

Summary

Can Online Recruitment via social media such as LinkedIn and Xing replace the Headhunter?

(A Bachelor Thesis on behalf of HCCM® AG and in cooperation with the University of Applied Sciences Nordwestschweiz, FHNW).

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With the increasing digitalization, the competition pressure on the companies grows and the gaining of specialists becomes ever more difficult. Through business networks like LinkedIn or XING, companies have the opportunity to speak directly to talents. **Can social media recruiting replace the headhunter? AND: What are the channels through which candidates would be preferably addressed?**

With these questions, two Bachelor students from the University of Applied Sciences Nordwestschweiz (FHNW) have been working intensively on behalf of HCCM® AG within the framework of their Bachelor thesis. The Bachelor thesis was rated "very good".

In order to answer the questions, a market research concept with various hypotheses was prepared. On the basis of this concept, nine customers and nine candidates of HCCM® AG were interviewed, the answers summarized and analyzed.

The main conclusions from the study:

- 55% of responding companies are using social media recruiting. Social media recruiting is mostly carried out by large companies and as an addition to the classic recruitment process.
- It has been shown that the headhunter is much more effective than social media recruiting. Its success rate is 90 percent for the surveyed companies, while the success rate for social media recruiting lies between 10 and 30 percent.
- Only 38% of the working population in Switzerland has a profile on a business network, such as LinkedIn or Xing (Source: Bundesamt für Statistik Q2/17; LinkedIn; Xing). This excludes over 60% of the potential for social media recruiting.
- 50% of the surveyed companies find the cost of a headhunter adequately, because the headhunter also leads the whole recruitment process.
- The hypothesis that the recruitment process is shortened via social media has been rejected.
- The majority of the candidates feel the approach by a headhunter as a more serious one.
- Social media recruiting will gain in importance in the future. The personal effort and professionalism in social media recruiting, is still underestimated by companies. Around 65% of companies have not defined a budget for social media recruiting.
- The headhunter is preferred for the recruitment of management positions and specialists.
- Client companies especially appreciate the great candidate network, the high quality of the candidates and the industry experience of the headhunters.

We would like to thank the students Nico Waldmeier and Nicolas Häring for their successful work on this exciting topic and congratulate them on the very successful completion of their Bachelor studies.

We wish you an exciting reading.

Best regards.

Charles Quensel
General Manager
European Certified Executive
Recruitment Consultant ECSSA/BDU
phone: +41 61 711 31 31
e-mail: charles.quensel@hccm.ch
web : www.hccm.ch
www.pns-group.eu

Michaela Tröndlin
Senior Consultant

phone : +41 61 711 36 36
e-mail: michaela.troendlin@hccm.ch
web : www.hccm.ch
www.pns-group.eu

Below the most meaningful hypotheses:

Hypothesis 1: Recruiting a future employee via social media is more cost-effective for the customer than via a headhunter.

Yes, but ... "The search for suitable staff via social media is also very time-intensive, resulting in high personnel costs. A headhunter takes over the entire recruitment process for the company in case of a given mandate. Therefore, the costs incurred by a headhunter are regarded as adequate, since the process also involves a lot of effort and the companies are aware of this. It has also been mentioned that certain positions are only searched by headhunters because of their rarity or high hierarchy." (Quotation: Bachelor thesis, page 53)

Hypothesis 2: The majority of surveyed customers is satisfied with the number and quality of candidate dossiers obtained by headhunters.

Quality before quantity: "Many customers are satisfied with the number and quality of the dossiers received. There are few statements about a fluctuating quality and no one has expressed a fundamental negative opinion. In the number of dossiers, it is important to the surveyed customers that the proposed candidates fit well into the job profile " (Quotation: Bachelor thesis, page 55)

Hypothesis 3: The recruitment process via social media is shorter than the recruitment process via the headhunter.

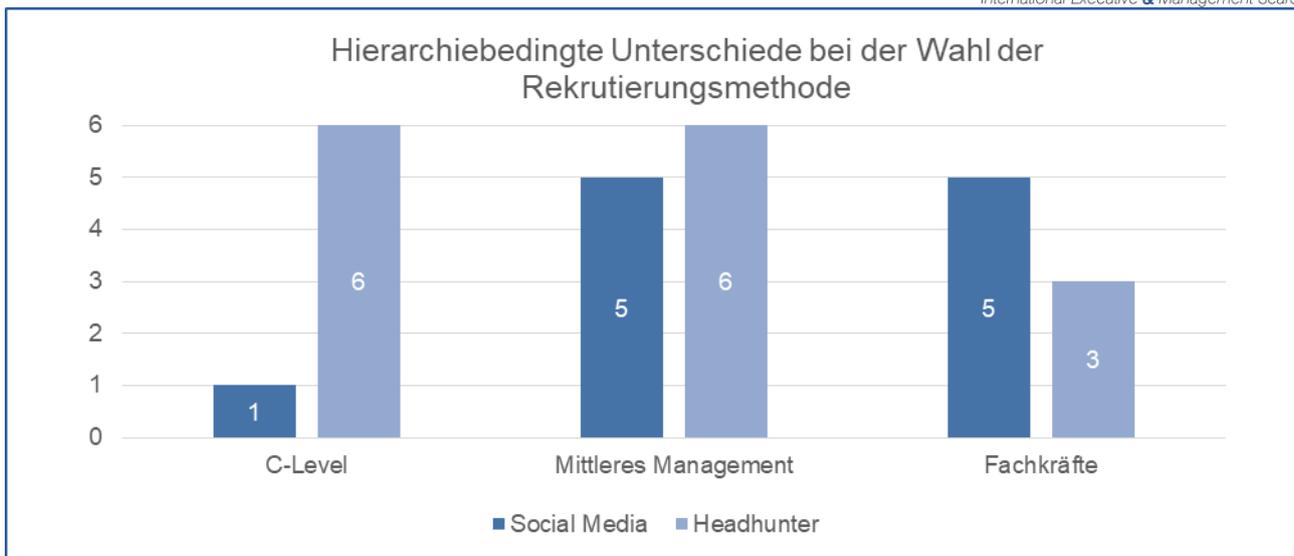
No: "The recruitment process via a headhunter takes just as long as the personnel search via social media platforms for the interviewed customers." (Quotation: Bachelor thesis, page 57).

