

Sourcing and Recruiting: Trends, Challenges and Insights

*A Report Based on a Survey Covering Key
Sourcing and Recruiting Issues, 2007*

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Introduction

The news from the front lines of recruiting is that, as the available technology continues to advance, so do client and candidate expectations, competition, and the complexity of recruiting processes. The demanding nature of the recruiting process, coupled with an increasingly tight market for specific skill sets, has made some corporate staffing organizations feel pushed to the limit.

This year's Sourcing and Recruiting Survey, developed by The Newman Group and distributed to AIRS members, reveals the importance of a broad perspective when addressing issues in the sourcing and recruiting process. The survey was completed in April 2007 by almost 600 respondents, 70% of whom are directly involved in corporate staffing in the role of recruiter, sourcer, or staffing management. The remaining respondents were HR generalists (7%), HR executives (8%), consultants (6%), search firm recruiters (10%) and vendors (1%).

Technology makes broad advances, but widespread recruiting challenges remain

Results of the survey reveal that, despite much-heralded advances in technology and processes over the past two decades, the root of sourcing and recruiting success remains in the hands of people—that is, people who actually drive the processes and utilize the technology. This is no surprise to recruiters who feel overwhelmed by the amount of work they are being asked to do, or to the hiring managers who constantly struggle to improve the quality of candidates they receive.

What may raise eyebrows is the prevailing nature of these struggles. The survey response data reveals that organizations who find themselves struggling to stay ahead of the recruiting curve, or those who have “broken” or underutilized processes, are not alone. The organization that examines its sourcing and recruiting processes across the board and honestly addresses the issues is likely to gain an advantage in the competition for talent.

The opportunity to improve the “people” part of the recruiting equation

For those who are committed to improving their sourcing and recruiting effectiveness, the survey provides significant points of intelligence. First, it reveals the overriding trends that are driving a continuously evolving industry. Second, it highlights the challenges that all organizations face in their sourcing and recruiting efforts. Finally, the trends and challenges give rise to several basic insights that should be considered at the heart of strategic sourcing and recruiting decision-making.

Together, these trends, challenges, and insights point to one overarching theme: efficiency and competitiveness are driven by people. The processes, technology, and metrics are only relevant based on their ability to improve the experience of people involved in the talent acquisition cycle, from the recruiter to the hiring manager to the end-user candidate.

Trends: ATS Investment, and the Move Toward Centralized Processes

For any enterprise, changing the basic recruiting model is no small task. In many cases, organizations have lived with decentralized processes as a matter of necessity rather than choice. Various groups and departments distributed around the world, not to mention the constant additions due to acquisitions, have resulted in companies struggling with wide-ranging, semi-autonomous recruiting operations supported by disparate technologies.

A major trend revealed in the survey is that companies have reached the point where the status quo is no longer acceptable, and they have made a conscious effort to bring their recruiting processes together and support them with the right technology. The result: a general move toward centralization and widespread investment in ATS systems.

Moving toward centralized processes

Centralized talent acquisition processes can yield tremendous rewards for the organization that successfully navigates the challenges of the centralization effort. Not only can centralized processes yield improved hiring efficiency in terms of traditional measures (such as time-to-hire), but they can potentially provide a real view of company-wide metrics on recruiting—something that is extremely difficult or impossible with a fragmented recruiting infrastructure. Add the ability to gain control over the employment brand and the fact that competitors with centralized processes are reaching for the same talent, and the promise of centralization quickly turns into the *need* for centralization.

Based on this need, the trend is toward mapping and examining the sourcing and recruitment workflow, and centralizing functions where possible. In some cases this leads to decisions to outsource or partner with an outside vendor to fulfill the function. A common example of this is in the area of background investigations and pre-hire activities, or the posting of jobs on Web sites or other media.

Like any effort that involves a fundamental change in business processes, centralization poses significant challenges. Organizations must take advantage of the benefits of centralization, such as managing volume and driving consistency. At the same time, they must allow the process to be tailored to business needs and a personalized candidate experience. Some companies have decentralized pieces of the process to accommodate those business-specific requirements.

Currently, the effect of centralization on the candidate experience is difficult to assess. In some cases, candidates work with different teams and individuals as they move along. Of course losing sight of the entire candidate experience is unacceptable, and organizations must still struggle to ensure that each candidate feels attended to and kept up-to-date rather than lost in an assembly-line model. From a legal standpoint, there are difficult questions as well. How can an organization be assured that candidates are treated consistently and that the overall hiring process has integrity—all while allowing business units to tailor the processes to their needs? The search for an answer to these questions will likely drive strategic recruiting decisions for years to come.

Investment in ATS and related systems is substantial

One of the most substantial investments to be made by recruiting organizations is in Applicant Tracking Systems (ATS), also known in the parlance of the talent management discipline as Talent Acquisition Systems (TAS). 77% of companies responding have implemented an ATS, and many who do not have an ATS are planning to invest in one in the future. Some companies have used several ATS systems over the past 5 years, indicating the volatility of that industry as well as the client dissatisfaction with these systems against initial expectations.

While many companies have invested substantially in ATS systems, most are not fully utilizing system capabilities. Through the lessons of experience, many have learned that an ATS is not a technology that will automatically cure the ills of an inefficient recruiting process. Specialized knowledge is often needed to unlock the functionality of the system, and while organizations may be capable of maintaining the level of support they need in-house, many are asking themselves whether or not that is how they want to invest their resources. Outsourcing support, then, becomes a real option.

