Steps in Developing a Recruiting Strategy:

Part 2 of 2

From time to time Ascentii Executive Placement Solutions selects whitepapers and articles from external thought-leaders. This newsletter presents "Recruiting Managers, Do You Really Have a Recruiting Strategy?" by Dr. John Sullivan published in www.ere.net on Monday, November 15, 2004.   More information on Dr. Sullivan's work can be viewed at www.drjohnsullivan.com. Dr. Sullivan is also the editor of VP of HR, an e-newsletter providing "out of the box" solutions for senior HR managers. Free subscriptions can be obtained on his website.

8. Select your measurable recruiting goals.

Now that you know where the organization wants to go, it's important to set measurable goals that ensure that recruiting will make a major contribution toward the firm's and the HR's department's priorities. If you already have a current set of recruiting goals, start with them. Then add to the list any "new" goals that the changing business environment requires. Finally, delete any goals which are no longer necessary.

If you don't have a current set of goals to start with, you can begin designating goals by:

- Selecting a goal that corresponds directly with each major business goal.
- Requiring each individual recruiting program or service to set up its own set of goals.
- Trying "brainstorming," and using that process to identify other potential goals.

The first lesson to learn is to avoid setting goals that are vague or difficult to measure. Examples of bad goal setting might include "work smarter" and "pay attention to sourcing." Excellent goals, in contrast, are easily understandable and are always quantifiable and easy to measure. An example of an effective recruiting goal is: "Increase the applicant satisfaction rate in key jobs to over 90% being "very satisfied" with the recruiting process."

When finalizing goals, it is important to note that recruiting program goals can occur in each of five different measurement areas. Here are examples of each:

- Quantity (the number or volume of output) — e.g. "Hire 300 new engineers."
- Quality (did it work?, error rate, quality of any number) — e.g. "Have 25% of all new engineer hires rated as superior in on-the-job performance during their first six months."
- Time (when done, response time, time to complete, met deadline) — e.g. "Have 95% of these engineers hired within five days of their 'need date.'"
- Money (cost, revenue) — e.g. "Keep the cost per new hire below $4,000."
- Satisfaction (liked the process or result) — e.g. "Over 95% of all new hires are very satisfied with the process."

After selecting your initial set of goals, narrow them down to a manageable number. Make sure that every major recruiting program or service has at least one measurable goal. Many organizations further condense these separate recruiting program goals into a manageable number of strategic goals for the entire recruiting department.

9. Prioritize these recruiting goals.

Next, prioritize the goals you selected and developed in step 8 above. Even though everything you do might be important, there is seldom sufficient time or resources to do everything well. By prioritizing or weighting each goal, you make it significantly easier for recruiting managers to make resource decisions. Goals can be given a "weight" (where the weight of all goals add up to 100%); they can be listed in descending order of importance; they can be given an "A," "B," or "C" designation to mark their relative importance.

10. Determine the "passing score" for each recruiting goal or sub-goal.

For each goal that was identified in step 8 above, designate a numerical "failing," "passing," "very good" and "excellent" score. A numerical passing score tells a recruiting manager upfront what level of performance they must reach in order to be assessed as failing, passing, as very good or as excellent. By assigning a numerical score to a goal, you take away a lot of the guesswork in assessing whether a strategic recruiting goal was met or not.

11. Select your targets in each of the 12 elements of a recruiting strategy.

Recruiting strategies are complex and may contain up to 12 distinct elements. In order to develop a complete recruiting strategy you must make choices (select targets) in each of the twelve recruiting strategy elements:

- The primary goals of recruiting
- The prioritization of jobs
- The performance level to target
- The experience level to target
- The employment status of the candidate to target
- When to search
- Where to search
- Who does the recruiting
- Primary sourcing tools
- What skills to assess
- How to assess skills
- Primary selling points to offer

12. Identify the individual recruiting programs and services that must be strong in order to meet these prioritized recruiting goals and to "fit" the selected strategy elements.

The next step is to identify which recruiting programs must be changed or strengthened in order to reach the goals selected in step 8 and the strategy elements from section 11. The best way to do that is to identify the strengths and weaknesses in your current programs and service offerings through a recruitment audit.

Finalize your assessment by making "lists" of recruiting programs and services that fall into each of the following areas:

- Assess what you do really well right now and that you must keep doing. Identify your strong recruiting programs that directly impact your ability to meet your overall goals. Strong programs are designated as those that are well received by management and that also produce significant results that impact business goals.
- Assess what you do not do well now but need to do better in the future. Identify the "weak" recruiting programs that, even though they contribute directly to meeting your goals, need significant improvement before they can live up to your expectations.
- Assess what you are not doing at all now, but that you should be doing. Identify the new recruiting programs that you need to develop from scratch.
- Assess what areas of recruiting that you need to do better than your competitors in. First identify the areas within recruiting where what you do must be clearly superior to what your competitor does. Next, complete a competitive analysis to determine which recruiting programs need improvement in order to be superior.

