Recruiting cold calls. AI pitfalls. When it comes to finding the best talent, relationships come out on top.

HuntClub

Q1 2024 Survey Report

Relationships Matter More Than Ever

HuntClub

About the Survey

Hunt Club conducted a survey in the United States between February 15, 2024, and February 25, 2024, with a total of 985 participants, primarily from the Technology, Computer Software, Information Technology/IT, Engineering, Human Resources, Marketing, and Healthcare industries. Key insights were gleaned about the efficacy of relationships and networking when it comes to hiring and decision-making processes in business. Respondents ranged from Managers, Directors, Vice Presidents, and C-level executives, predominantly from Texas, California, New York, and other major US metropolises. The survey was conducted through a third-party research platform and respondents are not affiliated with Hunt Club's brand.

For this survey, *"traditional recruitment firm"* is defined as any recruiting firm and/or approach that relies on a single recruiter's network or book of business, cold calling/emailing, and mass outreach.

Sources
1. *Key HR Statistics And Trends In 2024 – Forbes*
2. *2023-24 State of the Workplace Report – Society for Human Resource Management*
3. *85 Crucial Networking Statistics You Need to Know in 2024 – Finances Online*
4. Direct quotes and word clouds reflect responses provided by survey participants who answered open-ended questions.
5. Headlines on Page 10 are sourced from *Washington Post, CNBC, Forbes, MIT Technology Review, Entrepreneur, Euronews.*

About HuntClub

Headquartered in Chicago, Hunt Club is a new type of recruiting company that combines referrals, the power of relationships, and technology to help companies hire incredible talent.

Hunt Club has reinvented recruitment with an Expert Community of 25,000 business leaders and industry professionals who introduce companies that are hiring top talent to their inner circles. Hunt Club works with high-growth startups at various stages, from seed stage to IPO, as well as enterprises including notable brands such as goPuff, G2, Typeform, Upwork, Made In, Ruggable, TopGolf, SeatGeek, and numerous portfolio companies of the world's leading venture capital and private equity firms.

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AI in Recruitment:
Breakthrough… or Barrier?

For all its brilliance, there remains one incalculable challenge AI's yet to master in recruiting. That hand-shaking, nice-to-meet-you, let-me-introduce-you-to type of genuine connection that cuts through the noise. But in the bid to land the very best talent who can come in and drive impact, a real relationship and trusted introduction is often what it takes.

The adoption of AI and cold outreach has made it much harder for real opportunities to reach real people. Now, the average inbox is chock-full of impersonal recruitment emails and as a result of so much noise, recruiting top talent is more difficult than ever before. So, in an era dominated by cold outreach and mass automated emails, **what cuts through the noise to reach the talent you need?**
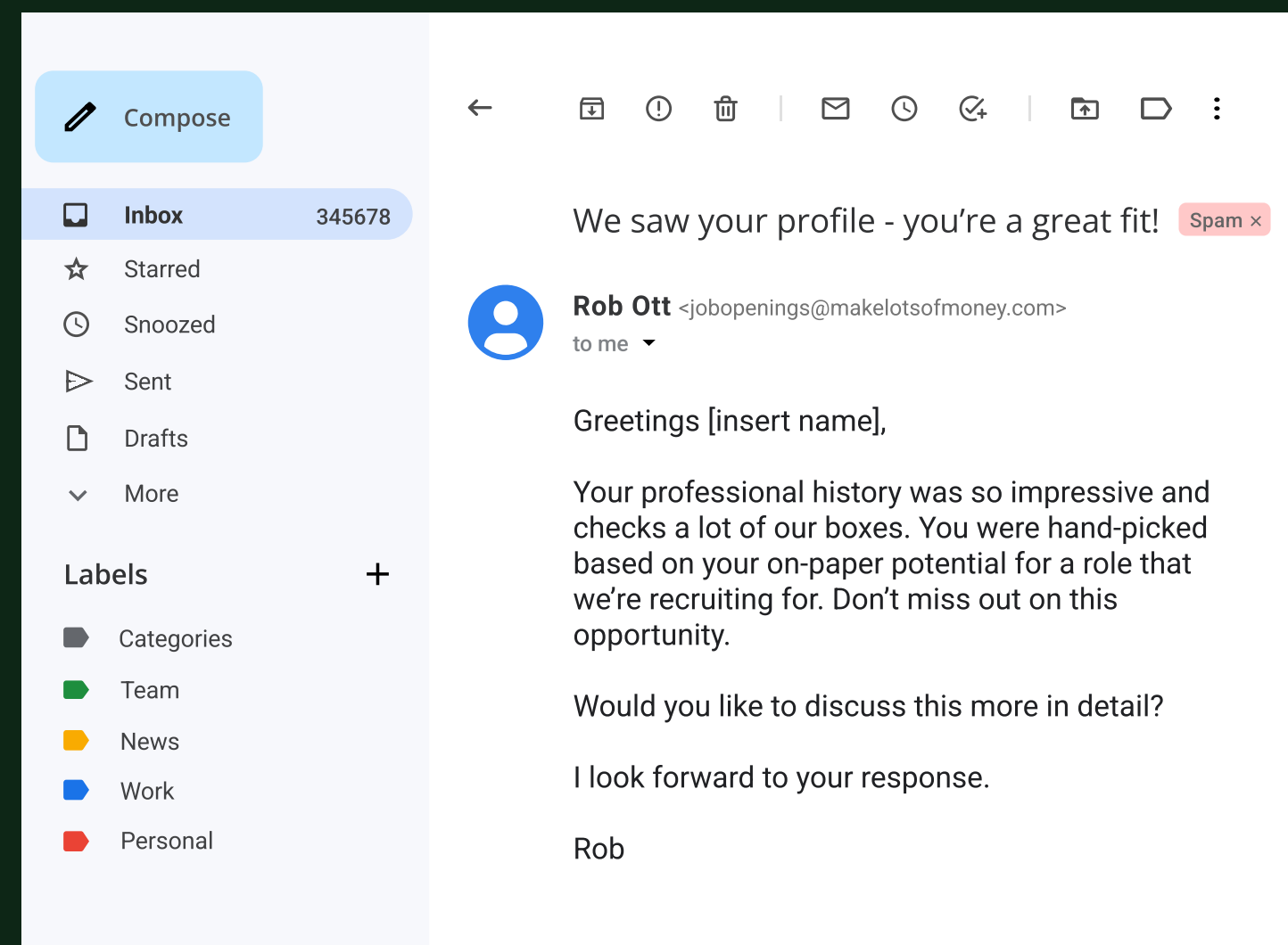
In both business and life, relationships matter more than ever, with some of the most promising opportunities coming down to who you know and the quality of your connections.

