

EMPLOYEE RECRUITMENT

Employee recruiting today is a challenging, high-risk activity.

Demand for skilled labor exceeds supply and the problem will only get worse. As baby-boomers retire a limited population enters the workforce, the universal shortage of qualified candidates will impact every employer. At the same time, the Internet has dramatically increased the number of people a potential employer can reach, meaning your company has more competition for each qualified applicant.

What's more, the impact of a bad hire is immeasurable. Bad hiring decisions affect:

- **Cost.** Lost investment in recruitment, selection and training.
- **Productivity.** Other employees must take up the slack during understaffed periods.
- **Morale.** High turnover is de-motivating for all employees, particularly those who worked with the bad hire.
- **Customers.** Poor service may drive customers to new suppliers or bad hires may steal your business.
- **Liability.** Bad hires may put your employees and company assets at physical risk.

Recruiting successfully despite these challenges requires:

- Putting recruitment policies and systems in place.
- Understanding the company and job requirements for each opening.
- Defining success criteria for candidate evaluation.
- Developing recruiting materials that sell the job and your company.
- Using effective sources to reach potential candidates.
- Identifying the best person for the job.
- Managing the hiring process.

For a comprehensive checklist for the hiring process, see page X.

Define Policies & Practices

Up-to-date, clear policies on recruitment and staffing streamline the hiring process. Systems should be put into place to ensure that all job openings and applicants are treated consistently and fairly.

Your recruitment policy should address:

- Who (human resources manager, supervisory manager, etc.) will manage the recruitment process.
- Who will screen resumes or applications.
- Who will participate in the interview process based on position to be filled.
- When (when resume is received, when candidate is rejected, etc.) and how (mail, e-mail, phone) the company will communicate with applicants.
- How compensation ranges will be determined.
- What benefits will be offered.
- When internal candidates will be allowed to apply and how this process will be managed.

Establish Success Criteria

Based on the job description, determine the most important qualities, experiences, education, and characteristics for successful performance. Use them to develop job listings, write advertisements, screen resumes and applications, and evaluate candidates.

Limit success criteria to no more than six or eight. Including too many factors will only distract you from focusing on what really matters, diminishing effective recruiting and selection.

Consider the following in developing criteria:

- Skills and knowledge critical to high performance.
- Minimum and preferred education and experience requirements.
- Company culture and core values.

Finally, verify that criteria are specific, measurable, job-related and not discriminatory.

Develop Recruiting Materials

The objectives in developing recruiting materials are to:

- Generate responses from qualified candidates.
- Prevent clearly unqualified candidates from applying.
- Sell your company as an attractive employer.

All recruiting materials should be based on the position's job description and should emphasize minimum qualifications and success criteria.

An ad typically will include:

- **Headline.** The headline typically is the job title.
- **Job information.** Short overview of general duties and job responsibilities.
- **Company information.** Detail on what the company does and why an applicant should want to work for you.
- **Qualifications.** Minimum and preferred education and experience, as well as attributes and skills required to do the job.
- **Compensation.** Starting salary or range and benefit highlights.
- **Response method.** Contact information, how to submit resumes or applications, and any ground rules (no phone calls, e-mail resumes preferred, etc.)

Take care to avoid language that may imply discriminatory preferences; consider including a tag line, such as "We are an equal opportunity employer."

Source Candidates

Effective sources for employee candidates will vary by position, but a mix of recruitment strategies will consistently produce a better group of applicants. This is also where your ongoing efforts to develop a talent pool will pay off.

Factors to consider in deciding where to post a particular job opening include:

- Timeframe to fill the position.
- Required education and experience.
- Specialized skills or professional credentials required.
- Past successes and failures at recruiting similar positions.

- ***Internal Recruitment***

Providing promotional and lateral opportunities for current staff demonstrates your company's commitment to employee development, positively impacting morale and retention. Internal hires can significantly shortcut the hiring and orientation process.

For the best experience, decide the following in advance and document decisions in your staffing policy:

- Will employees receive preferential consideration?
- How long must employees be in their current positions before applying for another position?
- Will internal candidates automatically be invited to interview?
- How will employees not chosen be counseled?

