

# THE COST OF BAD RECRUITMENT



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Talent Acquisition Best Practices

The purpose of this document is to illustrate and attempt to quantify the usually hidden cost to organizations of bad recruitment and lack of Talent Planning. It further illustrates some basic Best Practices to adopt when searching for Talent.

# The cost of bad recruitment

## TALENT ACQUISITION BEST PRACTICES

### CAN YOU IDENTIFY WITH THIS?

Picture the scene. Successful Sales Director has one of his/her staff resign and leave. While the ink is still wet on the Recruitment Approval Form, he/she calls his/her trusted Recruitment contact with a hastily put together Job Description. The Recruitment contact sucks in his/her breath and says it may be tough as there are not many people looking with that level of experience (warning bell should be sounding – fee justification in operation) but he/she will give it a go. The Recruitment contact hastily looks at CVs on his/her desk that typically have been there for some months as they are the ‘difficult-to-place’ ones and sees an opportunity. In order to find a few more, he/she trawls the trusty database subscription account and pops in a few keywords from the Job Description and several hopeful names and CVs are regurgitated.

Next day, the Recruitment contact has mailed a selection of CVs and calls, urging that the ‘difficult-to-place’ has the advantage of being flexible on package and start dates, despite the fact that the Sales Director may have seen the CV before, possibly even several times. Well it was worth mentioning, wasn’t it? The other CVs don’t seem to be that applicable but the Sales Director knows a) every day without a warm body means potential less sales, b) there really isn’t enough time in the day to spend on this and get the job done, perhaps even having to cover the vacant territory his or herself, c) pressure his high, last month was slightly below plan – now is not the time to be a person down, d) budgets are tight and with sales not at best, inevitably there will be a squeeze on heads – this headcount may get withdrawn and that will make hitting goals virtually impossible. The Sales Director uses all his/her best judgment and agrees to interview two candidates.

A week later, possibly after a second interview one is selected. It was the one who looked presentable, had a CV with superb achievement in every job despite oddly short tenure in each role – you know, Chairman’s Club, top accounts, never missed a target – and who answered all the superficial questions at interview very well. All attributes were good – the person was ‘up for the job’, ‘I was head-hunted’, ‘always in need of a challenge’, ‘not afraid to call the CEO’, ‘had closed the largest sale of the century at every Company’, and ‘knew the decision maker at Bloggs Bank like a brother’. It was a no-brainer. The candidate resigns from the old job, and is dismissed early to be able to join very quickly to enjoy the trappings of a fat guarantee for 3 months, a shiny new laptop, a spanking top of the range Nokia and even a Blackberry. The first few weeks are spent hopping back and fore to IT to get help setting things up, worrying about desk position and taking those congratulation calls from friends.

Fast forward a year or even 6 months and sales figures haven’t recovered, big pressure is on from above and questions are being asked about performance even down to individual level. Fast thinking pinpoints shiny new recruit ‘isn’t making the grade’, ‘doesn’t fit into the results-orientated culture’, ‘is a farmer not a hunter’, and ‘hasn’t worked out’. Actions are required, so without much ceremony, hapless new recruit is pulled in and given summary marching orders with a few months salary to ‘keep them quiet’ and HR off their backs – the habitual and widely used ‘Compromise Agreement’. Internally, the recruit was fired for bad performance, externally the recruit portrays a Company going down the drain and losing good people. For the Sales Director, recruit and Recruitment contact, the cycle starts again.

## THE REALITY IS NOT FOR FROM THE FICTION

The fact is we have all been in pressure situations and recruitment, though we all know it to be vital, it is a distraction from doing our real job and achieving goals.

***The reality is that recruitment and achieving goals are inextricably linked.***

In the uncomfortably familiar scenario above, the Sales Director may well have chalked up the saga as ‘an unavoidable error’, possibly even saying ‘they interviewed so well’. They would rarely analyse the actual cost of the error but that only compounds the mistake. Let’s assume the recruit lasted 6 months and had a basic salary of £50k and commission at £50k also for an OTE of £100k and let’s leave aside the cost of benefits for the moment although sizeable – but bear in mind actual cost to the business includes 12% National Insurance on top.