To further validate this sentiment, Hunt Club conducted a market survey, polling over 600 job seekers and 300 corporate professionals ranging from directors to C-level executives across the US to compare the efficacy of traditional recruitment firms* with the power of relationships and personal connections in securing a new job and attracting top talent, respectively.

A Mutual
Discontent

Job seekers and hiring managers are fed up with traditional recruitment firms, citing mismatched candidate profiles, irrelevant opportunities, communication breakdowns, and a glaring lack of understanding as reasons for their frustrations.

Hunt Club's most recent survey data supports this negative sentiment and reveals the inherent shortcomings of traditional recruiting.

A *Failing* Grade

Hiring is not a one-size-fits-all. So why do traditional recruitment firms treat it as one?

> *"Traditional recruiters never seem to understand either our specific needs or even their applicant's abilities at times."*
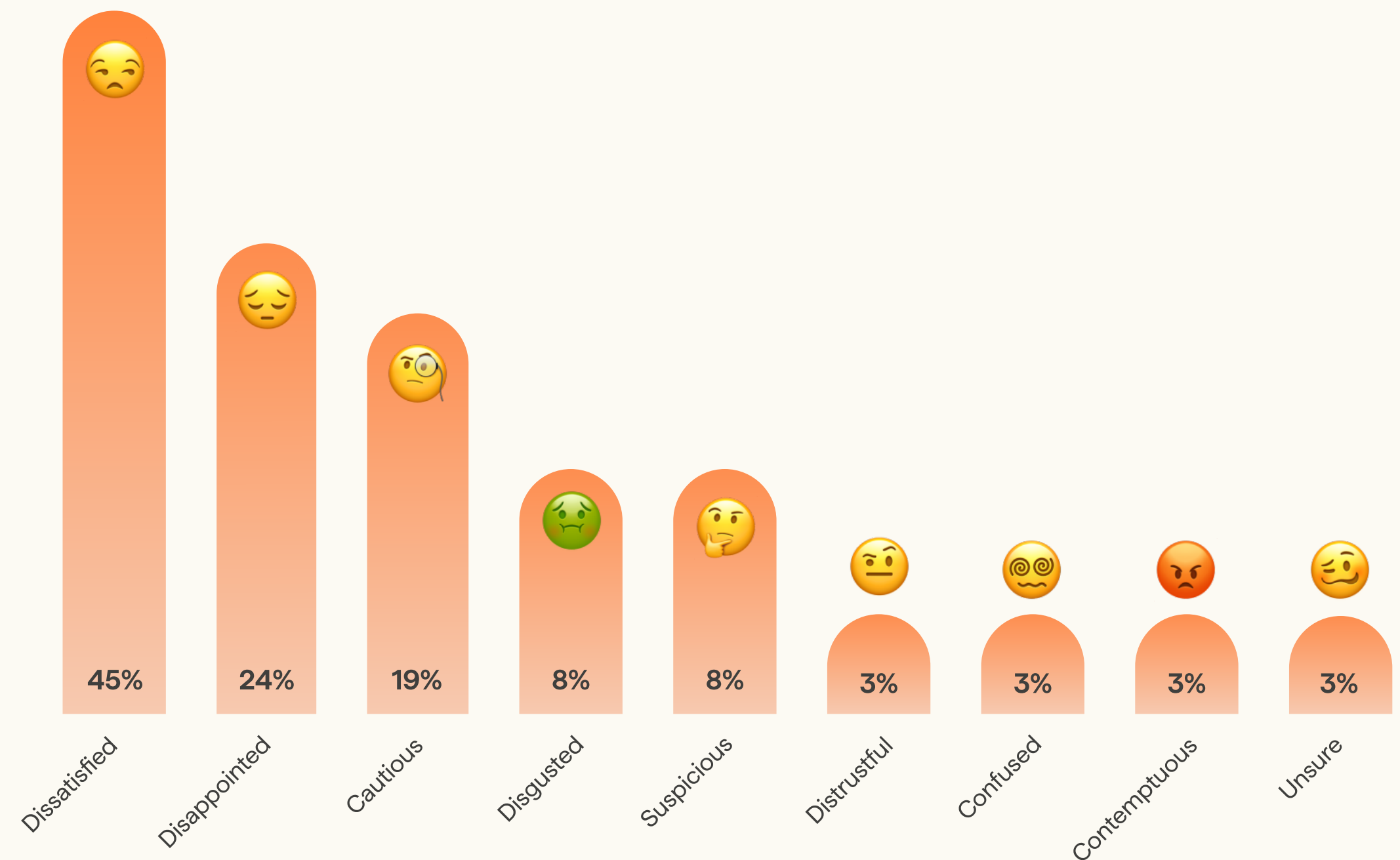>
> **Director-Level Hiring Manager**

55%

of hiring managers recount negative emotions and experiences with traditional recruiting and staffing firms.

A Collective Cry For Change

Hiring managers' sentiments about traditional recruitment firms based on their latest experiences

Dissatisfied	Disappointed	Cautious	Disgusted	Suspicious	Distrustful	Confused	Contemptuous	Unsure
45%	24%	19%	8%	8%	3%	3%	3%	3%

