# Get the Right People: 9 Critical Design Questions for Securing and Keeping the Best hires







The most important decision a company makes about employees is the decision to hire them. Whether a company succeeds or fails ultimately depends on whether it hired the right people to effectively execute its strategies.

Despite the strategic importance of hiring, many companies have historically treated recruiting as a largely administrative process. Rather than focusing on the business value associated with hires, recruiters have focused on increasing the number of requisitions processed and reducing time-to-fill. This reflects a lopsided approach to recruiting that greatly emphasizes efficiency over effectiveness. As one person put it, "Talent departments that spend all their time talking about number of hires instead of quality of hires might as well measure their effectiveness by the gross tonnage of people brought into the organization."

Fortunately, the world of recruiting is undergoing a massive change in focus from quantity to quality of hire. This is the result of several factors including:

- Scarcity of skilled talent. Despite the recent recession, there continues to be a shortage of highly skilled, high performing talent, and it's growing. There may be more people available in the job market in general, but that does not mean they are the right people needed to support a company's strategies.
- Cost of labor. As the supply of skilled labor decreases, its cost increases. Companies cannot afford to make hiring
  mistakes given how much it costs to bring people into the organization. There is also the more insidious problem of
  mistakenly hiring marginal performers and having them stay.
- Importance of human capital. The last thirty years have seen a steady shift from a resource based to a knowledge
  and service based economy. In today's market, competitive advantage depends less on what companies own, and
  more on who they employ.

Recruiting, once seen as a back office function that could easily be outsourced, is becoming a key differentiator in the emerging war for talent. Winning this war requires rethinking key questions around what makes a good recruiting process. This paper¹ is based on the authors' collective experience designing processes for hundreds of companies, ranging from small start-ups to large, global corporations.

This paper is organized into three sections. The first discusses fundamental changes in how companies are thinking about recruiting and the growing emphasis on creating more collaborative, quality-focused recruiting processes that balance hiring quality with hiring efficiency. The second section discusses eight key questions that need to be carefully considered when designing a recruiting process. There is no "one best way" to do recruiting, but the best recruiting processes all address these questions thoroughly. The last section discusses different levels of recruiting process maturity that can be used to guide the creation of a long-term roadmap for achieving recruiting excellence.

<sup>&</sup>lt;sup>1</sup> This paper is written primarily for recruiting organizations that focus on hiring employees for skilled positions. Some of the concepts in the paper are less appropriate for recruiting processes that focus on staffing less skilled, entry level salaried and hourly positions.



### Recruiting to Support Business Execution

From a strategic business perspective, the goal of recruiting is not to simply hire people into the organization, but to reliably and efficiently place and retain the right people in the right roles to effectively support a company's business strategies. This is a significant change from how some recruiting departments traditionally viewed their role within the company (See sidebar, "Processing, Placement, or Performance.") Organizations that approach recruiting with a strategic mindset are distinguished by the emphasis they place on four key principles:

- Quality of hire is much more important than speed of hire.
- Recruiting is more about maintaining and leveraging relationships than advertising job postings.
- Hiring managers should play a central and highly active role in the recruiting process.
- Recruiting is only one part of an integrated talent management system.

#### Processing, Placement or Performance: an Extremely Short History of Recruiting

The past 30 years have seen significant changes in the field of recruiting. Prior to the advent of the internet, much of what recruiters did was associated with basic identification and processing of candidates. Recruiting tended to be a highly administrative function largely focused on placing want ads, scanning job applications, and setting up candidate interviews. Some companies also tasked recruiters with handling on-boarding paperwork as well. The internet freed recruiting departments from much of this administrative burden and allowed them to significantly streamline the recruiting function. But recruiting still tended to be judged on process metrics such as time-to-fill and number of hires. Staffing departments were rarely held accountable for the performance of new hires. Nor were they expected to challenge managers on whether it made more sense to fill positions internally vs. externally.

The advent of integrated talent management systems is shifting recruiting's focus from hiring efficiency to an emphasis on staffing effectiveness. Recruiting departments are still held accountable for efficiently processing and rapidly placing candidates. But the difference between average recruiting departments and exceptional ones lies in the ability to fill positions with the best performing candidates at the lowest cost.

Quality of Hire. Even slight improvements in the quality of hires can have a massive financial impact on organizational performance (Hunt, 2007). Recruiting organizations oriented towards business execution understand this. They review every step in the recruiting process from the perspective of how it will impact the company's ability to attract and select the best performers. Recruiters are evaluated primarily on the performance and retention of the employees they help bring into the company. A quick way to assess whether a recruiting organization has a quality-of-hire based mindset is to ask recruiters the following question. "How do you know if you effectively filled a position?" A quality-oriented recruiter will talk as much or more about measuring how candidates perform after they are hired and less about the efficiency of methods used to source and screen candidates during the pre-hire phase.

Relationships and Networking. The most effective recruiters use a variety of methods to find job candidates, but know that the best candidates tend to come from networking. In today's world, this includes using social



technology such as LinkedIn, Facebook and other such sites, which have changed the game when it comes to networking. There are several reasons why networking is so successful. First, managers and employees are likely to recommend better quality candidates since they don't want to work with people they view as incompetent or unmotivated. Second, the best candidates tend to already be employed elsewhere. Because these "passive" candidates already have jobs, they are less likely to take notice of job postings, but they will respond to an inquiry about a job opportunity from someone they know. A third benefit of networking is it doesn't take a lot of money, unlike job postings, which can be associated with hefty fees.

Networking is particularly valuable when hiring for experienced positions where people have extensive networks of professional colleagues. As one successful recruiter explained, "When hiring for a skilled position, very often the best candidates already know the hiring manager and/or one of the hiring manager's professional colleagues. Hiring managers are rarely more than two degrees of separation from the best candidate." Recruiting organizations oriented towards business execution embrace social relationships for finding and attracting the best candidates. They invest in tools to help recruiters build and maintain pools of qualified candidates they can leverage for future hires. The best recruiters do not try to find candidates on their own. They leverage the networks of line of business managers and other employees in the organization. The networking approach includes providing line of business employees with tools, techniques, and rewards for finding high quality talent.