The final list will contain recruiting programs that must be strengthened, developed, or eliminated in order to meet the goals that you have set in step 8. Incidentally, if you have selected a broader talent management strategy you need to also look at other closely related talent functions including compensation, orientation, relocation, branding, workforce planning and retention.

13. Determine what organizational structure is most appropriate, given the goals and the strategy elements that you have selected.

Effective strategy and implementation requires that the organization adopt the appropriate organizational structure. Those that are developing the recruiting strategy need to benchmark and understand which recruiting structure (shared services, centralized, decentralized, or "mixed") works best with the selected strategy, and what the appropriate staffing and requisition per recruiter levels should be.

14. Set your budget priorities around these prioritized goals and programs.

It's important to remember that a strategy development and goal-setting process that's independent of the budgeting and the resource allocation process will invariably fail. To ensure that goal setting and budgeting are aligned, start with the list of recruiting programs that must be added or improved from step 12 above. From those, make a list of the recruiting programs and services that are the most important (given your prioritized goals from part 9).

Then, work with your finance person and the recruiting program managers in order to determine which programs and services:

- Require a change in focus.
- Require a budget increase if you are to reach your designated goals.

- Require a headcount or increased time increase if you are to reach your designated goals.
- Should have no change in budget.
- Should have a decrease in their budget, to aid you in reaching your designated goals (i.e. cost containment, increase productivity etc.). These are the items that you should "not do" or that you should "stop doing."
- Require or can make a quantum improvement with the addition of technology.

15. Determine the major roles and accountabilities for accomplishing your recruiting goals

Setting and prioritizing goals will not by itself ensure success. You can dramatically improve your chances of meeting and exceeding your program goals if you also clearly assign roles and accountabilities to each goal and program. This ensures that everyone involved (both line managers and recruiting professionals) knows who "owns" the responsibility and who will be rewarded or punished if the goal is not met. You should also identify what experience, competencies, and skills each responsible individual will need in order to be successful.

It's also important to remember that you can increase the likelihood that your goals will be met if you develop processes for coordinating recruiting programs and services that rely on each other for success. Functional "silos" within the recruiting department can severely hamper your success. Fortunately, shared metrics between recruiting units or interdepartmental rewards can help ensure that those working on completely separate goals and programs still coordinate and work together.

16. Set task deadlines and effectiveness metrics for each major task.

You can dramatically increase the chances that your strategic goals will be met if you develop timelines or program milestones to guide the process.

Timelines (including beginning and ending dates) for each major strategic goal and recruiting program should include periodic assessment points. These periodic assessment points help to ensure that the goal or program is on time, under budget, and making sufficient progress to ensure that the passing score measure will be reached by the end of the strategic implementation period.

While developing these milestones, be careful to include only the major ones, so that your overall timeline doesn't get clogged, making it difficult to use and understand. There should also be a reporting mechanism set up to ensure that managers are periodically provided with metrics and are informed of program progress throughout the year.

17. Institute a "fresh eyes" review of your draft recruiting strategy.

After completing your draft strategy, it's important to have it reviewed and critiqued by individuals who were not involved in developing the strategy. It's best to have the strategy reviewed by at least one individual in finance, by several "line" managers, and where feasible, by an outside neutral consultant. Revise the draft strategy based on the feedback that you

get from these "fresh eyes" individuals. The next review step is to have the strategy approved by senior management. Revise it one final time and then implement it.

18. The final step: Schedule a mid-course strategy review.

Even the best recruiting strategies can lead to failure if they are inflexible. This is because business strategies, HR strategies, and any "assumptions" about external business factors can change after the initial recruiting strategy is implemented.

As a result, it's critical that you set periodic times to review the implement strategy and the results it is producing. I recommend at least two mid-course reviews. Obviously, at the end of the strategy year, you should also review your overall results and reward the individuals involved in developing the successful recruiting strategy. It's important to have this "feedback loop" in order to ensure that your strategy development process improves each year.

If the modern business world were static, it would be enough that you dedicated time and effort to craft a recruiting strategy. But the world is not static, and the recruiting strategy you just invested so much time and energy in will be virtually useless if you don't put into place a process to revisit it, update it, measure its impact, etc. In short, without a method to audit your recruiting strategy you might as well not even craft a strategy to begin with.

Recruiting is just like any other important business function. If it doesn't start with a sound plan and strategy, it is destined to wallow in mediocrity.

