

## European job markets begin recovery

4,000 job seekers and employers in 9 countries reveal plans



## Executive Summary

- Two thirds of organisations are planning to increase recruitment within the next 12 months; one fifth will be creating new positions.
- Over 40 percent of employees cited a lack of career development opportunities as their reason for looking for a new job.
- Survey shows marked differences between the information prospective employees look for in job advertisements, and that which employers actually include.

The European economy is heading out of recession. France, Germany, the Netherlands and Austria have returned to positive growth amid signs that 2010 will see recovery spread more widely across the Euro area. The recent StepStone Search Trends Survey of 1,600 recruiters and over 2,400 job seekers across Europe shows that the brightening economic outlook is feeding increased confidence in the jobs market. After more than a year of recruitment freezes, job cuts and restructuring, the survey shows organisations are starting to recruit again.

Employees, too, are feeling newly positive about their prospects. Where job security might have been people's over-riding concern in 2008-09, the survey uncovers evidence of increased optimism amongst job seekers. This bullish outlook on the jobs market coincides with a high level of dissatisfaction with employees' current situations. There is strong evidence that many of Europe's employees have fallen out of love with their jobs. The lack of employee engagement voiced through the survey is a clear wake-up call to managers.

The survey looks at how recruitment is currently conducted. The way employees look for work has changed dramatically and is now overwhelmingly dominated by online job search. Social media, such as Xing, LinkedIn and Viadeo, are also growing in popularity, though the survey finds that overall usage levels remain low. The gains made by online channels have been to the detriment of 'traditional' recruitment methods: agencies, print media and job fairs.

Finally, the research considers what information job seekers look for in advertisements, comparing it with what employers actually give, revealing a significant gap between the two. Recruiters that address candidates' needs most directly will benefit from more and better quality applications than those that don't.

These trends point to a fundamental shift in the balance of power between employer and employee. The war for talent in post-recession Europe will be waged online: the winners will be those employers who can reach job seekers with the information they need to see, in the way they wish to be reached.

<sup>1</sup> In its World Economic Outlook, October 2009, the International Monetary Fund forecasts mild growth of 0.3 percent across the Euro area, compared with an expected decline of 4.2 percent during 2009 (source: <http://imf.org/external/pubs/ft/weo/2009/02/pdf/text.pdf>)

## Introduction

As economic recovery takes root in many European countries employees are feeling renewed confidence in their future prospects. The StepStone Search Trends Survey shows that European workers are venturing into the jobs market in great numbers and finds that employers, too, plan to significantly ramp up their recruitment.

Yet the slowdown has brought with it a 'new normal' in the dynamic between job seeker and recruiter. The agent of this change is digital media, as interactive services such as job boards, search engines and social media become candidates' search tools of choice. Clever use of media and the right content will be vital for employers to retain an edge on their competitors, amid increasing competition for talent in post-recession Europe.

## About the research

StepStone conducted a series of online surveys in nine European countries including Italy, Germany, France, Belgium, Austria, Denmark, Sweden, Norway and the Netherlands. 2,478 candidates and 1,600 recruiters were surveyed during Autumn 2009.

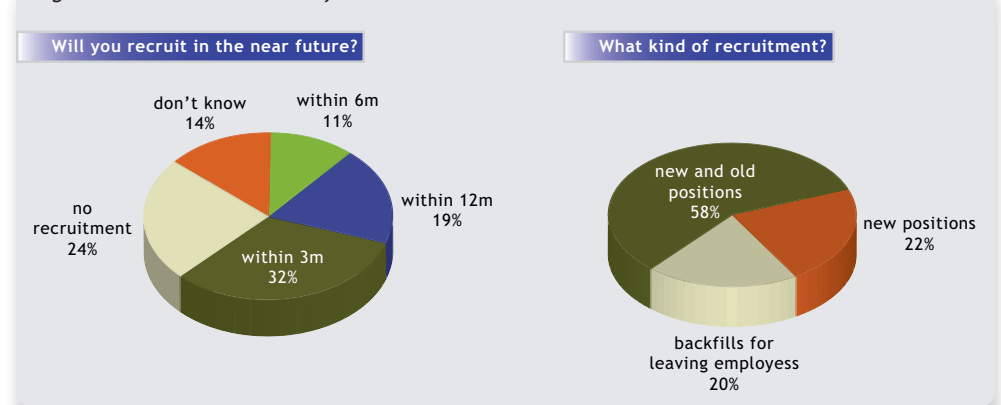
Employer data was gathered via an online survey of corporate recruiters: 50 percent of respondents came from mid-size businesses or larger.

