



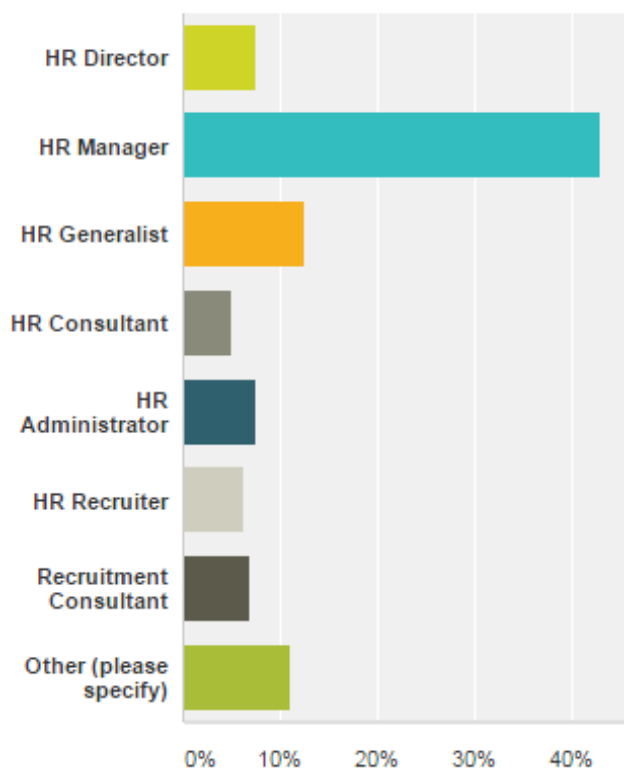
# Annual South African HR Recruitment Trends Report - 2016

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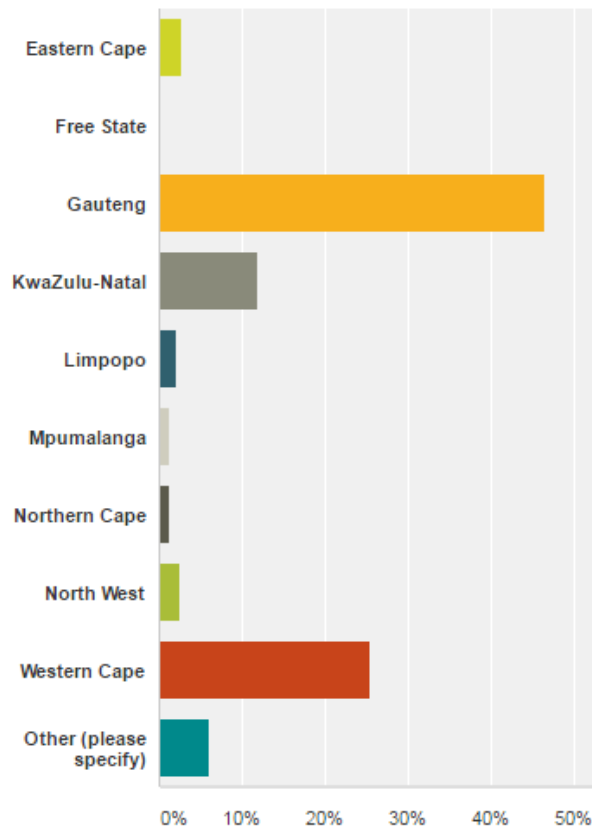


This report is based on responses from 1388 Survey participants across South Africa. The HR Recruitment Survey on which this report is based, was the biggest of its kind ever to be conducted in South Africa.

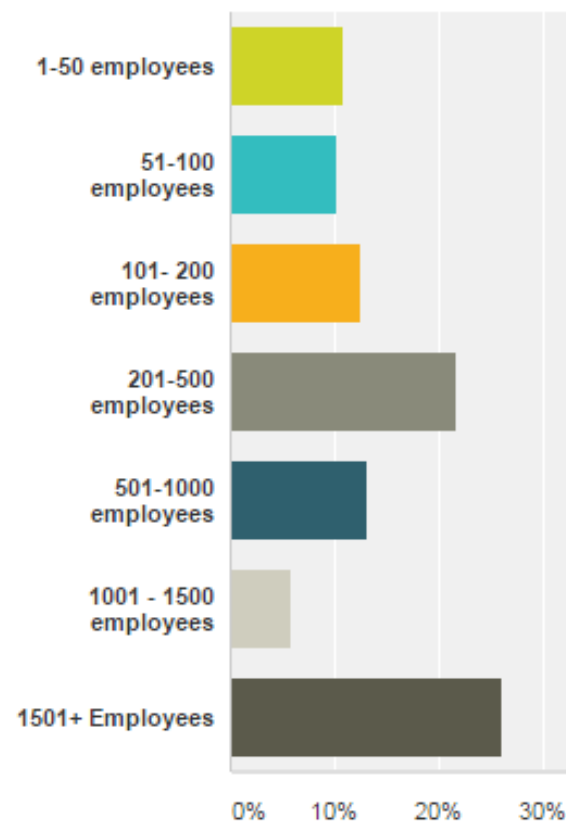
The majority of participants in this survey are in senior HR positions



The largest number of respondents originate from Gauteng and the Western Cape

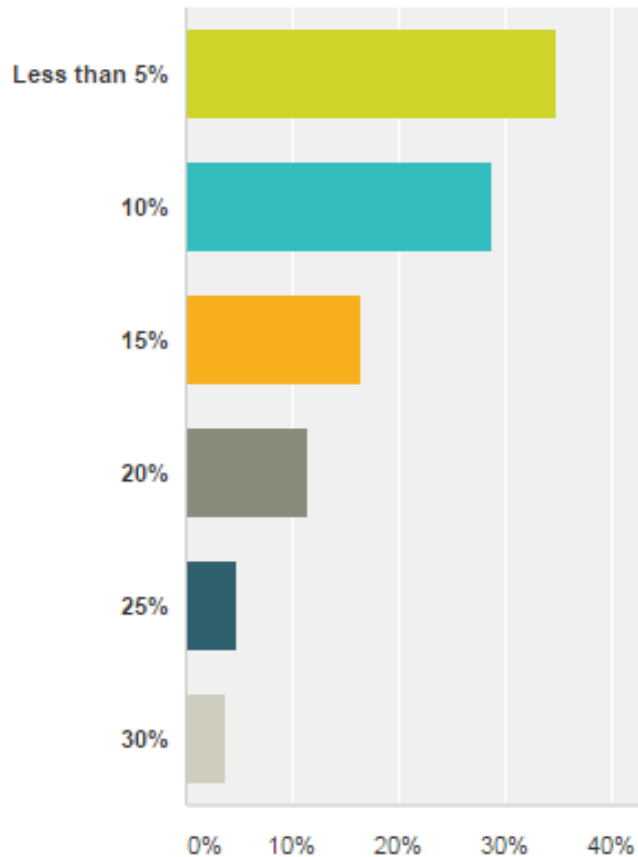


The majority of HR respondents to this survey work at mid to large sized enterprises