Two-thirds of respondents report that the recruitment process takes between three and six months with a headhunter. A frequent collaboration with a headhunter shortens the duration of the process. A similar picture emerges in the survey of how long a recruitment process takes over social media. 60% of the interviewed customers said that this also lasts between three and six months.

Hypothesis 5: In the future, social media recruiting will become more important for companies from today's perspective.

Yes, but ... "From the point of view of the customers, social media will play a growing role in the recruitment process. It is already an important tool for individual customers today. It should be noted, however, that many companies are convinced that recruitment through social media cannot completely replace the traditional recruitment methods, but rather serve as a complementary tool " (Quotation: Bachelor thesis, page 60).

Hypothesis 6: In the search for employees for hierarchically higher positions, the headhunter is preferred compared to social media recruiting.



The headhunters are increasingly commissioned by the surveyed companies for [C-level positions and positions in the middle management](#).

The search for suitable skilled personnel is, however, much less frequented via a headhunter. Quotation of a respondent participant: "Higher positions, specialists and areas where there are few candidates, such as Medical Managers, are more suitable for headhunters." (Quotation: Bachelor thesis, page 61).

Hypothesis 8: The majority of the candidates find requests from a headhunter more serious than a request by social media.

Yes. "All respondents find that job requests from a headhunter can be considered serious. However, inquiries about social media are also viewed as serious by the majority. In a direct comparison, on the other hand, all person requests from a [headhunter are considered as more serious](#)." (Quotation: Bachelor thesis, page 64)

Further statements:

How often do you get job inquiries about social media or telephone inquiries from a headhunter?

[Quality before quantity](#): The surveyed respondents said that they receive much more inquiries per year by social media than by headhunters - partial, more than 30 social media requests per year are mentioned. In comparison, only 2 of the 9 surveyed respondents have ever started a new position through a social media request. Candidates complain that "they often receive job requests via social media that do not fit their profile and are, in part, normal job advertisements" (Quotation: Bachelor thesis, page 66). [Thus, it is apparent that requests from headhunters are more successful because of the comparison between the targeted qualification of the candidate and the requirement of the company.](#)

What do customers and candidates of the headhunter expect from the cooperation?

[The quality of the candidate dossiers is very important to the customers](#). A selective preselection of the candidates by the headhunter is just as appreciated as a large network of the headhunters. A mutual trust and profound knowledge in the industry, the company and the position to be filled are a selection criterion for customers to work together with a headhunter.

Candidates who are successful in the day-to-day workplace particularly appreciate the [support of the headhunter](#) in the process: information about the potential employer, the position and a targeted preparation by the headhunter on the job interview are therefore highly valued by the candidates.

Conclusion:

Recruiting by the headhunter cannot be replaced by social media:

- **Effectiveness of the headhunter:** The surveyed customers stated that by awarding the search assignment to a headhunter, the success rate of the occupation by a suitable candidate is at least 90%. In contrast, the return rate of all candidates registered via Xing or LinkedIn is between 10 and 30%.
- **Search for C-level candidates and for candidates in middle management is mainly via the headhunter.**
- **Inquiries by a headhunter are perceived as more serious by candidates.**
- **Candidates will appreciate the support of the headhunter during the process.**
- Customers value the big **candidate network, the high quality of the candidates and the industry experience of the headhunter.**

Even if social media recruiting is becoming increasingly important in the company, the question is still how can candidates with no social media profile be reached? Because only 38% of the working population in Switzerland has a profile on a business network, such as LinkedIn or Xing (Source: Bundesamt für Statistik Q2/17; LinkedIn; Xing).

By waiting for a feedback on a social media request, the company itself can only passively and not actively go to the candidate market.

Have we piqued your interest? On our company website www.hccm.ch/news/ you can find the entire Bachelor thesis for download. We would be pleased to discuss these topics with you personally. We are available for you at +41 61 711 31 31.

Best regards.

Charles Quensel
General Manager
European Certified Executive
Recruitment Consultant ECSSA/BDU
phone: +41 61 711 31 31
e-mail: charles.quensel@hccm.ch
web : www.hccm.ch
www.pns-group.eu

Michaela Tröndlin
Senior Consultant

phone : +41 61 711 36 36
e-mail: michaela.troendlin@hccm.ch
web : www.hccm.ch
www.pns-group.eu