



## 10 Questions to Assess Recruiting Effectiveness –

# Building a Great Organization is Getting the RIGHT PEOPLE On Your Team... FIRST YOU HAVE TO FIND THEM!

*A Special Report For HR Managers, Business Owners, Entrepreneurs, or Anyone Who  
Is Responsible For the Recruiting and Hiring for Their Business*

Business leaders agree that hiring qualified, productive employees is one of the critical foundations for growth and profitability, and they also acknowledge that recruiting good employees is one of their top challenges. Managers report the following recruiting problems:

- Recruits don't perform as expected
- Recruiting takes too long
- Recruit turnover is too high
- Recruiters cost too much

When assessing your own organization, consider the following:

1. Are the candidates you hire meeting or exceeding job expectations?
2. What is it costing your business to hire people that are not meeting expectations?
3. Do you suffer from high employee turnover?
4. What is the cost of this turnover and how does it compare to your competitors?
5. How much are vacant positions costing your business?
6. Do you use a proven, employee profile with the qualifications and characteristics necessary for job success and satisfaction?
7. Does your interview and selection process separate performers from pretenders?
8. Can you use recruiting strategies that deliver qualified candidates and cost significantly less than traditional recruiters or newspaper advertising?
9. How do people who are currently employed look for new opportunities?
10. What are some of the key competencies you need to build internally or when would you engage a recruiting firm?

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### **Question #1. Are the candidates you hire meeting or exceeding job expectations?**

Millions of business owners have discovered the hard way that the ideal candidate they hired has a hidden flaw or no motivation to do the job. When too many people don't perform, companies lose profits, market share, and sales. Morale suffers, and restructuring only makes things worse. If the candidates you hire are not meeting job expectations, you need to determine whether the problem is recruiting related or not.

If the recruits are the main problem, then you need to address the deficiencies in your recruiting system.

### **Question #2. What is it costing your business to hire people that are not meeting expectations?**

Because the cost of poor performance can be so significant, quantifying those costs is a good way to justify investing in a better recruiting system. So do the numbers, and you will have a strong case for improving your recruiting efforts.

**Question #3. Do you suffer from high employee turnover?**

High turnover is a serious problem because it affects so many areas. Recruiting and training costs are usually significantly higher in companies with high turnover, and productivity, quality, and service are significantly lower.

Other business issues such as poor training, bad management, or an uncompetitive business position can cause high turnover, and these issues must be addressed. Assuming the turnover is recruiting related, you need to identify the causes. Typically they fall into the following categories:

- Not having a clear profile of the skills and characteristics required for success
- Looking for candidates in the wrong places
- Rushing the recruiting and selection process because you're too busy with other activities
- Poor interviewing skills that do not separate people who will perform from people who will not perform
- The selection process allows candidates with serious flaws or mismatched motivation to get hired.

**Question #4. What is the cost of this turnover and how does it compare to your competitors?**

Employee turnover increases recruiting and training costs; these direct costs make investments in reducing turnover easy to justify. Factor in the indirect costs such as lower productivity, poorer service, and lower quality, and reducing turnover becomes a critical priority for businesses that have higher turnover than competitors.

Because employer turnover is so costly, businesses need to understand how they compare to competitors. If a competitor has significantly lower turnover, it costs will not only be lower, but also its service and quality will be better. The company with lower turnover can therefore have happier, more loyal customers, and loyal customers are profitable customers. Companies with high turnover and poor service lose customers whereas companies with lower turnover gain market share.

**Question #5. How much are vacant positions costing your business?**

In today's competitive, cost conscious environment, rising productivity allows companies to produce more

work with fewer people. Still, when necessary positions are vacant, both the businesses, employees and customers suffer. When you figure the cost of poor performing employees, you can also calculate the direct and indirect costs of having open positions. Unhappy customers, stressed out employees, and lost business are the consequences of a slower than necessary recruiting process.

While it is foolish to shortcut the process if you end up hiring the wrong people, it makes sense to examine your process and understand how it compares to best practices in your industry and in others. Find out what others are doing to hire qualified people quickly, and talk to experts who can help you evaluate your process.