Recruitment Fee	Guarantee	Ongoing base salary	Compromise Agreement	Total
@30% of OTE	3 mths at 100% of OTE	(assuming 3 further mths)	(assume notice plus 1 month)	
30% of £100k = £30k	3 x £100k/12 = £25k	3 x £50k/12 = £12.5k	2 x £50k/12 = £8.3k	£75.8k

And that’s conservative as even though they performed poorly for 3 months their territory might have qualified for some commission just from trail revenue.

But that’s not reality, is it? After all, if the Sales Director had employed a genius, the budget would have had to have been spent anyway? This is where sales management logic compounds the error by trying to be an accountant also – the fact of the matter is that the territory would have probably produced the trail revenue even with part time management as the recruit had so little effect.

***At one Company I worked with the Finance guys not only joked but proved that unattended accounts grew faster than those attended by salespeople!***

These costs don’t go anywhere near to assessing the actual damage. In the 6 months of tenure by the recruit, there will have been training costs, management, lost opportunity of getting the right person in, underperformance of the territory and effect on the organization of a) hiring an underperforming individual, and b) having to get rid of them.

***The cost to the business of hiring the wrong person is one of the biggest drags on profitability for any organization.***

## WHAT COULD HAVE BEEN DONE DIFFERENTLY GIVEN THE CONSTRAINTS?

It is a valid question in defence of all of us who recognize themselves in some form in the above scenario.

The first point is that when someone leaves and particularly a high performer, management needs to go into real detail as to the circumstances and the reasoning of the individual involved. Too often I have heard the words ‘they got offered more’, ‘they were headhunted by the competition’, ‘the commission structure got in the

way of earning' or similar. They are the easy excuses and managers take comfort from them while Finance and CEOs typically roll their eyes and think 'but at the rate we pay how can they say that?' If exit interviews are done, it usually is by HR and the manager involved rarely gets involved. Critique by leavers is a vital learning experience and will help set the scene for the future because all of those habitual lines have a hidden meaning or agenda for the individual who leaves – managers need to have the courage and concern to be able to listen to it.

The second point would be about the Job Description. Rarely are they standard in format, different managers may use different templates – with luck HR may have formalized them. Typically they address the superficial and pretty obvious areas of describing the role, and often the recruiting manager may plagiarise someone else's as they have actually never written one for the person who just left and certainly not kept it up to date in a rapidly changing world. The fact is that the Job Description is only a framework, the least expected of the individual and perhaps a description of duties. It doesn't paint the reality of the role and that's where the recruit may claim mitigation – if they had known that the territory they inherited was underperforming maybe they might not have talked up their fantastic abilities or even wanted the job. If they had known that while it was largely Account Management (farming) they were expected to find 30% growth, they might have thought it was not going to be a cushy number for long.

What should be done is that the recruiting manager should sit in a darkened room and dream about what they really want from their team given the world they actually observe. It's a sobering experience – thinking about what impact do they want from the new person, how would they go about the job, what is really needed to be done, how hard would that be, who would they interact with, how the manager wants to manage them so how should they respond, how should they interact with the existing team, how should they interact with other people in the Company, how should they be perceived by customers – their values, integrity, trustworthiness, honesty, loyalty, sense of duty, fairness. How would you want them to view how they get paid and for what, how much they value money over job satisfaction, what track record are you looking for in reality, what sort of organization might they be working at now and how would they be performing. What should be done is to virtually build the person in your mind – a hologram maybe – a mental picture of the very person you would want and know would be ultra-successful in the job.

## 'HIT AND MISS' RECRUITMENT AND ITS CAUSES

The average Recruitment contact is looking for an easy life – they have done all the hard work which is a) building a network of contacts as potential clients and candidates and b) subscribed to every database available. Now it's time to sit back and wait or avidly monitor the LinkedIn or Monster job boards for directly hiring Companies and try and muscle in. What they patently don't want is to be given a tall order – to find an individual that matches a description so detailed that they might have to do some research or work to find them.

What they really want is the Job Description as that provides the keywords and the budget. In a few weeks they could have earned a fat fee on the back of a few minutes at a keyboard and a few phone calls to the client persuading them that the poor quality CV belied a sleeping giant candidate (Recruitment Company speak for 'I really don't have anyone else and I am not prepared to go and find someone').