## Europeans on the move

Employee data is based on an online survey of StepStone's job board members. Candidates were well qualified, with university graduates (bachelors degree or higher) accounting for over 60 percent of respondents. 73 percent of respondents described themselves as 'actively looking for a job'.

The renewed sense of optimism sweeping through many countries is rekindling the job market. 35 percent of the employers surveyed plan to increase headcount in 2010, and 32 percent plan to begin recruiting within the next three months (figure 1). Their efforts will chiefly be focused on sales, marketing and engineering roles.

Figure 1 : Recruiters' outlook for next 12 months

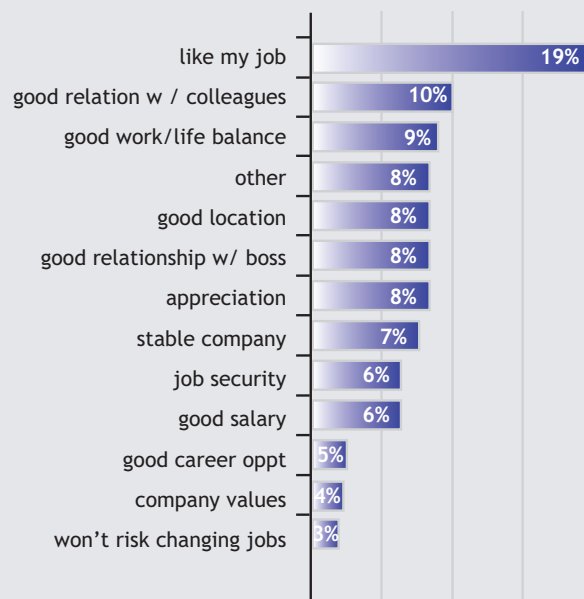


Nearly three quarters (74 percent) of the employees surveyed said they were actively searching for jobs, though in Belgium this figure rises to as high as 82 percent.

When asked why they were looking for new jobs those in work responded overwhelmingly that they felt their current jobs did not offer the development and career opportunities they were looking for. Across Europe 40 percent of respondents mentioned these factors, while in France and the Netherlands, the figure rose to nearly 50 percent. These responses should sound a warning bell to HR managers: action should be taken to ensure a pickup in business does not coincide with their brightest talent heading for the door through lack of engagement and opportunity.

The feedback from respondents happy with their current jobs provides a good overview of what constitutes employee engagement. Enjoyment of the work itself, good relationships with colleagues and work / life balance figured strongly amongst their responses (figure 2).

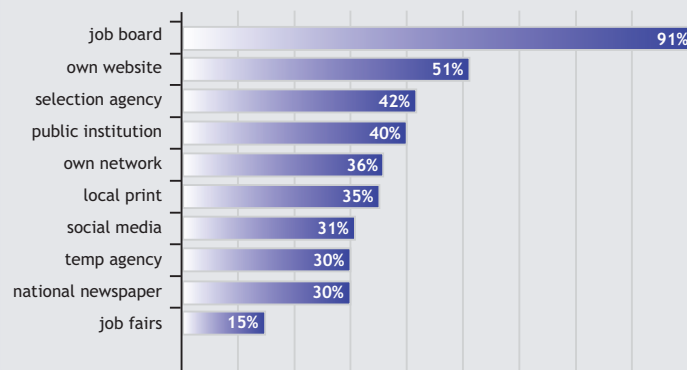
Figure 2 : Why people prefer to stay in their current job



## How Europeans look for work

The way Europeans search for work has changed dramatically in recent years. Today's job hunter overwhelmingly relies on online tools (figure 3) - chiefly job boards (91 percent) and search engines (51 percent). And they're not afraid to look for a new job during their current employer's time - over a third (37 percent) of respondents said they do their searching during office hours.

Figure 3 : How Europeans look for work



## The role of social media in job search

The survey noted now ‘social’ media, such as Viadeo, LinkedIn and Xing, are also gaining the edge over traditional media in many parts of Europe. However, adoption varies considerably from country to country and overall, social media are by no means mainstream. While use of social media across Europe is running at nearly 75 percent (source: ComScore<sup>2</sup>), barely one third (31 percent) of candidates surveyed said they used social media for finding jobs.

Examining the use of social media compared with newspapers does give an interesting view of the importance of ‘traditional’ media to the job seeker of 2010. In the Netherlands, for example, 50 percent of respondents said they use social media, compared with national newspapers, which are used by 41 percent. In Belgium, however, this trend is reversed, with just 20 percent of respondents using social media, compared with the 41 percent that use national newspapers (figure 4).

