First is an overview of the four most popular social networking sites being used by recruiters and how they differ. Second, we discuss how online social networking makes it easier to source job candidates, including active candidates, passive candidates, college candidates, extended network referrals, and specialized groups. The third section explains how the online social graph brings greater transparency and objectivity to candidate references. Next, we talk about the importance of employer and recruiter reputation on social networking sites. The following section walks through how recruiters can leverage casual interaction modes on social networking sites to stay in touch and sustain rapport. The chapter concludes with advice for job candidates on how they can keep their profiles professional and advice for employers on how to prevent poaching of their employees.

## The Best Social Networks for Recruiting

There are four social networking sites that the recruiters I interviewed recommend for different stages in the recruiting cycle and candidates types: LinkedIn, Doostang, Ryze, and Facebook. Depending on your industry, what types of jobs you recruit for, and where you are in the recruiting cycle, one or a combination of these online social networks might make the most sense. Other popular sites, including CareerBuilder, Monster, and Yahoo! HotJobs, are dedicated job sites rather than social networks, and are beyond the scope of this book.

### LinkedIn

Started by former PayPal executive Reid Hoffman, LinkedIn is by far the most established professionally oriented network and has already become a standard recruiting tool in many industries. Launched in 2003, LinkedIn now has over 30 million business professionals among its membership across 150 different industries. Member profiles are more or less like a living version of a résumé, which is ideal for recruiters seeking up-to-date

information about a candidate. LinkedIn is good for posting jobs, requesting candidate referrals, and making contact when it is explicitly related to a concrete business objective. LinkedIn is generally not used for casual communication, even with professional contacts.

## Doostang

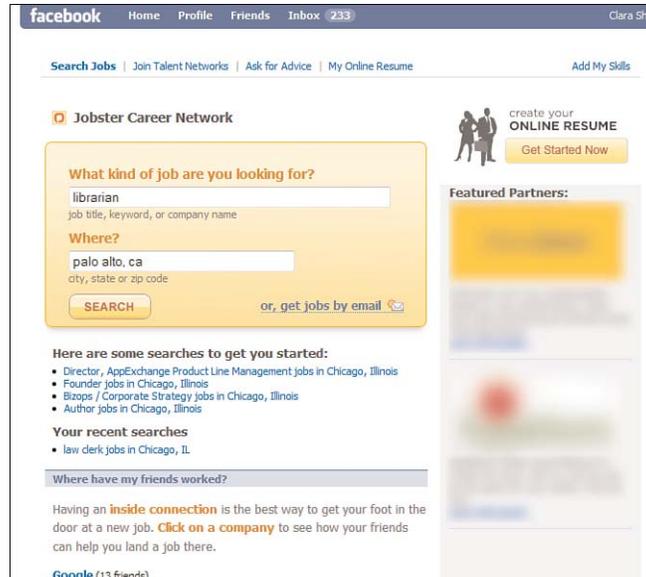
Doostang is a much newer and smaller, invitation-only professional network started in 2005 by Mareza Larizadeh and Pavel Krapivin. It has half a million members, mostly recent business school graduates with 5 to 12 years of work experience. Doostang positions itself as a private, exclusive network. I, for one, have Doostang to thank for helping place me in my current role at salesforce.com.

## Ryze

Ryze was founded in 2001 by former engineer Adrian Scott. Like Doostang, it has half a million members. A lot of Ryze members are aspiring entrepreneurs and small business owners seeking to hire employees and network with like-minded professionals. It is common for members to introduce themselves with a written biographical narrative and even upload samples of past work in addition to listing employment history. The main focus of Ryze is on business networking, but it incorporates personal elements such as birthday, hometown, and "books I'm reading."

## Facebook

Last, but not least, Facebook is emerging as a popular recruiting tool, mainly due to its extensive reach to over 150 million people around the world. There are dozens of recruiting applications that have been built for the Facebook platform, including some by popular job sites like Jobster (see Figure 7.1) and Simply Hired. Recruiters already on Jobster and Simply Hired get automatic access and exposure to Facebook members that install these applications into their account. Another popular app, Indeed Jobs, lets people search millions of jobs across thousands of job sites, newspaper classified sections, associations, and company career pages. Many of the apps target specific niches, such as Tax Jobs Worldwide, Jobs in Egypt, and California Library Jobs. Facebook members who install these applications can browse available openings and make their profiles visible to recruiters.