Another challenge with ATS investment is that the technology frequently drives the recruiting process rather than supports it. Organizations are often finding that they are configuring their sourcing and recruitment processes to fit the system, rather than configuring the system to support their processes. This adds a different type of frustration to the picture. When asked if their companies' ATS system effectively supported their hiring process, 40% of respondents said *no*. Optimizing the use of an ATS goes hand-in-hand with optimizing recruitment operations. To be truly effective, ATS systems must not only support existing internal systems, they must go beyond a support role to work in harmony with existing processes and systems (such as HRIS) towards achieving a common functional goal.

The capabilities of an ATS are dependent on which system is selected and how the company envisions using the system. In other words, not all features are present in every ATS. Once an organization

implements an ATS, any processes that continue manually outside of the system could be targets for analysis and re-engineering/optimization. Nearly half of respondents replied that their ATS simply did not have the capability to manage search firm submittals, collect interview feedback, or create direct email campaigns to candidates in the database. The success of future ATS investments depends largely on the ability of companies to bring capabilities such as these into the recruiting process.

Metrics for measuring success seem to be static

66% of respondents said that staffing metrics had been redefined in the past two years, yet most companies continue to measure success in traditional ways. What is really happening in terms of staffing metrics? This topic has been analyzed, discussed and promoted a great deal over the past few years, but it is interesting that the top three staffing metrics identified in our research are cost-per-hire, time-to-fill, and number of requisitions filled. These same metrics have been used for many years.

One could argue that time-to-fill and cost-per-hire are tried-and-true measures of recruiting effectiveness. Indeed, they are useful for trend analysis and benchmarking, but companies are wrestling with an inability to apply these metrics to drive process improvements. What does cost-per-hire reveal in terms of optimizing the organization? If it is an aggregate of many functions and levels, it is difficult to attain specific actionable information from such a metric. Knowing the cost of hiring at different levels is good for planning and risk assessment, but is anyone going to stop a hire because it is costing too much to source and recruit, particularly for a unique candidate? Do recruiters get fired if they go over budget? Time-to-fill has the same type of flaws, particularly as an aggregate of functions.

One of the main shortcomings of these metrics is that they fail to increase awareness and understanding of the time investment at each phase of the process. In today's information-rich and time-sensitive environment, an understanding of the time investment needed to process information, facilitate communications both internally and with candidates, and execute on key recruiting activities is critical. An understanding of time investment will ultimately help companies pinpoint opportunities to improve the process.

In effect, traditional metrics may be useful for reporting to executive management, but there is a difference between metrics used to report to executive management, and those used to run the staffing operation. With that in mind, companies are becoming increasingly aware of the need to incorporate new types of measurements into their process, but doing so requires a level of commitment to optimizing processes and aligning technology to capture the right information.

Survey Insight:

Feedback from Respondents on Sourcing and Recruiting Focus

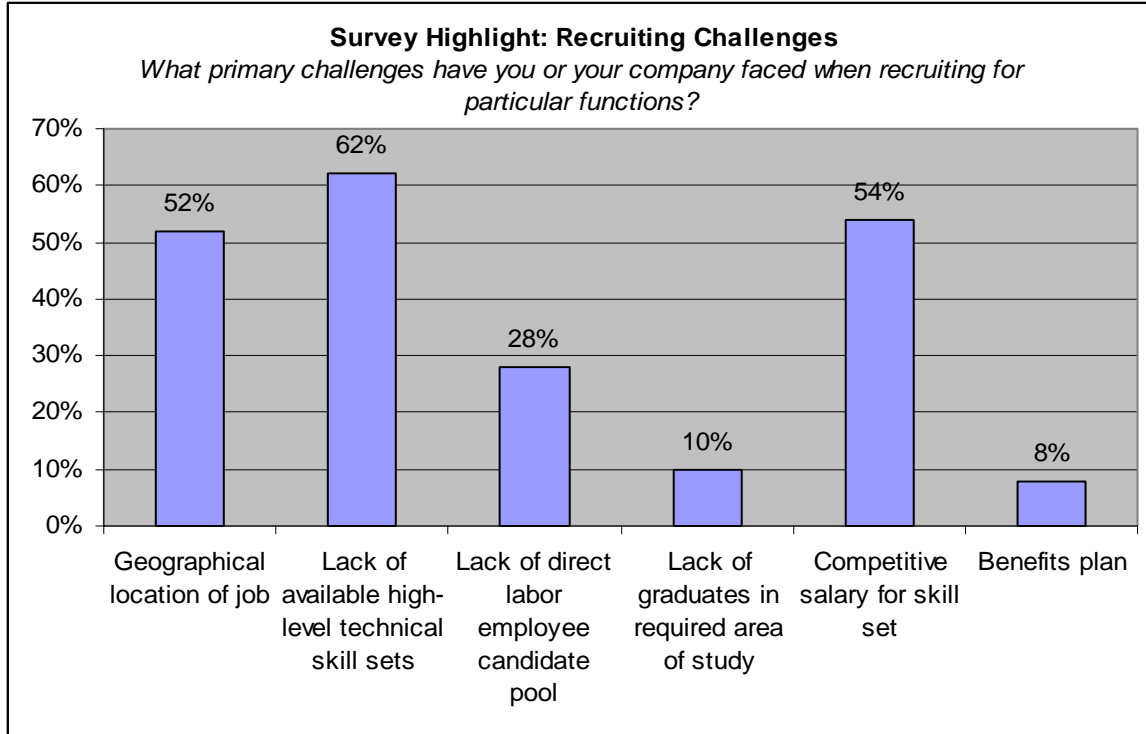
In which areas have you focused on improving over the last year?