Job openings can be communicated internally through bulletin boards, company intranets, e-mail or payroll stuffers. Announcements should include details on preferential treatment and relevant policies, as well as experience and education prerequisites.

- ***Employee Referral***

Employee referrals can be a valuable source of candidates. Employees' knowledge of the organization and job functions typically result in high-quality candidates. Employees also can provide a realistic view of the organization's culture and operations to potential applicants.

Offering employees a referral bonus is an excellent way to generate applicants. Referral bonuses should consist of a standard lump-sum payment, regardless of position. Other good practices include prohibiting bonuses for family referrals and withholding a portion of the bonus contingent on continued employment of the new employee for a pre-defined period (often six to twelve months).

- ***Internet Job Sites***

The Internet has literally revolutionized the recruiting process by giving employers access to a much larger pool of potential candidates at relatively low cost. For many job seekers, particularly recent graduates, younger workers and executives, the web is now the preferred search tool.

Widely-used national sites include Monster.com, CareerBuilder.com, HotJobs.com, Indeed.com and SimplyHired.com. In addition to these general job portals, literally thousands of commercial and government sites focus on specific industries, professions or geographies. No definitive directory of job

sites exist, but professional organizations, industry trade associations, Google.com and Wikipedia.com can be a resource for finding specialized sites.

Recognizing that the volume of responses can be overwhelming, many job sites offer tools to automate applicant screening and reduce the administrative burden of reviewing resumes.

- *Classified Advertising*

Print advertisements in newspapers and professional journals have become less popular, largely due to growth of Internet job sites. However classified ads remain an effective strategy to reach less-Internet savvy populations. Most print publications now offer posting on an affiliated web site as part of a package, increasing potential reach.

Ethnic and cultural publications may allow employers to reach minorities or other key populations. Alternative newspapers and their associated web sites are particularly effective at reaching younger workers.

- *Campus Recruiting*

Universities, community colleges, and vocational and technology schools typically offer low or free job postings through their career services department. Books of student resumes for recent and impending graduates also may be available.

Given high demand for new graduates, local schools should be a key element of your ongoing efforts to build a talent pool. Participating in career or employer fairs, offering co-ops and internships, and developing faculty relationships may not pay off in candidates to fill an immediate vacancy, but are invaluable to identifying promising potential employees.

- *Job Fairs/Hiring Events*

Job fairs and hiring events sponsored by community organizations or commercial providers can be a valuable forum to meet active and interested job seekers. Many focus on a specific professional group. Job fairs also are an effective method to promote your company as an employer of choice within your community.

- *Professional Recruiters*

Recruiters find job candidates for client firms for a fee. They typically have access to a large pool of candidates and will handle many or all of the administrative details of hiring. Fees can range from 15 percent to 30 percent of the annual starting salary, based on position level and other factors.

Recruiter options include:

- **Employment agencies.** These firms typically are generalists that focus on entry- and mid-level jobs.
- **Staffing or contingency search firms.** Staffing firms usually focus on mid- to upper-level positions in a particular field or profession.
- **Executive search firms.** Search firms (often called headhunters) specialize in senior and executive management and may focus on a specific profession or industry.

Before using recruiter, determine how candidates are identified, screened and matched to job openings. Agency staff should visit your company to observe the working environment, culture and operations.

Many employment agencies will place candidates on temporary assignments, allowing both the employer and individual to assess fit. While the per-hour cost may be higher, employers save the cost of benefits and taxes and can more easily terminate the relationship.

- *Community-Based Organizations*

Economic development and community-based organizations are an excellent way to diversify your workforce and reach underutilized pools of employees. Workforce Investment Boards (www.nawb.org/asp/links.asp) and One-Stop Career Centers (www.careeronestop.org) offer job placement services for low-income individuals, displaced workers, military veterans, disabled workers and other populations. Most CBOs offer free job listings for area employers.

- *Company Web Site*

In addition to general information on why potential employees should want to join your team, open positions should be posted on your corporate web site.

Interviewing

For most positions, face-to-face interviews are the primary tool to select the final candidate. In general, interviews offer the best opportunity to:

- Confirm and clarify information provided in an application or resume.
- Elicit information about past performance and accomplishments.
- Assess compatibility with your company's culture.
- Promote your company and the position.