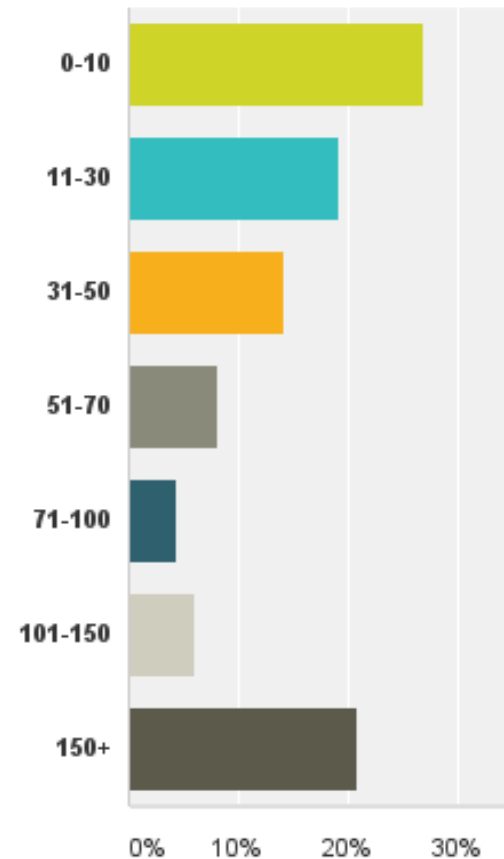
Talent retention at companies has been maintained.  
But even with fewer people leaving, there has been a steady number of new vacancies during 2016.

The majority of companies reported staff turnover of between 5-10%, continuing the overall trend of greater employee retention



Average annual staff turnover rate

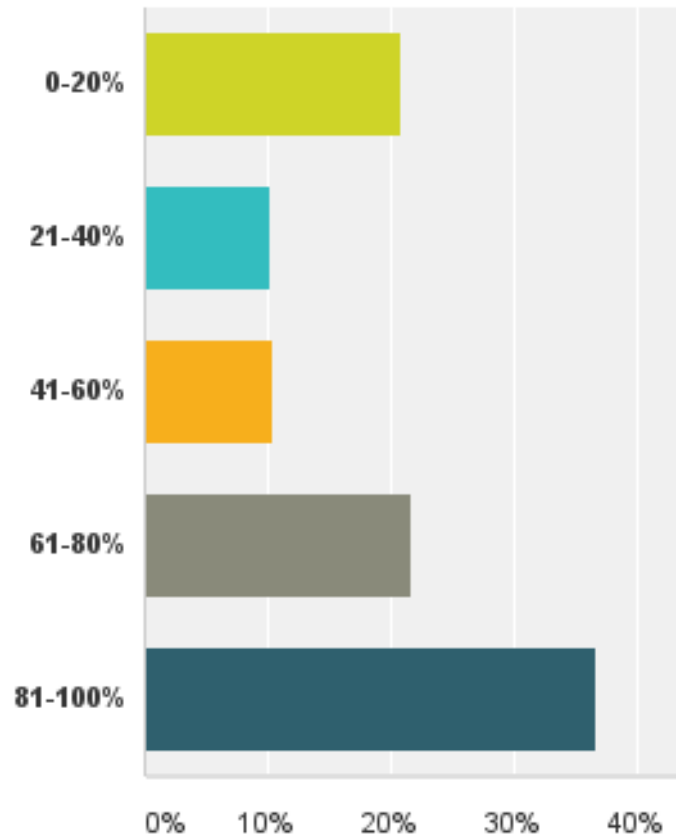
Companies have been hiring at a steady pace although there have been fewer vacancies than in 2015



Job vacancies recruited for during 2014

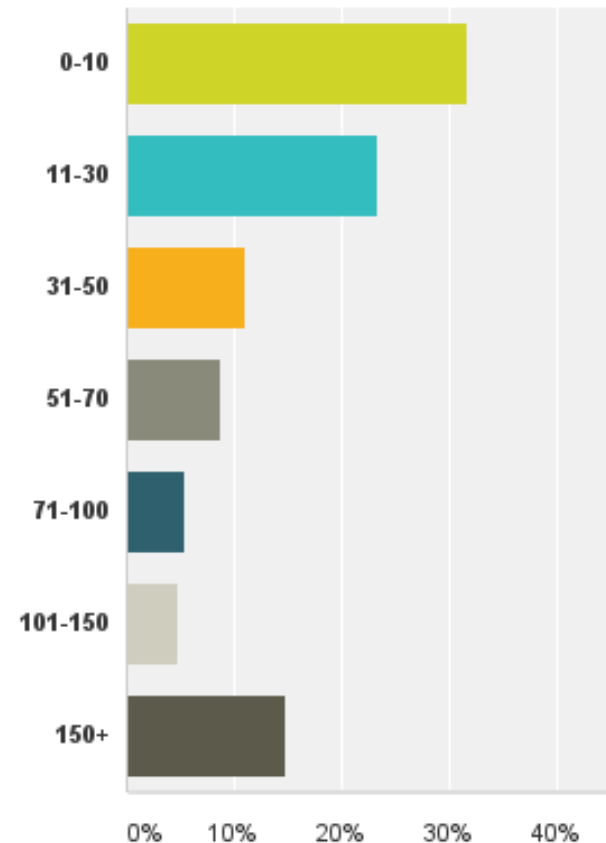
With a large successful uptake of staff during 2015, respondents foresee fewer new hires during 2016/7.

Companies managed to fill a good majority of their vacant positions during 2015/6.



Percentage of open job vacancies filled during 2015

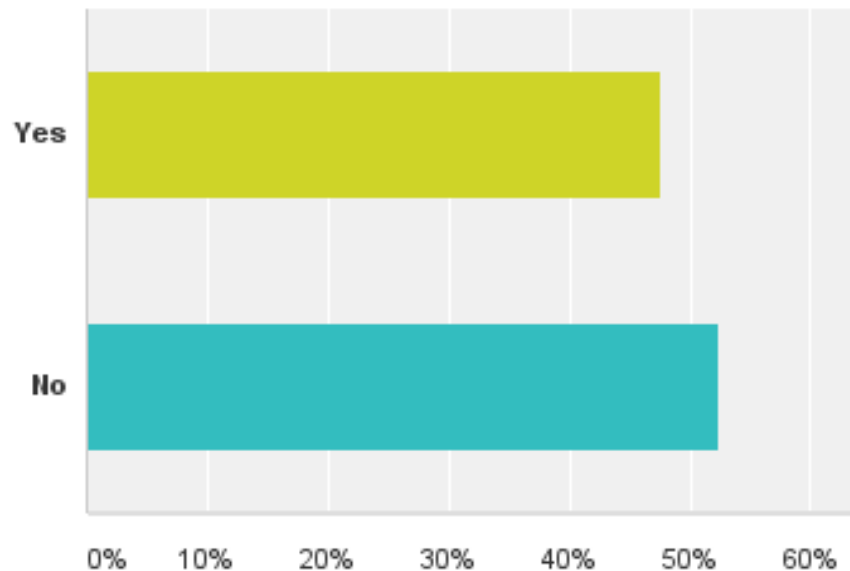
The overall number of projected vacancies for 2016/7, is lower than that of previous years