**Figure 7.1**

Recruiting site Jobster has a popular application on the Facebook platform. Facebook members who install the app can search for jobs in Jobster's database as well as allow recruiters to view their profile information and résumés.

## Sourcing Candidates

Hundreds of millions of the best-educated, most qualified job candidates are becoming members of social networking sites like LinkedIn, Doostang, Ryze, and Facebook. Increasingly, smart recruiters are joining these sites too in order to connect with these individuals and cultivate lasting relationships.

Why do social networking sites attract desirable candidates? One reason could be that high-achieving professionals are more drawn to networking, and that strong networks have contributed to their professional success. Also, these individuals tend to be savvier and more selective about where they work. They are more likely to periodically reevaluate their careers and seek out or at least be open to new opportunities for career advancement.

In the past, one big problem with job boards and résumé submission was résumés would become outdated, sometimes making it difficult to even get in touch with a candidate. Because social network profiles are self-maintained, living documents, they tend to be more accurate and up to date with a candidate's most current experience, qualifications, availability, and contact information. Additional features of social network profiles, such

as showing who you know in common, testimonials from colleagues, and profile search capability, makes the recruiter's job easier. These features provide valuable additional insights that allow recruiters to qualify candidates earlier in the cycle and not have to waste their time or the candidates' time when there is not a good fit.

Recruiters typically categorize candidates into active candidate status or passive candidate status. Active candidates are those proactively seeking a job. Passive candidates are those usually currently employed but potentially open to hearing about new opportunities. Online social networking offers different options for addressing each. There are additional nuances for how to best interface with college candidates, extended network referrals, and specialized groups, which we cover in turn.

## Active Candidates

Increasingly, people who are actively seeking jobs are looking to LinkedIn and to a lesser extent, Doostang. There are a few reasons people might prefer to find jobs using social networking sites. First, there is a greater sense of trust within one's social network. Job seekers can see exactly how they might be connected to a prospective job and employer, perform better due diligence, and gain tacit knowledge about the people and opportunity at hand. Trust and familiarity are paramount in job seeking; as mentioned earlier, people's careers are a major, intensely personal life decision.

Second, the candidates with whom I spoke complained about the overwhelming number of junk listings on traditional job sites that were irrelevant, redundant, or out of date.

Just like social filtering helps people find the interesting needle in the haystack of information on the Web (as discussed in Chapter 2, "The Evolution of Digital Media"), the social filtering that occurs with jobs and employers on LinkedIn and Doostang can similarly help job seekers narrow down which set of jobs might be relevant, compelling, and realistic.

Finally, often the best way to get hired is to know people inside the company. Not only can they vouch for a job seeker, perhaps just as important they can keep the job seeker top of mind for recruiters and help expedite the hiring process. From the job seeker's perspective, nothing speaks more highly of a prospective employer than people she trusts and respects choosing to work there. Not to mention, the candidate would likely enjoy the opportunity to work alongside people she knows and likes.

The job search is a big investment that requires a lot of time; the modern job seeker doesn't want to waste her time on job opportunities from which she will never hear back. Applying for jobs within her social network is the best way to maximize the odds of getting hired while having greater visibility and influence into the process. By filling out just a few basic fields, recruiters can post jobs to their networks for free on Doostang and for a small fee on LinkedIn.

In the face of competitive recruiting situations, some firms are even advertising on social networking sites, especially to appeal to those under the age of 30. Hypertargeting allows employers to preselect which profiles of people they want to see their ad and customize specific campaigns to appeal to the particular hypersegment. As described in Chapter 5, "Social Network Marketing," ads can be hypertargeted along eight major dimensions: location, sex, age, education, workplace, relationship status, relationship interests, and interest keywords. For example, a library in Louisville looking to hire junior staff librarians might target college-educated people age 22 and older from Kentucky who have a stated interest in "books" and "reading."

Hypertargeting capability is ideal for recruiters, who are generally seeking a very specific set of skills and work experience, education, and location. Starbucks Coffee Company is one employer using Facebook Ads to recruit new employees (see Figure 7.2).