Elevating the role of the hiring managers and line employees in the recruiting process. One common problem in recruiting is a tendency for hiring managers to distance themselves from the actual recruiting process. Rather than collaborating with recruiters to find and select the best candidates, some hiring managers assume that they can give the recruiter a job requisition and that two weeks later they will be presented with the perfect candidate. This approach might work reasonably well for buying a tailored jacket, but not when the goal is to find and hire the best employee.

Business execution focused recruiting organizations emphasize the concept of "recruiting as a team sport". They put an emphasis on keeping hiring managers and other key line employees actively engaged through the recruiting process through the use of collaboration tools. These tools allow managers to compare candidates on key criteria, get a sense of the quality found in the available talent pool, and exchange thoughts and opinions with other members of the team. This can help managers determine if they should expand, reduce or otherwise redefine the scope of the job based on the talent available. Emphasis is also placed on setting up interview processes that allow all the stakeholders in the hire to effectively evaluate the candidate. This ensures that hiring managers and other involved employees have a strong sense of confidence and ownership around the final decision on whether to make a job offer to a particular candidate.

Integrated talent management. Recruiting tends to be something people only think about when there is a job vacancy that cannot be filled by existing employees. Hiring is treated as an isolated event that lives outside of the ongoing talent management process. Recruiting organizations oriented towards business execution actively campaign against this limited view of recruiting. They see recruiting as a key part of a broader integrated talent management approach (see Appendix 1. "Business execution, integrated talent management, and the role of recruiting"). In this regard, recruiting is like succession management. It may not be something that's done every day, but it is something that needs to be kept constantly in mind, particularly during times of large scale company growth or change.



Two concepts are particularly important to consider when viewing recruiting as part of an integrated talent management approach:

#### Balancing internal vs. external hiring

Recruiting activities that are integrated into a broader talent management framework are driven by a clear strategy and set of metrics that balance the relative merits of internal vs. external hiring. Staffing is a seen as a means for career development and succession management, not merely an exercise in external talent acquisition. Open positions become opportunities to build the capabilities of existing employees through promotions as well as a chance to bring in new skills from outside.

#### Workforce planning and job design

Taking an integrated approach toward recruiting requires ongoing discussions between staffing department leaders and business leaders to clarify how the company's strategies will impact future hiring needs, forecast likely turnover for existing jobs, and discuss the creation of new jobs and organizational structures to ensure the company will have the talent it needs to sustain business operations and growth. Recruiters cannot passively wait for line mangers to come to them with open requisitions that need to be filled. They need to engage line managers to plan for vacancies before they happen.

The four themes of hiring quality, recruiting through relationships, manager involvement, and integration with broader talent management strategies should be reinforced throughout the design of recruiting processes. Keeping these themes in mind will decrease the risk of creating recruiting processes that, while efficient, provide questionable value for business execution.

#### **Business Execution and Integrated Talent Management**

Running a successful business consists of three challenges:

- Defining strategy. Figuring out what needs to be done to succeed.
- Managing assets. Securing the capital and resources required to support the strategy.
- Driving business execution. Building and managing the workforce so it effectively leverages company assets to achieve strategic objectives

Business execution requires ensuring that the right people are doing the right things the right way to support the company's current strategic objectives. Sustainable business execution requires doing these things in a way that fosters the right development so people acquire the capabilities the company will need in the future. Because business execution is about employees doing what the company wants them to do, the best way to improve business execution is to improve employee performance and development. Higher levels of job performance lead directly to stronger business execution overall. So the first step to improving business execution is developing a clear understanding of what drives the performance of individual employees.



Figure 1 illustrates the basic components of job performance. They are divided into three categories:

Goals describe the business outcomes that are supported by an employee's job (e.g. achieving sales quotas, minimizing accidents, maintaining productivity levels, processing documents). Goals define the reason why a job exists. People are hired to do something and goals clarify what it is they are supposed to do.

Competencies describe behaviors that employees are expected to display on the job. They include things like building relationships, planning and organizing, solving problems, and other activities that make or break success in a job or reflect important cultural values of the company. People often distinguish goals from competencies using the concept of "what vs. how." Goals define "what" a person is supposed to do in the job, and competencies describe "how" they are expected to do it.

**Attributes** are characteristics of employees that are associated with job success. They include qualifications (e.g. job experience, education, certifications), aptitudes (e.g. personality and ability traits), and interests (e.g. career aspirations, salary preferences, work schedule expectations). Attributes define "who employees are" in terms of their knowledge, skills and abilities. The attributes employees possess influence the competencies they display, which determine the goals they can achieve.

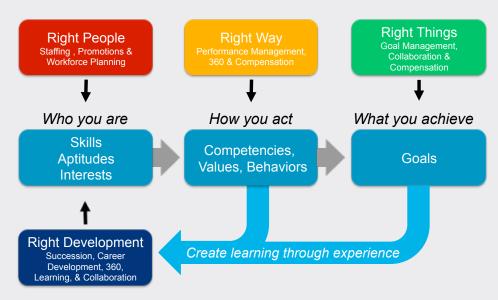


Figure 1. Integrated talent management means that the right people are doing the right things in the right way in a manner that develops the right capabilities over time

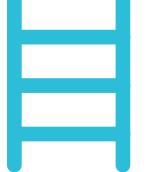


The relationship between attributes, competencies and goals can be summed up as "who you are (attributes)...what you achieve (goals)." When designing talent management processes it is important to recognize both the differences and the inter-dependencies of goals, competencies, and attributes. High levels of job performance occur when companies:

- 1. Clearly identify and communicate the goals they want employees to achieve, and then measure and reward employees against these goals. This is the focus of goal management.
- Define the competencies employees must have to achieve their job goals and evaluate, coach and reward employees based on the degree to which they demonstrate these competencies. This is the primary focus of performance management.
- 3. Staff positions with employees whose attributes match the demands and requirements associated with job goals and competencies. This is the primary focus of recruiting and succession planning.
- 4. Create a work environment that helps employees develop attributes that support the competencies that drive goal accomplishment. This is the primary focus of career development and succession management.

Integrated talent management requires creating processes that tie these four different types of activities together.

Of these four fundamental processes that make up an integrated talent management system, getting the right people through effective staffing has the greatest initial impact on business execution. Whether people are able to do the right things in the right way fundamentally depends on whether they have the skills, knowledge and aptitudes needed to perform their jobs. But staffing should do far more than just support talent acquisition. Staffing can be used to increase productivity by reallocating the workforce into different internal positions based on changes in the organization's goals. Staffing also plays a critical role in employee development by placing high potential talent into jobs that will enable them to acquire new skills and experiences. Staffing can even significantly influence development of business strategies by highlighting how talent supplies will constrain or enable business growth. When viewed from an integrated talent management perspective focused on enabling business execution, it is readily apparent that staffing involves a lot of activities other than just hiring employees.



