



**UNDERSTANDING THE NEW
RECRUITMENT LANDSCAPE**

**Original Research Commissioned by: Yahoo! HotJobs
September 2007**

Executive Summary:

Only a decade ago, job seekers relied solely on listings in newspapers, word of mouth, recruiters, or their own professional networks in seeking their next job opportunity. The Internet has irrevocably changed how we communicate, search for information, entertain ourselves and shop. It has also dramatically changed how today's job seekers find out about new opportunities (both actively and passively), how they communicate with potential employers and how they maintain or enhance their professional networks.

The Internet is used by 80% of job seekers as a resource in their job search. National online job boards, local newspapers and local newspaper web sites are the three specific resources most used by job seekers. Among active job seekers, the process can last 3 months to over one year. Reaching active job seekers across these multiple touchpoints while they are in job search mode is critical.

Passive job seekers represent the vast majority of all job seekers. Reaching these valuable potential employees during the 16.5 hours they spend weekly online through both search and display advertising can shift them to active job seekers.

Focusing on work life balance and flexibility is key for attracting Boomers. People 55+ will compose one fifth of the labor force by 2014. Career development is critical to Millennials. Persons 18-29 are frequent job seekers, and are looking for work life balance and a clear career path.

Research Methodology:

In order to better understand today's online job seeker, Yahoo! HotJobs commissioned a study with a representative sampling of online job seekers aged 18-64. In order to qualify to participate in this research, respondents were required to have been employed within the past five years. Those who were retired, homemakers, self-employed or would not consider a new job opportunity were excluded from the study. Respondents were identified via Ipsos-Insights' nationally representative US Internet panel. A total of n=3,714 interviews were completed between May 9-22, 2007.

I. How many job seekers are there?

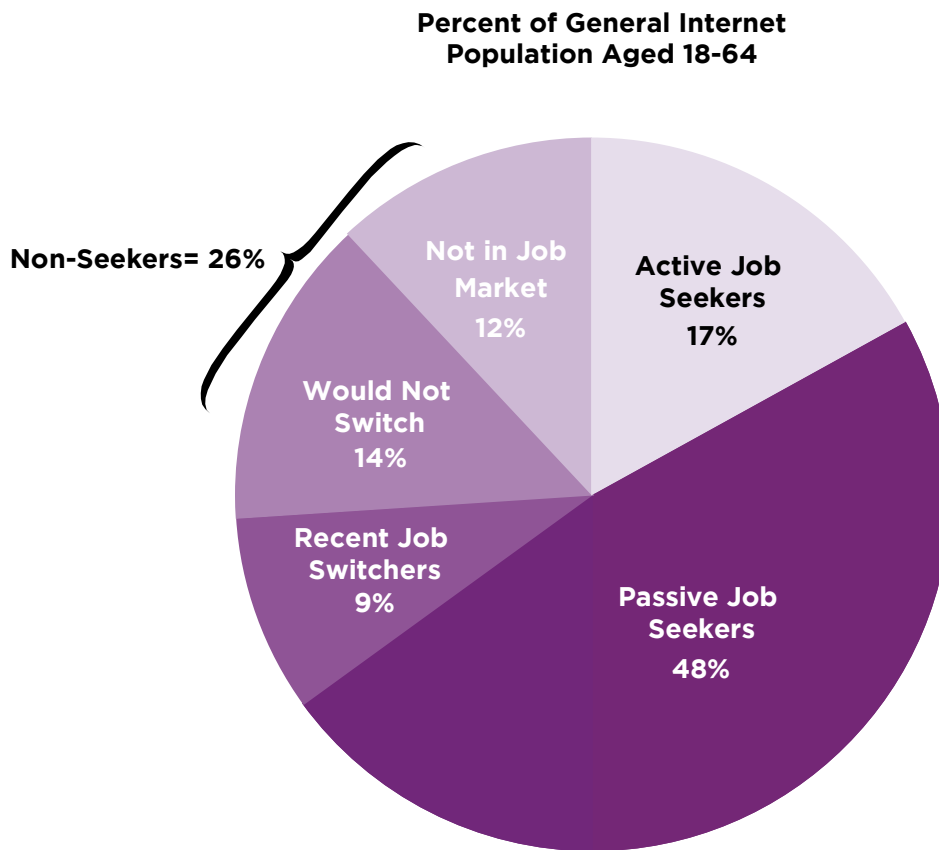
Non-Seekers: In order to qualify for the survey, we screened out people who were not in the labor force (retired, homemakers, or unemployed for 5+ years), as well as those who were self employed. We also did not include people who were so content in their current situation that they would not consider another job. Among those who were currently employed, these respondents described their work situation as *"I am not actively looking for a job right now, and would not consider any new opportunities at this time"*. Non-seekers represent 26% of the online adult population.