**Figure 7.2**

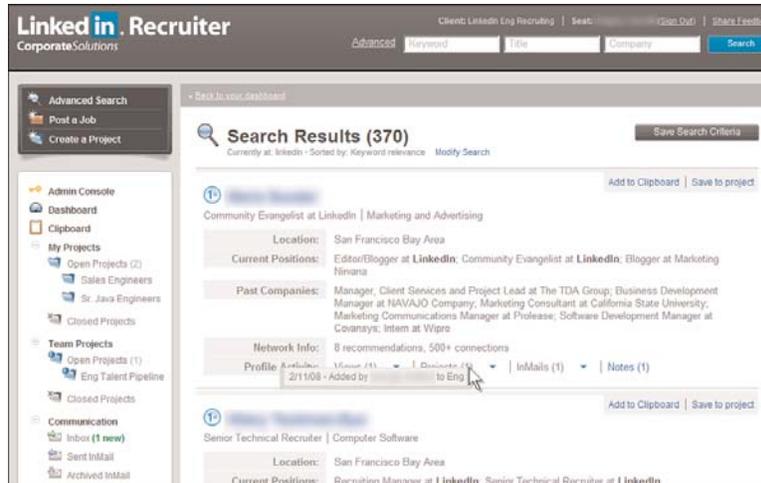
*A Starbucks recruiting ad on Facebook. An increasing number of employers are using hypertargeted Facebook Ads to source job candidates based on profile criteria such as age, college, work experience, and location.*

## Passive Candidates

Social networking sites are great for finding active candidates, but they are potentially even more powerful for discovering passive candidates. Many of your greatest potential hires might not be actively looking because they are happily employed. These passive job candidates do not post their résumé on Monster or CareerBuilder, but they do sign up for LinkedIn and Facebook. Why? Online social networks are viewed as strategic places to build long-term, lasting relationships, network, and keep in touch with people you know, rather than tactical places to seek a specific job at a specific time.

Social networking sites have dramatically expanded the talent pool by including passive candidates who were previously not accessible in a systematic way. Instead of waiting for candidates to come to them, recruiters can more easily be proactive about seeking out the exact profiles of people they want. Using advanced profile search, recruiters can specify very precise criteria based on things like past employers, roles, projects, education level, location, and relevant skills and experience to find potential candidates in their network.

LinkedIn Recruiter, shown in Figure 7.3, is a premium service that allows paying subscribers to search by title, company, or keywords across all LinkedIn members, not just people in their network. It also includes collaboration tools to allow recruiting teams to group candidates into folders and tag them with comments.



**Figure 7.3**

*LinkedIn Recruiter is a premium corporate recruiting service that helps recruiters identify, contact, and manage passive job candidates.*

## College and MBA Recruiting on Facebook

University recruiters need to be where students are, and just about every college or graduate student these days is on Facebook. There are few better ways to achieve the level of reach at the same cost. More and more, recruiters are using Facebook to provide information about prospective employers, promote campus info sessions, connect with student groups, stay in touch with interns, and even perform due diligence on prospective applicants.

In lieu of or in addition to traditional Web pages, college recruiting teams are setting up Facebook Pages to provide company information and foster communities of recruiters, employee alumni (current company employees who are alumni of the school), interns, and prospective applicants (in case you missed it, Chapter 3, "Social Capital from Networking Online," explains what Facebook Pages are, and Chapter 9, "Get Your Message Across," walks through how to make one). Facebook events are used to promote information sessions, campus talks, and other recruiting events. Events can be associated with a Page, allowing fans to receive updates when event details change or new events are posted. For example, P&G created a Facebook Page for its recruiting efforts at the

University of Dayton (see Figure 7.4). The Page describes job opportunities at the company, invites students to attend an upcoming “Meet and Greet P&G Engineers” session, and introduces a current P&G employee who recently graduated from the university, encouraging interested students to get in touch.



**Figure 7.4**  
*Facebook Page for P&G recruiting at the University of Dayton.*

Similar to the word-of-mouth marketing scenarios described in Chapter 5, enthusiasm and awareness around employers spreads across the online social graph. When prospective applicants look at your Facebook event page, they can see which of their friends are also planning to attend. When students RSVP for a recruiting event or become a fan of your recruiting page, their friends are notified via News Feed. As mentioned previously, employers can amplify the effects by sponsoring social ad campaigns hypertargeted to the right campus and majors. In-person events and ad campaigns can be timed with the recruiting season or school calendar, such as offering a study break during midterm exam week or placing an ad for résumé submissions a few weeks before on-campus interviews.

Another effective, low-cost strategy used by college recruiters is engaging with campus student groups. Most student organizations have a Facebook group that lists their officers. Recruiters or employee alumni can send a Facebook message to these individuals to say hello and perhaps offer to sponsor or speak at an upcoming meeting. Afterward, the company can follow up with group members by posting the slides presented, related links, and speaker contact information to the group.