- “Direct sourcing”
- “Providing meaningful metrics on recruiting”
- “Increased emphasis on employee referrals”
- “Implementing a complete integrated ATS/HRIS system”
- “Global recruitment across borders”
- “Using highly qualified ‘technical’ recruiters”

In which areas are you focused on improving in the coming year?

- “Candidate relationship management technologies”
- “Centralized IT for the Americas”
- “Better sourcing techniques”
- “Process alignments”
- “Employment branding”
- “Sourcing metrics and a career development office”

As a result, the awareness of the need for new measures will likely remain far ahead of the actual capability to capture those metrics for some time to come. With increased centralization and investment in technology, however, companies are beginning to make headway into capturing new and more actionable points of data in the recruiting process.



Challenges: A Competitive Market for Talent and a Struggle with Current Processes

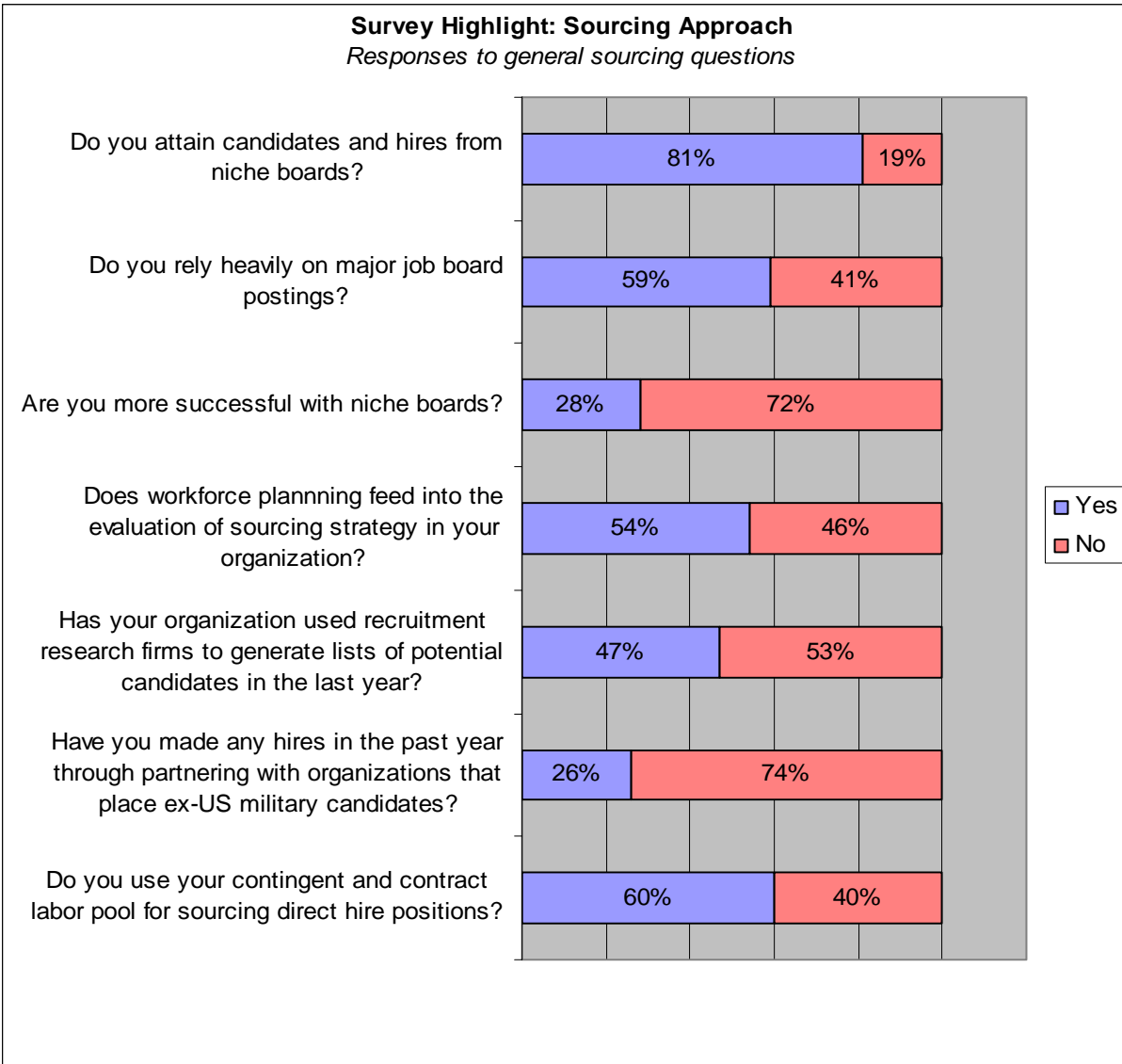
While the resources and technology available to today’s recruiting organizations continue to grow and evolve, so do the challenges they face. Nearly every respondent expressed some degree of difficulty in finding the right talent. That is to be expected, given a relatively tight market with an increasing demand for certain skill sets and a diminishing supply.

Not only are organizations striving to improve their sourcing ability, but a large proportion of them find that their internal processes may be so cumbersome that potential hires are lost due to an inability to respond quickly. Once again, the challenges underscore two ideas that go hand-in-hand: the market is growing increasingly competitive and companies are realizing the need for more agile, responsive processes. Of course, any focus on markets, processes, technology or other factors is only relevant based on their impact on the most important factor in the talent acquisition equation: people.

