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CRACKING THE DIGITAL TALENT CODE

How to lure tech talent away from tech

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INTRODUCTION

Layoffs in tech meet digital transformation in other industries

One hundred and sixty-eight thousand workers have been laid off by tech companies so far this year—and it's only May. The tech industry started showing signs of uncertainty in 2022, which saw more layoffs than the previous two years combined. It seems the trend has lately accelerated.

Of course, the majority of *non*-tech companies are also now making digital transformation a priority, though their initiatives are often held back due to digital skills gaps in their organizations. Even *before* the recent layoffs, tech job growth actually wasn't centered on the tech industry: Bain & Company found that since Q4 of 2020, non-tech industries have listed twice as many tech jobs as tech industries have. That means job searchers are more likely to see open roles in manufacturing, financial services, and life sciences, for example, than they are to see an open opportunity with a Silicon Valley firm.

Since Q4 of 2020, non-tech industries have listed twice as many tech jobs as tech industries have, and the recent expansion of the digital talent labor pool presents a unique opportunity for non-tech companies to close the digital skills gap. But these high-in-demand workers won't join your organization unless you proactively convince them that your company is the best place for them.

Organizations need to elevate their recruitment strategy and **deploy the proven best practices used by successful tech companies to attract, engage, and hire the best and brightest digital talent**. These include:

1. refining your talent brand to inspire job seekers,

2. proactively engaging digital talent as opposed to waiting for them to apply, and

3. leveraging data that helps you close top talent faster... before they slip away

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And now they're more willing to look at those opportunities. This is great news for non-tech companies in need of software engineers, data scientists, cloud architects, security engineers, and other roles that are key to building their digital platforms. However, these candidates have come from some of the biggest employer brands in the country, and they know their worth. They also have expectations about the candidate experience—and about their future employers—that have been shaped by their experiences in tech. Which begs the question: *what, exactly, have tech companies done all along to attract and hire the best and brightest digital talent?*

In the first few months of 2023, open tech positions increased by almost 77,000 MoM. In aggregate there were **nearly 316,000 unfilled tech jobs** across the economy by March (McKinsey)

More than half of executives say their digital transformation efforts over the next two years will focus on developing new tech-enabled products, services, and/or platforms (Deloitte)

Yet **46% say limited skills, capacity, or ability** of the technology function is a constraint in delivering value from these initiatives (Deloitte)

Only **13% of employers** say they can hire and retain the tech talent they need most (Deloitte)

Winning top tech talent to your company isn't as easy as having an open position when they're actively looking for one. You have to be more aggressive and data-driven in attracting, engaging, and recruiting them. You need to understand what they expect from work, show how your company can meet their needs, and successfully—and proactively—communicate the perks of stepping away from tech.

In a December 2022 report titled "Turn Digital Giants' Layoffs into Your Talent Gain," Gartner, Inc. analysts emphasized that "**CIOs seeking to attract and recruit top IT talent" need to "modify their talent sourcing and recruitment strateg[ies]**." Tech talent needs to be convinced to work for you. Here's how to refine your talent brand with value propositions that inspire them, strengthen your outbound recruiting with targeted campaigns, and leverage data to recruit and close tech talent faster. (Just like your counterparts in tech have been doing.)

"Driving innovation to get medicine to our patients has required a deep look at machine learning, and technologies to help us serve patients the most effective way we can. And that's required going after talent that doesn't necessarily sit in our industry."

Daniel Lopez
Director of Talent Acquisition—Recruiting, Recruitment Marketing, & Employer Brand

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1.
Build a company brand that appeals to tech's top employees

In order to take advantage of the market opportunity, non-tech companies need to differentiate their employer brands and adjust their employee value propositions (EVPs) to guide their communications with candidates from tech backgrounds. Sourcing passive talent should be a priority for *any* company serious about digital transformation—but it doesn't make sense to reach out if your messaging doesn't resonate with them yet. Critical attraction drivers include **manager quality, respect and empathetic management, employer recognition, and human-centric work models**, according to Gartner. Hiring teams need to focus on the ones that apply most to their organizations and highlight them in their messaging.

Here's how else to refine your brand with an EVP that will attract them:

Offer professional development and career advancement opportunities

Technology is constantly evolving, so workers must keep up with industry trends, adapt, and learn new skills to stay competitive. Many Silicon Valley companies recognize this with continuous, tailored, in-house learning & development (L&D) programs or annual stipends employees can use to earn certifications, attend conferences, or otherwise reskill and upskill. Career development opportunities are a top factor tech workers consider when deciding whether to accept a new job or stay at their current position, according to McKinsey.

"41% of surveyed IT workers cite a lack of career progression as a reason for wanting to quit their jobs."

Deloitte.

Source

"Career development and advancement potential are now on par with compensation as top factors influencing job-related decisions for workers in the digital space... digital talent heavily values working at organizations that fully embed learning into every aspect of their culture and encourage employees to invest in their own development and advancement."

McKinsey

Workers considering stepping away from the tech industry may need reassurance that they'll be able to keep up with industry news and best practices. You can support on-the-job learning with programs that mimic successful Silicon Valley efforts—which focus less on formal, one-size-fits-all trainings, and more on innovative programs and personalized, self-directed experiences. Some tech companies (like Google) form employee networks where skilled digital talent help their peers learn new skills. On-the-job learning for other tech companies includes the opportunity for employees to step into other teams or roles for a brief time, so they can learn from different perspectives. The most effective organizations create tailored recommendations that are curated according to the role.

The ability to learn on the job is also tied to advancement opportunities. Many tech companies determine duties and compensation by placing employees in "tiers" or "levels" based on their skill or experience. This structure makes it easy for workers to see what they need to learn to move into a higher role.

If you don't have this structure in your technical department (and can't implement it), do your best to showcase available career paths in your messaging. Leverage employee-generated content by asking tenured digital workers at your company to explain how they grew into their current roles, or put together a brief that lays out the different seniority levels and expectations for each.

Allow talent to map out their own career paths

The most common career trajectory takes talent on a linear journey straight toward management, with more and more people to manage with every promotion. Discerning tech companies have recognized that the conventional link between career advancement and management responsibilities simply doesn't work for everyone. Not all high-performing digital talent aspires to manage others—or has the people skills or coaching acumen to do so.

High-caliber digital talent might see a multi-path approach to career pathing as table stakes at this point. Letting talent chart their own career journeys—including nontraditional trajectories for advancement—can take many forms, including:

1. A "distinguished engineer" or "expert path" for digital talent that parallels the leadership path. Tech talent who choose this path will have ever-greater opportunities for collaboration on more significant projects, and more influence on greater numbers of colleagues as subject matter experts (SMEs): mentoring teammates *without* having to manage them. They'll also have greater opportunities to share knowledge and digital best practices across the organization.