Many employers offer summer internships or co-op programs to provide students with an opportunity to work at the company prior to graduation. Facebook is a great way for recruiters and hiring managers to stay in touch after the program ends. By keeping

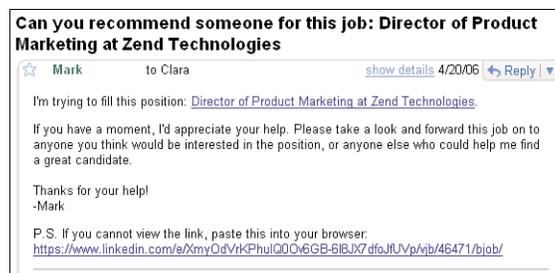
these students engaged with the company, recruiters not only increase the likelihood of successfully hiring them after graduation, they can also use students as campus ambassadors to find additional candidates. The second-to-last section in this chapter goes into greater detail on using social networks to keep in touch.

Lastly, recruiters and hiring managers are using Facebook and MySpace to check out prospective applicants. Is the candidate's profile consistent with how she has presented herself in interviews and on her résumé? Does this person seem friendly and well balanced? Or is her profile blatantly inappropriate and unprofessional? Obviously, there is a fine line to balance between privacy and due diligence. The last section of this chapter gives advice to candidates on what information to share, when to restrict profile access, and how to manage social network identities.

## Referrals from Extended Networks

As we discussed in Chapter 4, "Social Sales," social networking sites allow people to reach far beyond just their immediate networks. For recruiters, the ability to find and contact candidates among friends of friends and greater extended networks dramatically expands the pool of trusted talent.

LinkedIn, in particular, lets recruiters to reach *the extended networks of their extended networks*. Instead of only asking  $n$  people in their extended network whether they would be interested in a job, recruiters can ask those  $n$  people if they *know* anyone who might be interested in the job (see Figure 7.5), thereby potentially reaching  $n^n$  people. Recruiters can further expand their network reach by joining a LION network, described in Chapter 4 in the context of sales prospecting.



**Figure 7.5**

*A request for referral sent to me from a LinkedIn connection. LinkedIn allows recruiters to tap extended networks not only for interested applicants but also for referrals of interested applicants, which has a multiplying effect on how many people within the trusted network they are able to reach.*

Silicon Valley start-up company Appirio has taken this concept to Facebook with Jobs4MyFriends, an application it developed that allows businesses to easily tap employees' Facebook networks to source job candidates. Given the high costs of recruiting and

the near-universal tendency for many of the best candidates to come from employees, many employers offer some form of referral bonus to employees if the referred candidate ends up getting hired and taking the job.

Motivated by the referral bonus or just a desire to help the company find more good people, employees install the Jobs4MyFriends application into their Facebook account, kicking off a matching process that compares the company's job listings to the profiles of the employees' Facebook Friends (see Figure 7.6). As we talked about earlier, most social network profiles contain relevant information for recruiting such as interests, location, former employers, associations, role, and title. Matches found between job postings and potential candidates are recommended by the Jobs4MyFriends application for referral to the employee. The employee can then decide whether to actually submit the referral.

Say an employee, John, refers his friend Kelly for a business development role at his company. The next time Kelly logs in to Facebook, she will receive a notification that John referred her for this position. If she is interested in learning more about the job or applying, she can go to the candidate application portal, also provided by Appirio. Behind the scenes, John's company can track which candidate referrals came from which employees, and if Kelly eventually gets hired, be able to ensure John receives his referral bonus.



**Figure 7.6**

*Jobs4MyFriends is a Facebook application that lets employees refer friends for openings at their company.*

## Targeting Specialized Networks

Social network communities and affinity groups are another great source of talent, particularly if you are looking for candidates of a certain background. There are tens of thousands of Facebook groups and LinkedIn groups around company employees and alumni,

roles, industries, conferences, and trade associations—for example, the Northeast Black Law Students Association group on Facebook, the Healthcare Management Engineers group on LinkedIn, or the Women Business Owners group on Ryze.

Sometimes, membership and access to these groups are restricted, but in general it seems pretty relaxed. Several recruiters I spoke to for this chapter told me they have never been denied membership into one of these groups when they tried to join. Once in, recruiters can post messages, view members, and reach out to specific group members.