It is becoming increasingly clear that, as processes grow more cumbersome and the demands of finding talent in a diminishing pool grow more daunting, it is the recruiter who gets caught in the middle. There are too many potential candidates, too few qualified candidates, and too many steps to take in complex talent acquisition processes. Quite simply, recruiters cannot keep up. The good news is that companies seem to be recognizing where processes are broken, optimizing processes, is not easy.

Tightening market

Recruiters are feeling the squeeze of a competitive employment market, particularly in the professional, information technology, and engineering or technical job families. Respondents listed lack of available candidates/skill sets, inability to offer competitive salaries, and inability to attract candidates to the hiring location as current challenges. Compensation departments may need to revisit salary ranges for some positions, and in some cases they may need to tip the scale away from internal salary equity, as we saw in the technical hiring frenzy of the late 1990s.

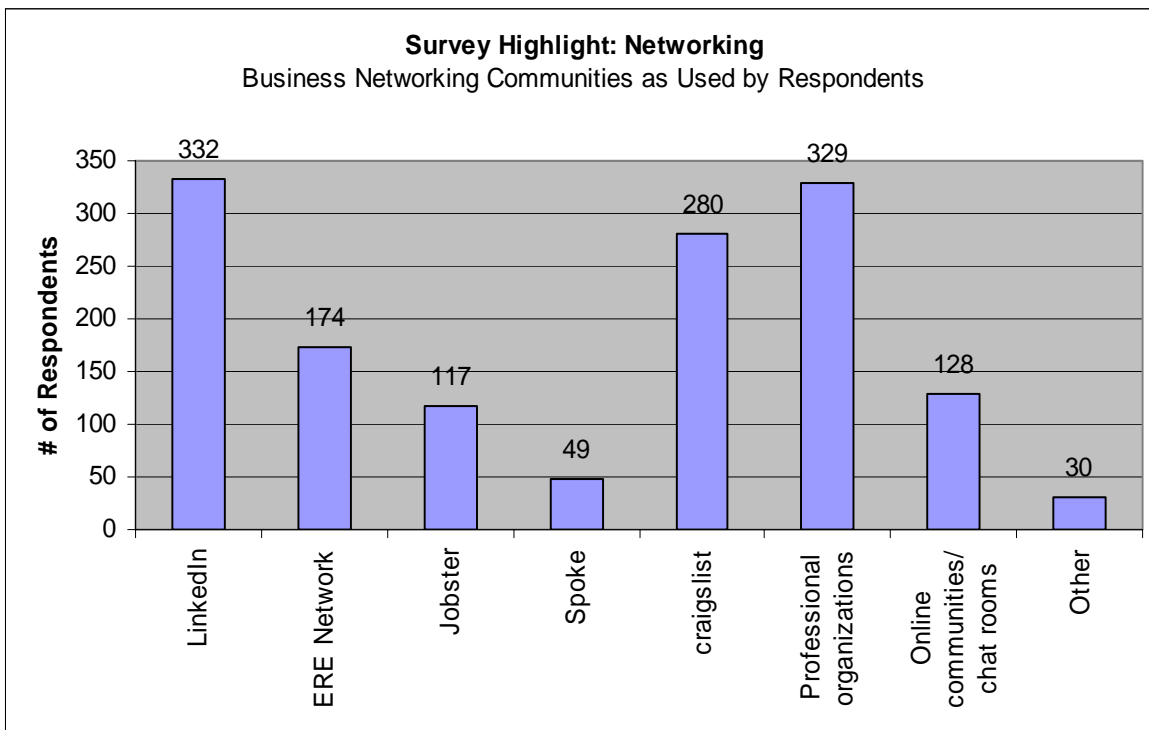


When asked which point of the recruiting/hiring continuum created the most “pain”, 55% of respondents said it was in the area of sourcing. The next most painful point was candidate qualification and screening, at 22%. In response to these market conditions, recruiters and sourcers have expanded their reach using new technologies and tools. Just over half of these organizations provide formal training in new technologies and tools to their recruiters, and about 45% encourage their recruiters to attain AIRS certification(s). (It is important to note, however, that the survey was distributed to AIRS members.) According to respondents, primary methods used to improve recruiter effectiveness include continuous self-education through local HR/Staffing industry events as well as email recruitment newsletters and print publications.

So where are companies most successful in posting their positions online? It probably comes as no surprise that many are heavily dependent on major job boards such as Monster and CareerBuilder. Whereas 80% of responding companies had attained candidates from niche boards, about 60% reported that they rely heavily on the major boards. When asked if they were successful using niche boards, 72% said no. (See p. 5, *Survey Highlight: Sourcing Approach.*)

The survey response data also reveals the challenges of sourcing diverse candidates. Though sourcing diverse candidates is a focus at many organizations, most of the time there is not a separate sourcing strategy to ensure job postings reach them. The thought and investment into a specific diversity posting plan may be turning into a thing of the past. This is not to say that companies should not maintain outreach activities to different candidate markets, but that in terms of postings, diverse candidates are looking for career opportunities in the same places as other job seekers.

Other alternative sourcing methods are also in play. 47% of our respondents have used recruitment research firms to generate lists of potential candidates. Only 26% had partnered with organizations that place ex-US military candidates, which may be another source to cultivate. The use of online business networking communities has increased since last year, including sites such as LinkedIn and the sites of professional organizations. For example, 80% of respondents had used LinkedIn and 67% have used craigslist to find candidates.



