

Designing an Effective Recruitment Process for Small Business

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Designing an effective and efficient recruitment process is a cornerstone of success for small business. Invest in the “right” annuity, stock plan, or real estate and you are rewarded with a handsome financial return year after year. Invest the time and effort into developing, delivering, and improving a recruitment process and you will have a constant flow of quality candidates ... job opening after job opening. Attracting the best candidates – who make your small business thrive – can indeed be made easier by careful development, delivery and improvement of a recruitment plan.

When designing a recruitment process the focus should be not only on how your firm benefits, but also, and most importantly, on how the candidate benefits. How you *pursue* and *engage* the candidates to a great degree determines how successful you will be in recruiting them.

Candidate - centric recruitment processes attract the best candidates...pure and simple

Developing a recruitment process that attracts candidates to small business need not be costly, but it must be effective and efficient. Here are a few suggestions on steps to take to create a sound recruitment process for your small business:

Assess Your Current Process ... and your competition's

There are elements in every recruitment initiative that can benefit from a periodic review. All stakeholders in your recruitment process – internal and external – should participate. Assessing the strengths and weaknesses of your process as perceived through the eyes of your recruitment team - and the candidate – can help.

It is equally important to assess the strengths and weaknesses of your competition's recruitment process. How long does it take? Who is involved? What are candidates saying about it? What type of packages (compensation, benefits, etc.) are they offering? Lay the processes side by side and see how you measure up. Your recruitment process is in competition with other firms looking for the best candidates and the foundation you create for the interaction with the candidate sets the stage for successful recruiting.

Build Your Recruitment Team

The value of teamwork in any endeavor is well documented. The responsibility for recruitment – no matter how small the organization – should not fall on the shoulders of one individual. *The size of your recruitment team is not as important as its characteristics.* Effective team recruitment should involve expertise that represents a wide range of disciplines and perspectives. And while the consensus among recruitment specialists is that team recruitment is a key pillar of a best practice recruitment process, it couldn't be more true – or advantageous – when applied to recruiting for small business.

When possible, select the interview team from diverse disciplines: human resources, sales, finance, IT and management

Best practice recruitment should involve both *internal* and *external* teams, each with a distinct set of duties and responsibilities.

Internal teams should involve employees, managers and executives if at all possible. At what point in the recruitment process you include team members is a matter of preference. Inclusion of employees – during the candidate interview in particular – provides immeasurable benefits for the team beyond the immediate task of recruitment.

Among them:

- Frontline insight on suitability and job fit to ensure long-term success
- Increased communication, understanding and cooperation across organizational levels
- Improved interpersonal skills – questioning and listening

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External teams should also be included in your recruitment process as they add considerable value. Recruitment advertising agencies, job board agents/consultants, recruiters, job fair firms, etc. can complement your recruitment process by shoring up areas where your expertise is limited.

These *external* resources can help:

- Assess current process strengths and weaknesses; e.g. employment brand perceptions
- Understand the impact demographic trends have on your ability to source talent
- Develop job descriptions that are legally compliant, competitive, and attractive to the candidate
- Benchmark your recruitment process against your competition
- Manage processes that present administrative difficulty – resume management, scheduling

Duties of Team Members

The success of any team is directly related to how well each individual team member meets their individual objectives. These primary stages along the recruitment timeline need to be assigned, monitored, and benchmarked to ensure process continuity – and more importantly – create a pleasant experience for the candidate.

Workforce Planning – job description development, employment branding, requisition management
 Candidate sourcing – research and strategy
 Candidate screening and assessment – phone, email, face-to-face
 Candidate scheduling – prescreening interview, orientation
 Candidate communication – status calls, status letters
 Database management and reporting – resume routing/warehousing

Building a Recruitment Budget

Cost-Per-Hire is the industry term used to describe the line item expenses that are attached to the recruitment process. Typical expenses/fees include advertising, recruiter, phone, postage, marketing, rental facilities, application processing, testing, interviewing, travel, background checks, drug screen checks, etc. Some firms also include loaded costs such as recruitment team member salaries and benefits. What you choose to include is a matter of preference, but be consistent. Your ability to design and implement a continuous cost improvement plan is predicated on your ability to compare like expense data over time.

Building/Enhancing Your Small Business Recruitment Brand to Attract Candidates

The competition for talented employees grows stiffer year after year. And the candidate is increasingly challenged to find the “real” opportunity among the fabricated. Separating your small business from others, becoming an *employer of choice* among the talented candidates, can be facilitated by effectively utilizing one of your most competitive assets...your Recruitment Brand. An effective recruitment brand should communicate your company's mission, culture, and spirit.