For example, my friend is on the diversity recruiting team at a large engineering company in Ohio. One of the first places he goes to find candidates is the Society of Women Engineers group on LinkedIn. He has brought dozens of welcome job opportunities to the group and successfully hired four group members last year. Every few months, he checks on the group to see who new has joined and browses member profiles to look for potential candidates. His advice is to take extra precaution to respect the group's posting policies and to never send spam.

## Reading between the Lines

Aside from obviously important information recruiters usually look at like experience, education, and current title and employer, there is a lot of subtle information on social network profiles that can be very insightful and valuable. By reading between the lines and “doing their homework,” recruiters can tap powerful data to determine candidate fit, opportunistically go after candidates who are likely unhappy, and increase the odds of closing the deal with a candidate:

- *Tenure and stated accomplishments in current role.* Most people specify job tenure on their social network profiles. How long a candidate has been at her current employer is an important indicator of how likely she will be to leave for another opportunity. Based on profiles of past employees at this company, what is the average tenure of an employee? How does this person's tenure compare? If the person is relatively new (less than one year) with few accomplishments to show, the timing is probably not right to try to recruit this person for an immediate opening. On the other hand, you might come across someone whose tenure has far exceeded the company average, with a lot of accomplishments but perhaps not a proportional number of promotions. This person might be more open to being persuaded that another opportunity could be better for career advancement.
- *Organizational structure.* As most recruiters know, titles can vary significantly from company to company. Just like sales reps need to understand the lay of the land of their prospective buyer organizations, recruiters can benefit from understanding the organizational structure of the existing employers of people they are trying to recruit. As we talked about in Chapter 4, poking around on social networking sites can yield valuable information about which departments have the best people and what titles really mean.

- *Mass exodus from a particular company.* Occasionally, companies make poor decisions. Some go out of business. Others flounder and stagnate. Their employees are the people closest to this information, and sometimes we will see a voluntary or involuntary exodus of people from a particular company. In LinkedIn, you can see this activity in the Network Updates section of the home page. In Facebook, this activity is broadcast via the News Feed feature. For example, when I logged in to Facebook last month, I saw three updates from my network saying “so and so has left her job at Company X.” If I were a recruiter, now might be a good time to tap Company X’s employee pool.
- *Commonality with you.* As in sales, shared personal experience between the candidate and recruiter, such as the same hometown or alma mater, can go a long way in establishing personal rapport. Especially if you are an independent headhunter not affiliated with a particular employer, this rapport can help differentiate you as someone the candidate remembers, likes, and trusts with finding career opportunities.
- *Commonality with company employees.* It is common practice when recruiters are trying to close a candidate on a job offer to introduce that person to employees and executives at the company. These individuals can offer different perspectives on the employer and help persuade the candidate. Recruiters can take this to the next level by looking for commonalities between company employees and the candidate to strategically pair up people and maximize those conversations. We can repurpose a prior example from Chapter 4 to illustrate this point. Say the candidate you are trying to win over is originally from Texas and graduated from Rice University. Among the executives in your company, there happens to be one who is also a Texan and attended Rice. That person rather than a random employee is likely one of the people you want on the phone helping to close this candidate. Especially because whether or not to accept a job is a very personal and emotional decision, tapping shared experiences even if they are small coincidences can make a big difference.

## Candidate References

The shortcoming of traditional candidate references is that they are provided by the candidate, and any rational candidate will only disclose favorable references. As a result, recruiters might be getting a biased view of the candidate.

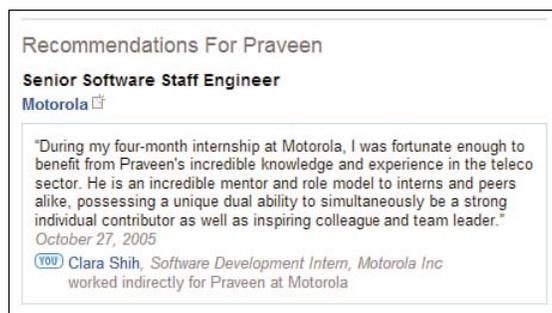
### More Objective

The online social graph can make reference checking more independent and objective. Instead of asking the candidate to supply references, a recruiter can go to LinkedIn and find them herself. For example, the recruiter might want to browse the candidate’s LinkedIn contacts, including mutual connections, or search for profiles of people with

overlapping tenure with the candidate at a previous employer. Either way, the recruiter or hiring manager for the first time can decide for herself who to tap for an independent reference. As a courtesy, the recruiter might want to ask the candidate for an introduction to this person or at least provide a heads-up that she will be reaching out.