### Critical recruiting design questions

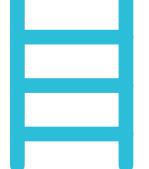
There is no one best way to do recruiting. What works extremely well for a regional healthcare organization may be disastrous for a multinational software company. Processes that are appropriate for hiring new college graduates are much different from those used to hire senior executives. But companies that have the most successful recruiting processes do have one thing in common. They have carefully thought through a series of critical recruitment design questions. The answers to these questions will vary from organization to organization, but failure to adequately address them will almost always result in a flawed recruiting process. Here are the questions.

#### 1. What types of jobs are we hiring for?

Table 2 provides a description of four broad categories of jobs and discusses how each one might influence recruiting process design. Recruiting for pivotal jobs where small differences in performance have significant business outcomes requires much more aggressive strategies for sourcing and selecting talent. Staffing critical jobs that require specialized skills that are in short supply often emphasize a long term recruiting process where candidate relationships are developed years in advance prior to actually hiring candidates into specific jobs. High volume jobs that require filling large number of positions year after year tend to requires highly efficient, repeatable recruiting processes. In contrast, operational jobs that have sporadic staffing requirements require recruiting processes that can be quickly scaled up or down based on shifting hiring demands. Large organizations may find it necessary to have several distinct recruiting processes to support the variety of jobs they must fill.

TYPE OF JOB	EXAMPLES	RECRUITING PROCESSES FOR THESE TYPES OF JOBS TYPICALLY EMPHASIZE:
<b>Pivotal</b> jobs where small differences in performance significantly impact company profitability	Strategic leadership roles such as CEO or other senior executive     Key operational roles such as manufacturing plant managers or technical experts in software companies	Aggressive strategies for sourcing talent     In-depth processes for screening and selecting the best candidates
Critical jobs that are necessary to maintaining company operations and where there is a significant shortage of talent	Jobs requiring specialized skills such as nurses in healthcare or maintenance specialists in utility companies	Identifying and developing candidates early in their educational career, often years before they are qualified as hires     Creating strong employee value propositions to attract qualified candidates
<b>High volume</b> jobs where the company hires large numbers of employees each year	Hourly, frontline retail jobs     Entry level college graduate jobs such as engineers in a large aerospace company	Efficient, repeatable methods to attract, select, and onboard candidates
Operational jobs that are necessary to maintaining company operations but are not a key source of competitive differentiation for the organization     Shared services jobs such as administration, security, or facilities management		Recruiting processes that can be quickly scaled up or down since the company may only hire for these positions intermittently

Table 2



#### 2. How many people will we need to hire and when will we need them?

Recruiting organizations can be characterized in part by how they engage with line leaders. Reactive recruiting organizations view their jobs as mainly responding to requests from hiring managers as quickly as possible. Proactive recruiting organizations must continue to be highly responsive to manager needs, but also reach out to hiring managers to forecast future job needs and ensure talent is available when needed. If a company is trying to staff hard-to-fill jobs with high performing talent, then it is wiser and more effective to adopt a proactive than reactive stance (See sidebar, "The Difference between Time-to-Hire, Time-to-Fill and Time-to-Start – and Why It Matters .")

The only way to effectively shift from a reactive to proactive recruiting stance is to make a serious commitment to workforce planning. This means establishing processes where staffing leaders and business managers work together to anticipate the company's future staffing needs. It is beyond the scope of this paper to fully discuss what is involved in effective workforce planning. But at a minimum it involves created structured processes and collecting hard data to accomplish the following:

- Agree on likely business growth scenarios extending at least three years into the future. Looking more than three
  years out is desirable because the labor market trends that impact recruiting unfold over years, not quarters.
- Determine what sort of talent will be required to support different business scenarios. This involves analyzing the kinds of jobs required to support various business strategies and determining what skills and experience candidates will need to perform these jobs.
- Analyze the skills and experiences of the current workforce and forecast the likelihood of losing employees with particular skill sets due to turnover, retirement, or movement within the organization.
- Calculate the gaps between the employees currently in the organization and the ones likely to be needed over the
  next several years. Use these gaps to guide the development of staffing processes to ensure the company will have
  the talent it needs when it needs it. This may involve external hiring, internal employee development, succession
  planning, the use of contingent workers or a mixture of all three. The possibility of addressing workforce deficiencies
  by increasing the productivity of current employees should also be considered.

Moving to proactive recruiting shifts recruiters from an administrative orientation focused on responding to hiring managers' requests to a strategic orientation that involves actively working with business leaders to figure out what sort of people the company should be hiring and when they will need to be hired. To be effective staffing departments need to be both reactive and proactive, but it is through being more proactive that staffing has the greatest opportunity to become a true competitive differentiator for business execution.

#### The Difference between Time-to-Hire, Time-to-Fill and Time-to-Start - and Why It Matters

Time-to-hire is one of the most frequently used metrics for evaluating recruiting performance. Usually measured in days, time-to-hire refers to the total elapsed time required to staff an open position. Despite its wide use, time-to-hire is among the most poorly understood metrics in the field of staffing. (The others are job performance and candidate quality.) The first thing to acknowledge about time-to-hire is that it is primarily a measure of process speed. It is not necessarily associated with candidate quality. Because there is little value in making bad hires quickly, the emphasis time-to-hire places on time over quality significantly limits its value as a measure of staffing performance.



Time-to-hire also suffers from poor definition. Some organizations measure time-to-hire starting with the initial approval of a requisition, while others do not start measuring time-to-hire until a requisition has been assigned to a recruiter or posted to a career site. One of the most critical differences in time-to-hire definitions is whether to stop measuring when an offer is secured from an approved candidate or to include time that elapses after a candidate accepts an offer but before they actually start the job. These metrics are more appropriately referred to as time-to-fill and time-to-start.

- Time-to-fill reflects the elapsed time between the initial approval or posting of a requisition and the final acceptance of a job offer from an approved candidate.
- Time-to-start reflects the elapsed time between the initial approval or posting of a requisition and the actual day when the newly hired candidate begins work in the position.