2. Apprenticeships that allow high performers to follow their curiosity wherever it takes them. Tech talent who choose this path take courses or degrees that match their sense of purpose with exactly the skills the business needs to excel into the future.

"Reskilling and learning... may be necessary, but even more important could be recognizing the value of multiple career paths to your talent."

Deloitte.

Source

"We're doing a lot of work this year to build out career ladders that are consistent and scalable across every department. We're asking: What's the scope of the work, the autonomy level, but also: What are the attributes of the people in these roles at different levels? What kinds of things are they showcasing to the team?

When those are built out, we need to be able to translate them: We know we need someone who's going to be a self-starter in this role because of X, Y, and Z; and here are the interview questions that will help us decide whether or not this person's going to be a self-starter. So a lot of the work we're doing this year is building out these career ladders and making sure that our interview questions and process map back to those—as well as what gets measured much later, in employee performance ratings."

Nicole Stanley
Head of Global Talent

LaunchDarkly →

Whatever alternate career paths your organization decides to offer, **make sure you embed a framework— career journey maps, for example—that explicitly shows tech talent how they will advance (and through what training or experiences) from point A to point B**. Talent will want to know the performance expectations for every stage of their career journey, what feedback will look like, how compensation will be reflected at each step, how they can transition between tracks if they decide to, and what successful examples of senior roles in each path exist for them to aspire to. (Employee narratives in the form of blog posts or "spotlight videos" are great assets to create around nontraditional career paths.)

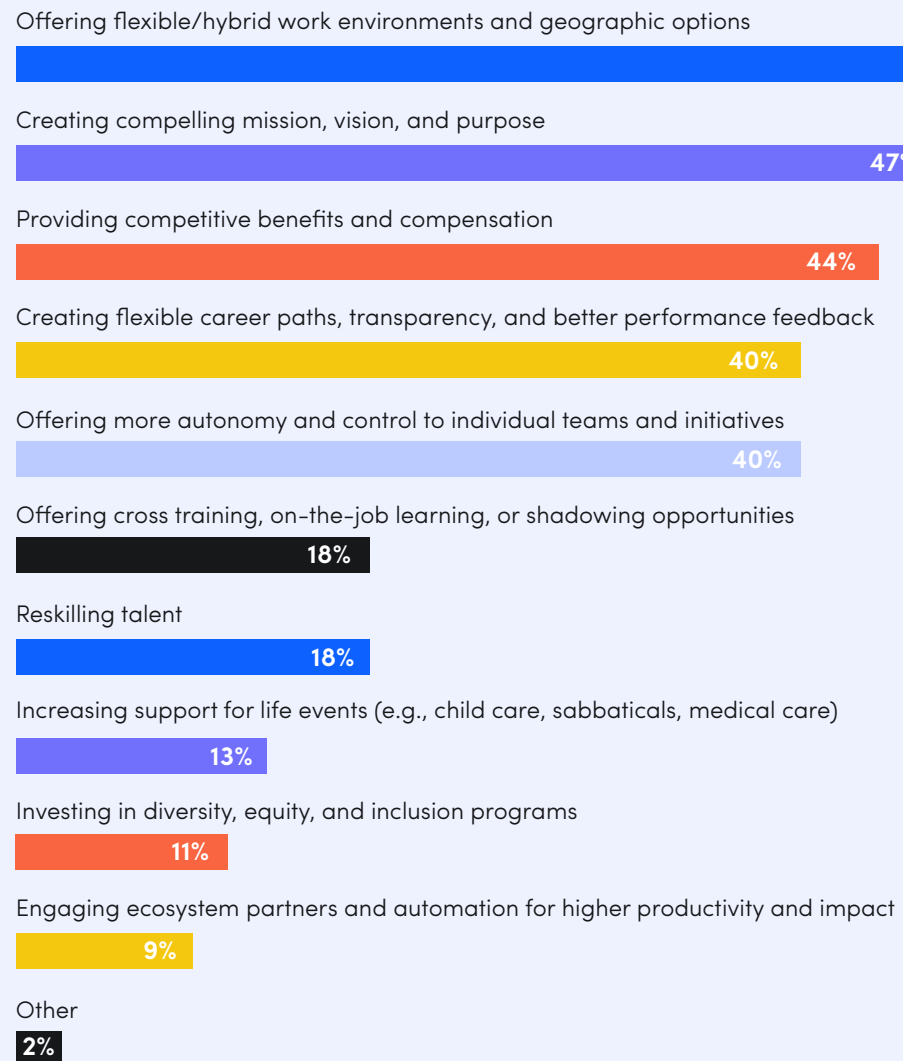## Allow remote or hybrid work and flexible schedules

WFH and flexible schedules became a new normal when the pandemic hit, and perhaps no industry took to the new arrangement better than big tech did. Morning Consult surveyed 750 tech employees in 2022 and found that 85% had fully remote positions or worked under a hybrid model. The majority of digital talent (around 3 in 5) said they were "not too interested" or "not at all interested" in returning to the office full-time. When it comes to starting a new position, 80% of the full-time tech workers interviewed by McKinsey said they'd rather work remotely than move.

McKinsey researchers also dug into the importance of flexible work arrangements. They found companies' willingness to work around employees' needs—in terms of both work location and hours—was especially popular among specific demographics. Women and workers in the 35-54 and 55-64 age groups were much more likely to prioritize positions that would allow them some leeway. Non-tech companies will miss out on experienced workers and a diversity of backgrounds and viewpoints if they require candidates to be in the office from 9-5 daily.

Companies looking to launch remote or hybrid work programs should invest in tools like videoconferencing and robust messaging platforms, McKinsey suggests. Cloud-based apps allow remote workers to join meetings and discussions as equals. Organizations may also consider how company culture is communicated and reinforced within the office, and ask how that can be translated to digital interactions. If leadership is resolute about in-person work, make sure that work happens over meaningful occasions—team-building or quarterly planning events, for example.

52% of tech talent prefer a remote-first model, and 1/3 want to work fully remote indefinitely

46% of tech employees say they'd consider leaving an organization that stopped offering the flexibility to work remotely

85% of digital employees at tech companies had fully remote or hybrid positions in 2022

In a recent study, _0% of non-tech leaders_ said they had a remote-first model for their tech function

The moral of the story? Tech companies are offering the flexibility that digital talent wants. If you want to successfully compete with them for talent, your organization will have to do the same.