Active Job Seekers: Active job seekers are in the market right now for a new job. They selected one of the following descriptors: *"I am looking for a job right now, and it is one of my top priorities"* or *"I am looking for a job right now, but it is not one of my top priorities"*. Active job seekers represent 17% of the online adult population.

Passive Job Seekers: The largest group among the online adult population (48%) was the segment of employed adults who, while they are not actively seeking a new job,

would consider one should the right situation present itself. Passive job seekers described their situation as: *“I am not actively looking for a job right now, but if presented with a good opportunity, I would give it serious consideration”*, or *“I am not actively looking for a job right now, and probably would not consider any new opportunities at this time”*.

Recent Job Switchers: This segment was defined as anyone who switched jobs in the past six months, and represents 9% of the online adult population. Recent job switchers could still be in the market for a new position, but we have analyzed their responses separately, as a successful job search was fresh in their mind. For the remainder of this document, when we refer to “job seekers”, we include anyone who was qualified to participate in our study – active job seekers, passive job seekers and recent job switchers.



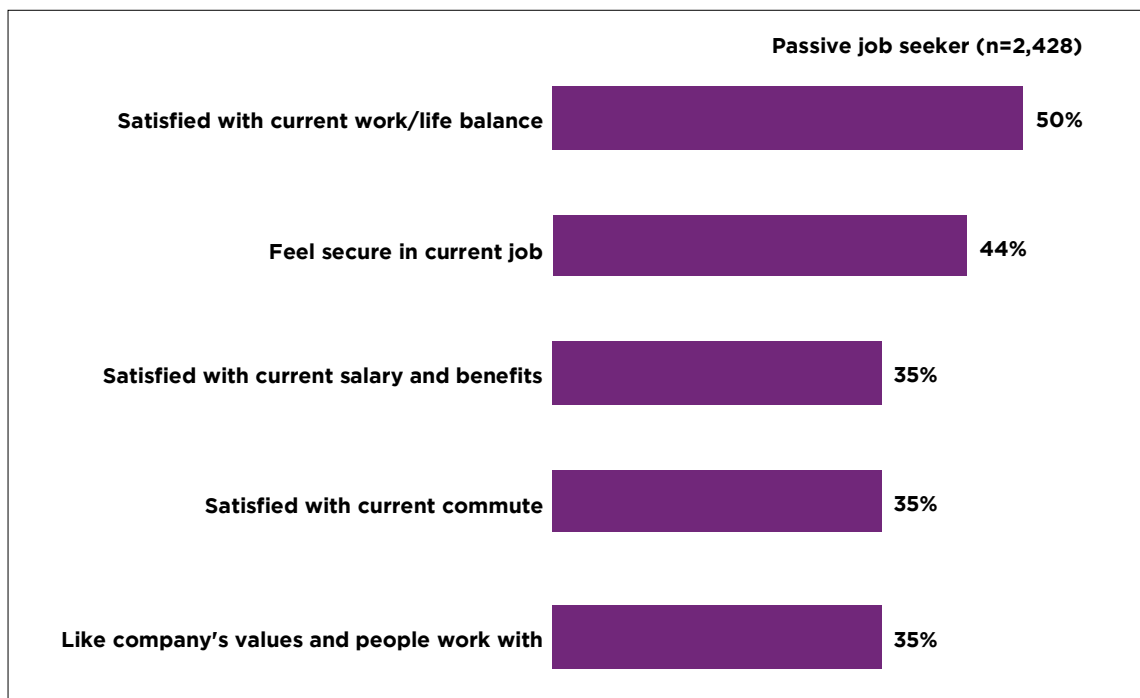
Communicating With Passive Job Seekers:

The sheer volume of potential employees makes the Passive Job Seeker audience important for recruiters. On average, passive job seekers tend to be more experienced workers (average age of 45 and 18 years of experience) and garner higher salaries (\$66,000). Only 6% of passive job seekers claim to switch jobs more frequently than

every two years (versus 18% of active job seekers). 29% of passive job seekers switch jobs on average every two to five years, while 38% switch jobs every five to ten years. This loyalty makes passive job seekers an attractive segment for recruitment.