Recruiters are overwhelmed

When asked about their biggest challenges, corporate recruiters responded that they just have too much to do, too little time to dedicate to the high-return activities, and not enough cooperation and proactive support on the part of other parties involved in the process (i.e. hiring managers, requisition approvers and business unit HR generalists). That could have been the case before the advent of today’s technical and online tools. So then the question becomes, how can technology mitigate these challenges?

In some cases the efficiencies that have come with automating many transactions in the recruiting process have been negated by the sheer number of candidates generated using new tools. For example, sound candidate management practices involve reaching out to candidates and informing them of their status. When multiplied over many candidates, the time investment is substantial.

Particularly with diligent recruiters who are striving to build relationships with potential future recruits, the lack of time for practices such as these that help build the pipeline can inhibit overall productivity. Many candidates come through the process that may not be qualified for the particular position being filled, yet these people may be excellent candidates for other opportunities. Understanding their qualifications and career goals can be crucial for engaging candidates for the right placement, but recruiters have little time to devote to gaining that understanding.

Inefficiencies drive recruiters to look for outside help

83% of survey respondents have a full life-cycle recruiting model in place at their organization, which makes recruiters responsible for everything from job postings to offer letters. To support this point 58% of responding recruiting professionals are setting up interviews for candidates and hiring managers; 75% are doing their own job postings; and 40% said that their job postings are done one at a time. Administrative tasks such as these dramatically limit the time recruiters have to focus on their core mission of sourcing and screening new candidates.

One respondent writes, "Recruiters must focus on ...recruiting top talent, consulting with and coaching leadership throughout the recruiting, interviewing and onboarding process, and handle HR administrative and backend functions. This broad approach often leaves not enough time to focus on sourcing and assessing talent."

"The sheer magnitude of administrative work required by our recruiters has severely impacted their ability to seek out candidates," writes another respondent. "More importantly, they have nearly stopped conducting thorough pre-screens and are no longer providing supporting information to their managers along with resumes. We've gone back to the age of paper-pushing and have removed a great deal of our ability to provide a valued service to our hiring managers. Subsequently, many of them have begun rebelling against our internal recruiting team and they are becoming more interested in hiring their own firms because they see a greater value in the ROI by removing us from their hiring process."

This response reveals another outcome. Frustrated by an inability to stay ahead of sourcing and recruiting needs, the hiring manager may engage a search firm whose primary focus is building and maintaining the pipeline and candidate relationships. The hiring manager perceives that this provides a head start on the sourcing and assessment of candidates. Using search firms can be an effective part

In Their Words:

Feedback from Respondents on Areas of Recruiting Concern

The Market for Talent:

"We cannot compete in terms of salary."

"There is a lack of available talent. High-skilled talent seems to be fully booked."

"We are a defense contractor, so we have a challenge sourcing for candidates who have a security clearance."

"Finding candidates who are willing to relocate is a major challenge."

The Talent Acquisition Process:

"There are too many people who require sign off at too many points in the process."

"We have so many open positions it is very difficult to have enough hours in the day to accomplish everything."

"The magnitude of administrative work required by recruiters has severely impacted their ability to seek out candidates."

"Due to the req load, we often hire the best person who *applied* for the job rather than the best person we can find for the job."

"Many layers of management must approve requisitions. This takes a long time and causes a lot of debate over jobs."

of a corporate recruiter's strategy, but when directed by the hiring manager it is often an indicator of a higher level of confidence in the search firm than in the company's recruiting organization. If the corporation's hiring managers are avoiding engaging with the corporate recruiting team, then the company's investment in people, processes, and technology is effectively wasted. To add insult, the company is now paying additional fees to the outside search firm.

Boosting responsiveness from hiring managers

As a vital link in the recruiting process, the hiring manager is a source of input that can dramatically improve the recruiter's ability to find and engage the right candidates. Unfortunately, one of the most difficult challenges faced by recruiter, according to the survey, is an inability to obtain feedback from hiring managers and interviewers. Once again, much of the issue is related to the nature of the process, as hiring managers also find themselves facing a daunting workload. Unfortunately, the candidate experience is shaped largely by the responsiveness of hiring managers, and recruiters cannot improve their part in the process without hiring manager feedback.

One respondent wrote, "The worst issue...is getting managers to respond back to whether a candidate qualifies or not...and why disqualified..." Recruiters know that the feedback issue is not only important to candidates, in terms of knowing where they stand, but it is critical to the sourcers and recruiters to refine the search to yield the right candidates.

Hiring managers and HR generalists should be kept informed of recent market intelligence to help reinforce the sense of urgency on prompt attention to requisition approval, resume reviews, and interview feedback. Business demands compete for the time of hiring managers and HR generalists, yet slowdowns in the process can cost the company candidates who become disenchanted with the lack of feedback or who are simply hired by competitors more quickly.

Insights: People Drive Recruiting Effectiveness

While recruiting trends may change and challenges may evolve, one factor remains constant in the recruiting process. That is, successful recruiting ultimately depends on people. For companies looking for opportunities to improve their recruiting effort or to implement a strategy which will give them a competitive edge, new processes and tools must be evaluated based on their ability to help the people involved.

This may seem like a common sense premise; however, a truly optimized process—one that benefits everyone from the recruiting executive to the hiring manager, the recruiter and the candidate—has proven to be an elusive target for today's companies. This is particularly true when one considers that the expectations have risen with the advent of new technology, dramatically increasing the volume of candidates and the demands for turnaround on requisitions.