Offering flexible and hybrid work environments is the single best way to retain top tech talent

Which of the following measures have you found to be the most successful for retaining top technology talent? Please select the top three.

Offering flexible/hybrid work environments and geographic options
57%

Creating compelling mission, vision, and purpose
47%

Providing competitive benefits and compensation
44%

Creating flexible career paths, transparency, and better performance feedback
40%

Offering more autonomy and control to individual teams and initiatives
40%

Offering cross training, on-the-job learning, or shadowing opportunities
18%

Reskilling talent
18%

Increasing support for life events (e.g., child care, sabbaticals, medical care)
13%

Investing in diversity, equity, and inclusion programs
11%

Engaging ecosystem partners and automation for higher productivity and impact
9%

Other
2%

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The tech industry offers wages **16% above the national average** and has the highest share of employees who bring home more than $150,000/year (CBRE).

If your company can't meet or beat tech wages, consider other forms of compensation that give digital talent the well-being support they haven't received elsewhere: unlimited PTO, more vacation days, health and wellness stipends, etc.

Look beyond the paycheck for compensation

Competing with tech companies for compensation will be difficult for most other industries: CBRE found the tech industry offers wages 16% above the national average and has the highest share of employees who bring home more than $150,000 a year. With current inflation rates and economic uncertainty, workers are less likely to accept a pay cut in exchange for other perks.

Your company needs to offer competitive compensation to have a chance at winning tech workers over. This is especially true if you're hiring in hot markets like AI/ML, data science, cloud computing, and cybersecurity. The good news is, tech workers are used to compensation packages that extend beyond the paycheck. Many Silicon Valley players offer equity as part of their compensation package—though even that may be less appealing in an uncertain market.

Compensation also covers perks like health insurance and PTO/vacation days. If you can't offer a higher salary, can your company increase its contribution to employees' insurance premiums? Can you switch to an unlimited PTO policy or offer paid parental leave or volunteer PTO? Tech workers might also appreciate lifestyle perks like childcare benefits, health and wellness stipends, and fertility assistance.

"Support for employee health and well-being" is among **the top reasons (35%) digital talent *left* a prior job.**

McKinsey & Company

Source

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Refine (and champion) your company's mission and scope

Digital workers want to feel like they're making an impact and are helping the company meet grandiose goals. These are employees who've been motivated by Facebook's (Meta's) call to "bring the world closer together" and Google's mission "to organize the world's information." You'll capture their attention by showing how your company is part of something bigger. 37% of digital workers cite meaningful work as a key factor in their decision to take a new job; and creating a compelling company mission, vision, and purpose is the second-best way to retain high-performing talent once you have them.

In your outbound messaging (more on this below), explain your impact by telling tech candidates about your company's reach. Are there thousands of businesses that rely on your systems? Are your products used in 80% of hospitals? These details will get ambitious, big-picture thinkers excited about making a difference. So devote some of your recruiting communications and interactions to discussing the company's mission, and to leadership's commitment to making a positive impact through technology.

If your company's guiding principles sound highly corporate—or if your societal mission isn't as grandiose— consider reframing overarching team or departmental goals into "mission statements" that present the problems digital employees will solve. An overhaul of a company's vision and purpose likely won't fall to its hiring teams. But recruiting messaging can certainly clarify how the work performed by its tech departments—through experimentation, innovation, or customer-facing projects—will directly and decisively contribute to overall business goals.

"When it comes to attracting top talent, the biggest incentive that draws tech professionals to new job opportunities is the work (54%) they would do in a given role. **It's not just a job they want—it's a job with purpose**, and tech leaders are trying to meet that expectation."

Deloitte.

Source

"I think fundamentally financial services is becoming a tech industry, and we're not the natural place for coders and engineers and cybersecurity talent to go. But people put their money with financial services because they trust us versus the next startup that doesn't have a brand reputation. So breaking through the perception that financial services is traditional, boring, and slow, is something I'm seeing many financial services organizations invest in.

Often the competition isn't about compensation with digital talent. I think it's really about purpose. I recently read that more than 80% of tech talent are more interested in seeing their code used in a live environment than in what they're paid. There's a real need for meaningful work there, and that's what we have to speak to."

**Global Head of Talent
@ a multinational bank**

"We're not a consumer company that just happens to do tech stuff; we're a tech company that happens to make ice cream and mayonnaise and beauty products. And when you're going after top-tier tech talent, you can't simply post a role and put them through your standard screening and interview process. We do a lot of messaging around career frameworks and integrate those roles very clearly into the business. They're in conversations where the P&L is being discussed, so they feel like they have a seat at the table.

And that makes a difference when we're talking to candidates, because they want to know that the work is meaningful; it's not being done in a dark room somewhere. They're at the table with business leaders trying to make a difference for the products and the consumers. So as we recruit, this is some of what we elucidate to candidates."

Global Head of Talent Acquisition & Talent Partnership
@ a multinational consumer goods company

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Emphasize your commitment to diversity, equity, inclusion, and belonging (DEI&B)

The public conversation about diversity in tech, which began in earnest in 2013, has only become more crucial by the year. Of course, that's not to say that the tech industry has entirely figured it out: women have accounted for 55% of the recent tech layoffs *despite* making up only around 33% of the industry. But the best tech companies have certainly made concerted efforts to publicize their diversity goals and hold themselves accountable to progress. Until now, this kind of public answerability has perhaps not been as pressing a concern for non-tech companies.

Deloitte's 2023 Global Human Capital Trends report found that only a fraction of companies include diversity and inclusion efforts among their business outcomes, and Monster's Work Watch report found these programs are first on the chopping block at 11% of companies when cuts become necessary. Digital talent that's left tech—or that's *considering* leaving—may have watched DEI&B initiatives get relegated to the bottom of the agenda at their respective companies. Yet it's a conversation they're constantly having, and a matter they're committed to prioritizing.

There are a range of ways to embed DEI&B into company culture:

- employee resource groups and affinity groups
- mentorship and sponsorship programs
- inclusive bathrooms and health benefits
- bias trainings
- equitable pay and promotions
- accommodations for employees with disabilities
- skills-first hiring practices that dispense with four-year degree qualifications
- diverse sourcing practices

Digital talent in tech may have watched once-important DEI&B initiatives get relegated to the bottom of the agenda at their respective companies: **30% of tech executives** say their tech function currently plays no role in driving DEI, and only **8% say that engaging a diverse workforce** and building inclusive capabilities is an organizational priority (Deloitte)

Yet **DEI&B is a conversation digital talent has been at the center of** since 2013, and a matter they're committed to prioritizing

So where your organization has DEI&B efforts in place, make sure the digital talent on the market knows about them

"We're doing a lot of work on identifying the opportunities and the roles where we can think differently about how we assess talent. So moving from traditional qualifications as a driver—education and specific industry-related experience—to areas where we can look more at the skills of potential talent.

