Measuring Recruitment Effectiveness

General Introduction

In any audit and assessment work it is best to always seek to define metrics by which the effectiveness of any proposed change can be measured.

This document summarises some thoughts around the whole area of metrics.

As HR continues to seek ways to move up the corporate ladder, the pressure to prove value and added value grows ever more intense.

As with most other activities, metrics provide the clearest evidence of the effectiveness, efficiency and value of activity - in this case within the resourcing arena. This is increasingly important to HR as the whole recruitment field is coming under scrutiny.

The following are generalisations heard regularly which give added impetus to measure, manage and fix:

- Recruiting the right staff is probably the KEY determinant to an organisation’s short, medium and long term success.
- Recruitment is expensive.
- Recruitment is time consuming.
- Recruitment is labour intensive.
- Recruitment is largely unscientific
- Recruitment never seems easy!

Before embarking on any setting of metrics or service level, it is essential to know where you are starting from. This auditing process is a large subject in itself. Do you currently have detailed analysis on where you are, and where you wish to get to (including process, cost, supply chain, people and time).

Have you also benchmarked these against your competitors and gained input from suppliers, candidates and staff?

Over the last 10 years, four key metric groups have emerged.

- Cost per Hire
- Speed of Hire (aka Time to Hire or Cycle Speed)
- Customer Satisfaction
- Quality of Hire

Of these the last is by far the most important – who cares what the process costs, how long it takes or how it meets expectations if the company is hiring the wrong people?

As with all metrics it is important to establish a scoring mechanism, and then to benchmark - if you don't know where you started from you can't measure how far you've moved.

Creating the Benchmark

First of all you need to establish what customer satisfaction means, and the only people who can tell you this is the customers themselves!

The best way to achieve this is through face-to-face interview. Careful and skilful use of open questions will elicit the real opinions and perceptions that will need to be addressed. Practically though this can be too time consuming, especially for large organisations. A written (but simple to use) questionnaire is therefore often the best way to gather data quickly. This can then be tested in focus groups.

We cannot here list all the questions that need to asked, nor provide an overall framework for the data analysis leading to the definition of the metrics. But we suggest that the following groups may need to be consulted.

Recruiters

- Process
- Systems
- Working conditions
- Support
- Challenge

Hiring Managers

- Hiring Speed
- Hiring Cost
- HR Process
- Legal considerations
- Culture

Marketing

- Recruitment brand
- Perception of organisation

Board

- Critical business drivers
- Indicators required for decision making

IT

- Systems performance
- Support required
- Innovation
- Security / data protection

Suppliers

- Market perception
- Process
- Quality of communication
- Business levels
- Administration / Invoicing

and last but not least…

Recent recruits

- Process
- Perception
- Information
- Speed
- Competition

Defining the Metrics

Once the benchmarking data has been gathered and analysed, you must select the metrics which you believe will best indicate whether Customer Satisfaction is being achieved. Here a degree of ruthlessness is required as there are a vast number of activities that could be tracked.

Measuring Customer Satisfaction needs to be done often and consistently. Respondents will quickly tire of time-consuming, repetitive and seemingly meaningless questioning and so the more metrics you can automate / trap without reference to the respondents, the better.

Select your metrics and then seek approval / sign-off from all stakeholders and ask for their scoring against each of the criteria. This sets your benchmark.

The brave will then publish the results and set targets for improvement. You may also wish to establish a Working Group with a member from each stakeholder group to discuss each new set of results and to validate the metrics.

An example table of measured metrics is on the following page. Often these metrics are used as a basis for a wider service level agreement between departments – especially between recruitment and line.

Recent events may taint opinions, so statistics are by far the best method of achieving objective assessment. Also improvements in process serve to raise expectations in stakeholders. Whereas opinions of service level may vary, sensible and agreed statistics will not lie. If there is STILL resistance to your interpretation of the figures then it may be that your selected metrics are wrong, or need to be adjusted.

In addition, select (if possible) a recruitment system that automatically traps (or prompts) the required information. If you already have a system you must judge whether the information it does provide is sufficient, or weigh the benefits of having that information against the cost of change which may be significant.

Example Metrics

Recruiters

- 100% vacancies signed off before being actioned
- 100% CVs reviewed within 2 days of submission
- All managers to interview within 5 days of request
- 100% offers to be made and signed off within 24 hours of interview
- Recruitment supporting systems availability 99%

Hiring Managers

- 3 CVs per role
- 2 interviews per hire
- 100% vacancies filled by deadline
- Salary costs +/- 5% of target
- No leavers within 12 months of employment

HR

- 100% equal opportunities required data trapped
- 100% references obtained prior to offer
- 100% recruits start on scheduled day
- 100% recruits through induction within two weeks of joining

THE RECRUITMENT COMMUNICATIONS COMPANY

Marketing

- Company viewed as 'Employer of Choice'
- 100% of collateral branded appropriately

Board

- Recruitment management information reports delivered in timely and accurate manner
- Recruitment costs to budget

IT

- Database maintained to agreed level of currency and completeness
- Support limited to 5 hours per month

Suppliers

- Organisation viewed as employer of choice
- All vacancies received with full specification
- Feedback on all candidates within agreed timescales
- 100% invoices paid within 30 days

Recruit

- Speed of process
- Comparative quality of information
- Perception of company
- Professionalism of recruiters
- Quality of advert (if appropriate)
- Quality of agency (if appropriate)

Customer Satisfaction Summary

- As with all satisfaction surveys, perception is reality. If you believe you are working effectively but this is not recognised there may be a communication issue to be dealt with.
- Remember the maxim that a satisfied individual may tell one person, a dissatisfied individual will tell ten!

A focus on satisfaction will ensure overall customer focus in the process.