Many factors that affect time-to-start do not affect time-to-fill and vice verse. For example, company policies restricting employees from moving into new internal positions until replacements are found for their current roles may radically lengthen time-to-start, but could have little effect on time-to-fill. There are even situations where a company may intentionally increase time-to-fill while simultaneously taking steps to decrease time-to-start. Although such staffing strategies may seem contradictory, they make sense when time-to-fill and time-to-start are analyzed independently instead of being lumped into a single time-to-hire metric. The following case studies illustrate reasons why time-to-fill and time-to-start should be treated independently.

Increasing time-to-fill to increase the chances of a better candidate applying. A few years ago I wrote about a company that analyzed the impact hiring technology had on its ability to hire candidates with certain rare qualifications<sup>2</sup>. These star candidates generated extraordinary levels of revenue for the company. It wanted to hire them all the time, but there were rarely enough available at any given time to meet the company's operational staffing needs. A key finding from this study was that there are situations where it is advantageous for companies to purposefully increase average time-to-fill.

To understand this finding, it is important to remember that star candidates are by definition rare, and receiving applications from star candidates is a relatively infrequent event. Companies that focus on minimizing time-to-fill are not as likely to hire many star candidates simply because they did not wait around long enough for a star candidate to apply. So how long should companies wait for star candidates to apply before they decide to close a requisition? The answer to this question will depend on the job and labor market. But in this particular study the organization determined that if they intentionally waited 5 days before filling positions they would receive an additional \$300,000 per year by hiring better quality candidates. Of course these gains had to be offset against costs associated with leaving positions unfilled for five days. Is this trade-off worth it? It is hard to say. But the potential to make \$300,000 simply by waiting a few days before making a hiring decision certainly seems worth exploring.

Decreasing time-to-start to zero without impacting time-to-fill. Companies that recognize the difference between time-to-fill and time-to-start may adopt unique staffing strategies to ensure time-to-start remains near zero. These strategies allow the company to avoid disruptions in company operations caused by vacancies while avoiding the risk of lowering hiring standards just to fill a position.

 $<sup>^{2}</sup>$  S. Hunt (2004). Understanding Time To Hire Metrics. Electronic Recruiting Exchange (www.ERE.net)



For example, the staffing department in one retail organization made a commitment to keep their store manager jobs 100% staffed at all times. This meant reducing time-to-start to less than a day. To achieve this goal, the company decoupled the process used for hiring new store managers from the process used to place newly hired managers into specific store positions. It then intentionally "over-hired" so that within a given region there were always slightly more store managers than store manager positions. After initial on-boarding, newly hired store managers were provided with additional in-store training until a vacancy occurred in their region. They were then transferred into the vacant position immediately to minimize any discontinuity in store operations.

In addition to increasing operational continuity, these changes led to improvements in the process used to hire new store managers. Recruiters feel constant pressure to keep the pipeline filled with good candidates and minimize time-to-fill, but they are no longer under the gun to staff a specific position in a specific store as fast as possible. Recruiters are able to hire in a more systematic and measured fashion, focusing on candidate quality instead of constantly responding to the hiring crisis of the moment. They are not pressured to lower their hiring standards just to get someone in the door, and can scrutinize candidates without worrying about the added pressure to staff an existing vacancy.

Decoupling the concept of time-to-fill from time-to-start represents a bold and innovative approach toward staffing. But these examples illustrate what can happen when staffing leaders take the time to critically analyze staffing metrics and processes and focus on hiring quality and not just hiring speed.

# 3. What sort of people do we need to hire? What attributes do candidates need to become high performing employees?

The ultimate objective of recruiting focused on business execution is to hire employees who will deliver higher levels of job performance. To achieve this objective it is critical to clearly define job performance and understand how it relates to different candidate attributes. What specific business outcomes does the company want to achieve by recruiting new employees? Is the goal to improve employee retention, increase productivity, provide better customer service, achieve higher sales revenue, or to impact some other outcome?

Every staffing process should start by asking hiring managers to clarify the business goals they want to support through hiring new employees. This necessitates making decisions that emphasize certain outcomes over others. Employees attributes that positively impact some outcomes often negatively impact others (See Sidebar "No one is good at everything.") For example, a common tradeoff when evaluating candidates is whether to focus on productivity versus stability. The most highly productive employees are often the first to leave to pursue new opportunities . These employees are usually driven by a desire to move to increasingly challenging positions, tend to have more job opportunities elsewhere, and may quickly tire of jobs after they master them. While there is value in having highly productive, short-time employees, there is also value in having a stable workforce. The financial value of maximizing productivity vs. maximizing retention varies substantially depending on a company's business model. Discussing the relative value of different business outcomes such as these is an important part of designing a recruiting strategy that will deliver the best results.



#### No Is Good At Everything: The Importance Of Job Analysis And Defining Candidate Qualifications

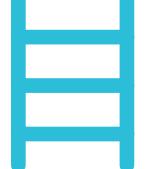
When talking with hiring managers about candidate qualifications for a job, recruiters should keep in mind there is no such thing as a single type of "ideal" candidate. Candidates that excel at some aspects of a job will invariably be less effective in others. Effective recruiting requires making choices between the relative importance of different candidate attributes. There are some candidate attributes that are probably universally counterproductive across virtually every legitimate type of job (e.g. dishonesty). But it is hard to envision a candidate attribute that is always desirable, regardless of the job. Attributes that are strengths in some jobs are usually weaknesses in others. For example, being highly agreeable may be a desirable trait when applied to things like fostering teamwork and getting along with others, but can be a weakness for jobs that require taking a firm stance on an issue or holding others accountable for their behavior. Candidates with the strongest levels of experience and technical capability typically cost the most to employ.

It is important to work closely with hiring managers to determine which attributes are the most important for job success, and agree on areas where it may be necessary to make certain trade-offs. Recruiters who don't will end up looking for candidates that don't exist.

Developing a clear understanding of what drives job performance in a certain role can be harder than expected. When managers are asked, "What makes a great employee?" they tend to answer in vague generalities about passion, dedication, and 'can do' attitude. These characteristics sound good, but they reveal next to nothing about what makes high performing employees noticeably different from average or poor employees. Fortunately, there are many job analysis techniques available to quickly and accurately define the employee behaviors and characteristics that drive job performance. Job analysis is not an overly complex discipline to master, and there are many books available that cover the different job analysis methods. Any worthwhile job analysis method will require direct involvement from hiring managers, current employees, or other subject matter experts familiar with the job being staffed. Most methods require subject matter experts to clarify specific tasks performed on the job. Subject matter experts might also be asked to provide examples of things current or former employees have done on the job that illustrate effective or ineffective behavior.