This is showing up a lot in the technology space, where there can be an opportunity to learn biotech and pharma industry specific skills and capabilities on the job. If you're in the talent acquisition space today and things like skills-based hiring don't excite you, it's time to take a deep look at where things are headed."

Daniel Lopez
Director of Talent Acquisition—Recruiting,
Recruitment Marketing, & Employer Brand

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- assimilation support for early career hires to integrate into the organization
- leadership accountability (e.g. including DEI goals in performance objectives)
- steering committees and working groups to consistently identify how the organization can do better

Where your organization has these efforts in place, make sure the digital talent on the market knows about them. Where it *doesn't*, it's up to Recruiting as a strategic business partner to urge the company to take a close look at how it's approaching inclusion.

Tout your record of stability

Workers who were burned by tech layoffs (or who are worried they may be the next to go at their company) are likely to want something less risky for their next position. Silicon Valley companies like to "move fast and break things," but many have claimed that recent layoffs were caused by moving too fast at the start of the pandemic.

Corporate America may be suffering some from the economic downturn, but it's nothing compared to the loss of VC cash that's hollowed out Silicon Valley. Digital talent has become more
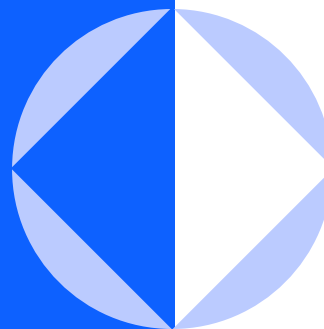
interested in opportunities at recession-proof companies: low growth rate has become a top *attrition-*driver, while strong market positions and stability are top drivers for offer-accepts. Companies with a record of moderate but sustained growth may appeal more than early-stage companies that are as likely to IPO as they are to shutter after burning up their runways.

If your company hasn't performed layoffs in the latest downturn—or if you made it through the worst of the pandemic lockdowns with minimal workforce disruptions—highlight that information. The promise of having a job that will still exist next year may help you balance out the places where you can't quite meet tech industry standards.

"**Highlight stability and growth rate** in your talent strategy and hiring pitches as these are new and important attributes for attracting and retaining IT talent... for fast-growing organizations, highlight growth rate."

Gartner.
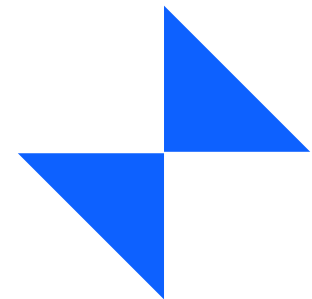
Hire-to-train

On average, technical skills become outdated every 2.5 years. So a hiring strategy that focuses on tech talent's *current* digital skills isn't likely to win over the long-term. Recognizing this, tech companies have begun hiring as much for "soft skills" (leadership, collaboration, communication, empathy, problem-solving, decision-making) as they do for technical skills. These abilities are harder to train for, and are less likely to become irrelevant over time.

Still, only 16% of business leaders say they're willing to hire-to-train for certain digital roles. Gartner recommends this hire-to-train mentality particularly for laid-off tech talent who were in business, rather than digital, roles: "Acquire skills not available in the labor market by targeting laid-off workers in adjacent tech categories and training them to acquire the skills you need. For example, it's hard to find data scientists, but the number of data/business analysts looking out for a job increased to 7,000 from 1 October to mid-November" ("Turn Digital Giants' Layoffs Into Your Talent Gain").

Digital talent recognizes how quickly the technology landscape shifts. They'll be interested in the internal resources your organization offers to address skills gaps, and in the opportunities for upskilling and growth they can leverage upon offer-accept.

Tech executives say nontechnical skills will be more critical to the success of their teams than tech expertise

What skills will be critical for your technology function in the next two years? Top five responses shown below.

Leadership (e.g., inspiration, communication, executive presence)
54%

Problem-solving and decision-making
47%

Relationship skills (e.g., influence, partnerships, collaboration)
44%

Creative and innovative thinking
41%

Data science and analytics
40%
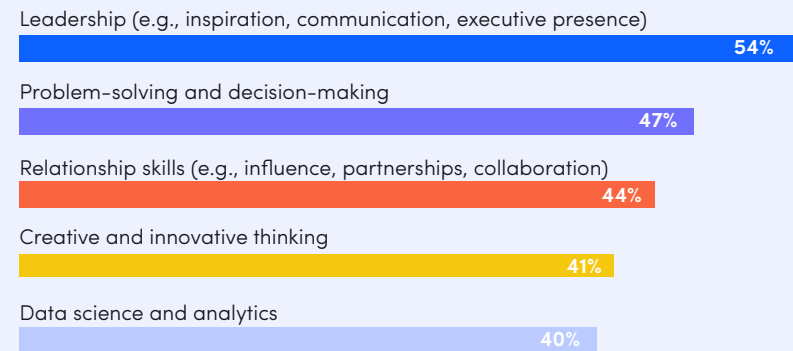
Source: Deloitte 2023 Global Technology Leadership Study

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"A lot of folks who've been laid off from big tech worked on physical products—Apple watches, Oculus headsets. Those engineers might not have machine software programming experience, but they have device software engineering experience. That's the crossover we're hiring for at Seurat—we use similar programming languages; it's just that the application is different. But a lot of digital talent coming from those tech companies can transition into our organization.

I think what's most compelling about Seurat is we're a climate tech organization with a mission to transform manufacturing for our planet. Manufacturing is an industry people think of as archaic, but we're attracting talent with a passion for the environment who want to be on the cutting edge of technology. It's a satisfying thing for an engineer to be able to say: "I helped build the Apple watch." A few years from now, when the new Tesla build is being 3D-printed, our engineers will be able to say: "Yeah, my team designed that." So we're drawing in visionaries who want to chart this path with us.

Because it's not always possible to compete on compensation as a startup, we do everything we can as far as benefits go: gym reimbursement, cell phone stipends, 401k matching, equity. Our HR manager takes new suggestions all the time; she does research on what's possible and reports back. The team knows what it's going to take to get innovative minds into the organization. So we *do* pull people from big tech—I came from TikTok myself.

I'm also constantly thinking about how to broaden our lens to get different kinds of technical talent in the door. Most recently, that means researching mechanical engineering talent from large industrial vehicle companies. They may have mechanically designed for various sub-systems within the manufacturing facility that builds the vehicles, or for the vehicles directly, and that's relevant to us.