Great branding - recruiting or otherwise - captures the attention of the customer. Think Nike's "JUST DO IT" or Southwest Airlines "Freedom. You are now free to move about the country Ding."

Uncovering perceptions of your current recruitment brand through focus groups (employee and prospective employees) can help update your brand and better position you in front of targeted candidates.

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An Effective Recruitment Brand can help your small business:

- **Reduce recruitment costs** – it motivates candidates to seek you out, thereby reducing cost associated with sourcing candidates
- **Improve the quality of hire** – a compelling success story draws the curiosity of the “best” candidates
- **Increase sales revenue** - in concert with a company branding campaign, it can increase mindshare among prospective buyers of your product or service
- **Create company buzz** - Brand building creates company goodwill both internally and externally

The adage “you know you are rich when your money works for you instead of you working for it” can be applied to recruitment branding as well. You know your recruitment brand is working when quality candidates start knocking on your door instead of you having to constantly search them out.

How to Find the Candidates – *Hint: Mix technology and touch*

Companies that employ a “balanced” approach to recruitment are less likely to realize a strain on resources – both human and monetary. More importantly, they are less likely to lose candidates. Continuous technology innovation by vendors within the online recruitment marketplace has enabled companies implementing recruitment initiatives to interface with candidates more effectively and efficiently.

Technology

The technology now available to small companies (online recruitment boards, resume search engines, applicant tracking vendors, talent management systems, corporate websites and others) during their recruitment initiatives present an opportunity to enhance the “high touch” processes (see below) that has often been the stalwart of small business recruitment. Online recruitment services/tools enable small companies to enjoy significant advantages. Among them:

Quick start up – many vendors offer introductory packages that require nothing more than an email address and an internet connection. Phone and internet based customer service are commonplace, and can help with the administration.

Ease of use – advances in user interface testing and improvements in focus group methodology have enabled vendors to make giant strides in what recruitment teams and candidates experience as they navigate within the interface.

Reach – local and national resume databases provided by some vendors and service providers are rich with potential candidates, and create the opportunity for small companies to have a larger pool of candidates from which to choose. Major career boards typically expend considerable resources to ensure that the database is “fresh”.

Branding – because there are less constraints on the amount of data companies can present to a candidate – in an online recruitment ad for example – companies have the ability to present data otherwise reserved for subsequent meetings. (i.e. benefits, culture)

Tracking – the ability/need for the candidate and recruiters to communicate is essential. On-line recruitment tools frequently offer database management features that allow both parties to track where they are in the process.

Cost savings – many vendors have introductory packages that are budget and term friendly. As a line-item expenditure, job postings and resume database searches are considerably less than other sources; namely newspaper, retained, and contingency search agencies.

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Touch

Online job boards have gone from virtually nothing in the late 1990's to over \$2 billion today. And while the trend is obvious, and the need for small companies to participate in online recruitment is great, for a small business recruitment process to be effective it should include and enhance some of the high touch, low cost opportunities in their own backyard.

Employee Referral – is still one of the most cost effective and efficient way to source candidates. Because employees have a vested interest in the success of the company one would surmise that the prospective referral's skill sets are carefully reviewed and vetted. Successful employee referral programs incent and reward employees for their participation and are also monitored to ensure the return on investment.

In a recent HR.com survey of 738 companies, respondents ranked Major Job Boards and Employee Referrals as their top two choices for the ability to source candidates quickly.

Customers – your customer service, sales, and marketing teams have a direct line to a potential pool of candidates that are already familiar with your products, services, and culture. Enlisting customers to assist you in your search for talented employees – employees that may very well improve their experience – is also one of the best methods for deepening the customer/seller relationship.

Suppliers – Customer retention is a primary goal of any supplier. The stronger your team is the more prosperous your company. And your preferred suppliers (for selfish reasons) will go out of their way to help you with initiatives that can help your business thrive because as you thrive, they thrive.

Getting the Attention of Candidates - Tip: Get the billboard out of the cellar

Small businesses usually have a “billboard in the cellar” that is, a great story to tell, but one that not many people know about. Competing against large company employment brands and their budgets, while difficult, is not impossible. Small businesses need to trumpet their achievements to get the candidate not only to hear about the opportunity, but also to listen and want more. One of the most effective ways to accomplish this is by garnering publicity through the press – both print and online.