The primary reasons that passive job seekers are not actively looking for a new job is due to overall satisfaction with work/life balance and security of their current position. Satisfaction with compensation, commute and company’s values/personnel are each critical secondary reasons that they are not actively seeking a job. Companies who want to attract this valuable talent should focus on work/life balance and strong company values in their recruitment messaging. Also, smart recruiters will take advantage of major company re-orgs or drops in stock price to lure passive job seekers from their competitors.

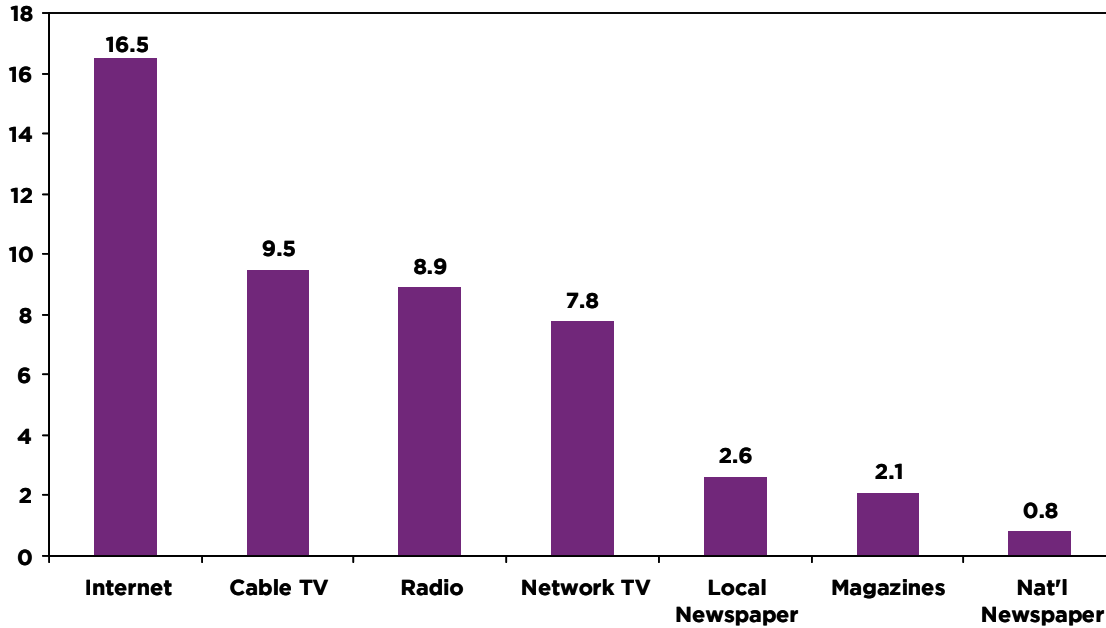
What are the main reasons you are not looking for a new job?



Reaching Job Seekers:

Job Seekers, on average, spend 48 hours per week consuming media (for both personal and professional usage). Based on our survey results, one third of that time (16.5 hours) is spent on the Internet. *Active job seekers* spend more time overall with media, and 18 hours per week online. As we will see in the next section, the Internet is the most used resource among all segments for job searches.

Average Total Time Spent With Media Per Week (Hours)



Over one third of active job seekers have been looking for a job for over six months. 59% spend at least one hour a day looking for jobs, and 28% of active job seekers look for a new job while they are at work. Usage of the Internet and personal computers throughout the work day has made clandestine job seeking much easier. In addition to posting job listings on appropriate sites, recruiters can leverage the breadth of online advertising options (search and display ads) to reach both passive and active job seekers throughout the day.