Gem has really helped us with the technical talent we've hired—we made a lot of hires with the free version alone. It's allowed us to tell stories to our hiring managers about their funnels. It's automated weekly reports and eliminated 15 minutes from our standard weekly recruitment calls. It alerts us when SLAs aren't being met. That's been a huge piece of our success with digital talent as well."

Gary Bowman
Director of Recruiting

SEURAT

"At Plenty, we hire for a range of digital roles: software engineers, controls engineers, computer vision engineers, mechanical and electrical engineers. A big part of our vertical farming infrastructure is our technology platform. It's not just software we're building, but also physical systems. We hire talent from small, scrappy startup environments who can teach the team to be hands-on. But we also bring in talent from major tech companies who know how to do things at scale, with structures and standards that don't necessarily exist in the startup world. It's an important balance.

I think the two biggest things that draw digital talent to Plenty are our mission and our technology. We're helping make growing fresh and clean produce more sustainable and reliable. So the impact we could have on the global food supply draws people in—plus technical talent is inherently driven to solve tough challenges, and this is one of them. We also have some of the most advanced technology in the vertical farming space in the U.S., so we have that as a competitive advantage.

Understanding that impact and technology are two key attractors to Plenty, I emphasize those two things most when reaching out to prospective talent. Technical folks are creators and visionaries, so I make a point to highlight how the role will impact Plenty's mission in the world. My second email includes a video of our technology in action that really surprises people. With Gem, I've not only been able to automate that outreach, but also to track the open and click-through rates to better understand what's working in my messaging.

Plenty also prioritizes well-being. We have access to therapy and coaching; we have at least one holiday nearly every month; and we have unlimited paid time off, which we encourage people to use. And as a startup, we can offer growth opportunities that aren't always available at large tech companies. Our CEO is passionate about internal mobility. Once you've been at Plenty for six months, you're eligible to apply for any role within the company. We have someone who started out as a mechanical engineer and is now on our computer vision team. They might not have had that opportunity elsewhere. The combination of growth opportunities, leadership training, and L&D really speaks to the digital talent on the market right now."

Megan Elkorchi
Senior Talent Acquisition Manager

Plenty®

2.

Proactively engage in outbound recruiting

Deploying the best-in-class strategies that tech companies have used to recruit digital talent means starting with the right message and ending with the right *communication*. After all, a rich culture and competitive benefits package are only as good as the tools you use to communicate them to potential tech employees. You've now clarified how your organization is a place where digital talent can find purpose, flexibility, advancement, and more. *Now* you need to be proactive in that messaging—because tech talent isn't going to come actively looking for you on their own.

ZipRecruiter found that nearly 8 in 10 laid-off tech workers will land a new position within 3 months. That means it's worth investing in marketing and outreach materials solely for this audience. The best tech companies have realized they need more than automated, multi-touch follow-ups to passive talent when a new digital role opens (though that's essential!). They also need to cultivate relationships with digital talent over the long term.

60% of talent professionals say their #1 priority right now is talent pipelining in preparation for a market return

Nearly 40% of those respondents are from tech companies— which means the very companies you'll soon be competing against for digital talent already have their eyes on the candidates they'll want down the road

And they're likely already nurturing them—because the best tech teams know that sourcing is a crucial add to any long-term, forward-thinking talent acquisition strategy

"How are we maintaining our pipeline right now? We have a lot of roles on plan, so how do we nurture our networks so if that person is available in three months when we're ready to hire, we're top-of-mind for them? Gem is wildly helpful with this. We're seeing response rates go up these days—people are victims of hiring freezes or they're working overtime because their teams have been cut. So people are more receptive right now, which is great for building foundational relationships."

Abigail Chambley
Director of Talent Acquisition

mission

Why best-in-class tech companies are sourcing and nurturing digital talent (and why you need to, too)

In a recent survey, 60% of talent professionals told us that *their #1 priority* right now is talent pipelining in preparation for a market return. Nearly 40% of those 700 respondents were from tech companies—which means the very companies you'll soon be competing against for digital talent already have their eyes on the candidates they'll want down the road. And they're likely already nurturing them—because the best tech teams know that sourcing is a crucial add to any long-term, forward-thinking talent acquisition strategy. (Indeed, sourcing tools and tech are the #1 technology talent teams are investing in this year.) After all, it can take between 12 and 20 touchpoints to influence a career decision.

Here's why your organization needs to do the same:

Outbound recruiting leads to a more thoughtfully-built tech team.
As opposed to an inbound strategy, sourcing demands a thoughtful approach from the beginning. Hiring managers must get as specific as possible about the digital skills the role requires, the responsibilities it entails, and the impact it's expected to have, *as well as* where that talent is likely to be found. In the most mature strategic sourcing initiatives, talent acquisition also sources with an eye to mid- and long-term departmental and company goals. This requires ongoing, meaningful dialogues with the business about functional needs and demands—and about what digital transformation will look like for the organization over the long-term.

It opens up the pool of available talent exponentially. Passive recruitment practices get you a limited pool of digital talent—your internal pool, your referral pool, and your active pool. Seeking out talent that isn't "available" exponentially expands that pool. For example, despite all the layoffs in the tech industry, tech occupations only had a 2.2% unemployment rate in March of 2023. Outbound recruiting opens organizations up to that other 97.8% of qualified talent—an enormous untapped, high-performing group that you wouldn't otherwise have access to.

It improves quality of hire. Opening up the talent pool doesn't just give you access to much more talent; it also statistically biases your hiring outcome toward a higher *caliber* of talent. The traditional reactive model yields an organization the best of what's on the market at that moment, rather than the best of the *total talent in the market*. Outbound recruiting offers you the latter.

"Sourcing enables long-term talent strategy. You start by asking the question: What level of innovation do we need to take our business to the next level? When you can identify specific talent pools that align with your business strategy, you can engage that unique set of individuals who truly have the power to elevate your entire organization. Sourcing is a more proactive, sophisticated, strategic model that allows TA to lead innovation and growth in alignment with company strategy at the highest level. You can choose the talent you bring in the door and have more control over how you manage that talent through the life cycle. Unless you start with sourcing, you're just beholden to what the market's giving you. And that's not a proactive approach that I think any good talent leader is going to be okay with."

Angela Miller
Head of Talent

INSTABASE

It reduces time to hire and cost of hire. Because outbound recruiting nurtures relationships with digital talent long before the need to fill a role arises, you've got a pipeline of warm, vetted talent to reach out to when something opens up, shortening the hiring cycle significantly. That's why sourced candidates are more than 2x as efficient to hire as inbound candidates are—not to mention 5x more likely to be hired than inbound active candidates are.