**Question #6. Do you use a proven, employee profile with the qualifications and characteristics necessary for job success and satisfaction?**

Use of an ideal employee profile is common practice at successful companies. Companies have a job description that defines the duties, responsibilities, experience, skills sets required and compensation, but they don't identify the behaviors and attitudes required for that same success. They don't define the person they are looking for, merely the position. If you use a profile that has not been updated in the past year, review the profile with current requirements and compare it against your most productive people to make sure your profile is up to date.

If you do not have a clear profile of the skills and characteristics required for success in a given position, develop one and use it in your recruiting process. If you do not have experience developing such profiles, consult a recruiting expert who will take the time to understand your business and develop the profiles you need. A good profile includes not only knowledge and skills but also job motivations, behaviors, and organizational fit.

**Question #7. Does your interview and selection process separate performers from pretenders?**

With so many people misrepresenting themselves on resumes, interviewers need to use techniques that separate performers from pretenders. Effective employee selection combines a proven employee profile and a valid interview process. Employee selection has been studied extensively by scholars and consultants; choose a selection process that has been validated in dozens of studies to identify the people that match a job profile and will actually do the job and fit in the organization.

Unlike stock market performance, past employee behavior is a good predictor of future employee behavior, and it is critical that interviewers use methods that uncover how people behaved in a specific situation.

Because people are not thorough if they don't follow a process, the best interview processes:

- use a method to ask the series of questions that uncover past behavior
- use forms that contain both effective questions and a place to document the interview
- use multiple interviewers and a system for sharing information that prevents interviewer impressions or incomplete interviews from uncovering hidden flaws or mismatched motivations.

**Question #8. Can you use recruiting strategies that deliver qualified candidates and cost significantly less than traditional recruiters or newspaper advertising?**

While it may make sense to use an expensive executive recruiter with extensive personal networks and recruiting skills to find a CEO, the Internet has made it possible for companies and recruiters to find highly qualified candidates from executives to hourly workers at significantly lower costs. Traditional recruiters can cost up to 30% of a candidate's first year compensation, so unless other recruiting cannot deliver a comparable candidate, it makes sense to investigate lower cost alternatives that are effective.

The question is "where do you spend your advertising dollars?" Are those dollars being spent to target top talent to your company and well as advertise your products and services?

**Question #9. How do people who are currently employed look for new opportunities?**

In a recent study that focused on where people spend their time vs. where companies spend their advertising dollars, the ad dollars did not quite mirror the exposure the companies received.

**Question #10. What are some of the key competencies you need to build internally or when would you engage a recruiting firm?**

Recruiting firms and all managers that make hiring decisions need to develop employee selection capabilities that include:

- developing and updating successful employee profiles so you have a clear picture of candidates that will perform, stay motivated, and fit in the organization as described above
- interviewing skills to separate performers from pretenders
- using a selection system for sharing information that prevents interviewer impressions or incomplete interviews from uncovering hidden flaws or mismatched motivations

Depending on their situation, companies can choose whether to develop and maintain other recruiting functions as a core competence. Here are some of the capabilities companies need to maintain or look for in professional recruiters.

- knowing where good candidates look for opportunities
- cultivating referral networks for qualified people
- understanding the most cost effective ways and places to find quality candidates
- writing and placing recruiting ads that target a current job profile
- screening candidates efficiently and effectively
- performing initial interviews
- ordering background checks
- maintaining a recruiting information system
- maintaining a recruiting web site

Building and maintaining these recruiting capabilities requires dedicated Human Resources professionals because most managers do not have the time to do all these tasks for their functional area. Because it is difficult for one person to perform all these recruiting tasks, the labor and overhead costs to perform them quickly surpass \$100,000 annually at smaller firms and run into the millions at larger firms.

*For more information on how a professional recruiting services firm can help your organization get more efficiencies into your hiring process and deliver you the best qualified candidates, contact us at HRHQ or visit our web site at [www.hrhq.com](http://www.hrhq.com) .*