II. Job Seeking Approaches and Resources Used

Job Seeking Approaches: When we asked job seekers how they are currently approaching a job search, or how they would approach a new job search, the most common response was *“Searching for available jobs and applying to the ones which are most appealing”* (70%). Four in ten job seekers are more proactive, either *“reaching out to personal and professional networks”* (44%) or *“reaching out to specific companies and contacting them directly”* (40%). A significant minority of job seekers would put their own credentials online. One in three total job seekers’ (30%) approach to job seeking includes *“posting their resume online and waiting for companies to contact me”* (43% among active job seekers). Finally, one in four (23%) prefer to *“reach out to recruiting or staffing firm to look for positions that meet my needs.”*

While the most common job seeking approach remains searching for available listings and applying, today’s savvy job seekers are becoming more pro-active in taking control of their search and/or letting potential employers find them online. Job seekers are becoming more comfortable posting their resumes online. 61% of active

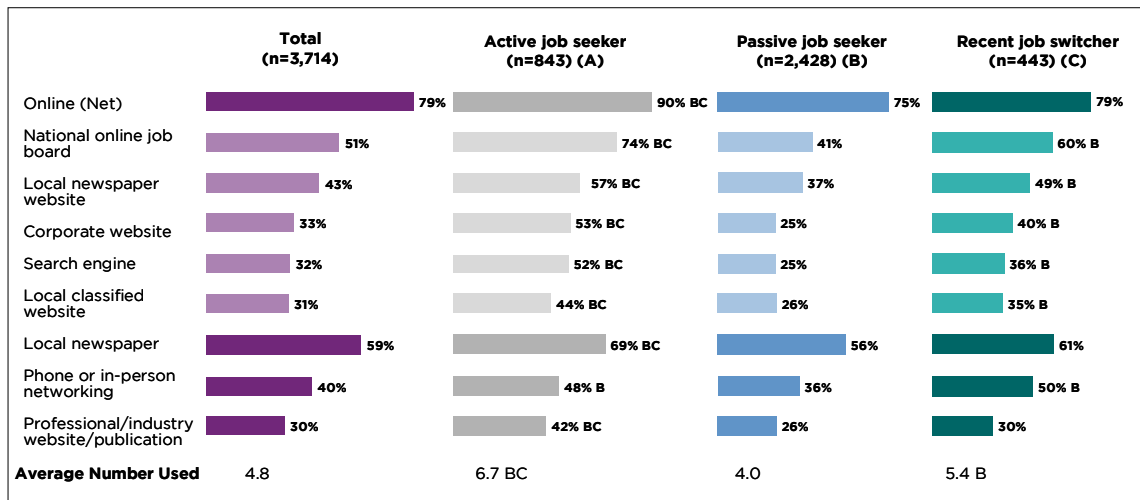
job seekers and 45% of passive job seekers agree with the statement “I am willing to post my resume on a national online job board so that employers could find me.”

Resources Used: The average job seeker uses (or plans to use) five different sources for his job search. The Internet is the most used resource, cited by 79% of respondents (including search and a variety of types of websites), followed by newspapers (59%) and networking (40%). On average, *active job seekers* use seven sources for job seeking, and almost all (90%) use the Internet. Three quarters of *active job seekers* use national online job boards for their job search, while almost as many (69%) use their local newspaper. Local newspaper websites, corporate websites and search engines are each used by over half of job seekers. Networking (in person or via phone) was cited by slightly less than half of our respondents.

Among *passive job seekers*, local newspapers were the most cited potential resource (56%). Four in ten *passive job seekers* would use national online job boards and newspaper web sites as sources for their next job search.

These resources are not, of course, mutually exclusive. An Internet Search may drive a job seeker to an online job board. Further, savvy job seekers get more information about positions they saw on an online job board through the hiring company’s website. Over a third of both active and passive job seekers agree with the statement “If I found an interesting job on an online job board I would probably apply for it somewhere else.”

Job Seeking Resources Used in Past Six Months (or Likely to Use in Next Six Months)



Lead Generation: Job seekers are leveraging many of the online and offline sources available to them. On average, the Internet generated twice as many job applications and interview requests as offline resources (newspapers, recruiters, networking etc). The average recent job switcher or active job seeker filled out 7.8 job applications that were generated from online resources (vs. 3.7 applications generated from offline sources). These applications, in turn, led to two interviews on average from the online sources and one from offline sources. The sheer volume of online listings across different job levels, industries and geographies generates the breadth and depth of opportunities for today's savvy job seekers.