New vacancies foreseen working on/filling during 2015

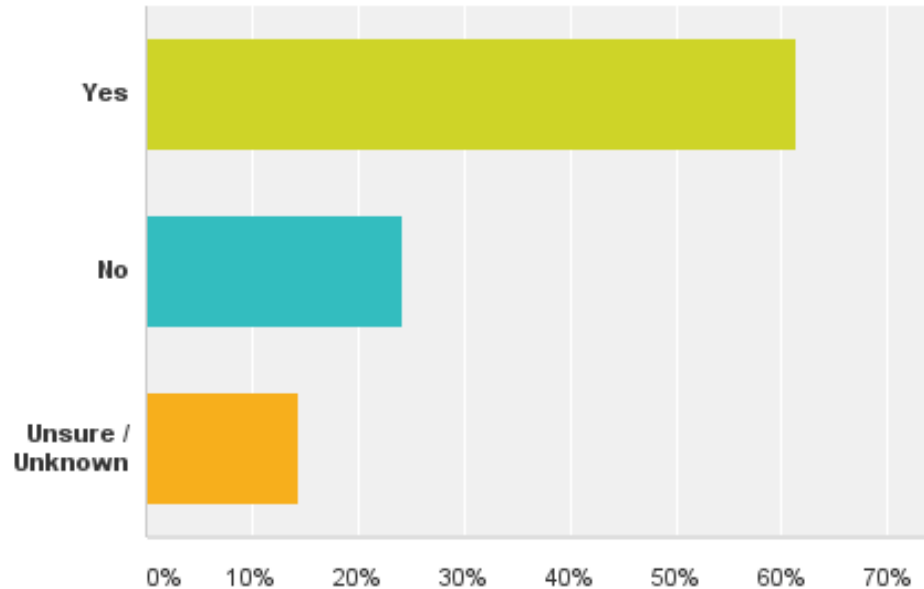
## Whilst recruiting solutions budgets are reducing , employer branding is still a priority.

Companies by and large plan on reducing spend on recruitment solutions during 2016, this is a notable change in trend from previous years



Budget for recruiting solutions increased from last year?

Companies continue to realise the benefits and necessity of implementing an effective employer branding strategy



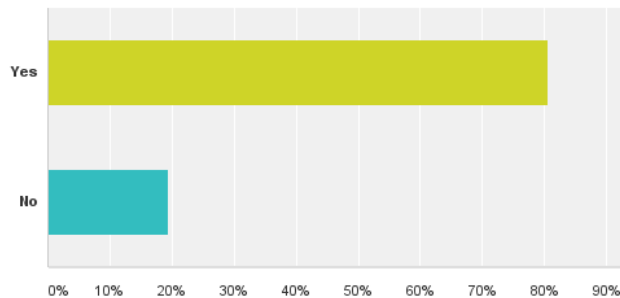
Employer branding strategy in place?

# Companies are now focusing on nurturing and tracking their employer branding efforts by utilising recruitment technology tools.

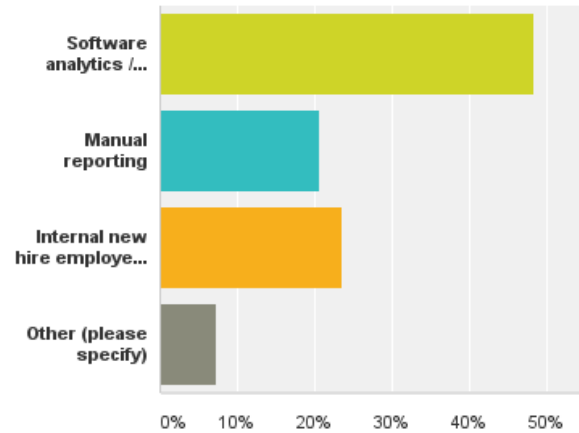
Companies are largely continuing to closely monitor their employer branding efforts

The utilisation of software analytics for the measurement of employer branding remains the preferred method

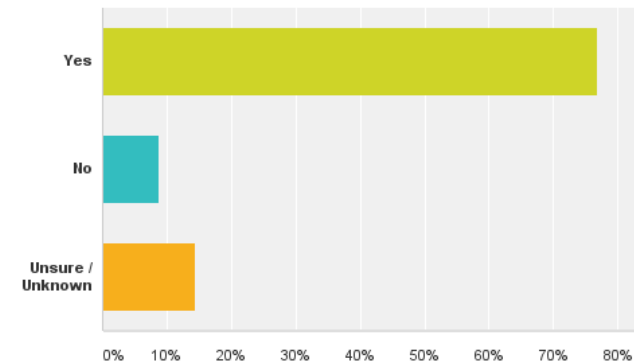
Organisations in SA continue to recognise the importance of a good employer brand to attract talent



Regularly measure employer brand health



Tools utilised to measure the effectiveness of employer brand

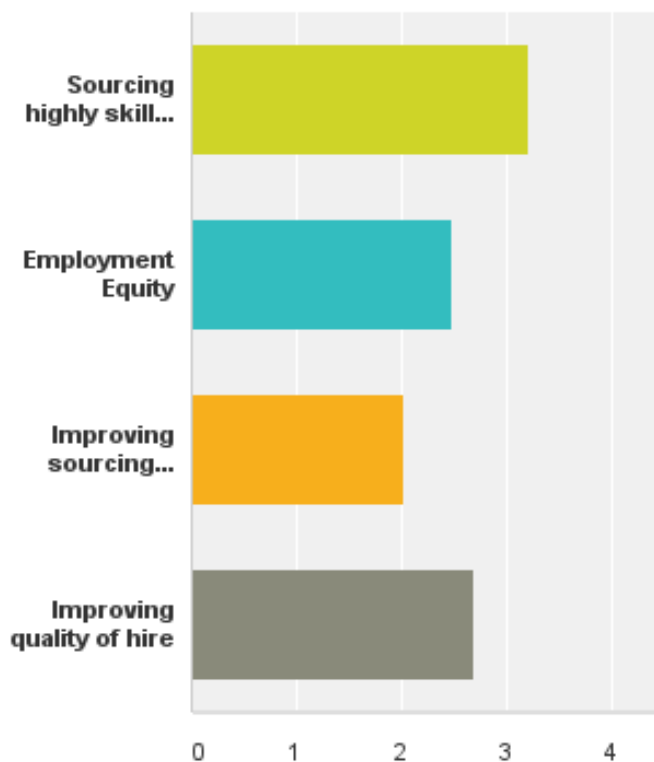


Does employer brand have a significant impact on ability to hire and attract suitable talent?

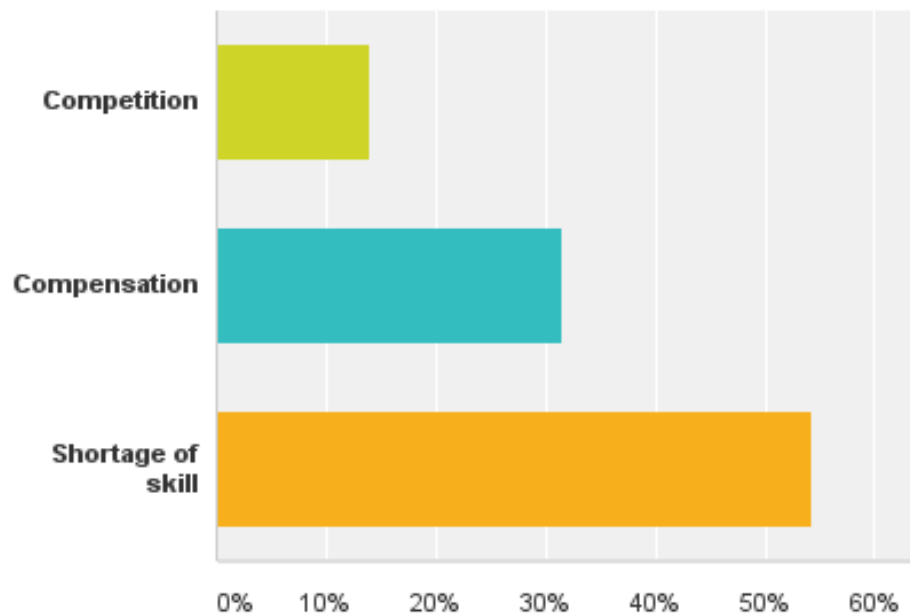
# Highly skilled quality talent is most sought after and the biggest obstacle for HR in their talent acquisition endeavours.