It improves workforce diversity. Referrals tend to benefit White men more than men of color or women of any race. White women are 12% less likely, men of color are 26% less likely, and women of color are 35% less likely to receive a referral than White men are. That means a lot of majority talent is organically coming your way for your digital roles. Tech talent that actively applies to your company isn't always a representation of the overall talent market, either—nor does it necessarily reflect the diversity of the communities your organization is situated in and serves. Sourcing allows you to directly impact top-of-funnel diversity by proactively seeking it out.

"A lot of people think that sourcing is like a water faucet: when you need water, you just turn it on. But sourcing is a faucet that has six miles of pipe to travel before it actually makes it to the spigot. So I can't just say, *Hey, we've got great inbound; let's turn sourcing off this month and just focus on that.* Because in two months—when we're not seeing qualified applicants, or inbound isn't getting us the diversity we're looking for, or we've got a bunch of niche roles coming in— someone's gonna say, *We need to turn sourcing back on.* Sure. But it's gonna take 3–5 months for water to come out of that spigot. You source to proactively stay ahead, so you're prepared for every single future req that's headed your way."

Aaron Smith
Lead, EPD Recruiting

persona

"At Gusto, we want our workforce to reflect both the world and the companies we serve. That's a remarkably wide range of businesses, of demographics, of schools of thought, of visions. We serve coffee shops and we serve small tech companies; and we want a workforce that can mirror that breadth. You simply don't get that breadth of representation with inbound. We have to go looking for it. That's one of the reasons we have dedicated sourcers at Gusto: we're clear about the raw skills we're looking for; and if we set aside resources to go out and source underrepresented talent with those skill sets, we've now got a great diversity of background that reflects our customers."

Joshua Salazar
Talent & Performance Programs Manager

gusto

It builds employer brand. If you don't have brand recognition, passive tech talent isn't likely to land on your careers page on their own, no matter *how* beautiful it is. But as your company becomes familiar to talent through proactive reachouts containing valuable content, they'll come to perceive you as a trustworthy organization—and quite possibly more compelling than your tech competitors.

A targeted outbound recruiting strategy builds deep, high-quality pipelines. When teams dispense with reactive strategies in which each new req starts from scratch, the top-of-funnel becomes a well-oiled machine of warm relationships.

"At a high level, the reason sourcing is so important for any company is that it gives you the opportunity to go after specific talent—particular backgrounds and skill sets that you may not necessarily get from inbound. But it's also critical for a smaller company that doesn't yet have a well-recognized brand in the marketplace. Actively reaching out to talent who've never heard of you gives you the opportunity to tell your story the way you want to tell it. That's pretty powerful to think about: sourcing allows you to be top talent's very first touchpoint with your company; you set the tone for their perception of your brand."

Chris Middlemass
Director of Talent Aquisition

CaptivateIQ

Gem

What recruiting organizations need in order to proactively engage and nurture talent

Insight into every touchpoint a prospective candidate has ever had with anyone on your team—and therefore the context with which to reach out to them at the right time, with the right message
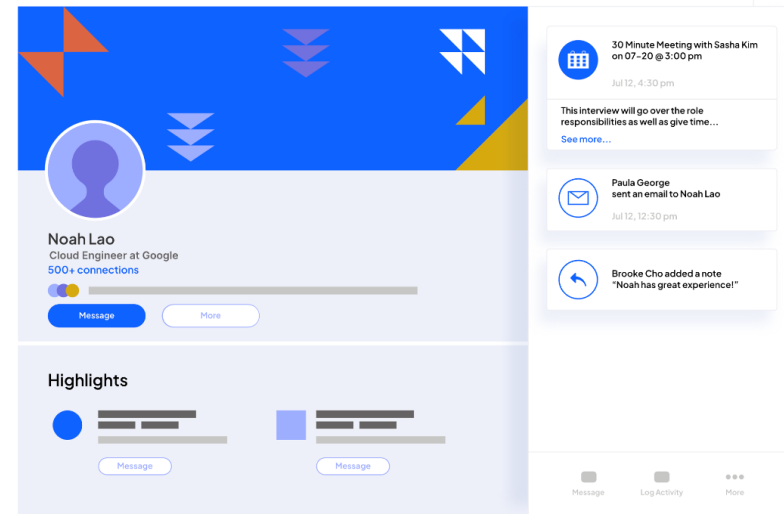
A system that auto-refreshes the data from tech talent's professional profiles so you don't have to go looking for it anew each time you want to reach out
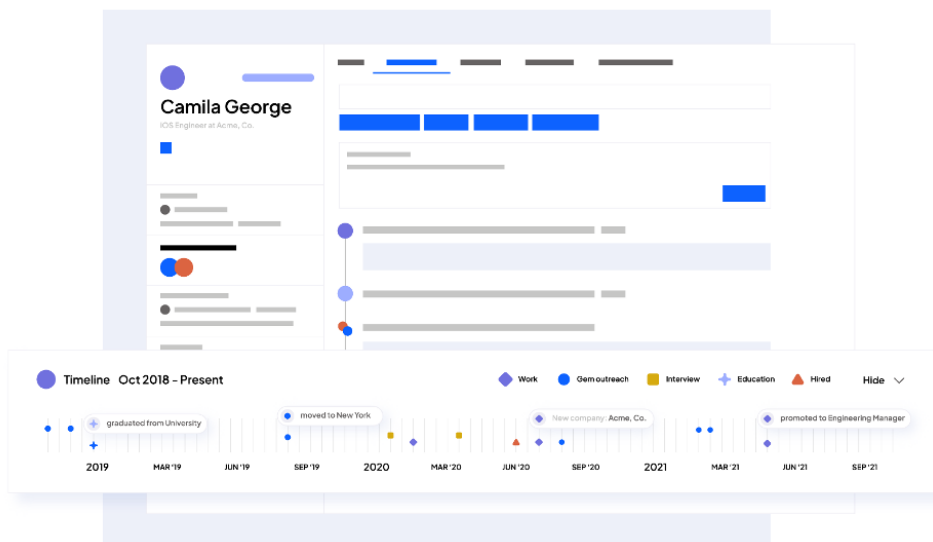
Gem

The ability to set-and-forget follow-ups and nurture campaigns that keep your organization top-of-mind—and keep digital talent warm until they're ready to have a conversation with you

Visibility into outreach stats so you can optimize messaging based on behavior and interest

The ability to quickly search your CRM and ATS for former silver medalists when a new role opens, reach out to talent that's already been vetted and knows your team and culture, and ultimately reduce time to hire

Gem

Gem sits alongside the places you seek out digital talent (LinkedIn, GitHub, SeekOut, and more) and automates your workflows, from 1-click upload of candidate information—including emails and phone numbers—to set-and-forget follow-up emails. Our dynamic email templates use tokens automatically pulled from prospects' profiles for personalization at scale, so you can build candidate lists and segment your talent pools, creating messaging specific to certain digital demographics.