Survival and prosperity in small business can frequently be traced back to how creative and aggressive the small business was in pursuing its goal. While you are waiting for your recruitment brand to gain momentum, here are a few creative ideas that can help you get the attention of the candidates, build awareness of your brand, and ultimately your candidate pool.

- 1) Conduct a survey – Media outlets are constantly looking for content and frequently look for survey data that is timely and interesting for its readers.
- 2) Do a Top Ten list – David Letterman doesn't have a monopoly here. Unless you have the writers he does though, stick to business topics.
- 3) Sponsor a local community project – Charity does indeed begin at home and the return on investment is usually ten-fold.
- 4) Help the kids' school programs – These future customers will remember you and their parents will reward you.
- 5) Create an industry-first event – Every news editor wants the acclaim of covering a first-of-its-kind event.
- 6) Honor an icon - The company you keep can keep you in the spotlight.
- 7) Promote employee accomplishments – from the hilltops – It shows prospective employees recognition is free-flowing.
- 8) Sponsor a debate – Political, social, community or otherwise.

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9) Create a story series – Frequent impressions over time help develop your recruitment brand.

10) Thank your customers publicly – Customer appreciation draws more customers and candidates.

Selling the Candidate on Small Business – *Tip: It's not what you are selling, it's how you sell it.*

The sophisticated and most talented candidates are quite aware of the well-documented benefits of working for a small business: ability to quickly develop and improve multiple skill sets, rapid advancement, being closer to the customer, family atmosphere, being an intimate part of company's success, etc. And while these attributes truly do have an influence on a candidate's decision, *how the candidate is treated during the recruitment process will have a major impact on whether he or she decides to choose you over your competition.*

Ask yourself this: Is your recruitment team more polite? More courteous? More knowledgeable of the market? Do you respond quicker to the candidate requests? Are you respectful of the candidate's time? Is your interview process more compact? If you have a career page (a must have by the way), is it user friendly? Do they have the opportunity to talk directly with all of the individuals they will be working with? The experience that the candidate has with your recruitment process should complement what the candidate already knows about the benefits of working for a small business and reflect what the candidate will experience their first day on the job.

Timelines to Monitor

Efficiencies during the recruitment process are gained when close attention is paid to the timelines that affect both you and the candidate. Common measures of time that can be benchmarked for future gains in recruitment efficiency include *Time-to-Hire* and *Time-to-Start*.

Time-to-Hire is defined as the time between when a job requisition is approved and the time when a candidate accepts the position. Time to Start is defined as the time between when a job requisition is approved and the time when a candidate starts his/her job.

(It is important to note that companies frequently lose candidates after a candidate has accepted a position and before a candidate starts. Often candidates will accept more than one position and then wait to see how the prospective company treats them during this "honeymoon" period. Attention should be paid to the frequency and type of communication with the candidate during this time.)

It is equally important to benchmark your Time-To ratios against companies in your field and region to ensure that you have an equal or better chance of engaging the candidate before your competition.

Designing an Effective Recruitment Process for Small Business:

Conclusion

Continuous Improvement

Improvement to your recruitment process will manifest itself in many distinct ways. Reduce your time-to-hire and you can get the candidate off the street before your competition knows they are there. Reduce your time-to-start and you lessen the risk of losing the candidate to the runner-up company nipping at the candidate's heels. Assemble a small diverse interview team and you can more readily identify quality candidates. The nimble small business should strive to achieve all of these objectives ... and more.

Demographic studies portend a shrinking pool of qualified candidates in many disciplines. Finding these candidates in such a competitive environment necessitates that small business focus not only on process but also real-time strategies and tactics that take advantage of a company's smallness.

Noted author Jim Collins (Good to Great) encourages employers to "get the right people on the bus, the wrong people off the bus, and the right people in the right seats." While your recruitment bus may be a bit smaller than the large corporate recruitment bus nearby, it can run like a champ for many years and get you where you want to go - and before the competition - *by tending to the mechanics*. The primary goal of any recruitment initiative should be to find employees who will ultimately help your company reduce costs, improve productivity, and increase revenue - and small business is positioned well to accomplish this.

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Mark provides analyst coverage in the staffing vertical, focusing on workforce acquisition (sourcing, screening, assessment, background checks, vendor management systems). A strong proponent of customer care, Mark is the author of "HR Vendor Expectations", a collection of interviews with senior human resource executives on best practice customer care. Mark brings over 20 years of leadership experience in consulting, sales management, product management and product analysis in venture backed and Fortune 100 companies. Mark is the founder of the RPK Group, a human resource consulting firm focused on recruitment through media and technology as well as vendor selection and management.

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