This is 'Hit and Miss' Recruitment. It's not even sophisticated other than the process is automated and indexed now. It really is all about matching loose-fit candidates with desperate hiring managers and it is a recipe for disaster as it immediately in-builds errors and long term cost into the recruiting organization.

***It promotes a culture of second best and it adds no long term value to a client.***

The ultimate causes are the pressure at the client end and the practicalities at the Recruitment Company end. After all, professional Recruitment Companies have rarely managed similar businesses to their clients and very likely not the kind of salespeople or executives they are being asked to hire. So they have little understanding of the cost of the error they are contributing to by just flinging CVs at the client and hoping one will stick.

Integral to this is the fact that many Recruitment Companies will not even interview the candidates they are putting in front of the client beforehand, more likely a phone call – and most definitely not interviewing them against a detailed profile given to them by the client. This is wasted time – it really has to be about churning as many candidates as possible in the shortest time. Also, there is no logic to them in interviewing a person more than once – the assumption is once is enough.

Then comes the most logical part of all this. In the dreamed up ‘virtual ideal candidate’ scenario, the recruiting manager will know in their minds rather than their hearts that their ideal candidate would be in-post and being successful at either a similar organization or one of their parallel industries. It is not likely that the ideal candidate is an active jobseeker as that’s what caused them to be in the position they find themselves. The reality is that the ideal candidate is not looking for a career change – so somehow, the Recruitment company is going to have to find that person(s) and motivate them to come and talk to the recruiting manager.

It is at this point that most recruiting managers start to make the fatal mistake of compromising. This will become a trait in all they do. Sure, we all have to compromise, but you have to be very clear on what you will compromise on and what you won’t. In my initial scenario, not only did the fictional Sales Director compromise on selection and go for second best because they did not profile the actual best, but they also compromised on the way out. In firing the individual, they had to compromise because they did not go through Due Procedure in Employment Law and give the recruit chances to succeed. Now you see how this compromising starts to pervade and it becomes almost a management technique that underpins their methods – and sadly most managers will never be able to admit it as they simply do not see it this way.

Finally, I wonder if anyone spotted the most common of all mistakes – the failure to take proper references. No I don’t mean sending out little forms, I mean calling the referees and interviewing them – proper due diligence of the provenance of the individual.

## THE ROLE OF HR

I have painted the picture that pretty much focuses blame on the recruiting manager. That’s seldom true on its own and there are contributory factors outside of the recruiting manager’s control. One area is HR and recruitment policy.

Here again we see financial pressure. All HR departments are under the cosh to reduce expense on recruitment and so the first thing that happens is that fees are scrutinized and Recruitment Companies are asked to bid for the placements. In some large organizations, recruitment outsourcing is becoming a trend while some firms are even using sophisticated online reverse auction systems to force Recruitment Companies to bid lowest price for placements.

That’s fine if you actually disagree with my depiction of the under pressure manager taking second best. You cannot ever blame them or the Recruitment Company for bad hiring if the emphasis is to reduce the cost of acquiring new talent. You simply encourage ‘Hit and Miss’ recruitment – it’s a volume exercise and it

immediately devalues the process of recruitment and indeed those that are being recruited let alone the services being provided.

Interview any CEO and he/she will look you in the eye and say 'we are only as good as the people we hire' or 'we value our people'. Really? I actually think the standard of recruitment is falling and I think recruiting Companies are not just accepting second best, they firstly encourage it in how much they value finding new talent and secondly in how much they are prepared to put effort and money into it. I think there is a huge incongruence between senior or executive thinking and their actions.

A chilling fact is the average salary in a company below senior management level is around 5 times less than the average salary of the senior managers in that company. In the US it is more than 10 times.

***It is building in a long term value time bomb.***

## TALENT ACQUISITION VS RECRUITMENT

Before we can go any further it is very important to grasp the difference between two fundamentally linked but almost opposing concepts – Recruitment and Talent Acquisition. On the face of it, one is a fancy description of the other but as in describing a Rolls Royce as a Volkswagen while it is true; there is a whole

*A fundamental concept in recruitment is often missed by both client and recruitment company. The replacement or new headcount does not just have to do what the old person did, they have to add long term, incremental performance or value to the organization.*

barrel of difference in the end product.

Recruitment is all about filling empty slots. It relies on rapid reaction by the Recruitment Company to respond to requests, so you can hardly blame Recruitment Companies for their methods as it is in direct response to the needs of the customer – or is it?