A well conducted job analysis provides a clear picture of the functions fulfilled on the job and the employee attributes that are required to perform the job successfully. This includes having clear definitions of the following 6 categories:

- Job Title. A job title that external candidates will understand so they can tell whether they are interested in and potentially qualified for the job.
- Job Tasks, Responsibilities and Objectives. The goals people in the job are expected to accomplish or the tasks they will need to perform (e.g. maintaining customer service levels, building new products, achieving sales quotas).
- Job Requirements. Credentials or licenses candidates must possess to be eligible to hold the job regardless of their other qualifications (e.g. U.S. citizenship, licensed degrees).
- Relevant and/or Minimum Qualifications. Skills and experience that candidates are expected to possess to be considered qualified for the position (e.g. years of experience, job-relevant training and coursework).



- Job Competencies. Behaviors people are expected to display on the job (e.g. supporting team members, planning and organizing, thinking analytically).
- Conditions of Employment. Things people must accept in order to perform the job (e.g. work hours, job location, physical job requirements/ADA requirements, travel schedule, pay).

Clearly defining these categories will provide clarity and focus for subsequent decisions concerning what sort of candidates to source, how to select among different job applicants, and what actions will be required to on-board newly hired employees. All of this information can also be used to create more effective performance management and career development processes to maximize the productivity of employees after they are hired.

# 4. What roles will hiring managers, recruiters, co-workers, and candidates play in the hiring process?

The ability to find, select, hire, and on-board employees transcends the role of any one individual or department. When designing recruiting processes, careful attention should be placed on determining the involvement of four key stakeholder groups at different stages of the recruiting cycle:

- Recruiters and/or Human Resources: Individuals who are formally tasked with managing processes to support sourcing, selecting and onboarding new employees.
- Hiring managers: The person responsible for overseeing the budget and salary associated with the new hire; the ultimate decision-maker on whether to hire a candidate.
- Co-Workers: People who will have input into the hiring decision other than the hiring manager; typically co-workers or managers from other departments who will work with the candidate if hired.
- Candidates: individuals being considered for the job. They may be external applicants or internal employees seeking a new position.



Figure 2. Rather than take sole responsibility for hiring the right candidate, the recruiter should orchestrate the efforts of all the key stakeholders.



Table 3 provides an example of how these four stakeholder groups might be involved in different steps of a typical recruiting process. It is particularly important to emphasize the role and responsibility of the hiring manager. The responsibility for hiring high performing talent into a company ultimately lies with hiring managers, not recruiters. Recruiters are there to support hiring managers, but recruiters who allow hiring managers to shift responsibility for making good hires to the recruiting function are doomed to disappointment and failure. Most experienced recruiters can tell stories about being blamed for not being able to fill a position when the real problem was a hiring manager who never fully defined what constituted a top candidate, or was unresponsive when asked to review and meet with the candidates the recruiter recommended. To maximize the effectiveness of recruiting processes and minimize risks of "finger pointing" over recruiting problems, the role the hiring manager is to play during the hiring process should be documented through a service level agreement or similar formal agreement.

Table 3: Recruiting Process

STAGE	RECRUITER ROLE	HIRING MANAGER ROLE	CO-WORKER ROLE	CANDIDATE ROLE
Defining job requirements & candidate qualifications	Provide tools to define job competencies, skills, and qualifications.	Work with recruiter to define job requirements and candidate qualifications.		
Source candidates	<ul> <li>Provide tools and guidance to hiring managers and employees on using social relationships to find candidates.</li> <li>Maintain talent pools with potential candidates.</li> <li>Use job postings, search tools and other methods to find candidates.</li> </ul>	Leverage personal social networks to find candidates.     Recommend potential talent sources to recruiters.	Leverage personal social networks to find candidates.     Recommend potential talent sources to recruiters.	Respond to job opportunities.
Screen candidates	Screen out clearly unqualified candidates.     Recommend qualified candidates to hiring manager for review.	Review qualified candidates for suitability.     Provide feedback to recruiter on why certain candidates were or were not selected.		Provide     necessary     information     required to     evaluate     qualifications.
Select candidates	Provide interview guides to hiring managers and employees.  If relevant, administer and interpret advanced selection tools.  Communicate to candidates why and how selection tools are used; answer candidate questions.	Conduct interviews and other assessments to evaluate candidates.     Provide information on the quality of candidates.	Conduct interviews and other assessments to evaluated candidates.     Provide information on quality of candidates.	Complete necessary assessments and interviews.
"Sell" candidate on the job	Engage qualified candidates to keep them interested in the job.     Sell candidates on the benefits of the company as an employer.	Communicate to candidates about the opportunities of the job. Treat candidates with appropriate respect and courtesy.	Communicate to candidates about the opportunities of the job. Treat candidates with appropriate respect and courtesy.	Ask questions about the job and express career preferences.

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STAGE	RECRUITER ROLE	HIRING MANAGER ROLE	CO-WORKER ROLE	CANDIDATE ROLE
Make the hiring decision	Provide advice on strengths and weaknesses of candidates.	Take ownership for the final hiring decision.  Explain to recruiters why candidates were or were not considered acceptable.	Provide advice on strengths and weaknesses of candidates.	Accept or decline offer.
Onboard newly hired employees	Provide guidance to candidates and hiring managers on steps required to bring a new employee onboard.  (Optional) Manage certain new hire administrative tasks.	Ensure steps are taken so new employees can quickly get up to speed.	Engage new employees; make them feel welcome.	Participate in on-boarding process.
Track post-hire performance	Collect data on performance and retention of candidates after they have been hired.  Evaluate effectiveness of recruiting methods based on performance and retention of newly hired employees.	Provide data on the performance of newly hired employees.		

#### 5. How will we source candidates?

You cannot hire the best candidates for the job if they never apply in the first place. Sourcing candidates is one of the key differentiators of a highly successful recruiting process. Companies that excel at finding and attracting the best candidate not only improve the productivity of their own workforce, they also deprive their competition from finding and securing top quality talent.