III. Generational Differences:

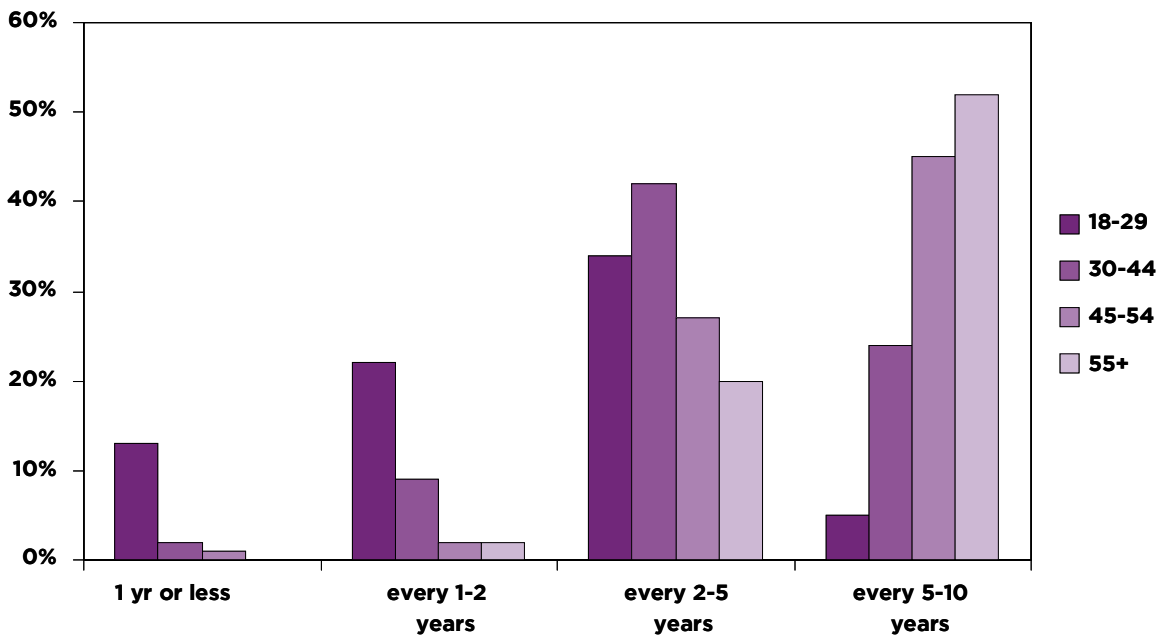
Job seekers of all ages are using both online and offline sources for their job searches. Some critical differences exist between generations in terms of motivations for finding a new job, average expected tenure in a position, and comfort and familiarity with the breadth of online resources available. In this paper we highlight some key differences between the younger generation of job seekers (Millennials or persons 18-29), as well as the older generation (Boomers between 55-64).

Millennials: Half of Persons 18-29 are hourly workers, and 36% of them work for small businesses with under 100 employees. Due to their lack of stability, as well as their desire for upward mobility, Millennials switch jobs more frequently than older workers. 35% of the Millennial labor force switches jobs more frequently than every two years on average, with 13% switching annually. It is unclear whether this generation will become more stable in their job tenure as they mature, or whether they will always be on the lookout for a better position.

Millennials are the group most likely to use online resources for their job search. 83% of job seekers 18-29 use an online resource for job searches, with 61% of them using a national online job board. Newspapers still play a role with this generation; 56% of Millennials use local newspapers in their job search.

60% of Millennials use a personal or professional networking website (MySpace and Facebook being the most often used sites), and they are more comfortable meshing their personal and professional lives. Only 43% of 18-24 year olds agreed with the statement that they like to keep their personal and professional lives separate (versus 61% of 45-54 year olds). Similar to older job seekers, greater compensation and increased benefits are the strongest reasons for switching jobs. Almost at parity with these motivations are the need for better work life balance and the desire for more responsibility or career growth. Millennials are most likely to move cities, with 30% stating that a recent or potential move is a reason to switch jobs.

