

The Misconception of Recruitment

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Commonly held Recruitment Myths

1. Access to passive candidates will solve your recruitment woes
2. If you can source names and job titles, you can replicate best of breed recruitment
3. Talent can be vetted at interview phase, once there is a critical need to hire

In 2005 Jigsaw Search was established to offer a different recruitment experience to both procurement professionals and businesses seeking to hire. At the time we knew that the recruitment industry was undernourished with experienced recruitment professionals and key to our success would be to offer genuine vetting capability coupled with a pro-active networking strategy. E-commerce job boards (Seek, My Career etc.) were the biggest threat to recruitment providers at the time, with job seekers empowered to centralise their job search whilst enabling companies to reach out to active candidate markets directly. That threat proved with time to be over-estimated and businesses slowly realised that overall, the quality of candidates applying online for roles was weak at best. The workload stemming from huge and inappropriate advert responses proved both costly and time intensive and recruitment firms were again empowered to add value to the recruitment process as a filtering mechanism.

In 2009 the market saw increased usage of e-commerce social media and networking sites such as LinkedIn and Facebook which are now planning to enter the world of talent management, succession planning and recruitment or have indeed entered it. LinkedIn is essentially a self maintained online recruitment Customer Relationship Management system which anybody can access. Unlike the e-commerce based job boards, these social networking tools promise to remove the voodoo of Executive Search and Talent Pooling and give everyone, recruiters and hiring companies alike, access to the Passive candidate.

So will LinkedIn change the face of recruitment and deliver a more effective recruitment solution than the recruitment firms themselves?

It is important to not get carried away with the term Passive which is the new buzz word within social media and recruitment circles. Whether a candidate is Passive, Active or Available has no value unless they are engaged in your succession pipeline and have been *qualified* as a match for your business through a robust vetting process. If a passive candidate is interested in an opportunity it is worth remembering they are not necessarily the most highly qualified person for the role and the success rate of appointing Passive candidates is only 25% compared to 80%+ for Active and Available professionals.

The term Passive Candidate only has value when coupled with a strategic talent plan and a qualitative method of vetting and evaluating capability.

In 2012 there is no longer a problem in gaining visibility of who is out there in the world of white collar professionals. The art of advanced talent mapping, gaining the names and position titles of senior and middle management are now for all parties to exploit through the sole media of LinkedIn. An internal hiring manager can now access the same market as the

external recruitment firm via an online database like LinkedIn that in 95% of cases has better data integrity than a recruitment firms own database.

In theory, recruitment firms should now be panicking. So are they?

Recruiters should be concerned, but the offering positioned at present through social media sites will ultimately be very limited in terms of true value proposition to businesses seeking to cut out recruitment firms.

The issues stem from two areas. The first issue is how businesses think about recruitment and succession planning and the second is down to assessing a candidate's capability. Many businesses still feel it is adequate to put in place a selection of recruitment providers who have been assessed by certain criteria (usually price and supplier rationalisation i.e. minimising the amount of administration involved in managing a recruitment panel by opting for a couple of multi-discipline 'generalist' corporate recruitment firms). Increasingly, larger companies will position in-house internal recruiters to exploit LinkedIn and cut out the external recruiter to minimise cost. This does not solve the first problem of recruitment being completely reactive, with strategies being positioned in series where certain actions and processes kick in once a decision to hire has been made within the business. This places time pressure and any factors that are dictated by time as key elements in the success of a given recruitment process. This is why many recruitment projects are unsuccessful.

In reality a company's talent requirements rarely change, with time having little relevance. In turn, time should not be a factor in talent mapping and pipeline development. Hiring strategies and talent mapping need to work in parallel with the business's usual day to day operation. Only then does the burden of time become less critical to dictating the outcomes of recruitment. This entails removing the dated and typical logic of identifying a vacant job and then reactively executing a candidate search process and replacing this reactive hiring behaviour with the new logic of org chart positions and talent pipe-lines that are in sync with these structures.

The second issue that leads to failure is vetting a candidate's capability. Recruitment and talent mapping is not just about candidate sourcing. As previously highlighted in this article, obtaining access to a network of white collar professionals is no longer an issue for anybody who has access to LinkedIn. In fact it is the abundance of professionals that exist within LinkedIn that can cause the headaches.

There are well over 40 million profiles within LinkedIn and the data on each profile has been entered by that individual. Every job title, employment history, skill code and qualification has not been qualified as accurate or true. If you are heavily geared towards using this media you may well be searching through a long list of networks and profiles but when crunch time comes to interview the individuals, it is likely you will have a list far too long to manage and many of the skills people positioned themselves as having are not evident through the interview process. As any experienced recruiter (in-house or external) will know, interviews take up a huge investment in time. To come out the other side having not identified a suitable candidate can be frustrating.