Today's diverse founders and hiring managers aren't happy with the traditional talent search experience, highlighting the urgent need for improvements.
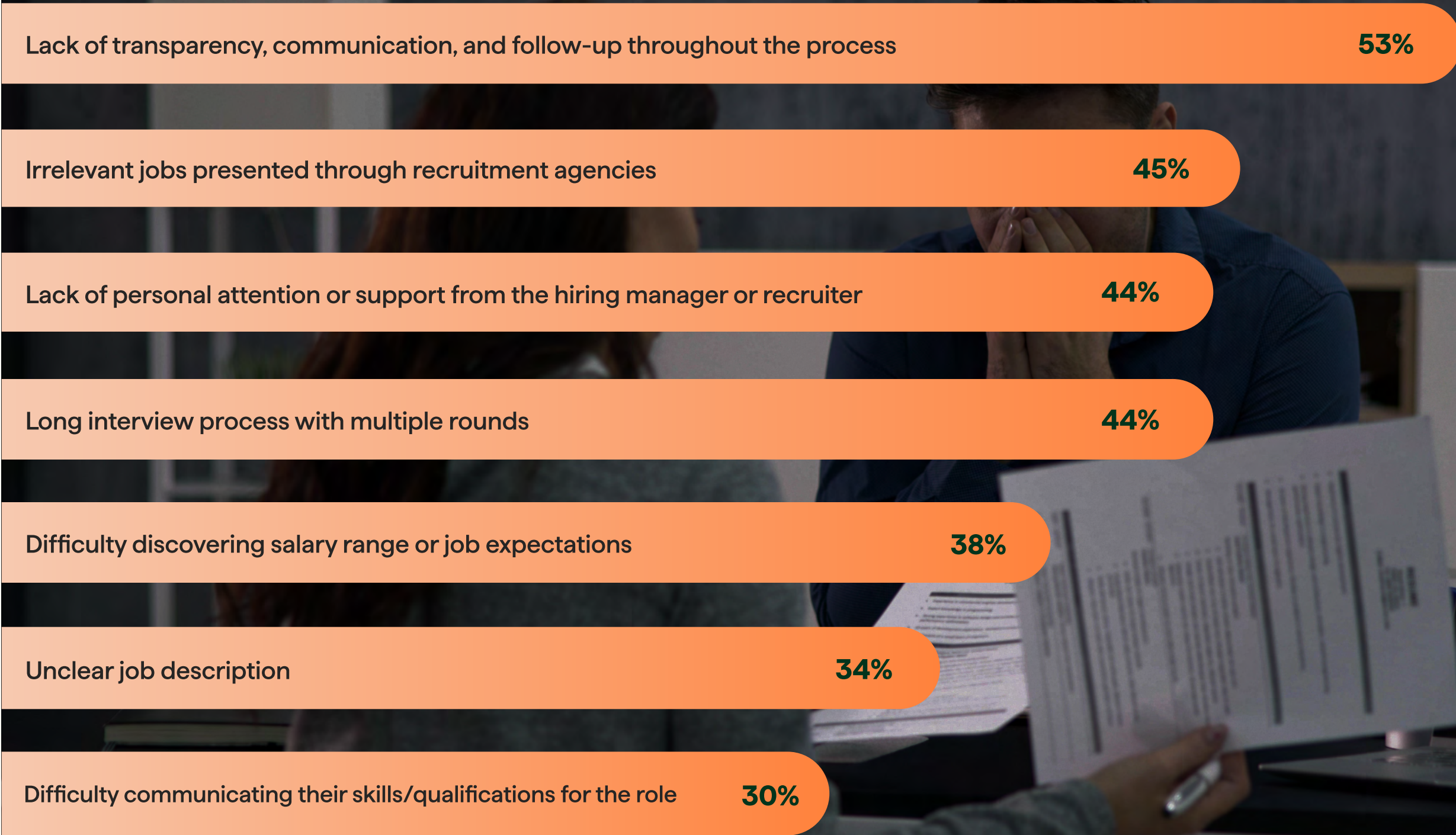
Job seekers are dissatisfied, too.

Our survey reveals an even higher rate of 74% of job seekers that report negative emotions and experiences with traditional recruiting firms. Candidates represent a critical aspect of the recruitment process and have the power to influence a company's trajectory. Are we approaching them all wrong?

3 out of 4

job seekers report negative emotions about their experiences with traditional recruiting and staffing firms.

Job seekers' biggest challenges and dislikes when working with a traditional recruitment firm on their job search

Lack of transparency, communication, and follow-up throughout the process	**53%**
Irrelevant jobs presented through recruitment agencies	**45%**
Lack of personal attention or support from the hiring manager or recruiter	**44%**
Long interview process with multiple rounds	**44%**
Difficulty discovering salary range or job expectations	**38%**
Unclear job description	**34%**
Difficulty communicating their skills/qualifications for the role	**30%**

An Antiquated Process: Frustration Backed By the Numbers, Echoed By Your Peers

77%
of **hiring managers** would NOT recommend using traditional recruitment firms based on their latest experiences.

89%
of **job seekers** would NOT recommend using traditional recruitment firms based on their latest experiences.

HIRING MANAGERS SAY...

"I felt they were impersonal and relying on mass information as opposed to rolling up their sleeves."

C-Level Hiring Manager

"Traditional firms were too pushy about their candidates and producing generic candidates that didn't closely match our needs or job requirements."

C-Level Hiring Manager

"They did not have an adequate understanding of the needs of our organization, so they sent forward candidates that are clearly not a fit for us."

Director-Level Hiring Manager

JOB SEEKERS SAY...

"There's just too much information being sent to tell the real from the fake."

Director-Level Job Seeker

"They throw too many options at you that aren't even a good fit."

Manager-Level Job Seeker

"I felt like I was just another number. I didn't get treated like a person sometimes."

C-Level Job Seeker

TL;DR

Traditional search is broken, and we're leaving it behind…

It's time for relationship-driven recruitment to rewrite the rules.

Quantity Doesn't Beat *Quality*

Many traditional recruitment agencies have over-corrected by relying on AI-driven, impersonal outreach to combat limited candidate pools and delayed processes.