Acquiring highly skilled talent is mission critical for companies during 2016

Sourcing highly skilled talent is still proving to be the biggest challenge for organisations 2016



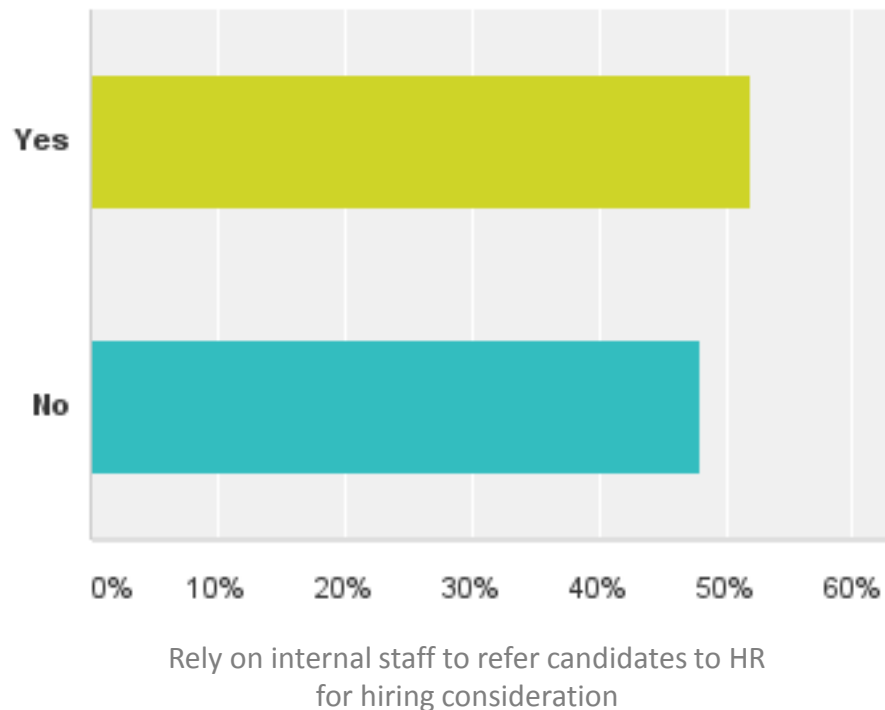
Areas of interest with regard to talent acquisition



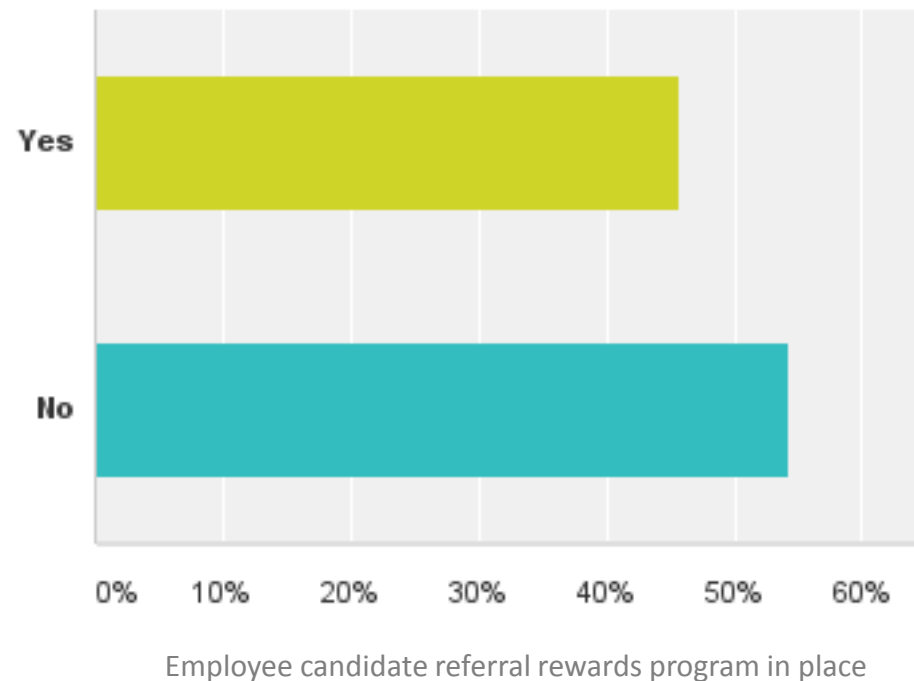
Obstacles to attracting the best talent

Organisations are relying on referrals as a preferred method of sourcing, yet are still slow on implementing employee referral rewards programmes.

Companies continue to rely on employee driven candidate referrals



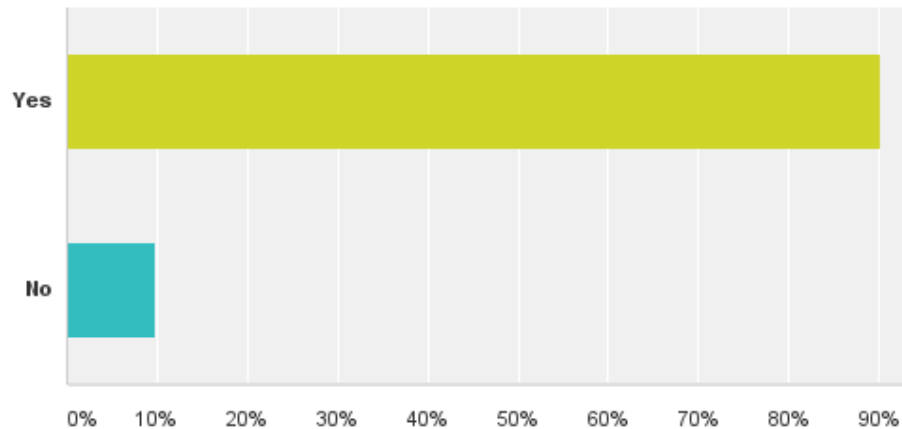
Despite the importance of referrals, a large number of companies surveyed are still not implementing or investing in incentive based candidate referral programmes





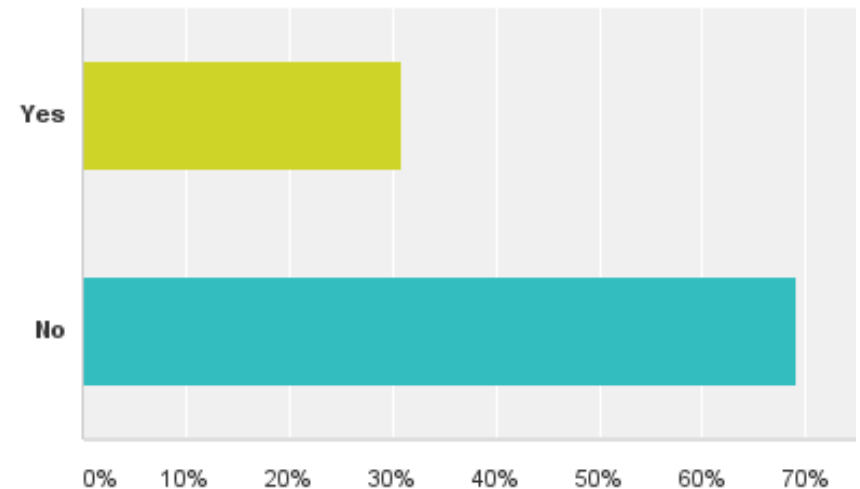
## The trend of organisations recruiting internally continues to trump the use of agencies as the primary source for candidates.