Improving Execution by Auditing Your Recruiting Strategy

No matter how good your initial strategy is, it will over time need to flex. This need for flexibility is based on the fact that the assumptions about external business factors and data that help form your conclusions can and do change. That's why it's critical that you set periodic times to review or audit the implementation or execution of the strategy and the results it is producing.

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Increasing Your Chances of Successful Execution

In order to increase the chances that your strategy will be executed successfully, you must develop a process for making sure that the strategy directly influences other key recruiting processes, such as resource allocation, service priority, and internal rewards and recognition systems. You also must ensure that all of the necessary individuals have access to a usable copy of the strategy. (Making a strategy usable is a topic worthy of its own book, but for the purpose of this article, usable means that it is in a form that is easy for others to refer to periodically, be it in print, multimedia, or online format.)

You must also set up at least one midpoint revision to revisit the strategy and its goals. This step is important because most strategies can be improved (and thus you can improve

recruiting's chances for reaching its goals) if the strategy is refined utilizing the knowledge and experience that are gained during the first months of its implementation.

Auditing Your Recruitment Strategy

Whether you have just developed a brand new recruiting strategy or are attempting to improve and refine a current one, it's important to undertake a "strategy audit" to ensure that the strategy you painstakingly developed is being successfully executed.

The great majority of the recruiting strategies that are developed are never fully implemented. In fact, most documented strategies are immediately relegated to someone's top bookshelf and never used. Others fail to have the desired impact because the operational processes within HR and recruiting do not change to mesh with or support the strategy.

In order to increase your success rate, you should audit your strategy every three to six months.

Elements of a Strategy Execution Audit or Midcourse Assessment

The following strategy audit checklist can be used as an assessment tool for any recruiting strategy, be it one recently redeveloped or one newly created.

Part 1. ROI and Meeting Your Goals

- **ROI.** Compare the ROI on recruiting activities to date with the pro-rated ROI that was planned or targeted for the year.
- **Goals met.** Identify how many stated goals have been fully achieved. For those which have not fully achieved, identify to what percent they have been achieved.

Part 2. Strategic Elements

Awareness of the strategy. Assess whether the strategy has been widely distributed and completely understood by everyone who participates in the recruiting process. Ask a random sample of hiring managers and recruiters to repeat the key elements of your strategy in order to assess their awareness and understanding of the strategy.

Competitive analysis. Assess how your strategy is superior to your competitors' recruiting strategy and execution. Has a competitive analysis (a side-by-side comparison) of your direct talent competitors' recruiting programs been completed? Have changes been made in your strategy or execution based on what your competitors are now doing?

Shift in assumptions. Recheck any assumptions about environmental factors to ensure that they are still accurate. Assess whether the strategy needs to shift its approach as a result of changes in the economy, changes in business goals, and what your competitors are doing.

Ownership. Has your strategy and its implementation convinced line managers, teams, and employees to take "ownership" of recruiting? Ask a sample of your managers and your employees who is responsible for hiring in order to determine if a majority of managers answer that they and their employees "own" and are responsible for effective recruiting, rather than HR.

Technology utilization. Does recruiting utilize the latest technology, your intranet, and the web to reduce costs and increase recruiting effectiveness? Assess whether databases can talk to each other and whether all new recruiting programs involve technology. Is more than 75% of recruiting administration self-service, outsourced, or automated?

Competitive intelligence gathering. Does the competitive intelligence gathering system (and its tools) continuously tell you what the competition is doing in recruiting and retention?

Market research. Has periodic market research (surveys, focus groups, interviews) been conducted in order to identify the decision factors top performers use when they decide to consider another job (or the criteria for accepting a new job when they already have a good one)? Has that information led to an increased hiring and closing rate?

Continuous improvement. Assess whether your recruiting and selection systems have a learning feedback loop that guarantees you learn from (and change your approach as a result) successful and unsuccessful hires and offer turndowns. Do you have a formal, continuous-learning, benchmarking and knowledge-sharing system that keeps your staff up to speed on the latest tools, strategies and industry intelligence? Is there evidence that the best practice sharing system is working?

Part 3. Coordination With Other HR Units and Processes

Strategy and budget alignment. Assess whether budget and recruiter time allocations are being spent in direct proportion to prioritized goals and customers. Budget dollars and recruiter time should be spent in direct proportion to your strategic priorities.

Cooperation with recruiting. Assess the degree of cooperation between recruiting and other HR functions, and the degree of cooperation within the recruiting function, through a survey that asks to what extent people find each of the related functions to be cooperative and responsive.

Coordination with compensation. Do your recruiting strategies synchronize with your firm's compensation strategy? Is there evidence that the compensation department is closely coordinating its work with recruiting in order to ensure rapid and effective offers?