The fact is when a recruiting client calls Recruitment Company it has the requirement to fill a headcount. What is missing are the real needs of the recruiting client, and that's where the process starts to deviate from the required course. The needs of the client may be very different from just filling a vacancy.

Talent Acquisition is about accommodating the needs. It may be a reality that a person has left and the role needs to be filled it is pretty obvious that the client will not want to have replace the same headcount again within a year – yet there is an assumption that this is an allowable scenario. The reality is that the client actually needs to replace the headcount and get a return for doing so.

This is a tough concept to have to embrace. I mean, how does this square with the pressure of hitting goals and keeping management off your back? Again, it's a question of compromise – are you in business to just get the job done or to build long term, sustainable growth in your organization? There is a massive difference and

it's a massive difference in thinking and therefore approach to recruiting. It's where Talent Acquisition takes over from recruiting.

## Headhunting – a definition

Let's be clear here as terminology gets hazy. Many Recruitment Companies talk about 'Search & Selection' and 'Headhunting' – how that equates to database trawling or even placing an advert is very questionable. Again it is about being pedantic – both are methods of searching but both are trawling active jobseekers that are looking for juicy new jobs. But real, traditional headhunting is nothing like this.

I can't tell you how many people I have interviewed who said they were headhunted for a role, often happening more than once in their career. When questioned more closely you find they had submitted their CV to a database or agent and then they got a call. In other words, they advertised the fact they were looking. Just take a glance of LinkedIn, ecademy or Xing and see for yourself how it is easy to do.

Meanwhile, Recruitment Companies advertise they headhunt but the reality is they simply search databases or boards for likely looking jobseekers and contact them. It's money for old rope most of the time.

True, old fashioned headhunting is about bespoke, discreet and highly focused specification and research then persuasive approach and diligent interviewing. It is about finding the ultra-successful people who aren't looking for new jobs.

***This is the essence of Talent Acquisition – it's the ability to pin-point talent that is going to add long term, sustainable incremental value or profit to the organization.***

Think about that statement long and hard. The important parts are long term and sustainable – it absolutely argues in the face of 'Hit and Miss' recruitment. It absolutely argues in the face of the low value, commodity approach to recruitment adopted by many major Corporations, many are household names.

In his excellent book 'Good to Great', Jim Collins features one of the main traits of Companies that have leapt from good to great and sustained it is leadership. Indeed his team found in their research that of the small number of Companies that leapt from good to great and sustained it, the CEOs were mostly bred from inside the Company and were not flamboyant, household names that we normally associate great leadership with and none were acquired from the outside. That argues very strongly against poor recruitment practice as the talent you acquire has to rise to the top.

## GROWING CULTURE OF FAILURE

Ask any company's senior management if they have a culture of failure and they will probably burst a blood vessel and throw you out of the room. Yet those very people would most likely be paid vast sums of money when they fail and get fired. In the very recent weeks spectacular failure at Merrill Lynch and Citigroup has seen CEOs spectacularly rewarded on their departure. It seems it pays more to fail, and do it quickly, than to succeed and certainly not over the long term.

Many companies are building in this ludicrous ethos that failure should be rewarded. If we now rewind back to my original scenario, isn't that precisely what the Sales Director did in my fiction? Firstly, the Sales Director hired badly and then when the recruit did not succeed, he/she was fired and compensated on the way out. No repercussion on the Sales Director – in fact, in a perverse twist, many would be seen as decisive, strong

managers for acting in such a way. And again, how can they be blamed if at the very top, failure is being rewarded – sensationally.

## TALENT ACQUISITION – BEST PRACTICES

And now I'll get to my point. Anthony Bolton is a curious man – outside of the world of Fund Managers and Financial Advisers he is virtually unknown. Yet since his time began at Fidelity in 1979, a £1,000 invested with him would have turned into £125,000 today. His successes range from investing in the remarkable transition of a sleepy conglomerate in commodities in Finland of all places to become the worldwide brand name in mobile phones – Nokia. His notable failure was investing in Polly Peck where he believed the 'bulling up' of the management. I mention his name as you don't become that successful without knowing a thing or two and his crucial mantra always revolved around management and their integrity.