An overwhelming number of HR Departments are becoming less dependant on hiring agencies as their primary source and have become more self sufficient



Attempt to source and place candidates via internal recruitment department before approaching recruitment agencies

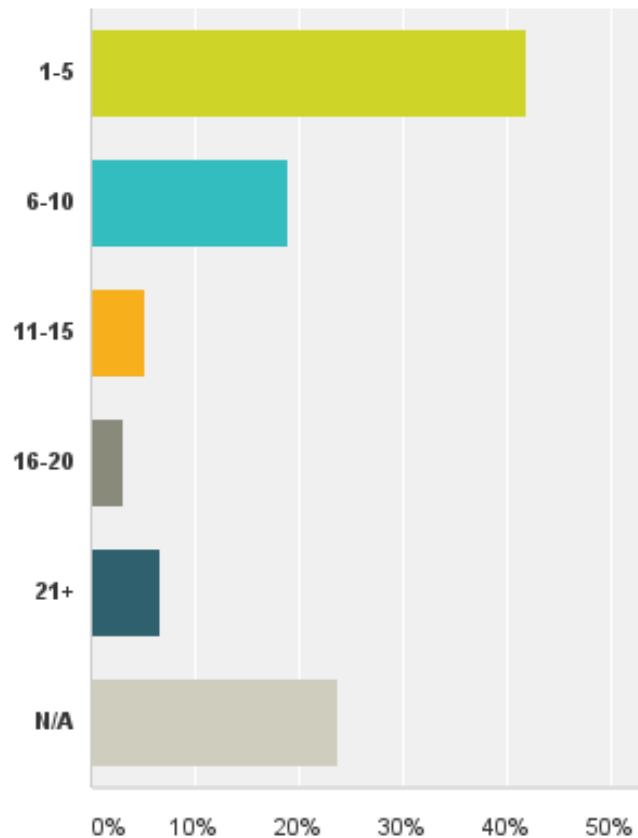
The primary use of recruitment agencies in general continues to fall. This declining trend has consistently continued over the last 5 years



Primarily make use of recruitment agencies to fill requirements

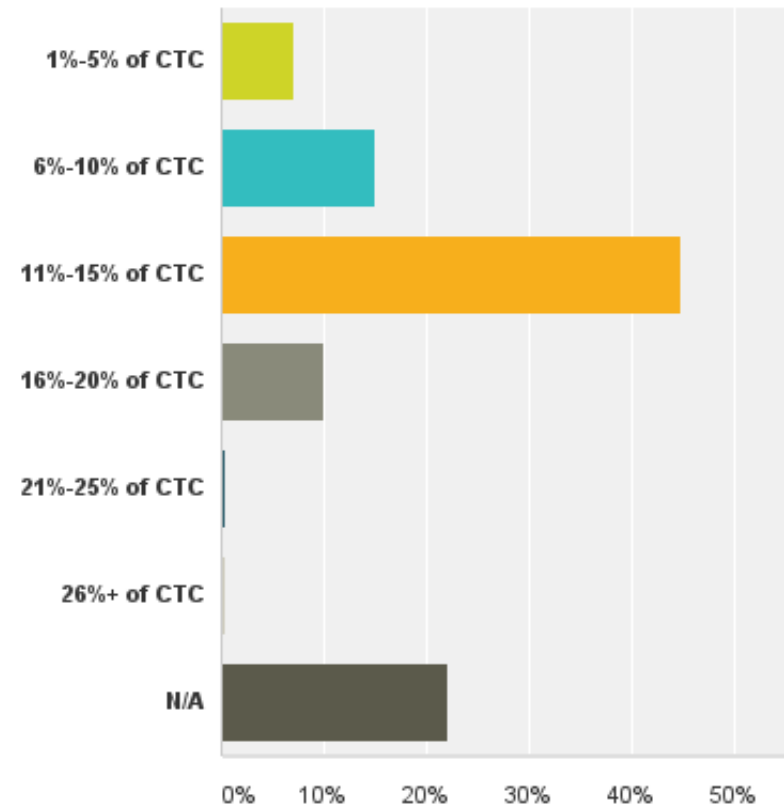
When organisations do utilise agencies, they are very selective on the number of agencies on their preferred supplier list. Organisations continue to be more stringent on the recruitment fees they are willing to pay.

Most HR recruiters prefer working with a smaller number of hiring agencies, 5-10 tends to be the maximum



Number of recruitment agencies on preferred supplier list

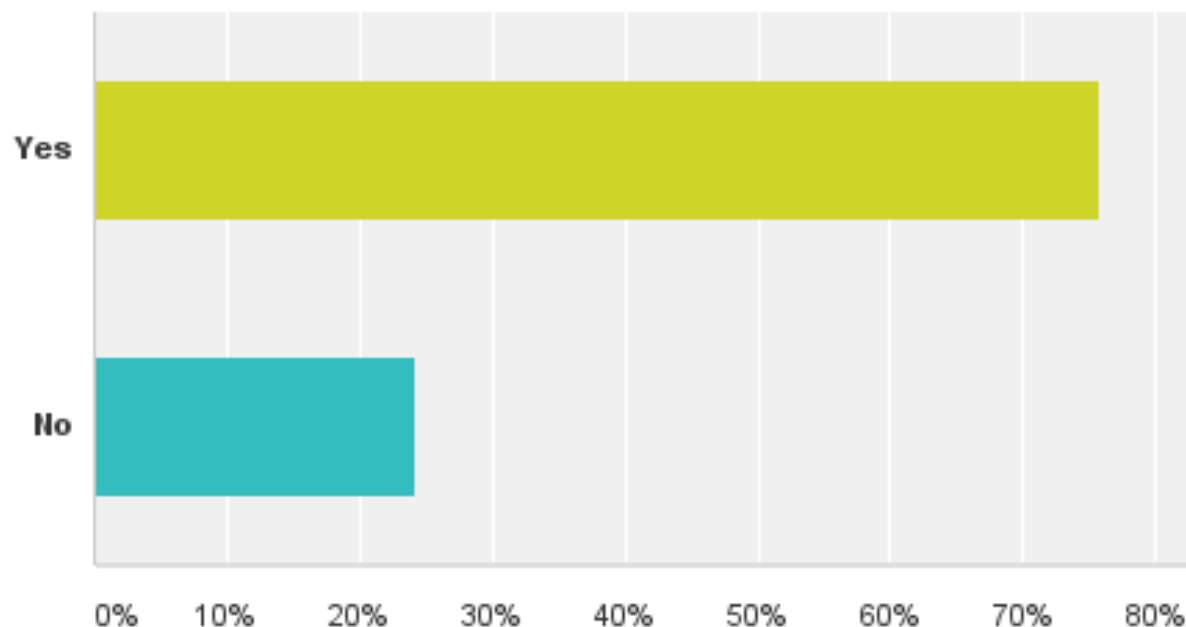
The market average for recruitment agency fees is between 10%-16% on candidate annual CTC packages



Average fee percentage charged by preferred supplier's recruitment agencies for successful placements

Organisations are opting for more control over their candidate sourcing and their employer brand. They are therefore focusing heavily on building user friendly and brand relaying careers portals and job boards on their website.