Over the past 6 years Jigsaw Search has become a leading brand in the niche vertical of procurement talent management. I mention Jigsaw Search and the niche skill set with which we recruit to give a qualified perspective on a typical market and the realities of technical assessment. I am sure there are strong synergies in all other professional recruitment areas such as Marketing, Legal, Sales and Human Resources etc.

If we take 100 procurement professionals from within Jigsaw Search's database and check how they have performed in our technical evaluation, the figures demonstrate the true scale of the issues facing social media sites attempting to replicate the best of breed recruitment companies.

Strategic Sourcing

ID	Candidate Name	Test Score	Ranking	Above/Below Average	Stakeholder management	Ranking	Above/Below Average	Decision making	Ranking	Above/Below Average	Business diagnosis	Ranking	Above/Below Average	Market analysis	Ranking	Above/Below Average	Risk management	Ranking	Above/Below Average	Procurement strategy	Ranking	Above/Below Average	Contract formation	Ranking	Above/Below Average	Influencing & negotiation	Ranking	Above/Below Average	Supply chain management	Ranking	Above/Below Average	Supplier management	Ranking	Above/Below Average
20624	John Smith	81.3	I	A	9.0	I	A	8.7	I	A	8.0	I	A	9.2	I	A	8.0	I	A	12.5	I	A	9.0	I	A	9.2	I	B	3.5	I	B	4.2	I	A
Average		72.3			7.3			7.3			7.9			8.4			7.2			10.6			7.3			9.5			3.5			3.3		



The example demonstrated above shows a candidate's test results across the ten key areas for one skill set within our database, in this case Strategic Sourcing. These ten core competencies are Stakeholder Management; Decision Making; Business Diagnostic; Market Diagnostic; Risk Management; Strategy; Contract Formation; Negotiation; Supply Chain Management and Supplier Management.

The diagram shows the total average score across the selected group is 72.3. The highest score in this set was 96.6 and the lowest was 57. That is a variance of 39 points or to put it another way the lowest skilled applicant had a test score that was 40% lower than the highest.

Even more interesting is the variance across the ten competencies which paint an even more complex picture. Procurement (as is the case with all sectors of recruitment), requires focus on key attributes depending on the requirements of the business, it's strategic direction and/or how the culture is made up in relation to certain stakeholders.

The total candidate score in many instances could be irrelevant, with the greater importance being the matching of capability scores to the required capability of the client's need.

In our experience, in-house recruitment teams utilising technologies such as Taleo and PageUp still fail to deliver fast and cost effective recruitment solutions to the leading stakeholder of the business. Having a large network of names, job titles and skills is useless if this information is not correctly qualified through a robust technical vetting process.

Due to the difficulty of replicating the 'best of breed' recruitment firm's ability to vet and qualify candidates what actually happens is businesses develop internal recruitment strategies that revolve around developing a large database in the theory that this will give them a source of talent and then engage recruitment firms to supplement and fill it, perpetuating the 'bad data in' process and un-vetted shortlist issues as well as introducing problems such as candidate ownership to an already adversarial relationship between HR and their external recruitment suppliers - diminishing their motivation to work hard for the client.

As a long term strategy, this is not sustainable and indeed in the last few months we are beginning to witness businesses realising that rather than in-house recruitment bringing cost and process benefits to the business it is bringing the same commercial pain as the external recruitment supplier they are trying to replace.

Businesses that have gone for an in-house model have effectively decided that recruitment is a simple process and that the 'Make' decision is a better way to go than the 'Buy' option. This is a classic example of a poor procurement decision being made without understanding exactly what is being in-sourced.

In order to replicate the best recruitment firms, businesses would need to have specialist recruitment experts for all of the different employee needs throughout their business, but the issue with that is that the best recruiters make far too much money to take an in-house recruitment role, which in turn means that businesses are not getting the best talent in their in-house teams and end up with the same re-active recruitment process they were getting from their external providers, but now they are bearing all of the infrastructure costs of running a new non-core department.

To conclude, unless businesses and social sites factor in a robust vetting system to filter down the vast and abundant network of Passive professionals the impact of social media as a genuine talent management tool will be greatly restricted. In addition, businesses need to think at a more strategic level about the decision to bring recruitment in-house and add a further link in to an already elongated recruitment supply chain, it is a far bigger call than it appears.

Whilst social media may help the immediate sourcing phase of recruitment what businesses should be looking at is planning recruitment in line with their organisational chart, deciding who is best placed to recruit each role and to start the recruitment process before a role becomes open and therefore business critical.