Gem's send-on-behalf-of (SOBO) feature also allows you to exponentially increase response rates by sending outreach "from" hiring managers or executives. But whatever platform you use, build out nurture sequences to communicate your employer brand and keep your company top-of-mind. Here's how:

"LinkedIn had some shortcomings that made it challenging to source at scale: it didn't automate follow-ups; you couldn't share links; you couldn't be sure talent would even see your outreach. So when I heard about Gem I was immediately excited. I knew it would allow me to be more effective, and strategically get better-quality talent in the door."

Sam Leveston
Senior Technical Recruiter Engineering @ Handshake

Handshake

Segment the talent in your talent pool

Even amongst digital talent, one message *doesn't* fit all. Data analysts, cloud engineers, and cybersecurity specialists won't be interested in the same recruitment content—either in your outreach about an open role or in your long-term nurture and employer brand campaigns. Talent interested in your Chicago office will need different information than talent interested in your London office does. More advanced segmentation might take diversity initiatives into account—female or Black engineers, for example. The point is to define a series of "personas" that humanize your messaging. You'll better understand prospective candidates' enthusiasms and motivations this way.

You might segment your digital talent pool by:

- source

- location or region

- role or department

- skill set

- experience level

- rejection reason

- relationship with and knowledge about your org

- funnel stage

- ... and more

Start small if this is overwhelming—former applicants v. passive talent, for example, knowing that the latter will need broader content about your company's mission and core values, while the former is ready to hear straight from the mouths of your back-end team about the projects they're working on.
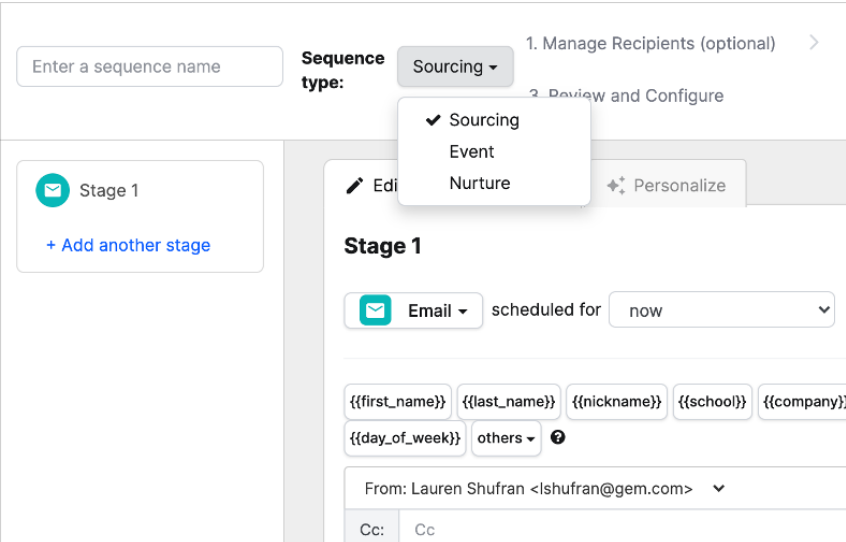
Segmentation is the beginning of personalization (of course, recruiting automation allows you to *further* personalize through the use of tokens—name, current role, reason, etc). It inspires digital talent to be more engaged, invites them to identify with your talent brand, and ultimately makes them more likely to respond when a role opens.

Plan (and launch!) nurture campaigns

What you'll speak to in your outreach campaigns includes company culture, professional development opportunities, career paths, product updates—everything (and more) that we covered in the section on brand-building. List out the available assets you have—posts from your tech blog, culture videos, press releases, public DEI goals, and so on—and begin mapping them out. How can that content be spread over a long-term engagement sequence to tell digital talent a story about your organization?

Remember: digital talent nurture isn't about sending out job postings each time a new role opens. It's about cultivating relationships with top talent to get them interested and confident in your company as their next-best place to work.

Once you've mapped out the content that will engage your core digital talent segments, it's time to get (and stay) in touch. We recommend a monthly nurture email—which means if you set up a 6-stage branded nurture sequence in Gem, talent will receive automated touchpoints for the next half-year.

Here's a range of content to consider:

Blog posts. You can repurpose what your marketing team is writing about—whether it's product-related, culture-related, or about best practices for customers and users.

Other marketing assets. Think case studies, solution briefs, whitepapers, and so on. Talent wants to hear how you're positioning yourself as an industry leader and what your product is offering your customers.

Content on company culture. Think photos or videos of your tech team in action, company diversity stats, links to your social platforms, interviews with your digital department heads, and so on. Give talent a glimpse into a-day-in-the-life. Why does digital talent love working for you?

Employee testimonials. You can embed these directly into your outreach or link to them. What does your IT manager have to say about their trajectory at your org? What projects are your systems engineers working on? How does your Design team celebrate wins?

Industry news and trends. Show prospective candidates that you're not only tapped into and contributing to the conversation, but that you're also helping lead it.

Company news. Think new funding rounds, new hires, new offices, awards and accolades, press releases and media mentions, volunteer work, company earnings reports.

Career advice and information. This includes interview tips unique to your hiring process, resume advice direct from your recruitment team, available career paths at your company, and tools to help prospective candidates do their current jobs better.

Perks, benefits, and your overall employee value proposition. This includes personal development opportunities, team-building activities, social responsibility initiatives, work-life balance, health and retirement benefits, bonuses, tuition benefits, and more.

Some of our tech customers who have their eyes on specific talent—leadership roles, for example—will take it a step further: they'll set-and-forget emails to say happy birthday, or to congratulate someone on a work anniversary. We know technical sourcers who set Google alerts for their top prospects and message them when they're in the news to congratulate them on their most recent successes.

Track your outreach performance with analytics

- What are your best-performing subject lines?

- What times of day and days of the week are your most successful emails sent?

- What content is digital talent clicking on most often, and what percentage of those clicks lead to replies?

- How many follow-ups does it take to convert the majority of your digital candidates into process?

- How does that top-of-funnel activity data break down by gender and race/ethnicity?

These are invaluable insights. Use them to optimize your nurture strategy. Over time, you'll discern what types of content tech talent in certain roles is most interested in receiving (employee stories, company news, broader industry news, job alerts). Pay special attention to these metrics when it comes to your "star" talent. The more you can understand their goals and interests, the more you can tailor your content to match.

