

Is Your Recruiting Function Cost-Effective or Costly?

Everyone knows the saying, “First impressions are lasting.” They can also be costly!

What reputation are your in-house and external recruiting partners creating for your organization? Their representation creates an impression among industry professionals and potential talent about your organization that can have a significant impact on the sustained success of your recruitment program.

It is critical for the HR and Talent Acquisition function to identify key qualities in choosing an external search partner, as well as, in-house recruiters. Details such as organizational revenues, how long the organization has been in business, number of employees, name of CEO, public or privately held, industry competitors, organizational culture, and organizational or hiring objectives is *very* basic key information needed to, at the very least, initiate effective dialogue with other industry professionals and candidates. However, a recent research assignment indicated a staggering 85% of in-house and external recruiters did *not* know some basic information!

Would *you* be attracted or refer to a company if the recruiter you were talking with could not answer simple questions about the organization they’re representing? Perhaps more importantly, what kind of person would find this to be an attractive recruitment tactic? If hired, what level of performance should be expected from that individual?

Companies that are committed to providing quality services and products to their customers understand that their goals cannot be achieved without ensuring quality at every step in the process. Yet in staffing, too often the quality process is seen as beginning *after* the hiring process is complete.

To ensure you are valuing how your organization is represented to industry resources and candidates, consider the following regarding in-house and external recruiting partners.

Of In-House Recruiting, Consider:

What is your current organizational recruiting process flow? Where are the bottlenecks?

What does your advertising say about your company? How position descriptions written? Is the organizational brand consistent? Does the recruiting function confer with the marketing function? How is the company being described?

How significant is the current in-house ATS pipeline? How is it being cultivated, if at all? What industry competitors, professional trade organizations, and networks are being penetrated? What competitors are “hands-off” and/or with non-compete considerations?

What are the performance measurements for in-house recruiters? Are they measured solely on the volume of resumes put in front of hiring managers? How does their current performance measurement system support producing quality candidates and cultivating a talent pool? What level is their recruiting experience and are they being measured fairly?

Of External Recruiting Partners, Consider:

Do their methodologies and philosophies of recruiting coincide with your organizational culture? How long have they recruited and at what levels? What types of services and fee structures do they offer? Have they taken the initiative and time to schedule a personal visit to view your facility and meet you?

Ask for client company references and *check them*. In some cases, consider checking public records. Ask for a hard copy package of company information. Review their social media footprint. How they present their own organization can be an indicator of how they’ll present your organization.

Are they asking you key questions about culture, long-term objectives, and key success factors for candidates?

Are they confirming information with you based on their own research of your company and industry? Can they identify your primary competitors and successfully penetrate them?

How do they present candidates to you? Are they aware of critical information about the candidates they present to you? Are they attentive to potential non-compete competitor clauses? *Who* is working with them and is the relationship based on transparent ethical business practices? Are they being utilized as a valued search partner providing industry information, or expected to merely forward volumes of resumes?

After considering these questions, and *many* more, now consider some cost factors. Is your recruiting process profitable? Profits obviously result from increasing revenues and/or decreasing costs. Organizations can profit by strategically increasing recruiting efficiency and specific talent liquidity.

Another consideration must be retention rates. Consider your cost of losing an employee. Determine your costs of attrition, especially in areas that generate and closely impact revenue. How significant and well cultivated is the pipeline to support these primary revenue-generating areas? What is it costing you to have key roles vacant?

Does your organizational growth justify an in-house recruiting department and associated continuous costs such as compensation structures, advertising budgets, training, administrative costs, tracking systems, research resources, turnover, and other related overhead costs?

Lastly, consider the costs of damage control and reducing the frequency of ineffective recruiting practices. *Some* ineffective recruiting practices include:

- using multiple in-house *and* 3rd party search partners, blitzing the market for the same search effort
- inadequate pre-screening
- providing high volumes of resumes, opposed to only the top few who meet the highest % of the selection criteria
- lack of establishing and maintaining an industry pipeline of resources and talent
- lack of responsiveness from all parties involved
- lack of prepared corporate materials for interviewed candidates
- poor coordination of agendas, travel and accommodations for out-of-town candidates
- lack of follow-up

Careful consideration of the aforementioned can contribute to developing and sustaining a powerful, effective and quality recruitment effort for your organization.

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