## More Accountable

Another type of candidate reference comes in the form of professional testimonials on social networking sites. For example, LinkedIn members can publicly recommend another member. The testimonial becomes part of the member's profile (see Figure 7.7). LinkedIn recommendations are public and last forever until or unless the member removes it from his or her profile. People think twice before agreeing to provide an endorsement, and they think twice about what they are going to say. This introduces a new level of transparency and accountability to these endorsements that private reference checks in the past might not have had. There is a Facebook application, Testimonials, that offers a similar professional testimonial capability.



**Figure 7.7**

*Profile recommendations on LinkedIn carry more weight because they are public testimonials that can be scrutinized by other members.*

## Employer and Recruiter Reputation

Online social networking is powerful because it offers bidirectional visibility. Not only can recruiters and hiring managers perform due diligence on candidates, but candidates can also research the hiring manager and other employees, see who they might know who works there, and reach out to learn more. In the competitive landscape for top talent, companies can use social networking to market themselves as desirable employers and recruiters can use social networking to establish credibility.

## Market Your Company as a Desirable Employer

With employees switching jobs more often, it is more important than ever for companies to establish their brand as a desirable employer. As we described in the earlier section on college recruiting, some companies are using social network communities and hypertargeted ads to achieve this objective.

Employee testimonials can be another important resource for providing social proof and credibility. I've seen some companies ask select employees to blog about their experience working there. Others encourage employees to be engaged in recruiting communities and make themselves available to share their experiences or answer questions. Many of the techniques we went over in Chapter 5 for marketing products can also be applied to marketing your company as an employer.

## Establish Your Credibility as a Recruiter

Especially for independent recruiters or head-hunting firms not affiliated with one particular employer, public recommendations on LinkedIn from successfully placed candidates are a great way to highlight your track record and establish credibility.

In addition to public testimonials, the recruiter can use online social networks to see if she and the candidate have any mutual contacts. As in the sales example, the recruiter could ask these individuals to serve as references.

If the recruiter is really lucky, one of these mutual contacts might even be a past candidate who she successfully matched with a job! Transitive trust happens at two levels for job candidates:

- *Trust in the employer.* Friend X works for Employer Y. Candidate Z trusts and respects Friend X, so Candidate Z is more likely to trust that Employer Y is good. Otherwise, his friend would not be working there.
- *Trust in the recruiter.* Friend X went through Recruiter M and landed a good job that she is very happy with. Candidate Z trusts Friend X and sees she is happy, so he is more likely to believe Recruiter M is qualified.

Because finding a job is so personal and emotional, transitive trust plays an even bigger role in recruiting than in sales. In most cases, there is no single "perfect" or "best" job. There is an inherent level of uncertainty about any new role. Until the candidate actually starts working there, she won't have full information about what her experience will really be like. At a certain point, she needs to make a "leap-of-faith" decision based on trust that this is the right job. Employee references, especially from friends the candidate knows and respects, provide the best information for mitigating the uncertainty.

## Keeping in Touch

Despite their greatest efforts, however, occasionally even the best recruiters aren't able to close a candidate. The timing isn't right, the candidate decided to go with another opportunity, a personal emergency is preventing the candidate from relocating—there could be any number of reasons. Prior to social networking sites, it was easy to lose touch with candidates, even those with whom recruiters invested months and even years.

As we first talked about in Chapter 3 and then explored further in the context of sales in Chapter 4, one of the most valuable aspects of online social networking is the ability to maintain more weak ties. For recruiters, this means being able to keep in touch with candidates regardless of whether they were successfully placed.

Recruiters can then revisit those candidates later when new opportunities emerge. Recruiters can also further capitalize on those relationships by tapping those candidates' friend networks for additional talent.

Why would candidates want to keep in touch? As we talked about at the opening of this chapter, most people view recruiting as more mutually beneficial than sales calls. They want to keep their options open in case something happens with their current job or something better comes along. Maintaining relationships with recruiters, especially low-effort weak ties, buys them privileged access to new career opportunities down the road. So more often than not, assuming the working relationship was positive, we are seeing candidates accept LinkedIn invitations and Facebook Friend requests from their recruiters.