I put it to companies today – if you truly value your people you would not be driving lower value in recruitment. It's a paradox and it must stem from a lack of integrity.

### The 10 Talent Acquisition Best Practices

#### 1) Talent Acquisition is a constant process

There is no point recruiting to just fill a gap. It's a constant process. Talent is a very rare commodity and you have to really want it to find it. You must also always have a vision of what difference the next recruit will make even if it is merely replacing a person who has left.

***Talent Acquisition is a process that starts when headcount is up to maximum as only then can you understand what difference the next person must make – and as it starts when headcount is at maximum by inference it is a constant process.***

I recently called a VP EMEA of one of the most successful Hi Tech companies in recent years and asked him if I could help him find and recruit exceptional talent. His answer was a) no because they would only know what their new headcounts would be in January (start of the new Fiscal Year) and b) was I recruiting for another Company as he kept an 'open mind'.

His thought process was typical of senior management and they would claim mitigation by dint of budget constraints and how new headcount is granted. However, in order to plead for his headcount he must have submitted a bold plan for the new year of growth to justify it. Yet his plan must have been flawed – as by the time he would have his headcount granted, he would be 1 month into the new year and by the time the Talent was acquired he would be 3 months down the line and by the time they had an effect, the year would practically be over.

In other words he was either lying to his own management in order to justify the headcount or he was under calling as he must know that the incremental heads would not really be responsible for the new growth – it had to come from the existing headcount.

My answer to the person concerned was that if you want talent ready for January and really over-achieve your plans, then surely you must start the process now. Surely, in the plan he had submitted he knew every step that was required to achieve his goals – yet he had missed the fundamental one; he had no idea who he was going to recruit to achieve it and he had not started to find them.

It is endemic in the culture of failure – overachievement is achieving a number that could have been overachieved if they had actually planned properly. Read that statement again after a few drinks and it will make sense. If it doesn't, then you are probably the person I spoke to.

## **2) Talent Acquisition starts with a professional partner**

Okay, I would say that, wouldn't I? But let's put it this way, what Recruitment Company is going to spend an iota of effort in October or November developing plans to acquire exceptional talent for an organization if the recruitment is going to take place in January or February, and the headcount has yet to be granted or ratified? The answer is simple, most wouldn't as it is not their business model and it is certainly not their idea of a 'qualified opportunity'.

What is required is a professional partner – one who is a) going to share the vision of the client and b) one who understands the importance and impact of talent on an organization and is prepared to work in a long term partnership rather than be only reactive to when someone leaves or when headcount is granted.

***The trick is to find a professional Talent Acquisition Partner who is actually not a Recruitment Company, because placing a candidate is only one part in a long process.***

A professional Talent Acquisition Company would not be from a Recruitment background but from a business background – someone who has managed people and recruited for their own business before. A senior executive who has run Companies or workforces who understands the real needs not the requirements of a recruiting company. And finally, a partner who gains their rewards from working with the client all the time rather than just at the placement – it is an entirely different but complimentary approach.

## **3) Building a candidate profile**

Take the old Job Description and then pop it down to HR for filing as you probably won't be needing it again. Go and sit in that darkened room and dream – think about what you want to achieve, what achieving it is going to require and then start building a picture of the person or persons you will need to achieve it.

Don't just think superficially – like 'I want a salesperson who is a hunter'. Think about how this person is going to have to work with the people in the team, the management, and the customers. What is this person going to have to achieve, what are the current circumstances, what will affect how they work and get rewarded, what will you regard as exceptional performance, what will be deemed unacceptable performance, how would you like to manage the individual and how would you like them to respond. What should their ethics and values be, should they be experienced in certain things or do you value raw talent more, why is education important, will it make a difference in this role or are you investing in the long term. How do you want this person to be perceived by people internally, management, customers. Where would this person or persons be likely be working today, do you have competitors or parallel industry companies who may have these people already successfully working for them or do you want to cultivate new market areas and so require specialist talent.

Building a candidate profile is all about building the virtual picture of the individual you require. It is easy at this point to make the mistake of thinking, particularly in the context of senior executives, 'that's so and so working at XYZ Company'. While it may turn out to be so and so at some point in the future, the due diligence process has yet still to confirm this and we will see that this is a vital part of the process.