Figure 4 : Comparison of job seekers' use of social media, national newspapers and job boards for job search

Candidates			
	job board	national print	social media
Total	94%	31%	32%
Austria	97%	29%	30%
Belgium	93%	41%	20%
Germany	93%	35%	34%
France	93%	18%	39%
Italy	94%	36%	23%
Netherlands	96%	41%	50%

Recruiters			
	job board	national print	social media
Total	71%	27%	26%
Austria	81%	33%	25%
Belgium	56%	40%	14%
Germany	81%	23%	37%
France	83%	8%	29%
Italy	67%	16%	20%
Netherlands	67%	20%	23%

## Limitations of social media for job seekers

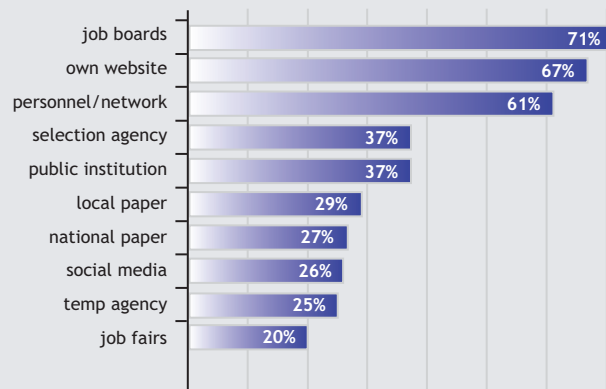
It is clear that social media sites do not enjoy the same level of job seeker trust as job boards. Amongst the majority of candidates who do not use social media for job searches, concerns over privacy and data protection predominate. A significant number of candidate respondents said they keep their personal and professional online identities separate (20 percent).

2 [http://www.comscore.com/Press\\_Events/Press\\_Releases/2009/2/Social\\_Networking\\_France](http://www.comscore.com/Press_Events/Press_Releases/2009/2/Social_Networking_France)

## The recruiters' perspective

Like the candidates they wish to recruit, employers overwhelmingly opt for online solutions - either linked to their own corporate sites (e-recruitment), or on third party job boards (figure 5). There are some marked contrasts, however, from country to country. In Germany, for example, just 56 percent of recruiters said they advertise positions on job boards, compared with the whopping 91 percent of job seekers who say they use them (figure 6).

Figure 5 : Where recruiters advertise and projections for next 12 months

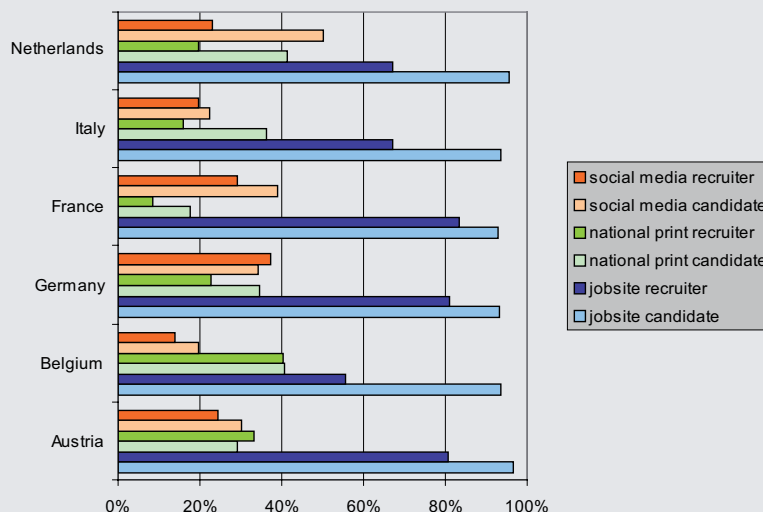


## Limitations of social media for recruiters

Recruiters call into question the quality of candidates that can be reached via social channels. While the near-zero costs and relatively fast responses make them compelling options for many, it is difficult for recruiters to manage their message and communicate employer brands effectively via social media channels.

For these reasons, job boards are still seen as offering the best of both worlds: the clearly defined audience of a media property with the speed and transparency of a social site.

Figure 6 : Comparison between job seekers' (candidates)



## The job advertisement information gap

Ensuring a position is advertised on the most appropriate medium for its target audience is only half of the battle recruiters face. The survey shows there is a marked difference between the information prospective employees look for in advertisements, and that which employers actually include (figure 7).