On average, how often have you changed jobs through the course of your career?

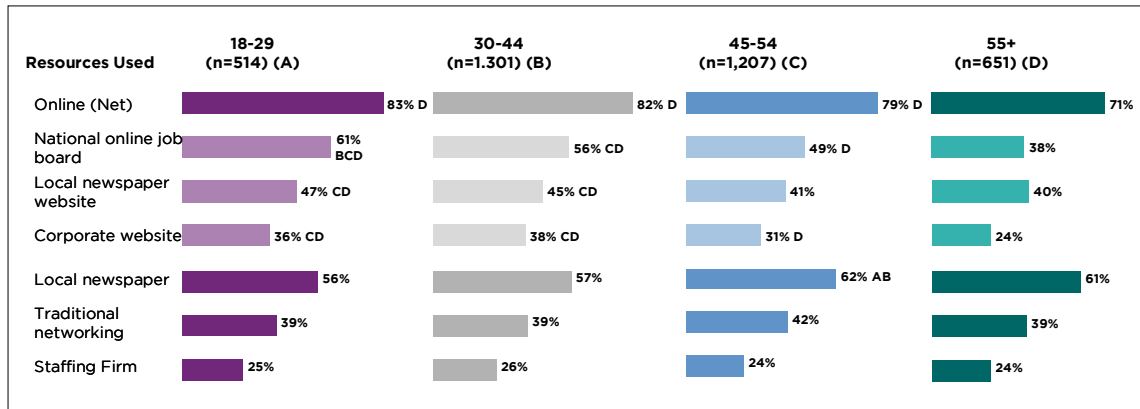


Boomers: According to the Bureau of Labor Statistics, in 2004 14% of the labor force was 55 years or older. This number is projected to grow to one in five workers (21%) by 2014. With the aging of America and decreased reliance on social security and retirement benefits, today’s workers are staying in the workforce longer. On average, persons 55+ expect to work eight more years, with one in five (22%) expecting to work more than ten years before retirement. Given their experience and the large size of this audience, Boomers are an important group for today’s employers.

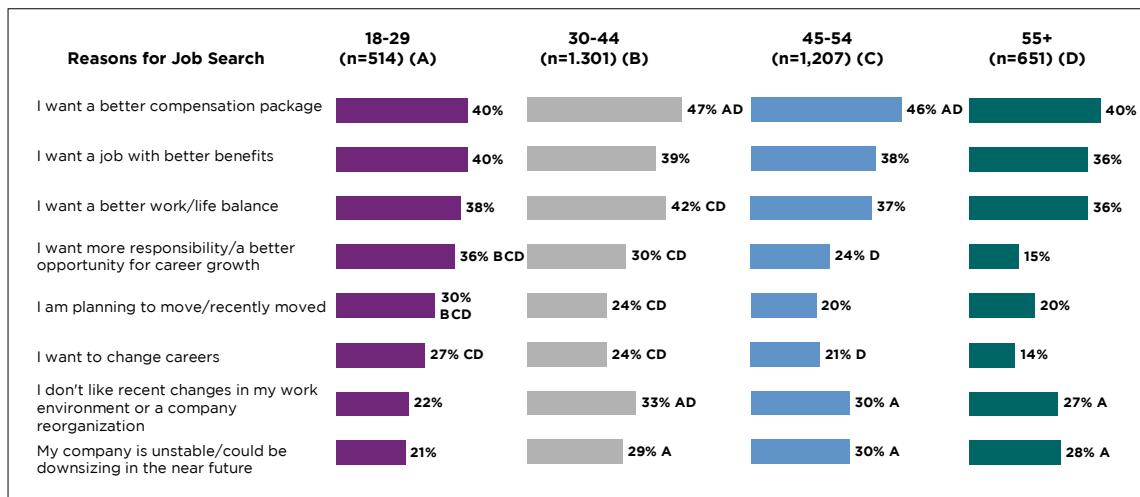
Boomers are more stable in their employment than Millennials; 52% of Boomers switch jobs every 5-10 years, while only 2% change jobs on average more frequently than every two years. The primary reasons that Boomers switch jobs are compensation, benefits and increased work/life balance. About one third of all respondents 30+ would be motivated to switch jobs due to company instability or company reorganizations that negatively impact their roles.