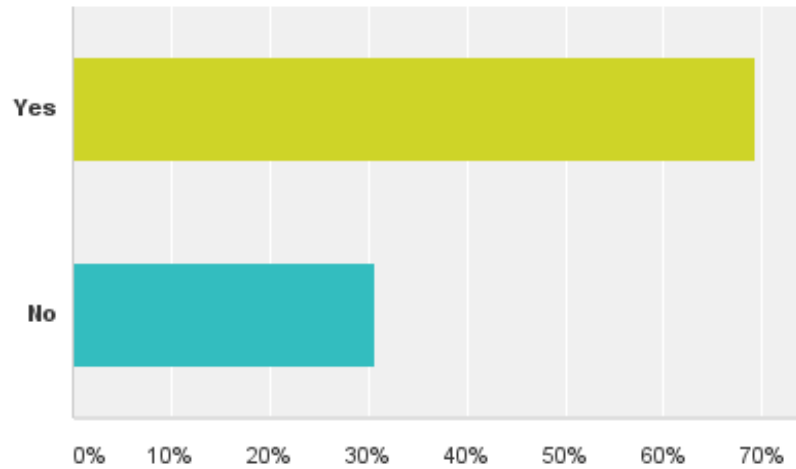
This lends to being highly advantageous in sourcing candidates as, on average, 50% of website traffic on a company's page tend to be career seekers, with a good portion of those being highly sought after passive candidates



Careers section on website to advertise and allow candidates to apply for jobs online

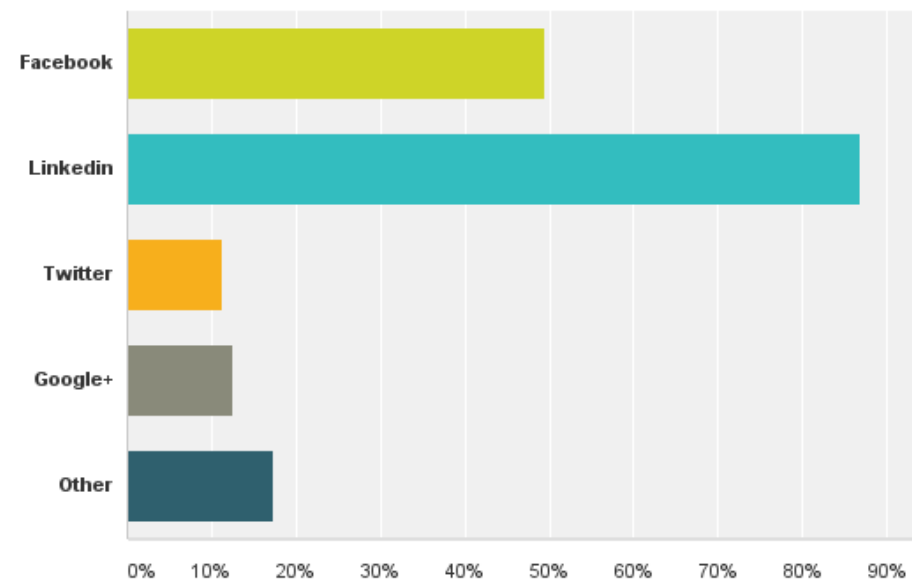
South Africa is quickly catching up with the global trend of utilising social media as a major source channel to attract candidates, with LinkedIn coming out tops as the most utilised.

Social media recruitment advertising has remained steady.



Is Social Media being utilised to recruit candidates?

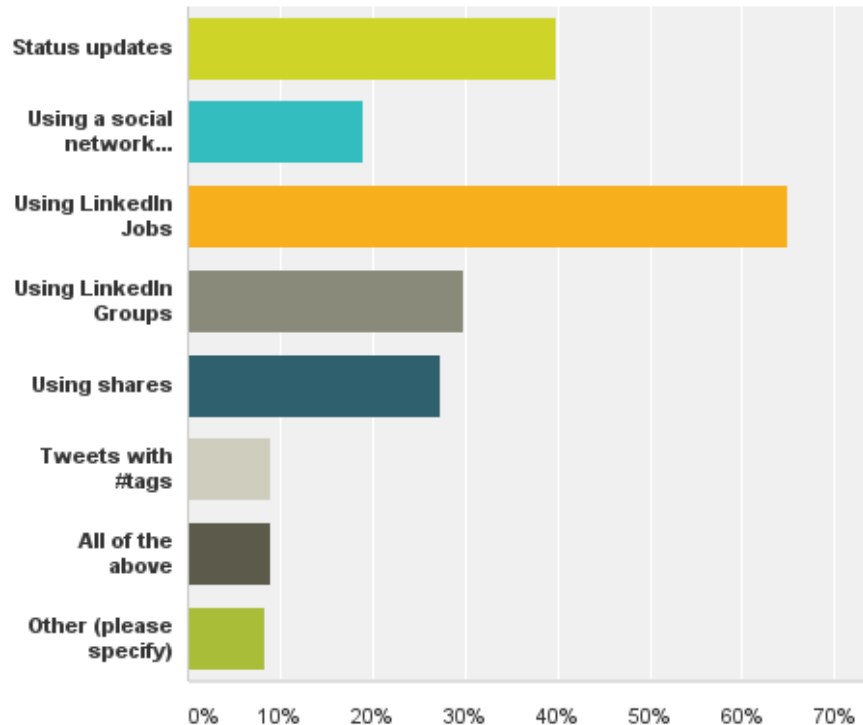
As expected, LinkedIn is still the most utilised option with Facebook trailing close behind



Which Social Networks are utilised to recruit candidates?

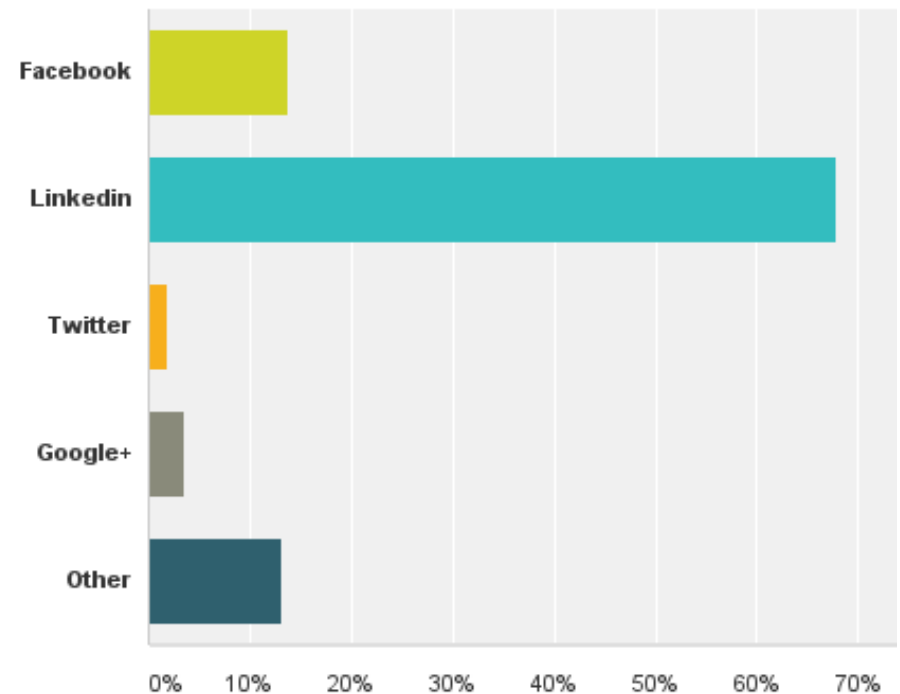
The method of social media utilisation shows that companies are seeing the value and results in paid social media recruitment advertising options over free options.

