

Measuring Recruiting For Business Results

John H. Supplee

Recruiting is defined in The American Heritage Dictionary as “to supply with members or employees.” In our view, this falls short of what recruiting is all about! The Supplee Group defines recruiting as “the activity that provides the delivery capacity of the enterprise”! Irrespective of industry, technology or geography, recruiting must supply this mission critical delivery capacity of the enterprise. People supplied through the recruiting process are this essential delivery capacity for the organization’s products and/or services! Despite the state of the economy there is still a lot of current recruiting activity. Company’s still have to fill positions open from normal attrition, people are still retiring, and business growth in many sectors is necessitating recruiting and hiring. Given that there is still a lot of activity and with technology impacting traditional recruiting processes, what is the best measurement of recruiting performance? After all, we are talking about the organizations delivery capacity!

Traditional recruiting measurement metrics fall short of measuring what really counts in the pursuit of this critical delivery capacity! These traditional metrics include cost-per-hire and time-to-fill. These are somewhat interesting but are not the really important measurement of recruiting performance! For example, what good is a very low cost-per-hire if revenue producing positions remain unfilled for long periods of time? That’s revenue that the organization forgoes and there are huge less quantifiable costs in end-customer dissatisfaction, lost productivity, strain on staff and consumption of management time. Cost-per-hire can be penny-wise and pound-foolish! The same can be said of time-to-fill as a key metric in measuring recruiting effectiveness! A low time-to-fill is interesting, but the real metric should be how productive and effective are the new recruits...and what is their turnover rate? The core problem with the traditional recruiting metrics is that they are “inside looking out”! In other words they are very specific to the recruiting function and far less specific to the conduct of the business as a whole and the delivery of products and/or services to the ultimate end customer. That is where the revenue for the organization is generated and that end customer is the reason d’être for the organization!

Recruiting for business results means focusing on the delivery capacity for the organization and the ultimate customer more than internal recruiting department metrics! We suggest that the real metrics that matter for recruiting effectiveness come from taking an “outside looking in” approach to the function. In other words, define what is most important to the hiring managers who are responsible for the actual delivery of the organizations products and/or services! Sure they care about the aforementioned recruiting department metrics but they are primarily focused on the delivery of products and/or services to the end customer! Here are some tactics and metrics to raise the recruiting impact from simple job-filling into recruiting for business results:

- Use internal customer satisfaction as a performance metric. Develop a process of surveying hiring managers regarding their level of satisfaction with recruiting. The very best and simplest way to do this is to get out of the recruiting department and walk down the hall and visit the customer!

- Recruiters should follow-up with new hires and hiring managers at regular intervals after the hire is made, for example at 30, 60 and 90 days. Get feedback on how it's going, what's working, what isn't, and if there were any unforeseen surprises. How is the employee performing? Key findings can be incorporated to refine the recruiting approach and the on-boarding process. This is the ultimate metric to measure recruiting effectiveness!
- Recruit 100% of the time. Recruiting organizations frequently suffer from costly stops and starts. Don't wait for a requisition to hit the computer screen, recruit in advance of needs. If possible, the recruiters should sit in on sales and operations meetings to understand requirements in advance of actual needs. In the professional services sector, this would include sitting in on capture meetings and pipeline reviews, so that activity to populate proposals and staff projects can be commenced well before the actual need.
- Retention rates...what are the turnover rates of new hires in the first year. Quite often, we find that there are expectations set in the recruiting process that are not met and lead ultimately to costly employee turnover!
- When you are mining for gold and find a diamond, pick it up! If during the sourcing phase of recruiting, a unique candidate with valuable skill sets is surfaced who can be of value to the enterprise, the recruiter should bring it to the attention of the appropriate hiring manager. Even if there is no open position or requisition, it is not uncommon for an organization to create a position to capture rare hard-to-find talent!
- Clearly define the recruiting "brand identity" of the organization. Top candidates need to see a compelling reason to join an organization, or even to come to an interview. There is a war for talent out there and despite the current economic conditions; there is not necessarily a vast pool of qualified talent with the requisite skills, clearances, technologies etc. Be able to provide a compelling reason for a candidate to engage with your organization!

These are just a few tactics and metrics that will help to raise and evaluate recruiting from a simple job filling focus to recruiting for business results! The value is in the point of view. Take the perspective of outside looking in, measure recruiting performance from the customer's perspective and business results are sure to follow!

John Supplee brings over 25 years of Human Resource experience to address the unique people issues and concerns in your organization. John is managing director of The Supplee Group, LLC (www.suppleegroup.com) and the creator of the proprietary methodology ART® that enables organizations to quickly make significant improvements in their ability to attract and retain mission-critical talent. If you would like to learn more about recruiting for business results, please contact John Supplee at john@suppleegroup.com or call (703)406-1640.