In theory, leveraging AI to expand pools and build large pipelines sounds like the answer. But quantity doesn't always equate to quality, and *too* wide a reach stands to overlook true talent.
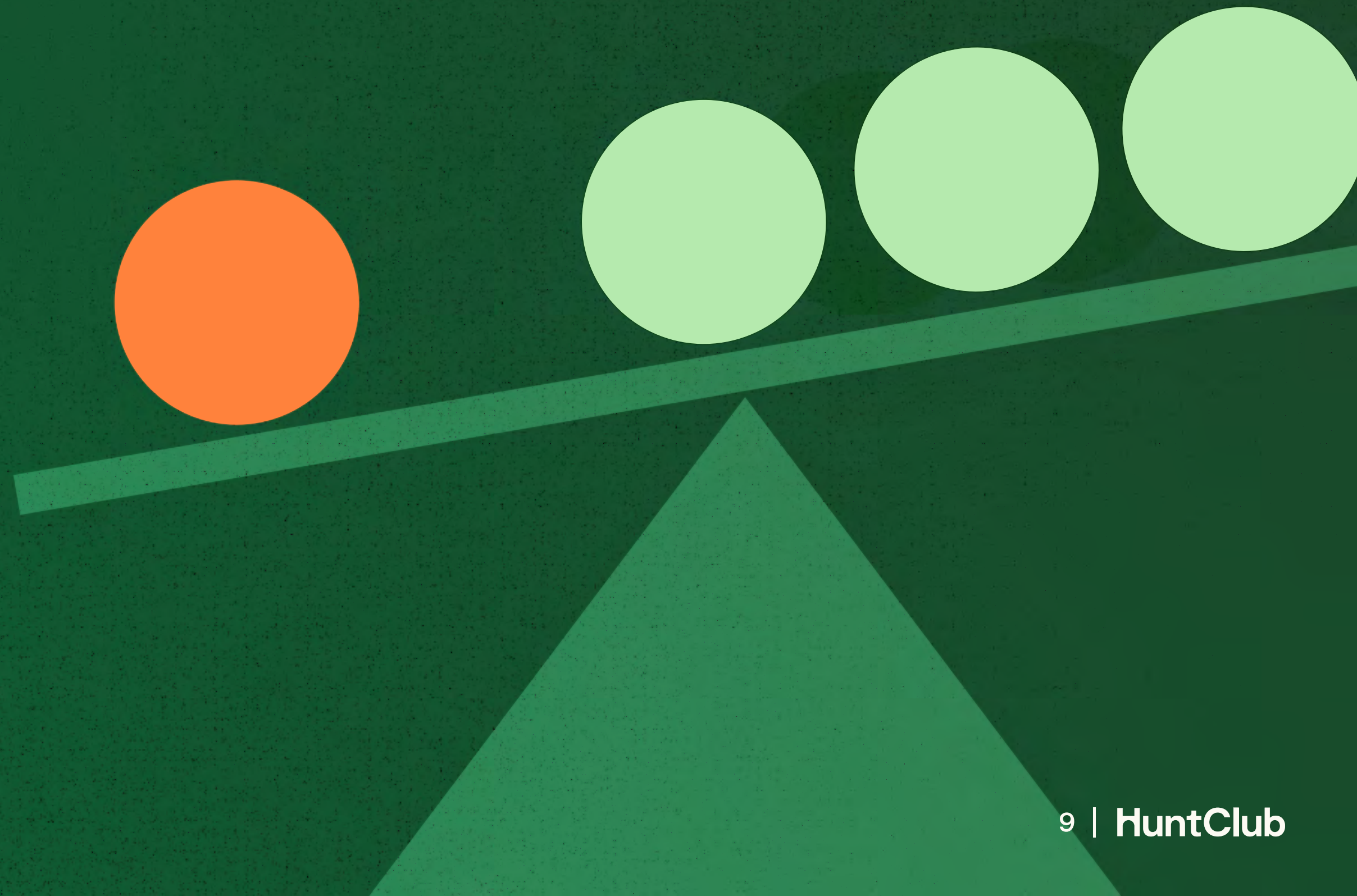
AI is everywhere,
but there are *cracks in the code.*

So much of our daily digital experience is driven by, generated by, or about AI. Cold, automated, mass outreach hardly has the effect we want it to. From irrelevant messages to borderline insulting proposals, it's nearly impossible for real opportunities to reach real people.

Would you respond to this cold message?

Message

LinkedIn Member

Hi,

Our company is looking for **Director of marketing leadership** to help scale and grow our $50M company. Your profile stood out to us and we want you to apply!

As a member of our team you'll have a chance to:

→ Work hybrid
→ Put in between 0-40 hours according to your assigned workload
→ Earn $25+ per hour leading our marketing efforts

We look forward to hearing from you!

Apply Now →

TECH AT WORK

LinkedIn has AI to enhance profiles. It made some sound robotic.

LAND THE JOB

Your job rejection may have been an A.I. mistake—how to spot and fix it

Published Wed, Jun 14 2023·12:14 PM EDT • Updated Wed, Jun 14 2023·12:23 PM EDT

FORBES > INNOVATION > AI

AI Recruiting Tools Are Rich With Data Bias And CHROs Must Wake Up

ARTIFICIAL INTELLIGENCE

LinkedIn's job-matching AI was biased. The company's solution? More AI.

ZipRecruiter, CareerBuilder, LinkedIn—most of the world's biggest job search sites use AI to match people with job openings. But the algorithms don't always play fair.

AI Is Changing How Businesses Recruit for Open Roles — and How Candidates Are Gaming the System

Picture answering a call with a recruiter — and getting a Siri- or Alexa-like voice on the other end.

🏠 > News > World

How AI is filtering millions of qualified candidates out of the workforce

Headlines are sourced from Washington Post, CNBC, Forbes, MIT Technology Review, Entrepreneur, Euronews (top to bottom).