Companies continue to be drawn to using the LinkedIn Jobs feature, in spite of this being a paid option



How organisations utilise social media to advertise jobs

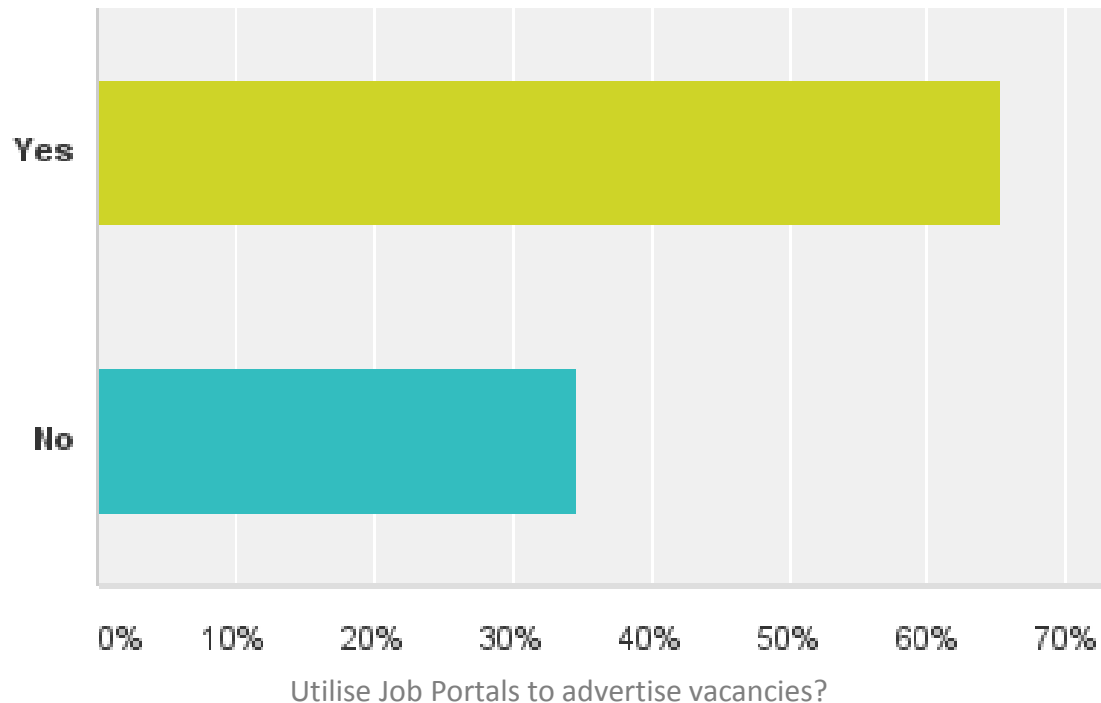
There also appears to be a direct correlation between using paid sources over free ones when it comes to the quality of applications companies receive from social network channels



Social Networks yielding the best results

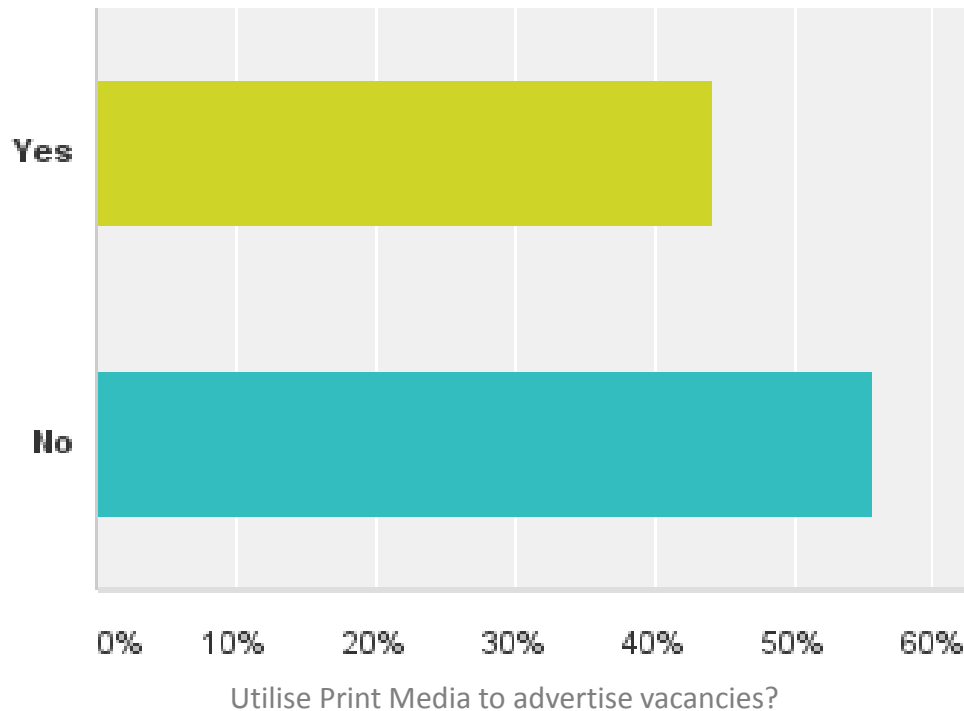
As expected, companies are still regularly and consistently utilising popular job boards to advertise their positions and source candidates. Although the number has decreased slightly from previous years.

Interestingly, job boards still came in an ever so slightly second place to social media in terms of utilisation. This may be due to a lower barrier to entry.



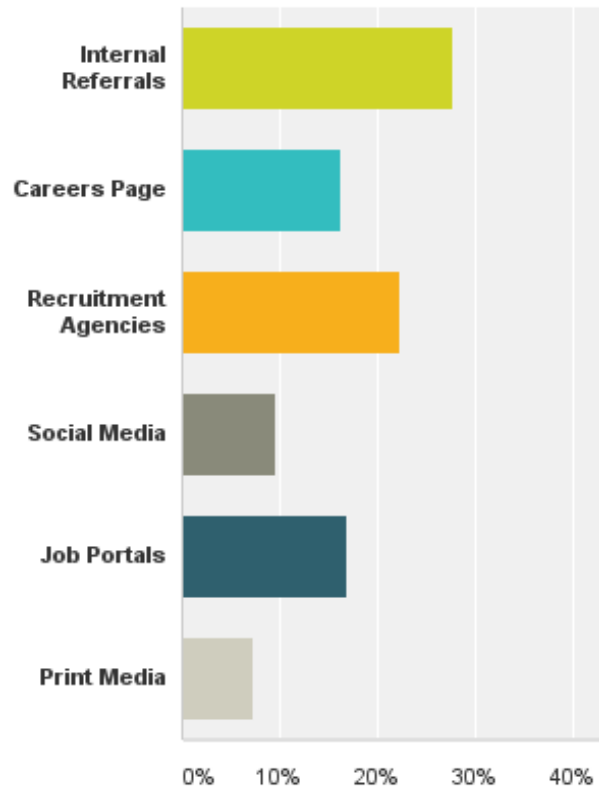
Traditional print media advertising of vacancies has dropped significantly.

