



# World-Class Recruiting

## First, get the basics right

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Recruiting seems to be an eternal problem for companies. It was a problem in the 80s, in nursing and technology; it was a problem during the widespread economic expansion of the 90s; and it is a problem now in many industries, even with the economy in its current state of retrogression.

The truth is that with demographics stacking up against employers, finding enough top talent will continue to be a problem in many high-skilled industries, whether or not we experience a drawn-out recession.

Here's a great question: Why is finding enough of the right talent such a chronically difficult endeavor for organizations of all sizes? Why do CEOs continuously report that finding and retaining top talent is a core challenge to growing their businesses?

The answers to these questions are often lost in discussions about tactical problems with sourcing, process efficiency, metrics, or "creative" recruiting methodology. Sometimes, it's as simple as getting the basics right.

In working with several hundred clients, we have found there are five fundamental mistakes that can repeatedly lead to the failure of the recruiting function to meet the needs of the business.

It all begins with addressing a basic question: Is your organization committed to making staffing a success?

Here's how to tell if an organization is *not* committed:

1. **Staffing functions in many organizations are severely underfunded.** Companies have a bad habit of viewing recruiting as an expense, not an investment. Therefore, there is constant pressure to reduce overall recruiting spending. Without the proper funding, however, recruiting will always play from behind, unable to deploy the resources to effectively source talent, hire enough recruiters to process the work it creates, or hire the right recruiters in the first place. To make funding matters worse, recruiting managers often feed into the problem by accepting the charge to reduce the overall cost of recruiting and hiring (i.e., reducing cost-per-hire). At the core, reducing recruiting costs for the sake of cost reduction is a misguided attempt to accomplish two impossible

feats. The first "mission impossible" is to find and recruit the best, most guarded talent by using the most inexpensive (read as "passive"), methods, thus reducing sourcing and process costs. This is misguided because top talent is generally passive, rarely caught with equally passive recruiting methods. So, the more an underfunded recruiting function tries to find inactive candidates using passive recruiting methods, the more inept it appears. The second impossible feat is trying to hire top talent at market-averaged salaries. This doesn't work for a simple economic reason: in a free market, you get what you pay for. And top talent, like any high-quality product, always costs more than average talent. Simply put, you cannot hire top performers with average performers' salaries. Companies need to think about recruiting the same way they think about marketing. Forward-thinking organizations are very clear about the "right" cost to acquire a new customer and fund marketing initiatives accordingly. Similarly, there is a proper cost for acquiring talent, where that cost is justified in the value of making the right hire at the right time. Failing to acquire customers is not an acceptable outcome for marketing. Neither should failing to acquire talent for the recruiting function.

2. **Recruiting is usually insufficiently/ineffectively resourced.** Most recruiting functions we've assessed have one or both of these challenges: too few recruiters, or the wrong recruiters, to get the job done. We've seen numerous situations where recruiters have 40 to 50 or more requisitions each. Research studies commonly find that the optimal requisition load is 20 to 25 openings for exempt roles and 25 to 35 openings for non-exempt roles (depending on the number of repetitive or similar roles). Why do recruiting functions continue to accept unmanageable workloads? Perhaps they are afraid to fight or don't know how to fight for proper levels of resourcing. Until recruiting managers learn to make a business case using cost/benefit analysis methodology, they will continue to be under-resourced. The second resourcing problem is that companies hire the wrong people to do recruiting in the first place. It's amazing how few people working in the recruiting function possess a foundation of experience in the profession. This occurs because companies vastly underestimate the importance of recruiting experience and knowledge. Would anyone ever hire an accountant without accounting experience? A good example of how this happens lies in healthcare. For years, many healthcare providers have moved nurses into recruiting roles. The justification is that prospective nursing hires would respond well to being recruited by other nurses. The problem is that lacking foundation knowledge, a nurse can't effectively become a recruiter overnight, just as a recruiter couldn't become a nurse overnight. Neither can an accountant, customer service rep, pharmaceutical sales rep, or anyone else who hasn't been trained as a professional recruiter.
3. **HR generalists are often too involved in the process.** A common model for staffing is to have the recruiter interface with an HR generalist, then have the HR generalist interface with the hiring manager. This doesn't work, for several reasons. In addition to the simple fact that adding another person into any process creates unnecessary hand-offs and potential process delays, HR generalists often have little experience in recruiting. Second, the skill set that makes HR generalist great at HR are the same skills that will make them fail at recruiting. Recruiters, at heart, are

deal-makers, hunters, talkers, and closers. HR professionals, at heart, are mediators, gatherers, listeners, and problem solvers. Ask any accomplished HR professional if they like doing the work of recruiters, and they will invariably tell you why they are better suited to be in an HR role. Finally, HR professionals are rightly focused on what happens inside their companies and spend very little time in the general talent market. This internal focus creates a skewed view of expectations around things like candidate behavior (candidates don't behave like employees do), candidate negotiations (candidates are sometimes hard negotiators who make demands), and manager expectations (managers often require a skill set that isn't available in the general market or at the price the manager is willing to pay). As a result, HR generalists can add more heat than light to difficult searches.

4. **Recruiting organizations are operationally unfocused.** Many staffing organizations have been set up to focus too much on the transactional processing elements of the recruiting process rather than to meet the business objectives that drive recruiting needs. After a recruiting process is built, everyone in the organization is trained on the process, and very quickly recruiters become process keepers instead of talent problem solvers. A clear symptom of this is when recruiters spend more time at their computers than actually talking to managers or candidates. Another sign is when recruiters are spending more time filling internal jobs than recruiting new talent into the company. The purpose of recruiting is to find talent that does not currently work at the company, not shuffle our existing talent around. A good rule of thumb: if a recruiter isn't increasing the net talent pool of the company, they aren't recruiting.
5. **Measurement is weak and myopic.** When you ask business leaders if their staffing functions are connected to the business, the answer is typically no. Believe it or not, most staffing functions still can only produce basic measurement data, if any. And those basic measures, such as time-to-fill and cost-per-hire, only describe the operational performance of staffing. They fail at linking staffing performance to business outcomes. The secret to creating meaningful business metrics is simple: the language of business is dollars and cents. Any measure that fails to carry the math all the way through to a dollar impact misses the point. To tie staffing impact to business, metrics should express themselves in dollars. Some quick examples: it is one thing to know that our sales openings average 75 days to fill. It's another thing to know that the difference between filling them in 75 vs. 50 days costs us \$30 million revenue. Or, that a 20% improvement in quality-of-hire will result in \$18 million productivity improvement. Given the technology tools that recruitment functions have available today, it is relatively easy to produce a robust set of meaningful performance data. And it is becoming increasingly unacceptable not to do so.

There are others ways to get the basics right, but these five issues represent the most common impediments to staffing success. Getting them right will go a long way toward strengthening your recruitment results.

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