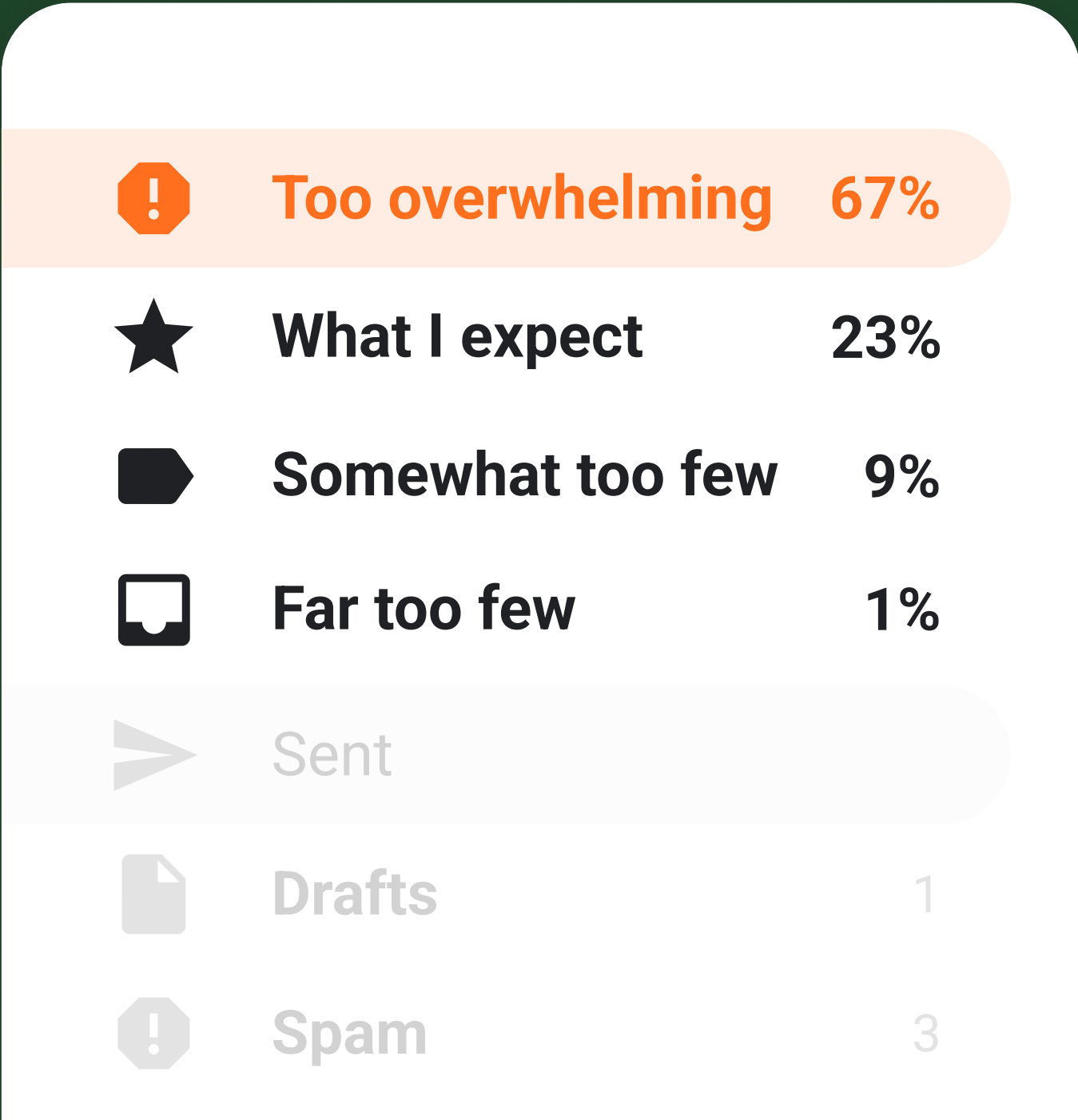# By 2025, 50% of HR teams could be utilizing AI.

Currently, of the teams that already use AI, it is most frequently used for talent acquisition (42%). At the same time, 75% of organizations have no guidelines or policies surrounding the use of generative AI.[1]

There are no signs of stopping when it comes to AI. Combined with its unbridled nature and current lack of policy, it's easy to see why AI has inevitably infiltrated the art of recruitment and genuine relationship building.

However, such over-dependence on automated emails and mass outreach results in the failure to capture the attention of sought-after candidates. Cold messages lack the authenticity necessary to resonate with these individuals who are already immersed in a sea of opportunities.

67%

of hiring managers director-level and up primarily in tech, engineering, and like industries, describe the volume of unsolicited, cold emails about recruiting (either offering new opportunities or offering to source employees for their organization) **as too overwhelming.**

How do hiring managers in tech describe the volume of unsolicited emails about recruiting they receive on a weekly basis?

⚠	**Too overwhelming**	**67%**
★	**What I expect**	**23%**
🏷	**Somewhat too few**	**9%**
▢	**Far too few**	**1%**
➤	Sent	
📄	Drafts	1
⚠	Spam	3

So Much Noise,
So Little Relevance

This goes hand-in-hand with the fact that survey respondents also believe the recruitment emails they receive — thanks to mass outreach — are not as relevant as they once were.

84% of respondents director-level and up believe AI has made their inbox and its contents less relevant to them.

84%

of survey respondents director-level and up believe AI has made their email inbox and its contents less relevant.

"There's just too many emails sent to me for jobs that don't really match my interests."

VP-Level Job Seeker

The Need For *Speed*

According to our survey, trusted networks and relationships play a pivotal role in expediting the recruitment process by at least a month. Candidates who leverage their relationships secure opportunities faster and often with better-aligned roles. Similarly, hiring managers who prioritize trusted referrals and connections hire top talent more efficiently.

Meanwhile, traditional recruitment firms often lag behind, struggling to keep pace in an industry that waits for no one.

Real relationships introduce real opportunities, faster.

For high-growth companies looking to hire talent who can drive immediate business impact, speed is the name of the game — a game that traditional recruitment firms so often lose.

"Bureaucratic red tape." "Mismatched job candidates." *"Time commitment."* These are some of the most frequent pain points and least favorable aspects hiring managers described when working with traditional recruiting firms.

When you need speed, many traditional recruiters think of AI. But top candidates are entrenched in their day-to-day and ignore impersonal, automated outreach, which further slows the hiring process.
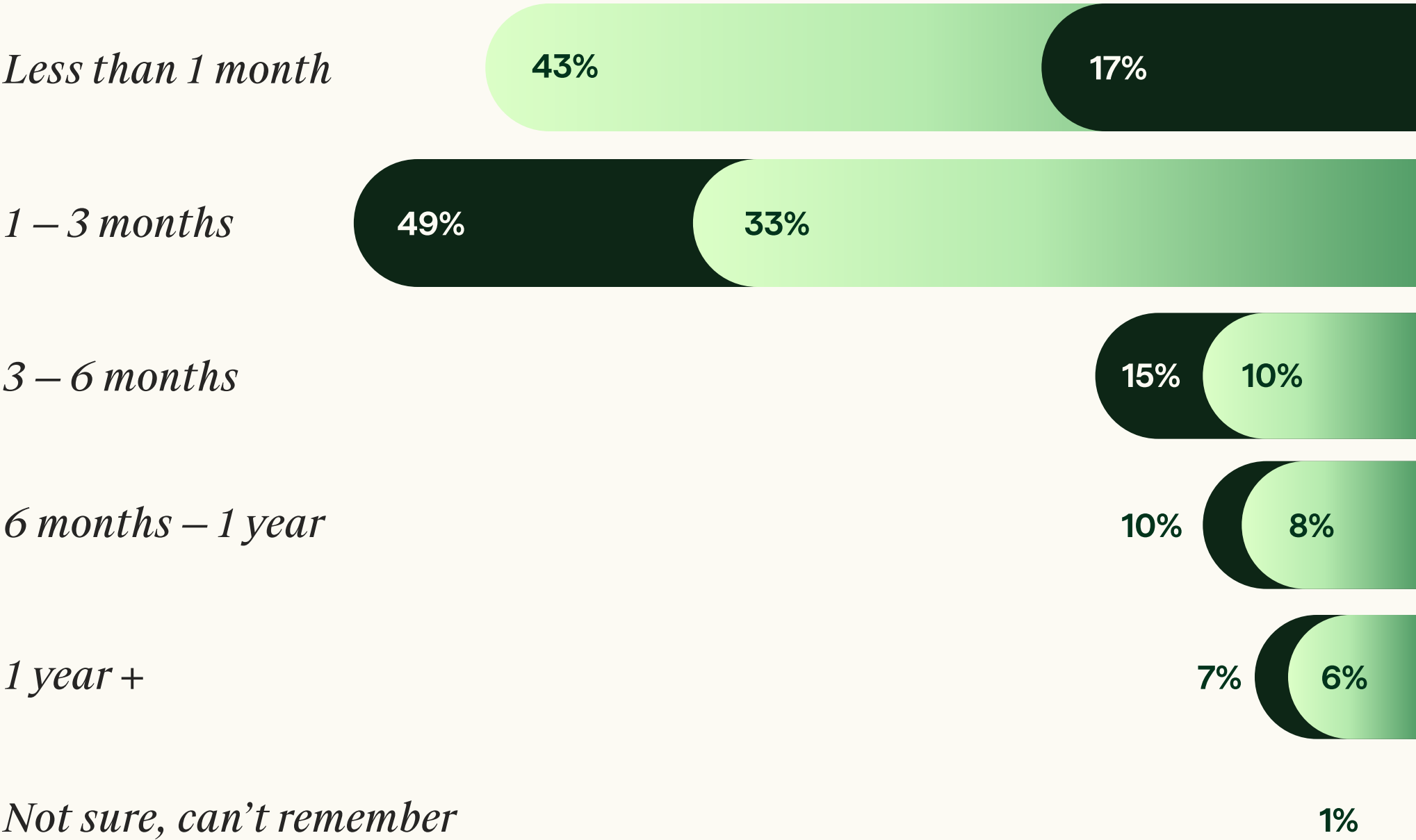
> *"Simply put, the recruiter took too long to do what I needed."*
>
> **VP-Level Job Seeker**