Print media advertising has declined sharply over the last year. Clearly online advertising takes preference for mid to high level positions.



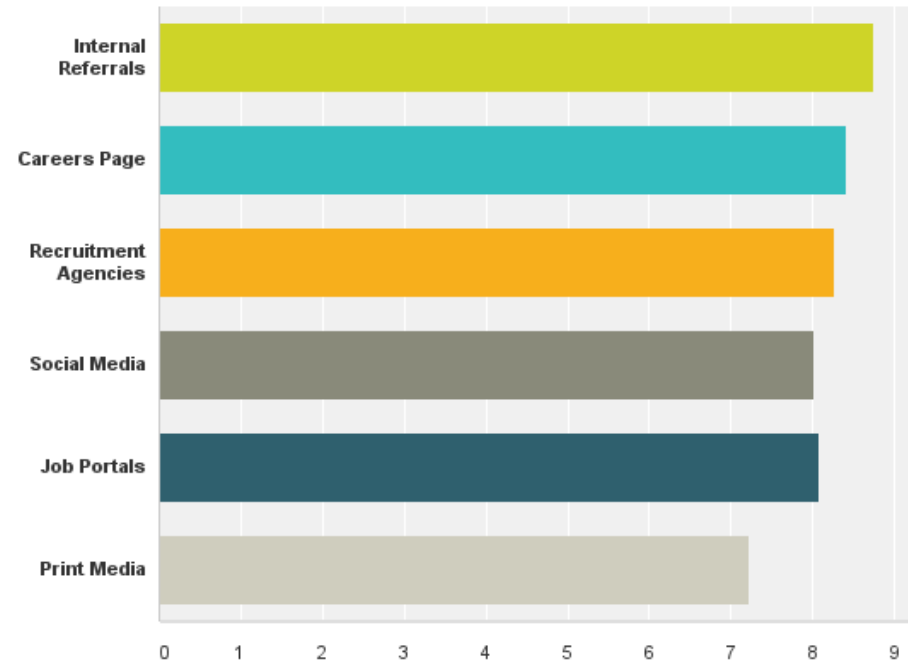
HR Recruiters have weighed-in from across the country as to which sources gave them not only the best quality candidates, but the most successful sources for placing candidates.

Definitively, the top sources for the best quality candidate applications come from referrals, recruitment agencies, company website careers pages and job portals.



Sources yielding the best quality candidates

More important than quality application sources, are the sources from which hired candidates come from. SA HR recruiters have named internal referred candidates and website careers page applicants as the top two sources for the third year running

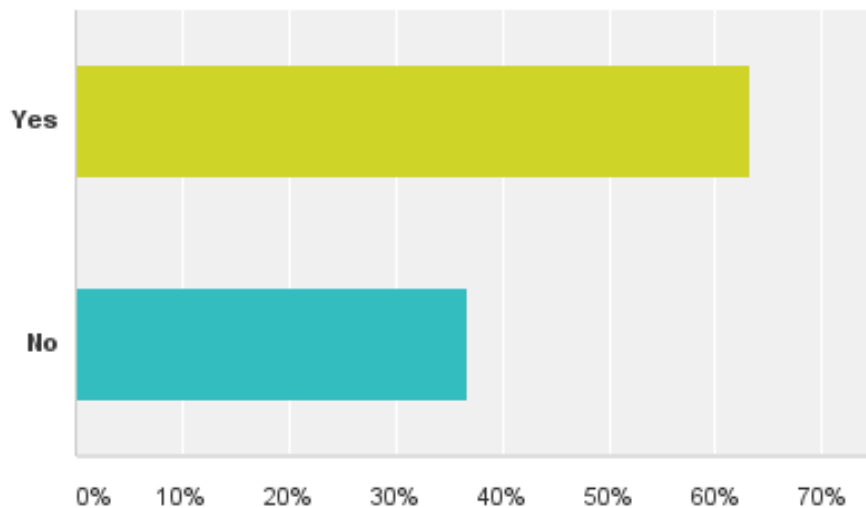


Resources rated based on the amount of new hires placed in 2014



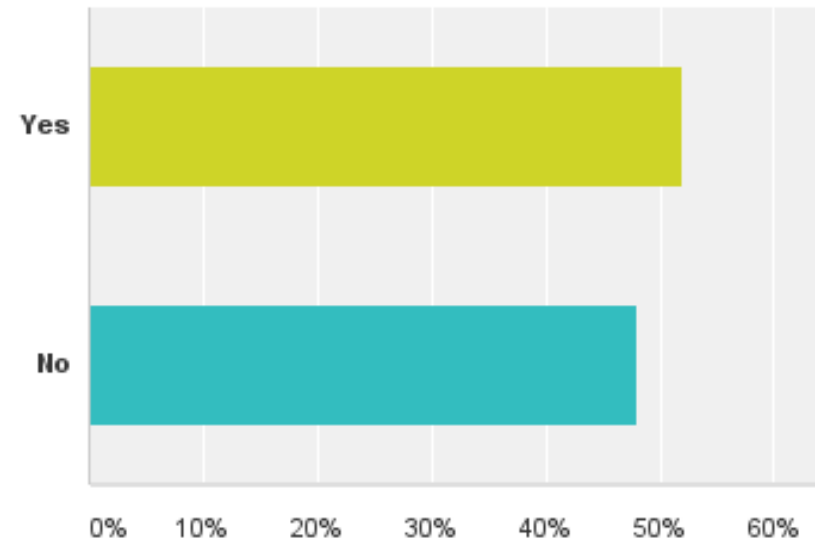
## POPI (Protection of Personal Information) remains high on the agenda for HR departments nationally.

Most organisations have geared their processes to be POPI compliant.



Strategy implemented to ensure POPI compliant recruitment process

Of the companies that have not yet implemented a strategy, just over half are making it a higher priority during 2016



Plan on implementing a strategy to ensure POPI compliance in the next 12 months

## About The Annual HR Recruitment Trend Report

This report was compiled by Direct Hire Recruitment Software, a division of MCI Consultants (Pty) Ltd and is based on the 5<sup>th</sup> annual HR Recruitment Trend 2016 survey.

Direct Hire has conducted and facilitated this survey for 5 consecutive years, this survey is the largest of its kind to be run in South Africa.

MCI has been leading the way in recruitment software in SA for the last 21 years and is currently the largest and leading provider of recruitment solutions in SA.

## Direct Hire Recruitment Software

Direct Hire is a powerful web-based cloud hosted application developed by MCI to automate the requisition to hire process within corporates in order to improve efficiencies and quality of candidates, and to reduce recruitment costs.

Direct Hire is offered on a Software as a Service basis and can be configured to suit a client's processes.



For information about this survey and Direct Hire Recruitment Software please visit:

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