Figure 7-1 : Job aspects highlighted by recruiters

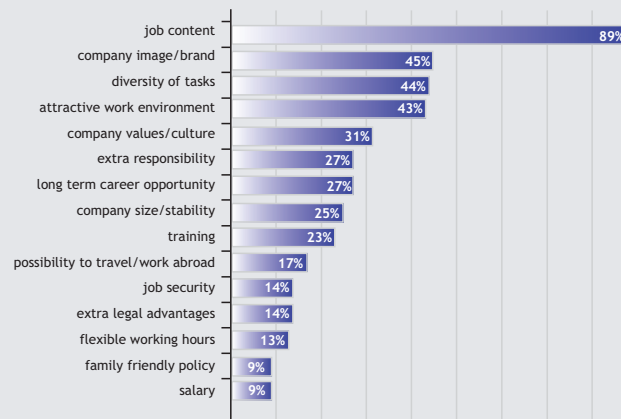
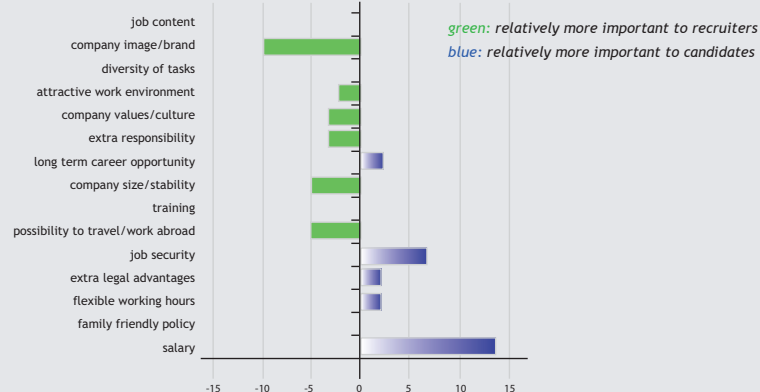


Figure 7-2 : Information gap in job aspect communication



While job content was flagged by both groups as the most important content for job advertisements recruiters are far keener to push the organisation's brand image. Candidates, for their part, are far more interested in remuneration - something which barely one employer in ten is prepared to include. The key ingredients for job advertisements as given by recruiters and candidates are listed in figure 8.

Figure 8 : Comparison of recruiters' and candidates' preferences for job advertisement content

**Highlighted by recruiters:**

- 1) Job content
- 2) Image and brand of the company
- 3) Diversity of tasks
- 4) Work environment

**Important to candidates:**

- 1) Job content
- 2) Salary
- 3) Diversity of tasks
- 4) Job Security

## Conclusion

HR departments across post-recessionary Europe will be fighting a war on two fronts. On the one hand, unmotivated, under-valued employees will begin looking for new opportunities. At the same time, it is becoming harder than ever to reach target talent communities via traditional means: newspaper ads, jobs fairs and even recruitment agencies are losing ground to online media.

Even if recruiters use the right media they may find candidates are increasingly focused on the information they expect from an advertisement. The winners in the 'new normal' will be the organisations that deliver the information candidates expect to see via the media which are most useful to them. When it comes to the employer brand, the medium will become the message - employers' use of different channels will determine how effectively their brand is communicated to these groups.

## Recommendations

- Ensure your vacancies carry the key information candidates are looking for - sell the job.
- Consider your tone of voice online: position your employer brand using language which is consistent with your chosen media. The survey found employees are not looking for excessive employer branding - a more subtle approach is needed.
- Align media spend with where you expect demand from candidates to be strongest.
- Recognise that in a recovering job market your best people are also your highest retention risk.

## About StepStone

StepStone helps businesses get increased performance from their people, helps them build and develop global talent pools, and helps people find new jobs that match their talents. Across the world thousands of organisations rely on StepStone every day to improve their business performance and talent development strategies while millions of people rely on StepStone to improve their careers. StepStone delivers world class technology and services for finding, recruiting, retaining, managing and developing talented people.

StepStone operates some of Europe's largest talent networks, accurately matching employers with potential employees, and provides a complete suite of Human Capital Management software solutions. StepStone's on-demand (SaaS) software and services enable organisations to implement efficient processes, including; attraction and hiring, post-hire talent management, performance management, compensation management, skills and competency management, career and succession planning, training and development management.

More than 1,600 organisations, including many of the world's leading businesses, use StepStone software and services. It operates in 17 countries and employs around 800 people. Its global customers include Aviva, Deloitte, Deutsche Telekom, Lufthansa, McDonald's, Puma, ThyssenKrupp and Volkswagen.