As part of the planning process, the human resources and/or hiring manager should:

- Determine who will conduct the interviews.
- Decide whether interviews will be conducted on a one-on-one basis or in a group setting.
- Train all interviewers on legal considerations and questioning techniques.
- Review and communicate success criteria to each interviewer.

Each interview should follow a consistent format:

1. Welcome the candidate and introduce the interviewer(s).
2. Describe the interview format.
3. Ask questions and probe as needed to clarify responses or extract additional information.
4. Provide a summary of the company and the position.
5. Invite the candidate to ask questions.
6. Review the next steps in the hiring process.
7. Thank the candidate.

Behavioral interviewing techniques are most effective at eliciting useful information from the candidate. Questions are phrased so that the applicant provides examples of past behavior or demonstrates decision

making in a described scenario. The emphasis is on how the candidate would solve a problem, resolve a situation or improving a work process.

Strategies for successful interviewing include:

- **Prepare questions in advance.** Create a standard list of questions designed to assess your success criteria.
- **Choose interviewers carefully.** In addition to a human resources representative and hiring manager, consider including managers, co-workers and subordinates who will interact directly with the new hire.
- **Prepare interviewers.** Each interviewer should have copies of applications, resumes, interview questions and personal assignments in advance.
- **Be consistent.** Use the same set of questions with every applicant.
- **Avoid duplication.** Assign each interviewer to assess a different area of the candidate's qualifications.
- **Avoid yes-no questions.** Instead, ask open-ended questions designed to prompt self-assessment.
- **Listen more than you talk.** The emphasis should be on extracting information from the candidate.
- **Recognize canned answers.** Most active job searchers have prepared answers to standard questions. Use probing and behavioral questions to extract useful information.
- **Keep it legal.** Avoid discriminatory questions regarding age, race, religion, marital status, national origin, age, disability, etc.
- **Take notes.** Take notes on candidate responses, strengths and weaknesses during the interview.
- **Standardize evaluation.** Use an evaluation form to assess success criteria and rate each applicant to allow easier comparison.

Selection

You're now ready to make a decision. Using information collected throughout the selection process:

- Rate and compare final candidates against identified success criteria.
- Select the best candidate based on skills, experience and organizational fit.
- Verify that your decision complies with your hiring policy and legal requirements.
- Discuss the decision with colleagues who participated in selection process.
- Document your choice (keep materials on file for at least two years).

Hiring

With your top candidate selected, you're now ready to hire.

- **Make the Offer**

Make a verbal offer (by phone or in person) to the selected candidate. Tips for making a great offer include:

- **Act quickly.** Strong candidates who are actively looking likely are talking to multiple companies. A speedy job offer demonstrates your interest and avoids losing out to another employer.

- **Make a competitive offer.** Salary should be fair to the candidate and in line with industry and company benchmarks.
- **Be creative.** Even if you can't offer top dollar, a strong compensation package can seal the deal. Options may include signing bonuses, profit sharing, incentive plans or particularly desirable benefits.
- **Expect to negotiate.** Most candidates will expect to negotiate final terms. Even if there's no flexibility on salary, consider other ways to improve your offer.

Avoid misunderstandings by formalizing the job offer in writing. The written offer should specify:

- Job title.
- Position responsibilities.
- Starting salary.
- Other compensation.
- General description of benefits.
- Any contingencies, such as successful completion of medical testing, background checks or current education.

Be careful to avoid explicitly or implicitly implying a contract or commitment of job security, both verbally and in writing. The written offer should include language that notes that your company is an "at-will" employer.

Once the offer has been accepted, notify other candidates in writing that a selection has been made. As part of your ongoing efforts to build a talent pool, consider calling strong applicants to stress your interest in staying in touch.

- **Do the paperwork.** Document the recruitment, selection and hiring process. Complete any necessary paperwork for the new staff member to start work.
- **Keep HR in the loop.** Be sure to communicate the hiring decision, original offer, acceptance and other details to human resources.
- **Evaluate the process.** Together with all staff involved in the process, identify opportunities for improvement and streamlining. Evaluation should include an assessment of the cost and time to hire for future benchmarking.