Hiring through a trusted network comes out on top

- ● Leveraging a trusted network or getting a referral from a personal connection
- ● Cold outreach and/or no referrals

	Trusted network	Cold outreach
Less than 1 month	43%	17%
1 – 3 months	33%	49%
3 – 6 months	10%	15%
6 months – 1 year	8%	10%
1 year +	6%	7%
Not sure, can't remember	1%	

88% more job seekers report it took less than 1 month to receive an offer by leveraging a personal connection.

20% job seekers also reported receiving an offer 20% faster on average when leveraging a personal connection versus using a traditional recruitment firm.

Relationships expedite the job search, too.

Candidates who leverage existing relationships in their job search benefit from several distinct advantages:

- An inside look into opportunities that lead to better-aligned roles.
- Powerful endorsements that streamline the hiring process.
- Prioritization of their candidacy.

Together, these ultimately culminate in a faster process. In fact, leveraging a personal relationship pulls ahead with **80% more job seekers claiming they've received a job offer in less than 1 month through a personal connection.**

"My connection helped me to find the right job faster. They provided more information about the job and work environment upfront."
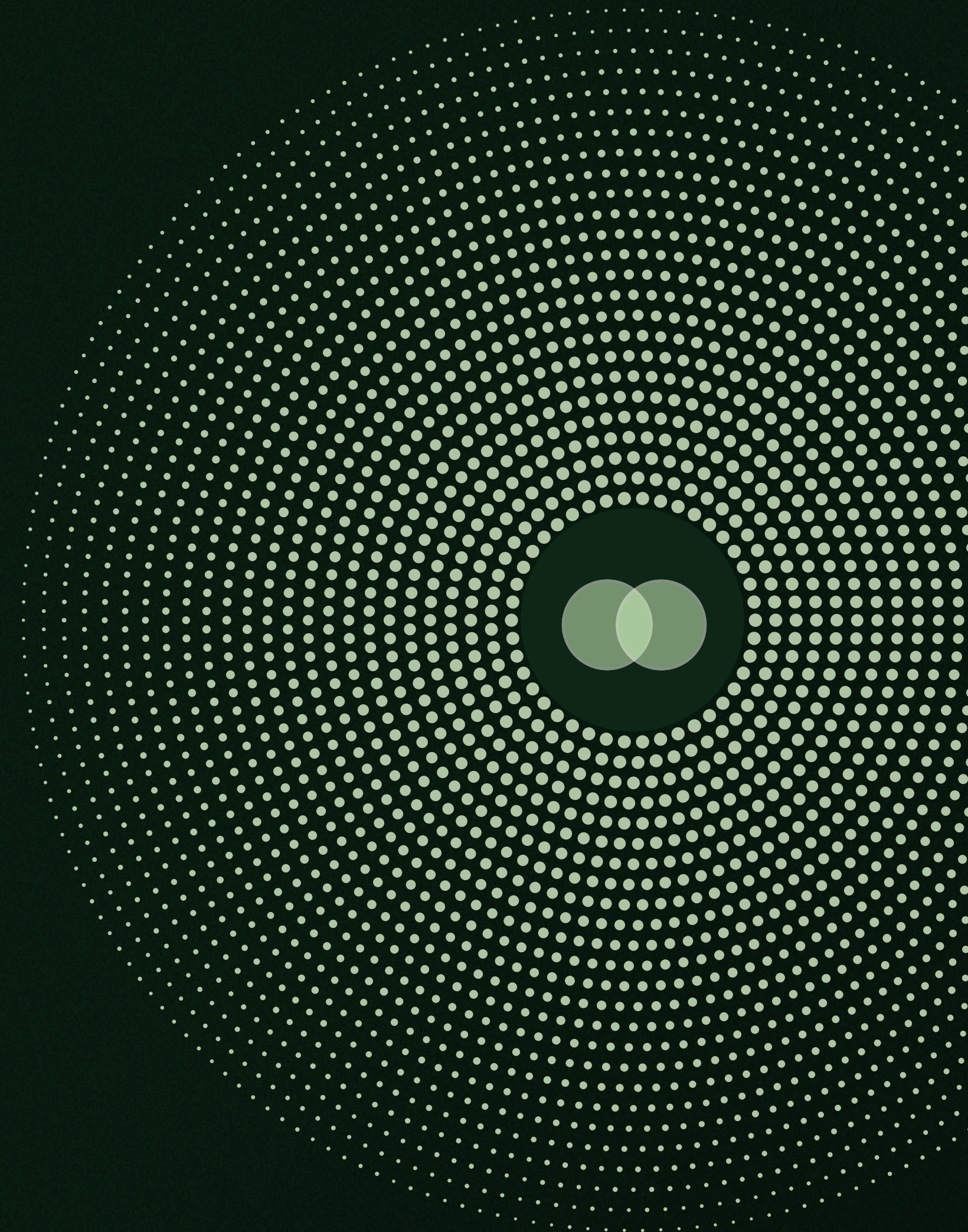
VP-Level Job Seeker

Referred Candidates = *Better Outcomes*

You got the right talent in the door — and you did it quickly. Now what?