The candidate profile is the detailed 'picture' that the Talent Acquisition Partner will not only memorise but also carry around with them as a constant reminder, almost the 'most-wanted' virtual poster, of the person they are looking for. The Job Description is nowhere to be seen.

#### 4) Join in other managers to the same thinking

It's of no consequence if you end up being the only person who believes in the process. In fact, the best way of getting the message across is, as you are building the virtual picture of a new candidate, to get the Talent Acquisition Partner to interview other managers and staff. Firstly, it will help build the complete picture of how the candidate will have to interact with people and what drives them but secondly, it will buy them into the methodology and concept that Talent Acquisition as opposed to Recruitment is the way forward for the Company. Most particular in all this will be HR – it is vital that the HR department understands this is not a screening process or a negotiating process with agencies, this is about a long term value-add partnership designed to bring exceptional talent into the Company that will not only excel at the role they are being recruited for but will provide the bedrock for long term, sustainable growth in profits.

While that may be a grand ideal, it is not idiotic. In fact why on earth would any Company recruit someone who they believe does not have a long term future with the Company and who will grow into bigger roles in the future? It's like building a Ferrari without an accelerator.

***The process not only has to be continuous, it has to be ubiquitous – a fundamental belief held by all recruiting managers.***

#### 5) Let the Talent Acquisition partner take the strain

Once you have got your virtual ideal candidate, set the Talent Acquisition Partner to work. It is at this point that the Talent Acquisition Partner used old fashioned detective work – the 'Columbo' of the business world. The ideal candidate will leave an indelible imprint on the types of industries or companies profiled and it is down to the Talent Acquisition Partner to pick up the trail and follow the clues. It is about meticulous research and cross referencing observations and facts to make sure when a prospective candidate is identified, it is for the right reasons. The most wrong reason will be that their name crops up on a jobseeking database so that is the one place the Talent Acquisition Partner does not go, the other being the various 'advertising' boards for jobseekers like LinkedIn, as good as they are for all sorts of other reasons.

The art of the Talent Acquisition Partner is not just to identify potential candidates. Assuming that these potential candidates are in-post and being very successful and not looking for a career change, they may well not be open to overtures for a career change. This is where the average Recruitment Consultant will fall down – they will either blow the gaff early in terms of revealing all or they will get a straight refusal. The trick is to create enough interest to get the prospective candidate to meet without knowing what they may be letting themselves in for, and that is a box of secrets that only an experienced executive who has run companies or teams of their own will understand. Selling their client is the art of the skilled salesman, who in doing the in-depth due diligence of creating candidate profile and as part of the long term partnership will know their client, warts and all, as if they worked there themselves.

This is where the Partnership pays dividends because having piqued the interest of the prospective candidate; the next step is to take them apart piece by piece as if they were being grilled for the job by the recruiting manager. Again only a true Partner will be capable of this level of intense interviewing, backed up by independent verification of the statements by a) cross referencing, b) independent profiling techniques like Thomas International and c) their referees. The skill of the Partner will persuade the prospective candidate

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that having been sold to they now have to assume the role of seller before they can get to the client. The boot will have to very assuredly move from foot to foot.

The next step for the Partner will be to convince themselves first and then the client that they have a short list of candidates that not only stack up well against the virtual ideal candidate profile but that the Partner themselves would actually employ if they were the hiring manager. There is a subtle difference here – there is a joint assumption of responsibility – the Partner is very much part of the process and the Team.

If the job has been done right, a whole swathe of unnecessary management time in reviewing inappropriate CVs and interviewing second best candidates will have been skipped, ultimately focusing the client on a few exceptional candidates worth their valuable time to interview. All the references and other due diligence will be part of a detailed candidate report to cover each proposed candidate.

#### **6) Be rigorous**

Once you have the recommended short list – read the research, test the Partner's judgment and background work. Verify the references and information points – if the Partner says the prospective candidate achieved certain things, ask for the proof. The Partner, if they have done their work, will know it, better still it will be part of the report.

Do not make assumptions based on uncorroborated data – if the partner has taken things at face value ask them to prove the information. This is a process that once in motion is all about trusting the advice given so make sure it is good advice and certainly worth the money.