Coordination with retention. Are your recruiting strategies integrated into your firm's top-performer retention strategy? Do recruiters get notified when a recent hire quits or is terminated?

Coordination with orientation. Are your recruiting strategies integrated into your firm's orientation programs and tools?

Coordination with training and development. Are your recruiting strategies integrated into your firm's training and development strategies and tools? Is there evidence that new hires are immediately getting the appropriate training and development in order to rapidly bring them up to speed?

Coordination with executive search. Assess whether there is an increased level of improvement between traditional recruiters and in-house/third-party search firms. Assess whether the right proportion of high level jobs are allocated to the most effective group.

Part 4. Recruiting effectiveness metrics and rewards

Metrics distribution. Do you distribute monthly results metrics for all important aspects of recruiting to all managers and recruiters, in order to raise their awareness and cause a behavioral change that gets them to act differently?

Time to fill. Has a review of approvals and recruiting processes been completed so that the recruiting bureaucracy is reduced and hiring decisions can be shortened to a shorter period (e.g., less than 30 days)?

Quality of source. Has management periodically assessed the performance (quality) of hires from each source and then reduced the usage of less-than-effective sources (e.g., Internet job boards and newspaper ads) that flood the system with mediocre people? Identify what percentage of key jobs are sourced through the most effective sourcing channels. Is a majority of your "attracting" budget (and tools) focused primarily on the unemployed and the active job seeker, rather than top performers that are currently working at competitors?

Diversity goals. Have you identified the best sources and tools for diversity candidates? What is your success rate in filling key management and executive jobs with diverse candidates?

Employment brand. Assess how effective your employment branding campaign has been in building the awareness among your target population that your company is a great place to work. What success have you had in getting on best-place-to-work lists and speaking at conferences and industry events? Assess whether recruiting coordinates events with PR in order to improve the brand and increase the applicant flow as a result of any good press coverage.

Rewards. Assess whether recruiters and managers are measured and rewarded for effective recruiting. Determine whether bonuses are being allocated in line with strategic priorities and goals.

Manager and applicant satisfaction. Do you have customer service and satisfaction measures for ensuring that you satisfactorily treat applicants like potential customers? Have those satisfaction rates steadily increased?

Time to productivity. Do you calculate the time it takes for a new hire to reach the needed level of productivity (time to productivity), and has that time to productivity steadily decreased? Is there evidence that the orientation and on-boarding functions are contributing to a decrease in time to productivity?

Forecast accuracy. If your strategy and strategic plan include workforce forecasts, assess whether workforce plans or forecasts are within the acceptable accuracy range.

Pre-need hiring. Have the pre-need systems that calculate the need to "pre-hire" been effective? For what percentage of positions does sourcing and hiring begin before a requisition is issued or approved, in order to ensure hires can start on the day they are needed?

Website effectiveness. Is there evidence that your firm's website actively "discourages the average" from applying to your firm, thus minimizing the number of applications, legal issues, and paperwork? Has the application completion and hiring rate improved among website hits?

Global recruiting effectiveness. Do you have true global hiring capabilities that allow you to hire the best experienced and college hires from each of the countries in which you have major facilities? Is there evidence that the percentage of hires from global sources has increased?

Individual contribution. Recruiting strategies are more effective when everyone cooperates. It's important to assess teams and functions, but it is equally important to assess individuals on how well they are contributing to the execution of the recruiting strategy. This can be part of the normal performance appraisal, but it can be done more effectively in one-on-one meetings that specifically ask team members to present evidence of their cooperation and contribution to successful strategy execution. This should be a data-driven session rather than an informal discussion.

Cost effectiveness of the hiring process. Most firms measure their cost per hire, but that metric leaves out the all-important factor of new hire productivity and contribution. Assess not just the cost of hiring but also the impact that new hires have had on increasing business output and revenue. It is almost always more difficult, time consuming, and expensive to recruit top performers than it is to recruit average performers. It's essential that your audit "connects the dots" between recruiting costs and the performance of new hires on the job.

Conclusion

Some studies have shown that just by having a strategy in place you can improve your organization's effectiveness by over 50%. But you can't just assume your strategy is working, because if you do, you might end up wasting a lot of time, money, and effort.

The strategy execution audit or mid-course assessment that is outlined above can be used to ensure your strategy is working. It can also be used as a mechanism for auditing the recruitment function independent of any emphasis on strategy. The key to success is to not just to assume something is working, but rather to have a formalized process of checking to ensure that it is.

Obviously, after you complete the audit, it is essential that you revise either your processes, tools, and programs or the initial strategy itself. Nothing in recruiting should be considered sacrosanct or etched in stone.