Hiring through trusted networks and relationships prove to yield better long-term outcomes for organizations, including improved performance and longer employee retention.

In Referrals We Trust

Talent that has been personally referred or hired through a trusted network comes with an implicit endorsement of their work ethic, compatibility with company culture, and overall suitability for the role. For these reasons, referred talent tends to be more culturally aligned with the organization and often possesses a deeper understanding of the company's values and goals, allowing for quicker integration and contribution to the team's objectives.

Furthermore, hiring through referrals fosters a sense of accountability and mutual investment. Referred candidates are eager to perform well to uphold the reputation of the person who referred them. This intrinsic motivation can result in higher levels of engagement and productivity.

Do employees who have been personally referred perform better than candidates who have not been referred?

The majority (68%) of hiring managers found that candidates who have been personally referred performed better than candidates found through traditional recruitment methods (e.g., cold outreach, sourcing on social media, and inbound applicants).

68%
Yes

22%
About the same

10%
No
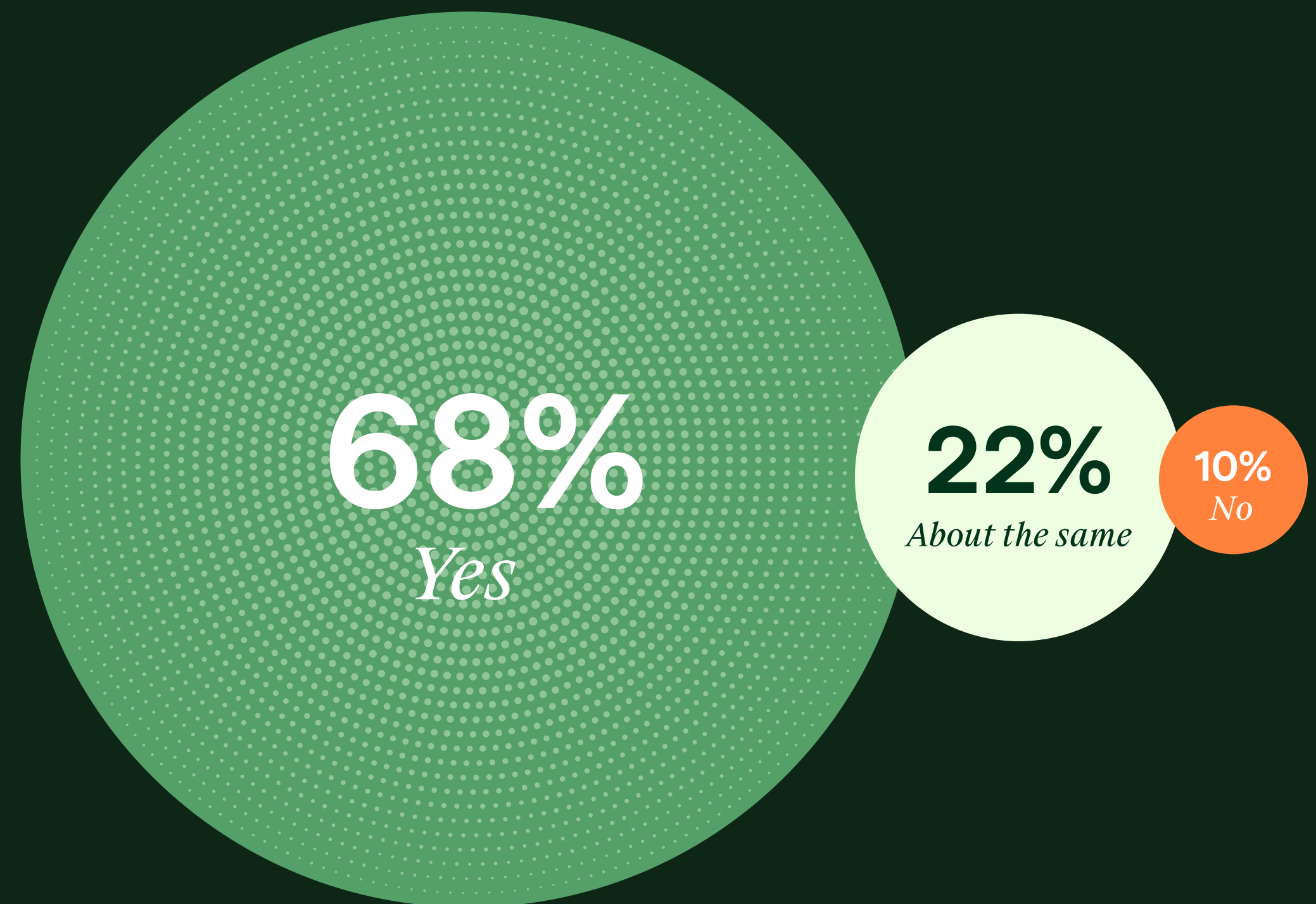
Hiring Managers Explain Why Referred Employees Perform Better

"Candidates who are personally referred have been vetted by those who know our institution's dynamics, needs, and culture."

Director-Level Hiring Manager

"I think that there is more investment for everyone involved. The referral doesn't want to make the person who spoke for them look bad, nor does the person making the referral want to risk bringing in the wrong fit for the same reason. The entire process is more vetted, and people are determined to bring their best."

C-Level Hiring Manager

"I believe that people who take the time to refer others find their reputation at stake and only recommend quality people in my experience. Naturally, there's a layer of vetting and trust."

C-Level Hiring Manager

In their own words...

recommendation

good match

personal

accuracy

fit

better prepared

better outcome

referred

best   fast

vetted

our culture

authenticity

right type

better sense

connection

better skills

personal referral

trust

experience

reputation

understand

certain criteria

better fit

credibility

In their own words...

better options   champion   good word

faster   better job   advocate

help

personal connection   well-qualified

referral   recommendation   hiring   support

faster process   better chance

personal

word of mouth   good fit

resume

connection   hiring manager

networking   made a difference

more suited   opportunities

Hear It From Job Seekers

"A personal connection helped me find a specific job I wanted and that I was right for, not just any job. They also gave me an idea of how the work environment was, which prepared me to do better than without."