Gem

3.
Leverage pipeline data that helps you recruit and close candidates faster

After all that work at the top of the funnel, it's essential not to neglect the digital talent that's *actively in process* with your organization. **The tech industry has been leveraging data such as passthrough rates and time-in-stage to identify and remove bottlenecks in their hiring funnels, optimize their processes, and deliver terrific candidate experiences for years now**. It's how they're able to close top tech candidates faster—*before* they slip away to their competitors.

With Gem's Pipeline Analytics, recruiters and recruiting leaders can view their entire talent pipeline—from initial outreach to offer-accept—at a glance, and monitor roles and individual candidates to better understand how their hiring process is faring. Slicing your pipeline by any number of filters—role, hiring manager, location, candidate source, gender, race/ethnicity, and more—allows you to answer the following questions:

- Is there something being done in your Dublin office compared to your Detroit office that allows for a shorter time-in-stage for a particular role? What are best practices you can share between locations?

- Are certain demographics falling out of process more often than others at your assessment stage? If so, are there unwitting biases in that assessment?

- Is a certain manager passing through 90% of the hiring manager screens that come their way—suggesting that that stage of the process can be abandoned for faster time-to-hire?

- Does a modest passthrough rate at the assessment stage suggest the hiring team may need to rethink how they're assessing for that role?

- What percentage of candidates who enter your process from recruiting events, from referrals, from Indeed, etc. end up accepting your job offers? *What*, ultimately, is your best source of hire?

- How many candidates have you historically needed at *every* stage of the funnel for a particular role in order to make a hire?

... and more. Review specific job breakdowns so the team can observe pipeline risks across roles and spot any troubling candidate bottlenecks or drop-offs throughout the process. With Gem, teams can benchmark themselves against themselves, which means not only more delightful (and equitable) candidate experiences, but also better recruiter experiences—since your team now has the data they need at their fingertips to do their jobs well.

"As a rule of thumb, I want to see 30% movement at the technical stages of the funnel. So whatever the onsite stage is, I want to see triple that at the department screen. And so on. If that's not happening at a particular stage, I sit down with the sourcer and help identify factors that may be contributing to that pipeline block. Is the hiring manager out this week? Is a recalibration in order? There are so many possible variables, but Pipeline Analytics points me to precisely the place in the funnel that needs attention, so I'm not left guessing where the trouble is. With Gem, we can say: *There's a clear drop-off here.*"

Emily Stellick
Director of Global Talent

affirm)

"My Operations Manager actually relies on Gem for pipeline throughput and offer-accept rates over our ATS now. When I'm like, *Hey, download a report from Greenhouse and tell me X, Y, and Z*, she'll send me a screenshot from Gem. The fact that her operating rhythm has pivoted to lean on Gem's Pipeline Analytics over our ATS speaks volumes about the accuracy and the reliability of Gem's data."

Angela Miller
Head of Talent @ Instabase
(formerly Senior Director of Global Talent
 Acquisition & Ops @ Pure Storage)

INSTABASE

◆ Gem

What's more, Gem's Talent Pipeline—a color-coded kanban board that shows the entirety of your pipeline for an open role—allows recruiting teams to use SLAs to set clear expectations for all stakeholders and flag requisitions and candidates at risk of stagnation. With a single view of all their candidates, recruiters can quickly see who needs immediate attention (e.g., how long has a candidate been sitting at a certain stage in the funnel?) so they can hold the hiring team accountable on the spot. They can also take actions such as messaging the candidate, or advancing or rejecting an application, directly in Gem; that change is immediately reflected in the team's ATS. Ultimately, this means taking the right action—and sending the right message—at the right time, throughout the entire process. No more candidates falling through the cracks.

With full-funnel data on how to better engage talent both at the outreach stage and in the hiring process, terrific candidate experiences become part of a recruiting team's DNA. Data allows each candidate to feel seen, heard, remembered, and taken care of, no matter *where* they are—or *whether* they are—in your process.

The best recruiting technology should allow your VP of Talent to relay the finer points of the recruiting motion to your C-suite: "Here's what's happening with our VP of Engineering role: We started looking based on this job title; we recalibrated after realizing we also needed *this* skillset; we sent *this* much outreach and got *this* response rate; we updated our messaging, and now our response rate is *this*."

Recruiters should also be able to sit down with hiring managers and say: "We have x number of candidates in *this* stage of the funnel and x number in *this* stage; and the data tells us we need *this* many candidates in-stage if we want to hit our hiring goals. So what do we need to lean into given our current pipeline?"

With big-name tech companies continuing to announce layoffs, it's clear that this period of upheaval is far from over. Now is the time for non-tech companies to make a play for ex-tech workers and land the talent they need to compete. With the right approach—refining your talent brand to inspire job seekers, proactively engaging them, and optimizing *every* dimension of your recruiting funnel with data—your organization can successfully compete for the most prized digital talent in the market.

How Gem can help

Gem is a centralized system that pulls together the deep contextual data across your existing tech investments (your email, ATS, CRM, and the places you source talent from). Ultimately, this unlocks the ability to be better business partners: When recruiters have the right data across candidate interactions in a single source of truth, they can plan strategically and focus not just on *hiring*, but also on optimizing the end-to-end process.

Gem is also the ultimate solution to close the digital skills gap. We have a deep understanding of the digital talent landscape and a proven track record of helping companies hire the best tech talent and gain a competitive edge. Let us do the same for you:

- Enhance your outbound recruiting strategy with targeted, multi-channel outreach automation that's proven to build deep, high-quality pipelines

- Take control of your employer brand and easily adjust your value propositions to attract top tech talent

- Unlock ATS data to identify and resolve recruiting bottlenecks so can close prized digital talent fast—before they slip away

But don't take *our* word for it—Celestica was able to hire 9 engineers in just 30 days with Gem, Unity saw a 20% improvement in their offer acceptance rate for technical roles, and our customers just generally love us.

Gem's end-to-end modern recruiting solution empowers talent acquisition teams to engage their entire talent network, optimize sourcing efforts, and uncover actionable insights that guide smarter, forward-looking decisions. Gem works alongside LinkedIn and other places that you source, while integrating with Gmail, Outlook, and your ATS. Find the talent you need to meet hiring targets and scale your teams with Gem.

To learn more and see a demo, visit gem.com

Lauren Shufran, Author

Lauren is a content strategist with a penchant for 16th-century literature. When they're not trying to solve talent teams' pain points, they're on their yoga mat or hiking Mount Tam. Come at them with your favorite Shakespeare quote.

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