71% of Boomers utilize the Internet for job searches. However, they are less likely than younger job seekers to utilize national online job boards (38%). They are the only age group that is more likely to use local newspaper websites (40%). In contrast, 61% of Boomers would use their local newspaper for job searches. There is currently an opportunity to provide specialized marketing to Boomers regarding the breadth of job listings and ease of use of online resources. In addition, providing specialized listings that make it easy for Boomers to find jobs that meet their lifestyles should increase usage of online job boards. It will be interesting to track usage of national online job boards by persons 55+ in 10 years as the younger generations who are more comfortable online migrate into this age bracket.

Resources Used for Job Searching by Age



What are the main reasons you want another job (or would want a job in the future)?



Social and Professional Networking:

2007 has been a year of exponential growth among social and professional networking websites. MySpace grew 28% from July 2006 to July 2007 and now has 70MM unique users (source: ComScore MediaMetrix). Facebook has more than doubled in the same time period, and now has 31MM unique users. LinkedIn, while starting with a much smaller base has tripled to 2.2MM unique users in July 2007.

MySpace and Facebook are primarily used for maintaining personal networks. However, among younger users, these sites are also seen as a viable source for professional networking. 21% of job seekers who are also Facebook users aged 25-34 utilize the site to maintain their professional network. There are some skeptics to the role of social networking on future employment. 15% of job seekers agreed with the

statement “I won’t join a social networking website because I am afraid that a potential employer will investigate my personal life.”

LinkedIn, on the other hand, is predominately used for professional networking. 72% of LinkedIn users are utilizing the site to maintain their professional network and more than half (58%) are using the site to expand their professional network. However, only 32% are using the site to look for a new job.

Social and Professional Networking Sites have a huge impact on maintaining networks and spreading word of mouth. Currently they are in their nascent stages as a resource for active job seekers. Millennials are most likely to use social networking sites as a resource for job seeking, but usage currently pales compared to job boards and Internet search.

Implications for Recruiters:

The Job Seeking Landscape is More Dynamic Than Ever – Savvy job seekers are using multiple online and offline resources in their job search. The Internet is used by four of five job seekers. National online job boards are the most utilized online resource. However, corporate web sites, niche job boards, newspaper websites and online search are all utilized in the job seeking process as well. Recruiters need to leverage the breadth of online resources as well as newspaper listings in order to maximize their reach and communicate with job seekers across multiple touchpoints.

Passive Job Seekers are a Critical Segment – Half of the online adult population is considered “passive job seekers”. They are relatively happy in their current roles, but would consider switching jobs if the right opportunity arose. Passive job seekers would utilize national online job boards, other online resources and newspaper listings for their next job search. An effective way of reaching this segment is through display ads (banner ads targeted on relevant pages) and search advertising for relevant keywords (e.g., technology terms for IT professionals). Job seekers spend 16.5 hours per week online, a portion of which is during the workday. By piquing passive job seekers interests in particular roles, employers have the ability to migrate them to active job seekers. In the recruitment messaging, focus on work life balance. Take advantage of corporate reorganizations or acquisitions and target employees online using geographical or industry specific targeting.

Millennials are Savvy Job Seekers – 18-29 year olds utilize the most sources in their job search, and are the group most likely to use a national online job board. Use a variety of online resources including social networking sites to reach these younger job seekers who are always on the lookout for a better opportunity. Focusing communication on work life balance as well opportunities for career development will resonate with Millennials.

Boomers; Critical Yet Underserved – Persons 55+ will represent one fifth of all job seekers by 2014. They are more likely to use the Internet for their job search than newspapers. However, no one specific online resource dominates among Boomers. Marketing communication that drives Boomers online, as well as specific listings which focus on flexibility and benefits which are important to the older worker should help them become more comfortable using online resources.

Monitor Social and Professional Networking Sites – As Professional and Social Networking sites grow in usage, companies can utilize these sites for recruitment as well as screening candidates whom they find from other sources. Although social networking sites still play a small role as a resource for job searches, they are more important among Millennials. It is important to monitor usage of social and professional networking usage among job seekers' over time.