There are a wide variety of approaches for sourcing candidates. Table 4 lists several of these approaches and their relative strengths and weaknesses.

	OURCING ETHOD	STRENGTHS	WEAKNESSES	TENDS TO BE MOST EFFECTIVE WHEN:
	mployer dranding	<ul> <li>Impacts large numbers of candidates.</li> <li>Attracts candidates the company might not otherwise reach.</li> <li>Can integrate with and support other company branding efforts.</li> </ul>	<ul> <li>Takes a long time.</li> <li>Marketing costs can be significant.</li> <li>Impact is hard to track; does not tie to individual hires.</li> <li>May attract large numbers of poorly qualified candidates.</li> </ul>	Hiring large numbers of candidates over many years.     Seeking to create awareness among certain candidate pools.
	ding Talent Pools	<ul> <li>Critical for creating talent pipelines and shortening time to hire.</li> <li>Builds strong relationships with key groups of candidates (internal or external).</li> </ul>	<ul> <li>Expensive to maintain relationships over time.</li> <li>May be difficult to pre-qualify candidates for inclusion in talent pools.</li> <li>Can be a challenge to maintain the quality of talent pools.</li> </ul>	A tendency or preference for hiring candidates from the same sources exists.      There is a strategic focus on hiring candidates with certain common characteristics (e.g. demographics, educational credentials).
Job	b Posting	Quick and easy way to reach large number of candidates.     Jobs can be posted on sites visited by very specific types of candidates.	Often some of the best candidates are already employed and do not look at job postings.  Can be expensive depending on the site.  May attract large numbers of poorly qualified candidates.	Hiring for jobs with very clearly defined qualifications and hiring criteria. Hiring for jobs in a certain specialized area where there are career-specific, technical job sites.

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SOURCING METHOD	STRENGTHS	WEAKNESSES	TENDS TO BE MOST EFFECTIVE WHEN:
Professional Recruiting	Leverages seasoned professionals who may have extensive networks of candidates and strong recruiting skills.	Expensive.     Outside recruiters may be more focused on filling positions that hiring high quality employees.	Hiring for specialized technical and leadership positions where candidates tend to be scarce and/or already employed elsewhere.
Social Networking	Taps into professional networks maintained by current employees.  Attractive because best hires often come from employee referrals.  Relatively inexpensive.	Only works if existing employees have contact with the kinds of candidates desired.     Can be time consuming.	Hiring for technical or industry- specific positions where the best candidates are probably one or two degrees of separation from existing employees.
Career Pathing	Creates a talent flow within the organization.  Usually less expensive and more successful than external hires.  Increases retention within the company.	Best candidates may not necessarily be current employees.     Creates vacancies within the organization due to moving talent.     Requires investing time and resources into developing internal talent.	Hiring for positions where there are clear career paths within the company.      Hiring for positions where familiarity with the company is critical to job success.

**Employer branding** uses marketing techniques to build a company's reputation as a good place to work among a large segment of potential candidates. For example, companies interested in hiring engineers might sponsor events at university engineering schools or place ads in engineering trade journals that reinforce the benefits of working for the organization. There are many techniques for building an employer brand, but the most successful employer branding campaigns tend to have two things in common:

- 1. The company has clearly defined the "brand" message it wants to convey based on the kinds of candidates it wants to attract. A good employer brand will uniquely differentiate why someone would want to work for one company vs. another that hires for the same types of jobs at the same basic salary.
- 2. Careful thought has gone into which candidates to target with the branding message. The goal is not to encourage all job candidates to apply. It is to encourage qualified candidates with certain characteristics to apply, while possibly even actively discouraging candidates whose attributes might not be a good fit.

**Building talent pools** involves maintaining relationships with groups of potential candidates for future jobs. Talent pools may consist of students, job seekers, and/or current employees who possess certain skills or experience desired by the company. These pools serve as a first source of candidates when there is an opening. One of the major factors to consider when building talent pools is how much focus to place on internal versus external candidates. Many companies overlook their existing employee population when sourcing talent, although internal employees are often the best source of candidates.

**Job postings** are advertisements that communicate job opportunities via online job boards, websites, or newspapers. There is usually a fee for posting jobs on specific sites.

**Professional recruiting** refers to using full-time, professional recruiters to actively seek out potential candidates. Professional recruiting may be supported by in-house recruiters or external, contingency-based recruiting organizations.



**Social networking** means finding candidates by leveraging people's personal relationships. Networking increasingly uses technology such as Linked-In, Twitter, Facebook to communicate job opportunities to potential candidates, and it is rapidly becoming a dominant method for sourcing candidates. There are several advantages to this approach. First, most people in professional or specialized roles get hired into jobs based on personal referrals. Second, networking tends to result in the hiring of individuals who are already known and trusted by people in the company. This helps create a stronger social bond within the company and tends to decrease turnover, since people like to work with colleagues whom they also consider to be friends.

Career pathing refers to helping existing employees develop skills so they can assume jobs within the company that provide increasing levels of responsibility. This includes succession management, the process of identifying and developing high potential employees within the company to assume leadership positions.

The sourcing strategies that make the most sense for any given situation vary depending on the type of jobs being filled, the size and location of the hiring organization, and the depth of the recruiting resources available. No single sourcing strategy is the "best." The most effective recruiting processes leverage a mixture of sourcing methods to maximize the probability that the right candidate will apply for the right job at the right time.

That being said, it is important to consider the preferred communication medium of the candidates being targeted, which may differ significantly based on candidates' ages. (See sidebar, "Generational Differences and Recruiting.") It's also important to consider how much emphasis will be placed on filling positions with internal vs. external candidates.

#### Generational Differences and Recruiting: Saying the Same Things Differently

Considerable energy is spent discussing differences between generations and how this affects recruiting. This is not new. As long as there have been adults and children, one group has been emphasizing how "different" they are from the other.

There are significant research challenges to figuring out whether generations truly are different when it comes to jobs. Apparent generational differences may simply be due to differences in the lifestyles people have at different ages. What people want from work when they are 20 and single tends to be different from what they want when they are 40 and married with two kids. Apparent generational differences could also be due to changing economic conditions. Employees currently in their 20's may act differently from how older workers acted when they were in their 20's simply because when older workers were in their 20's the labor market and the economy were much different.