With that in mind, the driving insight revealed by the survey is that enabling people remains today's most significant recruiting challenge. Relationships—with candidates, hiring managers, and business unit HR representatives—drive recruiting. Workflow is the key to helping the people within the organization build those relationships. Systems must work in harmony with the process and workflow, and metrics must account for the amount of effort and time that people must commit to the process. Focusing on these needs will continue to be the most important mission for companies looking to evolve their sourcing and recruiting capabilities.

Automated interactions do not build relationships

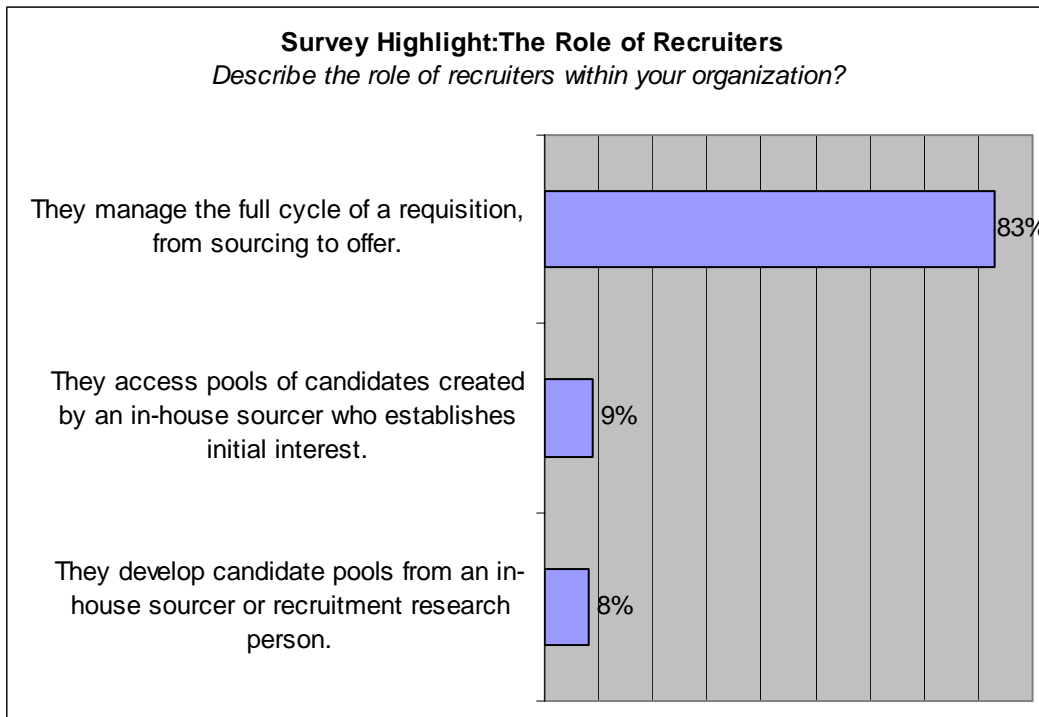
Today, companies talk about building an employment brand and initiating interactive contact with "passive" candidates using customer relationship management (CRM) principles. These activities still revolve around building the relationship, which ultimately requires companies to understand the candidate, assess the candidate's potential fit to the company and the position, and finally to "sell" the candidate on the opportunities. Technology can facilitate the relationship yet not actually build it; that effort requires some level of personal interaction.

For example, most applicant tracking systems have a feature that will electronically confirm receipt of the candidate’s resume or application. When this feature was first available, the relationship benefit was perceived to lie in the ability to contact candidates and assure them they were under consideration. In effect, no more resumes would go into a “black hole!” Perhaps this approach worked initially, yet without a personal follow-up this communication is now perceived as almost meaningless by candidates. An electronic message acknowledging that an electronic document was received does not begin to build a relationship.

Workflow optimization is vital for improving recruiter effectiveness

It appears that in many cases the fundamental changes required to address future recruiting optimization are operational. That is, companies may not necessarily need to focus on hiring more or higher-skilled recruiters; instead, they may need to analyze the workflow and expected results in terms of reshaping the recruiting organization.

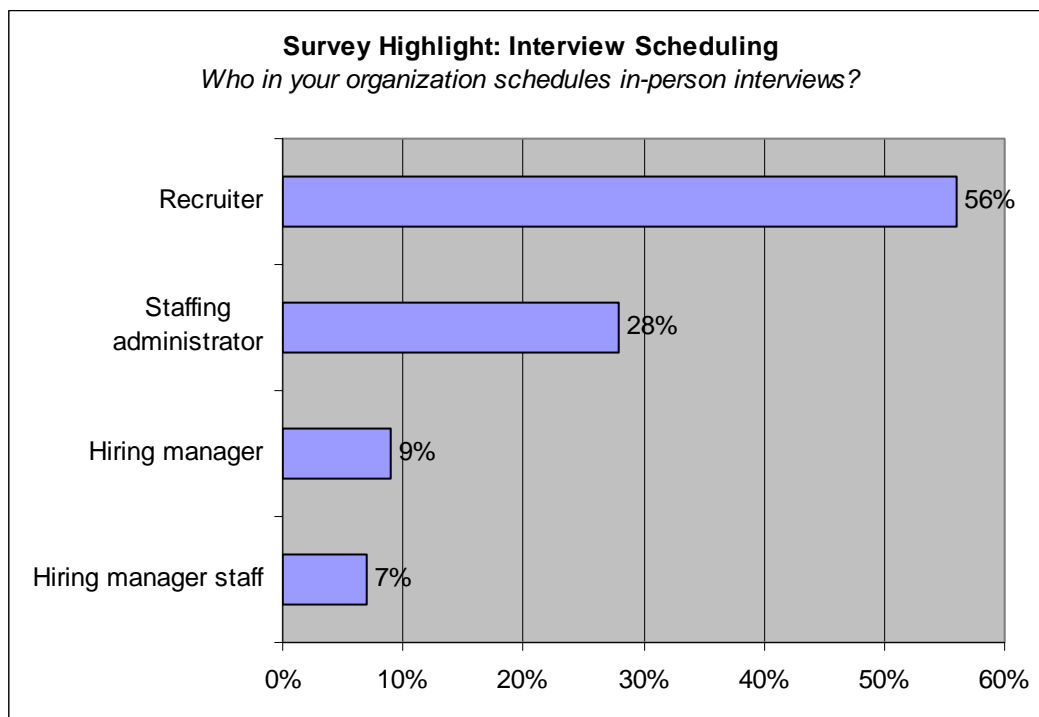
If recruiters are doing individual job postings, and 75% of the respondents indicated that they do, then those recruiters are not on the phone with candidates. If they are adhering to rules about not working on unapproved requisitions, each day that passes while waiting for approvals is a day of sourcing lost. Some companies have looked at their recruiting processes from a lean or Six Sigma perspective, and they have begun to reassign or eliminate non-value-added tasks. Some have acknowledged that sourcing and recruitment research are functions unto themselves. To further this idea, one could also say that the skill sets required in a sourcer or researcher differ from those of a productive recruiter.