VP-Level Job Seeker

"They helped me to find a job I actually wanted, gave me 'insider' opinions about the company, which made me aware of what exactly to expect."

VP-Level Job Seeker

"My network was more aware of my strengths and weaknesses, and they seemed to invest more into finding me a job that was right for me and my skills."

Manager-Level Job Seeker

THE STATE OF RETENTION

38%

quit in the first year

Nearly 38% of employees quit within the first year of employment. And over 40% of employees who leave within the first year do so within the first 90 days.[2]

40%

leave within the first 90 days

Several factors contribute to such high turnover rates within the first year of employment. Perhaps most prominent are **mismatches between the expectations set during the recruitment process and the actual job responsibilities, resulting in disillusionment and early departures.**

Relationships + referrals = improved retention

On the flip side, referred candidates have a better understanding of the company culture, job responsibilities, and potential career paths *before* accepting a position, leading to a higher likelihood of alignment between their early expectations and the long-term reality of the role.

Do referred employees stay longer than employees acquired through other talent acquisition methods?

Companies have experimented with a laundry list of channels to find their next hire: traditional recruitment agencies, cold outreach, inbound applications, posting on job boards, and leveraging LinkedIn. But with such high turnover rates, we have to wonder about the correlation between where these candidates are sourced and how long they end up staying.

High turnover rates often seem like table stakes in a competitive market. But it doesn't have to be. 61% of hiring managers claim an employee hired through a trusted referral stayed at the company longer than non-referred employees.

61% Yes

11% No

28% About the same

The Source of
Top Talent

When top talent is constantly inundated with noise, cold outreach is dead on arrival.

In contrast, leveraging personal networks and asking for referrals remain the most successful sources for connecting with the talent you need.

Work experience will always reign supreme when evaluating candidates...

but what comes second might surprise you.

It's no surprise that a candidate's work history is most often the leading indicator when assessing someone's suitability for a role. Experience demonstrates one's ability to handle job responsibilities, skills and expertise, and potential contributions to the team. What might surprise you is **the weight hiring managers place on a candidate's personal connections and whether they came with a glowing recommendation.**

Compare this to factors that barely scratch the surface of importance. Salary, the candidate's personal brand, and geographic location remain at the bottom of the list.

It's not just about what you know,
but who you know.

How hiring managers ranked what's most important when choosing between top candidates for a role:

1 The candidate's work experience

2 The candidate was referred/recommended by someone the hiring manager trusts

3 Candidate's soft skills

4 Candidate's education

5 Candidate has good references, but from people the hiring manager doesn't know

6 Candidate's geographic location

7 Candidate's personal brand

8 Candidate's salary expectations being in line with company's expectations

Cold Outreach, Meet Cold Shoulder

Similarly, it's just as expected that hiring managers rank posting on a job board as the most effective source of finding top talent. This is the often first thing we all think to do by default — a check in the box and a formality to create awareness for the role.

What is interesting, however, is how far below LinkedIn and cold outreach falls in the line. **Is it any wonder that the two noisiest environments lag so far behind?**

All of this underscores the necessity for a strategic shift in where companies find talent. Rather than dispersing efforts across multiple channels with diminishing returns, hiring managers should prioritize methods with proven success rates.

Only **13%**
of top candidates are successfully sourced through LinkedIn job postings

Only **5%**
of top candidates are successfully sourced through cold outreach

What sources are companies using to find and hire the best talent?

1 Posting on a job board (e.g., Indeed and ZipRecruiter)

2 Leveraging their personal network/ asking someone they know for a referral

3 Working with a traditional recruitment agency

4 Inbound applications through company's careers website page

5 LinkedIn job postings

6 Cold outreach

Source of Truth: Where do job seekers go to find the best roles?

Even in today's fast-changing job market, where new skills, jobs, and tech continue to emerge, many qualifications can often be similar among strong candidates.

When this is the case, it's the personal touch that can make all the difference.

The same is true for job seekers, who recognize the important role of a connection in landing the perfect job.

For hiring to be effective, you can't bypass the human element. Hiring decisions are not solely based on what AI can extract from resumes, or what AI can write on resumes for job seekers. The best hiring is influenced by who's advocating for you in a room full of opportunities.

Job seekers rank which source is most effective in landing a great job

1 Leveraging their personal network/ asking someone they know for a referral

2 Searching on a job board (e.g., Indeed and ZipRecruiter)

3 Submitting an application on a company's career page or website

4 Exploring and applying to LinkedIn job postings

5 Working with a traditional recruitment agency

6 Cold emailing or calling employers

Relationships
CUT
Through the Noise

It's a little-known, but game-changing fact that 85% of jobs are attained through a personal connection.[3] At the same time, our survey revealed posting an open role on a job board is still hiring managers' #1 method of recruiting talent.

This begs the question: *Why?*

Why do we utilize noisy job boards and traditional recruitment tactics when 68% of hiring managers say that employees hired through a personal connection perform better than non-referred employees? Or when 61% agree that referred talent stay longer at a company?

As hiring managers, talent acquisition professionals, HR leaders, and recruiters, **we have to evolve our sourcing and recruiting strategies to leverage the power of relationships. We have to give our teams the absolute best shot at succeeding.**

New Hiring Practices To Adopt **Right Now**

- **Analyze** your own network and take stock of your connections across companies, industries, and job functions.

- **Leverage** transformational networking tools, such as Network Relationship Management platforms (NRMs) and Talent Relationship Management platforms (TRMs).

- **Look beyond** LinkedIn and your personal circle to include the networks of your peers, hiring managers, and department teammates.

- **Vet** your recruiting partners and understand their reach and the connections they have in the fields you need talent in.

- **Understand** the technology your recruitment partner or internal teams is leveraging to ensure they are helping the process, not adding more noise.

The Bottom Line

While AI and automation help us with some time-consuming tasks and reach people en masse, it can't always compute what it means to meet and get to know someone. Buy them a coffee or hold the door open. AI and cold emails can't build a strong, trusted relationship.

When the best people you need for a job are entrenched in their day-to-day and balancing a list of priorities where entertaining an automated, cold email recruitment pitch for a mis-fit role sits at the very bottom, **relationships matter more than ever.**