Some of the more rigorous research on generational differences and employee behaviors suggests that what people fundamentally want from a job has not changed much over the years. Regardless of generation, most workers are looking for jobs that provide some sense of challenge and career growth, fair compensation, a reasonable level of work-life balance, and some degree of stability. What does appear to change considerably across generations is how people communicate. In particular, there are big differences in candidates' preferences and expectations for using the telephone, e-mail, social media, or some other method to interact with employers. Even if a company's recruiting message remains constant across candidates from different generations, the way it is communicated may significantly influence how candidates from different generations interpret that message.



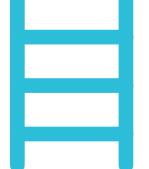
#### 6. How will we select candidates?

The staffing assessment methods used to determine who should receive a job offer are central to increasing quality of hire. Table 5 lists a variety of tools that can be used for candidate selection. Which methods should be used will vary depending on the nature of the job and the depth of the hiring company's resources. In most cases, investments spent to improve the accuracy of selection decisions will generate significant ROI as a result of increased post-hire productivity and retention. Even small increases in hiring accuracy can pay off in major rewards over time.

Table 5

PHYSICAL EXAMS	
Drug screens	Use medical screening procedures to detect whether candidates have used illegal or controlled substances (e.g. urinalysis, analysis of hair samples).
Physical Ability tests	Require candidates to perform physical tasks such as lifting weights, completing cardiovascular exercises, or demonstrating flexibility.
BACKGROUND INVESTIGATIONS	
Criminal Record Checks	Search public records and private databases to determine if applicants have any prior criminal convictions.
Social Security Verification	Search online databases to ensure that a candidate's social security number is valid.
Reference Checks	Collect information from former employers or academic institutions to verify previous employment status (and possibly job performance) as well as educational credentials.
Credit Reports	Contact credit reporting agencies to obtain information about a candidate's financial history.
RESUME SCREENS	
Electronic Recruiting Agents	Search the web for qualified candidates based on keywords found in resumes posted on internal or external career boards.
Resume Capture & Reviews	Evaluate candidates based on the content of resumes they submit directly to the company or resumes posted to web-based job boards.
INTERVIEWS	
Unstructured Interviews	Evaluate candidates by having a discussion with them about topics that seem relevant to the job.
Structured Interviews: Motivational Questions	Evaluate candidates by asking pre-defined questions about interests, career goals, and plans.
Structured Interviews: Situational Questions	Evaluate candidates by asking how they would respond to hypothetical situations similar to those they may encounter on the job.
Structured Interviews: Behavioral Questions	Evaluate candidates by asking them to describe experiences and accomplishment that relate to things they will have to do on the job.

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SELF-REPORT MEASURES			
Pre-Screening Questionnaires/Weighted Application Blanks	Ask very direct questions to candidates to determine if they possess specific skills, experiences, or credentials needed to perform a job (e.g. "Are you willing to work weekends?" or "Have you ever used MS Excel").		
Personality Questionnaires	Ask candidates a series of self-descriptive questions about their likes, preferences, behaviors, and past experiences that reflect personality traits associated with job performance.		
Integrity & Reliability Tests	Ask candidates about beliefs, preferences, and experiences that reflect a propensity for counterproductive behavior.		
Biodata Inventories	Ask questions about previous life experiences and accomplishments that show statistical relationships to job performance.		
Culture & Work Environment Fit Inventories	Ask questions about job preferences, values, beliefs, and desired work environment to predict organizational commitment and job satisfaction with a specific job or company.		
KNOWLEDGE, SKILL & ABILITY TESTS & SIMULATIONS			
Ability Tests and Measures of Problem Solving Aptitude	Predict ability to solve problems and interpret information by asking applicants to solve questions that require processing information to arrive at logically based conclusions.		
Knowledge & Skills Tests and Measures of Past Learning Achievement	Assess familiarity and mastery with regard to specific types of information or tasks (e.g. knowledge of accounting rules, ability to use certain software programs, typing skills).		
Job Simulations, Assessment Centers, and Work Samples	Use audio, video, computer simulations, and/or human actors to recreate actual job situations and then assess how candidates react to these scenarios.		

One selection method used in virtually every recruiting process is the interview. Given the prevalence of interviewing, companies can reap significant benefits by finding ways to maximize the efficiency and effectiveness of the interview process. There are many ways to do this, ranging from designing pre-set interview questions to providing manager training on how to conduct an effective interview. The following are two of the simplest and most impactful ways to improve the interview process:

Support collaboration and coordination among multiple interviewers. Most candidates are interviewed by several people within the organization. It is important to coordinate interviews so candidates are not asked the same questions multiple times by multiple people. There should also be an efficient way to collect and collate interview results to ensure a fully informed final hiring decision.

Structured interview guides. Considerable research demonstrates the benefits of using structured interview guides to systematically assess candidates. With this in mind, it is useful to create structured interview tools that ensure interviewers are asking the right questions about the right topics (and avoid questions that might put the company at legal risk).

The last area to be addressed when designing selection methods is determining what data will be used to evaluate the accuracy of selection tools over time. Many companies assume the hiring process ends shortly after an employee accepts a job. A better practice is to extend the hiring process so it includes new employee tracking for a year or more after the hire. If an employee is fired or quits within the first year, it is usually not a matter of bad management. It is probably the result of hiring someone who never should have been given the job in the first place. With this in mind, it is valuable to think through the following questions to ensure you have a method in place to steadily improve the accuracy of your hiring decisions.



- What data will be collected on employees post-hire to ensure they are performing at or above an expected level?
- How will retention of newly hired employees be tracked and used to improve hiring performance?
- Will this tracking include noting whether these employees are ultimately promoted to position with greater levels of responsibility?

#### 7. How will we get newly hired employees up to full productivity?

Companies initially lose money on newly hired employees. It can often take several months before they "know the ropes" well enough to make a real contribution. They are certainly not adding value to the company if they are spending their time figuring out where to sit, who their team members are, or how to fill out their healthcare benefit plans. It is therefore important to make the on-boarding process as quick and efficient as possible. High performing employees in particular find the on-boarding phase frustrating. They want to get up to speed and contribute to the company as fast as possible. If it takes too long to become productive, they may even quit.

There are three basic categories of new hire on-boarding:

Administrative on-boarding focuses on the tactical details associated with establishing new employees in a company's payroll structure, benefit plans, office environment, and computer systems. While these actions are purely administrative, they can be a source of considerable frustration and inefficiency if they are not done well.