## Making the Most of Successful Placements

A successful candidate job placement is just the beginning of a relationship. Of anyone, candidates who have been successfully placed feel the most indebted and grateful. These individuals can become a recruiter's greatest allies and advocates. Good recruiters depend on trust and rapport from past placements for future placements, introductions, and referrals to other candidates. They might even get employment and contracting opportunities to recruit at the company who hired the candidate.

One recruiter I interviewed who specializes in placing industrial designers said that because of the high turnover in her industry, nearly half of her placements have been repeat placements. Over the last decade, she has built up a network of artists and designers who trust and look to her every time they are ready to pursue a new full-time or contractor opportunity.

## Keeping Lines of Communication Open with Nonplacements

Nonplacements can be equally important for a recruiter to stay connected and continually grow her network. The ability to easily maintain weak ties on Facebook and LinkedIn means that recruiters can take a longer-term view on candidates and not feel like they have wasted any time on candidates, even if things don't work out the first time around.

According to the same design-industry recruiter, she views every rejection as an opportunity to place the candidate in the future and ask the candidate for referrals. Many candidates feel guilty that they turned down an offer from her and are eager to help by referring her to other candidates. Almost always, the designers with whom she works to place into job opportunities know a large number of other designers from school, past employers, and networking in the community.

The following case study profiles another recruiter, Joe, who uses LinkedIn and Facebook to cultivate long-term relationships with younger candidates. It is only fitting that I found and contacted Joe through my extended network on LinkedIn.

### Financial Services Recruiting in Chicago

Joe is a Chicago-based recruiter for mainly associate-level positions in financial services firms. Over the last five years, Joe has helped match dozens of recent MBAs and banking analysts with 2–3 years of experience with associate roles in banking, real estate, private equity, and venture capital. As a free agent, Joe's success depends on his ability to network with both employers and candidates. Joe categorizes his candidate network into three types: candidates he has successfully placed, candidates he will successfully place in the future, and people he has just met.

- *Successful placements.* Joe maintains close relationships with his top placements, as they often become repeat job candidates and eventually even clients who employ his recruiting services. With or without online social networks, Joe invests heavily in these relationships, checking in at least once a month and catching up over lunch or dinner once a quarter. Especially in working with candidates who are mostly in their mid- or late-twenties, Joe can use casual interaction mechanisms on Facebook to be more playful and make these relationships feel less businesslike. He sends virtual Facebook gifts for birthdays and other milestones. Joe pokes, bites (with the Zombies application of course), and shares photos of his newly born son with his top recruits. Far from replacing quality face-to-face interactions, Facebook enriches Joe's relationships with this top-tier network with more casual but also more frequent and personal interaction.

- *Candidates he is still working on placing.* Generally speaking, Joe's relationships with "candidates in progress" tend to remain more professional. Most communication occurs via more traditional means such as phone or e-mail. According to Joe, he prefers to prove his capability as a competent recruiter before trying to establish more personal relationships with people. However, in situations where a candidate drops out of the process because another opportunity emerges that was not sourced through Joe, Joe adds the candidate to his LinkedIn and Facebook networks to maintain the relationship. Joe benefits from having instant access to the individual's social network to find additional talent, as well as potentially working to place this individual in the future.
- *People he has just met.* For new candidates that Joe has met maybe just once or twice, it used to be up to chance and timing (a combination of the candidate's immediate availability and Joe's pipeline) whether he would make an effort to stay in touch. With online social networking, the cost of establishing the connection is so low that there is almost no downside to doing so. Joe might or might not ultimately end up working with a particular candidate, but with each connection he receives a free option but not obligation to reach out in the future.

In every case, online social networking has enriched the reach and perpetual value of Joe's network. Perhaps it is the secret to his success.

## Alumni Networks

Company alumni are another powerful but often overlooked source of talent and new business opportunity. No matter how great the working relationship between employer and employee, it is almost inevitable in this day and age that people eventually move on. Instead of rebuffing this natural phenomenon, employers could stand to gain from accepting it as the reality of doing business in the modern day and try to make the most of it.

Despite choosing to move on, most corporate alumni view former employers in a positive light. They did after all choose to work at the company for some period of time. Therefore, company recruiters can rely on these alumni just like they might current employees for referrals and access to their LinkedIn or Facebook contacts. With such heavy competition in the market for top talent, companies should not overlook the very people they invested so heavily in to develop and who very likely still feel loyal to their former employer.

