

|| APRIL 2015

Talent Acquisition Factbook 2015: Benchmarks and Trends in Spending, Staffing, and Key Recruiting Metrics

COMPANIES BOOST RECRUITING BUDGETS IN FACE OF ESCALATING WAR FOR TALENT >>

U.S. companies increased their talent acquisition spending by 7 percent on average in 2014 in response to a strengthening national economy and a tightening labor market. Some industries saw greater increases than others; healthcare and technology firms, for example, boosted their recruiting budgets by double-digits as the war for talent increased in those sectors. Our latest benchmarking research, the *Talent Acquisition Factbook 2015*¹, provides detailed recruiting metrics that allow companies to compare themselves against similar firms.

Cost per Hire Averages \$4,000

U.S. companies spend approximately \$4,000, on average, to fill an open position. Among industries, manufacturing has the highest cost-per-hire metric, topping out at \$5,611 (see Figure 1). The changing nature of manufacturing jobs has spurred strong competition for qualified candidates requiring specialized—and therefore costly—skills. Hiring for these positions requires highly targeted recruiting, adding to the difficulty and cost of hiring for these roles.

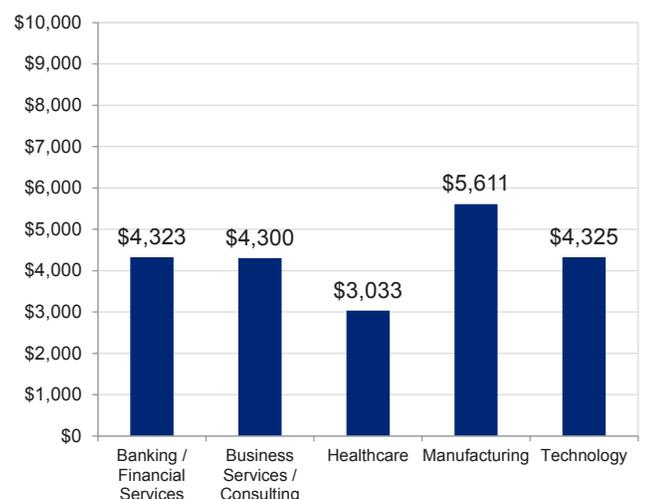
Healthcare organizations, on the other hand, are recruiting for positions that require standard certifications and specific skills sets. These standardized employment requirements enable organizations to spend less time and money during the initial hiring stage.

Three-Fold Increase in Spending on Professional Networking Sites

Professional networking sites realized the greatest increase in spending among sources of hire, claiming 12 percent of the budget. This spending is a three-fold increase over the investment seen during 2011, when only 4 percent of budgets were allocated to this

source. Professional networks have become one of the most useful ways to reach all types of candidates; in fact, many talent acquisition solution providers have found they need to include access to these options in their offerings to remain competitive.

Figure 1: Cost per Hire by Industry, 2014



Source: Bersin by Deloitte, 2014.

¹ For more information, *Talent Acquisition Factbook 2015*, Bersin by Deloitte / Jennifer Krider, Karen O'Leonard, and Robin Erickson, Ph.D., April 2015. Available to research members at www.bersin.com/library.

Job boards continue as the number one choice for candidate sourcing, with 19 percent of external recruiting budgets committed to this source. Over the years, job boards have been most successful in attracting active candidates or those looking for jobs. However, the job board landscape is changing dramatically at this time, with employers moving toward niche job boards focused on very specific workforces (as opposed to general employment job sites).

Companies Take Longer to Fill Positions

As the employment pendulum swings back toward employees, companies are realizing that the race for talent is resulting in longer timeframes to fill vacancies. Overall, companies spend 52 days, on average, to fill open positions, up from 48 days in 2011. This timeframe is shorter for entry-level positions and progressively longer for positions higher up the career ladder. Employment conditions currently favor candidates and are affording employees more choices, resulting in longer lead times to fill open positions.

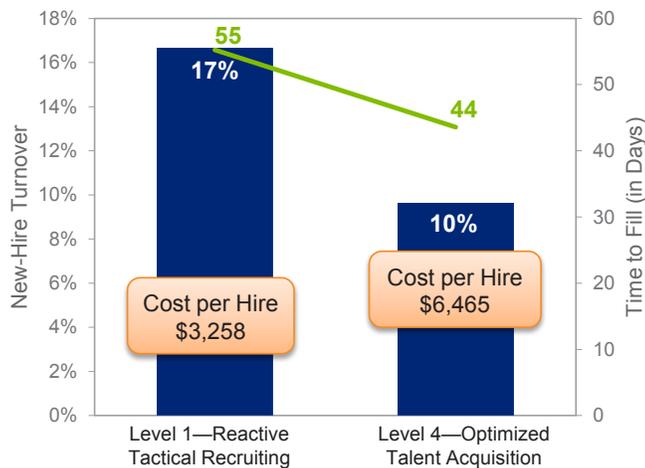
High-Impact Recruiting Organizations Spend More per Hire

Organizations at the highest level of maturity (what we refer to as “optimized talent acquisition functions”) spend two times more per employee compared with those at the lowest level of impact (“reactive tactical recruiting functions”). But the investment is worth it. High-impact organizations have 40 percent lower new-hire turnover and are able to fill vacancies 20 percent faster than companies with reactive tactical recruiting functions.

Additional Talent Acquisition Resources

This benchmarking study is just one of many resources available to help you evaluate and improve your talent acquisition initiatives. Other resources include our *WhatWorks Brief: High-Impact Talent Acquisition: Key Findings and Maturity Model*², *The Talent Acquisition Primer*³, and *The Talent Acquisition Framework: A Modern Approach for Recruiting Top Talent*⁴. These resources are designed to help organizations build their talent acquisition capabilities to deliver exceptional business performance in today’s global marketplace.

Figure 2: Mature Talent Acquisition Organizations Invest More, See Benefits



Source: Bersin by Deloitte, 2014.

Our Research

WhatWorks members select from more than 1,700 research-based resources, including more than 300 research bulletins on the latest trends, 200 case studies, and more than 90 in-depth industry studies comparing solution providers and identifying leading practices in technology assessment, selection, and implementation.

We look forward to helping you to make sense of the dynamic and complex technology environment through our WhatWorks membership and system.

About Bersin by Deloitte

Bersin by Deloitte delivers research-based people strategies designed to help leaders and their organizations in their efforts to deliver exceptional business performance. Our WhatWorks® membership gives FORTUNE 1000 and Global 2000 HR professionals the information and tools they need to design and implement leading practice solutions, benchmark against others, develop their staff, and select and implement systems. A piece of Bersin by Deloitte research is downloaded on average approximately every minute during the business day. More than 5,000 organizations worldwide use our research and consulting to guide their HR, talent and learning strategies.

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² For more information, *WhatWorks Brief: High-Impact Talent Acquisition: Key Findings and Maturity Model*, Bersin by Deloitte / Robin Erickson, Ph.D., September 2014. Available to research members at www.bersin.com/library.

³ For more information, *The Talent Acquisition Primer*, Bersin by Deloitte / Robin Erickson, Ph.D., and Kim Lamoureux, October 2013. Available to research members at www.bersin.com/library.

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