83% of the respondents said that their company model included full life-cycle recruiters. Should companies seek to break out the areas that take the recruiter away from spending time with the candidates and hiring managers? There are a number of opportunities for improving efficiency by

examining the activities imposed on recruiters on a daily basis. The most notable of time-consuming recruiter tasks include:

- Setting up interviews:** When an interview schedule suddenly changes, the recruiter may spend hours trying to sort it out. As a result, the recruiter may have to put off core tasks. There does not seem to be an ATS system that accommodates scheduling well, particularly with ad hoc changes such as drop-outs, add-ins and last-minute scheduling conflicts. At the very least, interview set-up is an administrative task and should be delegated as such.
- Job postings:** 75% of the research pool said that recruiters regularly handle postings, and these individual job postings take time to complete. 39% reported that compared to last year, time spent on job postings has increased. Once the sourcing sites have been identified, it can take 10-15 minutes per site to post to them. This delays the postings to when the recruiter can get to them. If the recruiter has two hiring manager strategy meetings in a row, the job from the first meeting will not be posted until after that second meeting. This should be delegated to an operations or administrative colleague. Technology falls short in addressing several posting issues, including a system integrated with the applicant tracking system, use of a third party job board aggregator, or having contract arrangements with career Web sites whereby a site “wraps” all of the company’s available positions.



ATS functionality and other technology advances remain underutilized

When it comes to meeting the need to optimize recruiter time, many organizations are not realizing the potential of their ATS systems. For example, companies utilizing an ATS primarily use the function of building and searching the candidate database. This certainly improves efficiency and accelerates administration compared to a manual process, yet only about two thirds of respondents are fully using that functionality. Many ATS have other features such as qualifying questions and candidate “scoring” that are designed to facilitate candidate management, yet 25% of respondents who have this feature available are not using it to narrow their pool of qualified candidates.

The phenomenon of underutilized ATS technology may be a result of the not-enough-time factor, or it could be due to the fact that at some companies, some processes almost resist automation due to the corporate culture. One reason that features go unused is that putting them to work involves some level of culture change. Collecting interview feedback electronically, for example, may seem to be a change that is slow to be adopted, but the time saved can be substantial. In this example, there is also the benefit of better tracking and consistent documentation of interviews. Making such culture changes requires buy-in to the automation of processes by recruiters and hiring managers alike. It may seem easier in the short run to continue workflow as it had been done in the past, but taking the time to make these changes can pay off in time saved and the avoidance of data entry or rework in the future.

An advance in recruiting technology that has gained much attention of late is the evolution of candidate assessment tools. Candidate assessment tools have been an active topic of discussion over the past year, yet only 22% of respondents are using tools integrated with their ATS. Interestingly, 27% say they have these tools available but do not use them. Another innovation is the “conceptual search” capability. Introduced in the past few years, conceptual search tools search the database using a job description or another candidate resume to identify matching candidates. These tools are noted as available-yet-not-used by around 22% of respondents. Finally, only 55% say that they accept employee referrals through their ATS. This implies that there is a parallel manual process at many companies to accommodate employee referrals. When one considers how employee referrals can be a substantial source of candidates, this would mean there are many extra steps taken in candidate management outside of the system.

Another feature of some ATS systems is the ability to communicate with passive or dormant candidates in the database to build the pipeline or attain referrals. Only 30% of respondents are using this capability, whereas 47% say they do not have this feature available. These statistics, and those before it, reveal an overriding issue: companies are not using ATS technology to its full potential. There remains a significant opportunity for companies to explore the full capabilities of their ATS systems. Through careful and focused planning it is possible to identify how systems can be optimized on an ongoing basis. Optimized systems can compliment the relationships built with candidates, help build efficiency, and cut administrative time. Each of these benefits can yield a competitive advantage in reaching out to the diminishing supply of available top talent.