Recent retirees are proving to be an unexpected, indispensable source of talent for many American employers. The rising wave of baby boomer retirements has left some employers suddenly short-staffed, particularly in areas requiring deep domain knowledge where newer hires aren't as able to contribute due to lack of experience. As the following case study shows, some companies like Dow Chemical are using online social networking to reengage retirees to help fill the gap.

Additionally, company alumni are a great source of new business opportunities, such as potential partnerships and generating leads for prospective customers. Alumni know their former employer's product or service better than anyone else and are likely to be an advocate in their new role. Consulting firms such as McKinsey & Company have long known this and have gone so far as providing updates on where alumni end up and actively engaging them in everything from conference speaking engagements to recruiting events.

#### **My Dow Network**

To address sudden workforce gaps from a wave of retiring boomers, Midland, Michigan-based Dow Chemical Company turned to online social networking. Using corporate social networking software from SelectMinds, Dow created "My Dow Network," an online community for Dow alumni, retirees, and current employees. Anyone with a Dow employee ID number from the last seven years can register for the site.

My Dow Network has taken off, boasting thousands of members just several months after launching. People are signing up to network with current and former colleagues, renew old friendships, stay abreast of the latest developments within Dow, and explore new full-time and contractor opportunities. Dow benefits from staying connected to its cumulative talent pool, tapping special skills and knowledge from experienced alumni, facilitating knowledge transfer across different generations of employees, and fostering a more-inclusive, diverse work environment.

From new moms who take time off to retirees with domain expertise, most alumni are grateful and enthusiastic about the opportunity to reconnect and reengage. According to one retiree Jeff Schatzer, "One of the great losses of retirement is the severance of ties that had such meaning. [My Dow Network] is one way to reestablish those ties. After three years of retirement, it's heartwarming to know that people think of me, that they have a comment for me, or want to share some news with me."

Not surprisingly, those alumni who have returned to Dow as consultants or employees are proving to be more affordable to hire and ramp, more productive, and less likely to leave for another company.

## Advice for Candidates

For someone who wants a job or wants to keep a job, the need for social networking has never been greater. The tenure for C-level positions average less than two years. New hires, especially at the top, are being asked to hit the ground running and produce quick results. With more jobs going overseas, fewer guarantees about employment, and rising competition for the top jobs, people need to take full advantage of online social networks to strategically and opportunistically develop their careers. Many of the concepts from Chapters 3 and 4 on social capital and social sales, respectively, apply to candidates trying to “sell” themselves for certain roles internal or external to their company.

For job seekers, social graph information available from searching and browsing on LinkedIn and Doostang can help line up informational interviews and uncover tacit information about prospective employers and what it’s really like to work at a particular company. Job seekers can learn a great deal about interviewers, hiring managers, and prospective colleagues. Because online social networks allow people to maintain a greater number of weak-tie relationships, job seekers might discover in their expanded networks that they know people at the company where they want to work and then use those relationships to get their foot in the door.

It’s important to keep in mind, however, that it works both ways. It’s becoming increasingly common practice for hiring managers and recruiters to perform due diligence on candidates via social networking sites (they used to just Google candidates). It is a good idea to keep Facebook, Friendster, and MySpace pages PG-13 if not G, and if you must post photos from a bachelor party in Las Vegas, at least create different profile views and Friend Lists for professional contacts versus college fraternity brothers. Chapter 11, “Corporate Governance and Strategy,” includes a more in-depth discussion on how to manage your professional identity on social networking sites.

## Employee Poaching

The unprecedented access provided by online social networking is tremendously empowering for recruiters and job candidates, but can be worrisome for employers. Poaching is not a new phenomenon. Employees of reputable firms are constantly being sought after—these individuals are prescreened and know the company’s best practices, so their experience is highly valued by others. What makes online social networking potentially scary is that now, recruiters can be very systematic about their poaching.

Employers might want to be careful about creating employee communities on social networks unless they are properly moderated and watched over carefully to prevent poachers from joining. Some companies have instituted internal policies about what employees can and cannot disclose about the organization and their role in public forums, including social networking sites. Other recruiters I know follow tacit rules of

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engagement that focus their efforts on active candidates and make them less aggressive about pursuing passive candidates, especially from outright competitors.

Ultimately, employers need to do three things. First, be aware that poaching is a reality. Second, have backfill plans ready to be mobilized in case a mission-critical role is suddenly left vacant. Most important, invest in creating a great workplace environment so that employees won't want to leave!