**Technical on-boarding** focuses on ensuring employees have the training, knowledge, and tools needed to perform their job. Depending on the job, technical on-boarding may take less than a day or more than a year. Companies that have extensive technical on-boarding requirements may want to link their recruiting technology to career development and learning management system technology.

**Social on-boarding** focuses on welcoming employees into the corporate "community" so they feel part of the broader corporate culture. It helps new candidates get to know the other people they work with in terms of their interest, experiences, and history. This is probably the most overlooked aspect of on-boarding, but it is very important for several reasons. Strong social ties with work colleagues play a major role in driving employee engagement and retention. Social networks also form a foundation for enabling effective teamwork, particularly in work environments characterized by high levels of change and role ambiguity. Fortunately, social technology tools now exist to help companies support social on-boarding in a consistent, scalable fashion.

"Best in class" staffing organizations recognize that the hiring process is not finished until the new employee is fully up to speed as a contributing member of the organization. Fully effective staffing processes to do not leave the employee on-boarding process to chance. They clearly prescribe and monitor actions to ensure newly hired employees quickly become fully productive and engaged members of the workforce.



#### 8. How will we keep employees after they are hired?

It is extremely expensive for organizations to go through the process of hiring candidates only to have them quit early into their tenure. Candidate turnover within the first year should probably be considered a failure in the staffing process, since something about the job and candidate clearly did not match. Retention after a year is more a function of how employees are managed and the career opportunities they see within the organization rather than staffing. Nevertheless, staffing organizations should also pay attention to the reasons why employees leave later in their careers and see if there are ways to impact longer-term retention levels through changes in the hiring process.

High performing employees are of special importance in this regard. Some of the main reasons they quit are:

- perceived lack of career growth opportunities within the company
- a sense of inequity around pay, promotion, and staffing decisions
- a general sense of misfit between their personal interests or work preferences and the characteristics of their manager, job or company culture

Staffing organizations should actively work with the leaders of other talent management processes such as compensation, employee development, performance management, and leadership development to ensure that the "employer brand" being promised to candidates during the recruiting process is fulfilled in the treatment of candidates after they are hired.

#### 9. How will we measure our success and improve the process over time?

Although this question is listed at the end, it could easily be considered as the first and most important for designing an effective staffing process. It's impossible to know if a hiring process is truly effective unless the criteria that will be used to measure staffing success have been defined. How do we know if we have made a good hire? How can we tell if our hiring process is efficient over the long term, and not merely in terms of time to hire? Answering these questions lies at the heart of creating a staffing process that is truly focused on business execution.

Table 6 lists several metrics that can be used to measure staffing effectiveness. These metrics should be reviewed with stakeholders and customers associated with the staffing process to decide which are most important, how data will be collected, and what actions will be taken based on the results. The metrics that are most important from a business execution standpoint are shown in red. All of these directly reflect how staffing programs impact workforce productivity.

#### Table 6

#### PRE-HIRE METRICS

- Number of Hires
- Applicant Volume
- Applicant Source
- Time to Hire
- Time-to-Fill
- Cost per Hire
- Applicant Quality
- Applicant-to-Hire Ratio
- Offer-to-Acceptance Ratio
- Applicant Demographics and EEO Statistics
- Applicant Reactions

#### **POST-HIRE METRICS**

- Productive Performance
- Counterproductive Performance
- Tenure
- Time and Attendance
- · Hiring Manager Attitudes
- Employee Attitudes
- Training Performance/Time to Competence
- Turnover Costs
- Employee Demographics and EEO Statistics
- Internal Promotions and Transfers
- Turnover Reasons



## Recruiting Process Maturity

Building a world class recruiting process can take years. It is important to approach recruiting process design as a continuous improvement journey rather than a one-time event. In particular, creating a strong employer brand or developing large pools of qualified candidates takes months or years, not weeks. Creating a recruiting process that's truly focused on business execution requires adopting a deliberate, systematic long-term approach toward process design.

Figure 3 illustrates the maturity phases organization often go through as they develop their recruiting processes from a reactive "filling of positions" approach to a proactive "maintaining a steady supply of high performing talent" approach.

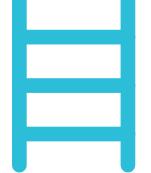
Figure 3. As companies mature, their approach to recruiting becomes increasingly proactive and strategic, as opposed to being purely administrative.

### 5. Maintaining talent pipelines

- 4. Forecasting future talent needs
- 3. Building talent pools
- 2. Selecting high performers
- 1. Filling open positions

**LEVEL 1: Filling open positions.** The first level of maturity is to establish efficient methods for filling open positions. This involves establishing methods to effectively create and track job requisitions and efficiently process candidates as they move through the hiring process. Achieving level 1 provides a stable platform to support the next levels.

**LEVEL 2: Selecting high performing candidates.** Level 2 focuses on implementing tools to improve the accuracy of hiring decisions. This may include integrating more sophisticated selection tools into the hiring process, but at a minimum should emphasize more effective interview processes. Level 2 forces companies to define what kind of candidates they wish to hire, which is a necessary requirement for getting to Level 3, building talent pools.



**LEVEL 3: Building talent pools.** This level focuses on creating internal and external pools of candidates that can be used to fill future positions. A key part of achieving level 3 is creating tools that provide the staffing organization with clear visibility into talent found within the company as well as outside of it.

**LEVEL 4: Forecasting future talent needs.** While level 3 provides a general sense of the amount of talent available to fill different types of jobs, Level 4 focuses on defining the gap between the talent that exists within the company and the talent that will be needed in the future. This is where workforce planning becomes critical.

**LEVEL 5: Maintaining talent pipelines.** Level 5 is the pinnacle of staffing based on business execution. At this level companies are able to focus on providing "just in time" staffing where positions are filled within days due to active forecasting of talent needs and pre-identification of qualified candidates. This is where staffing becomes a significant competitive differentiator for driving strategic success.

# Conclusion

This paper has described the features that characterize a business execution focused staffing process. It also includes questions and ideas that will help in designing the most effective staffing process for a particular organization. While there is no such thing as the "best" hiring process, there are similarities across the recruiting processes discussed in this paper that truly impact business success. Carefully considering the questions, concepts, and suggestions laid out in this paper will help in creating such a process.

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