Systems should be designed to support effective processes – not the other way around

One of the most problematic issues associated with today’s advanced systems and complex processes is that they can often push an organization to change its recruiting focus. Sourcing, recruiting and candidate management processes have seen significant growth in the technology designed to support them. It is important to note that the technologies themselves do not lead to fundamental improvements in recruiting processes. Instead, the right processes must be in place, and they must operate in alignment with other internal processes and systems to deliver optimum value.

In the past, recruiters did not have many of the technologies available to them today, yet the process was essentially the same. Using only a phone and a (hard copy) filing system, recruiters set out to build relationships with candidates and client companies, the end result of which was a successful placement. Today, the candidate and recruiter can connect through employment Web sites and online social networking groups. The candidate can be pre-qualified by answering questions, and mass communications and email capabilities are available.

Advances in technology may broaden the scope of an organization’s recruiting focus simply by accelerating basic processes and leading more quickly to the personal effort needed to reach out to the right candidates. Nevertheless, the relationship-building effort itself still depends on human interaction. The effectiveness of today’s systems will ultimately depend on their ability to take on the high-volume administrative burdens of recruiting and free the organization to devote more effort to those critical relationship-building processes.

Metrics should drive improvements *and* increase awareness of time investment

Information is power, but only if the information is accessible and relevant. Having information in one central location is convenient, but further business benefit occurs when clear metrics have been established and information is both pulled and distributed in a timely manner.

What questions are being answered through data collected by today's companies? How is data driving performance improvements? These are important questions to ask when exploring the focus of a metrics and reporting strategy. For example, one can look at recruiter productivity on an individual basis, yet in many cases such data is used solely to judge past behavior. The real challenge for many organizations is to look beyond past performance and translate that data into actionable information that could drive decisions that optimize recruiting processes and improve future performance.

Perhaps one of the most actionable applications of recruiting metrics is in the area of time usage. Time-usage metrics can help us identify when certain parts of the process take longer than expected. They can help adjust expectations and requirements based on the realities of the process. In a manufacturing situation, it is impossible to ignore the expended time for a required part of the production process, for that effort is visible. It is not visible how much time it takes to screen fifty resumes and make ten calls. Currently, the amount of time it takes to build relationships with candidates is even less visible. Gaining such visibility can reveal how and where an organization can best focus its efforts to improve the recruiting process.

One tool for measuring success that is growing in usage by corporate recruiting organizations is the Service Level Agreement, a document agreed upon by the hiring manager and the recruiter that encompasses all expectations and tasks around the recruiting and hiring process. Only 41% of respondents reported they are using such a document. The advantage of this document, in addition to being a thorough overview of the project, is that it is tailored to the specific requisition and hiring manager's needs. It is real-time, specific, and serves to drive integrity into the project plan and desired outcomes.

Moving Forward: Reaching for Practical Solutions to Long-Standing Challenges

The trends, challenges and insights revealed by the survey indicate that the recruitment marketplace and environment continues to change and evolve, yet recruiting principles and hiring milestones have remained the same. By acknowledging the constants while recognizing areas where change can be practical and effective, organizations can continue to optimize recruiting processes and improve their ability to reach vital talent.

Linking staffing to other talent management functions

One constant is the principle that, the more time one has to source candidates, the larger the resulting candidate pool will be. In theory the odds will increase that the "best" candidate can be found. When recruiters know the types of positions for which they will be sourcing *before* the requisition opens, they have a chance to cultivate a pipeline of candidates for the specific position. To this end, innovative companies are beginning to link workforce planning, succession management and talent management to the staffing process.

Linking talent management functions to the staffing process can be as simple as notifying recruiters on a semi-annual basis of budget approvals to add headcount. (Only about 40% of respondents reported this type of activity.) As talent management becomes more sophisticated in response to the tightening market, the link between functions will become more important as part of the groundwork of overall sourcing strategies. This link also will be important for ensuring that everyone involved has early knowledge of potential positions, which in turn will provide the ability to market to these segments far ahead of actual open requisitions.

Applying technology to facilitate recruiter productivity

Another constant in recruiting is the principle that, the more technology is added to the mix, the higher the expectations of recruiters' productivity by hiring managers and candidates. Companies should work to ensure that technology facilitates, rather than encumbers, the process. At the same time, companies also should not fear using new processes and automating pieces that have traditionally been handled manually. The time invested to make these changes can allow recruiters to spend their time in the most productive way: working with candidates and hiring managers on a personal basis.

Supporting the relationships that drive recruiting

Ultimately, recruiting is still about relationships: between the recruiter and the candidate, the company brand and the candidate, and the hiring manager and the recruiter. The more technology and processes support the building of these relationships, the more valuable and productive the staffing/recruiting function becomes.

Looking ahead, recruiting organizations will continue to evolve in several areas. They will improve processes by linking recruiting to other talent management functions. They will optimize their use of technology to improve recruiter performance. Finally, they will work to ensure that all efforts remain focused on the core mission—to effectively build relationships with the people that drive company success. It is a mission that has driven recruiting in the past, and regardless of the advancements in processes and technology, it will remain as the primary mission driving recruiting effectiveness both today and in the future.

This report was developed by The Newman Group

The Newman Group provides talent management consulting services for today's Fortune 500 global enterprises, including one out of three Fortune 100 companies and recognized industry leaders such as McKesson, Lockheed Martin and General Motors. Our services cover strategic analysis and planning; process review and optimization; technology and services evaluation, selection, and implementation; and workforce planning. In addition, we provide vital support services for applicant tracking systems. With a staff of pioneering thought leaders in the recruiting and talent management arena, The Newman Group has established itself as a key partner in helping companies align people, processes, and technology to achieve talent management success.

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