#### **7) Interview against the ideal candidate profile not the job description**

It seems obvious but don't revert back to 'can he do the job'? Stick to your ideals and principles – if you want exceptional talent, demand it and don't settle for less, even if you have to wait to find it. Ultimately, all the things you dreamt of are relevant – the partner would have tested you for dreaming too much beforehand – so make sure the prospective candidate stacks up in every area. You may know the areas where you are have a tolerance level; a scoring system is the best way of determining this which you set up at the beginning. It's like saying 'I want an MBA qualified person' but in reality experience in the particular specialism may count more – it's a ranking system which is vital when you make your final analysis and decision.

#### **8) Cross reference the interviews – use colleagues**

Make sure that you take on board the advice of your colleagues and people who the prospective candidate will have to work with or influence. Their buy-in is actually very important as it augments your decision but more importantly buys them into it as they are part of it. Again, a ranking system is handy – one department or manager may have more to do with the individual than another and so weight the outcome accordingly.

It's also a sanity check. Once again, the creeping failure culture syndrome may take hold. In a blind panic, knowing that figures are crucial, you may knee-jerk and think 'what the hell, this person is near as dammit'. Don't lose sight of the underlying principle you have adopted – make sure you get the right person, not second best.

#### **9) Cost is not the issue**

Again, I apologise for a flagrant plug but let us face facts. If the cost of failure on a salesman is over £75k plus the lost opportunity of recruiting excellent talent, then imagine what the cost of bad recruitment is for a senior executive like a CEO. Getting things into perspective is important – if you get the acquisition of

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exceptional talent right it is not a question of saving money it is the opportunity to make more money. The idiotic thing is this – if you could have spent say £75k to recruit an exceptional salesperson who in the next year adds an incremental £500k to the profits you would not think twice. Yet managers are almost happy to waste £75k and accept failure while getting no further forward so long as the recruitment cost was acceptable. It's the culture of failure creeping in again and it makes no sense when you look at it this way.

Talent Acquisition is a commitment to the future and it certainly costs more than standard recruitment. But I would argue it isn't actually more. If he does it right, the Talent Acquisition Partner will actually save valuable management time in recruiting, it will be less overhead on the recruiting organization and there will be less money spent on bad recruitment and more money made on the bottom line as the exceptional talent takes effect. The mathematics makes sense.

### **10) Think ahead**

Now this sounds suspiciously like number 1) as I said it's a constant process and it is. But if you have not thought of Talent Acquisition then you need to start. For my contact who said he would start thinking in January when the budgets are approved I say start the process now and make sure you hit your goals and look to over achieve. What may cost some money now may save money not far down the line and bring much more reward in the long term.

## **MAKING THE CHANGE**

In the illustration I have used I deliberately chose a salesperson. The main reason is that sales management is usually the worst at this as the pressure seems higher. Of course, this is not strictly true as the quest to acquire exceptional talent should be throughout the organization and every departmental at all levels has their own special brand of pressure that makes the same mistakes in bad recruitment.

All Companies want to improve, all want to make greater profits in the future – that's common sense. However, precious few have embraced the concept of Talent Acquisition and its potential impact on the organization and its culture. There is no doubt, in a highly competitive world that Companies continue to try to differentiate themselves. As Jim Collins in 'Good to Great' found in his research, making massive change management or drastic technological advancements in the IT infrastructure, even making fundamental strategic change on its own don't have the massive sustainable effect of moving a company from good to great. What it boils down to is assembling the right people ahead of time so that everyone is working for the same goal at the same time. He also found that executive compensation had little to do with it – and boy, have we discovered that lately with record pay-offs for record losses.

There has never been a better time than the present to make such changes – I would suggest that if you really want to plan for the future start thinking Talent Acquisition ahead of Recruitment and you will take a gigantic leap forward to enjoying long term, sustainable incremental profits. The one certainty is that if your organisation continues to embrace bad recruitment as some kind of acceptable compromise then don't be surprised that the next generation of Anthony Bolton's don't pay you a great deal of attention.

***Calx Europe is a Professional Business Services Company and is a skilled Talent Acquisition Partner that practices the above 10 Best Practices for Talent Acquisition. For more information please visit our website at [www.calxeurope.com](http://www.calxeurope.com), email [info@calxeurope.com](mailto:info@calxeurope.com) or call +44 (0)20 7193 2356 for more information or a consultation.***

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