

Benchmarks, Analytics & Metrics: Effective Approaches to Measure and Justify Your Recruiting Capital

We will begin promptly at 1PM EST

Please turn up your speakers or call in to
1 516 453 0014, access code **522632975**

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Recruiting Trends | **Best Practices**

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- Real time feedback
- Asking questions:
 - Q&A Instant Messaging
 - Listen-only mode
- Minimize the panel
- No Handouts –
Link to Recording will be sent

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Today's Speakers

Jeanne Sturges
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Join us in Las Vegas!

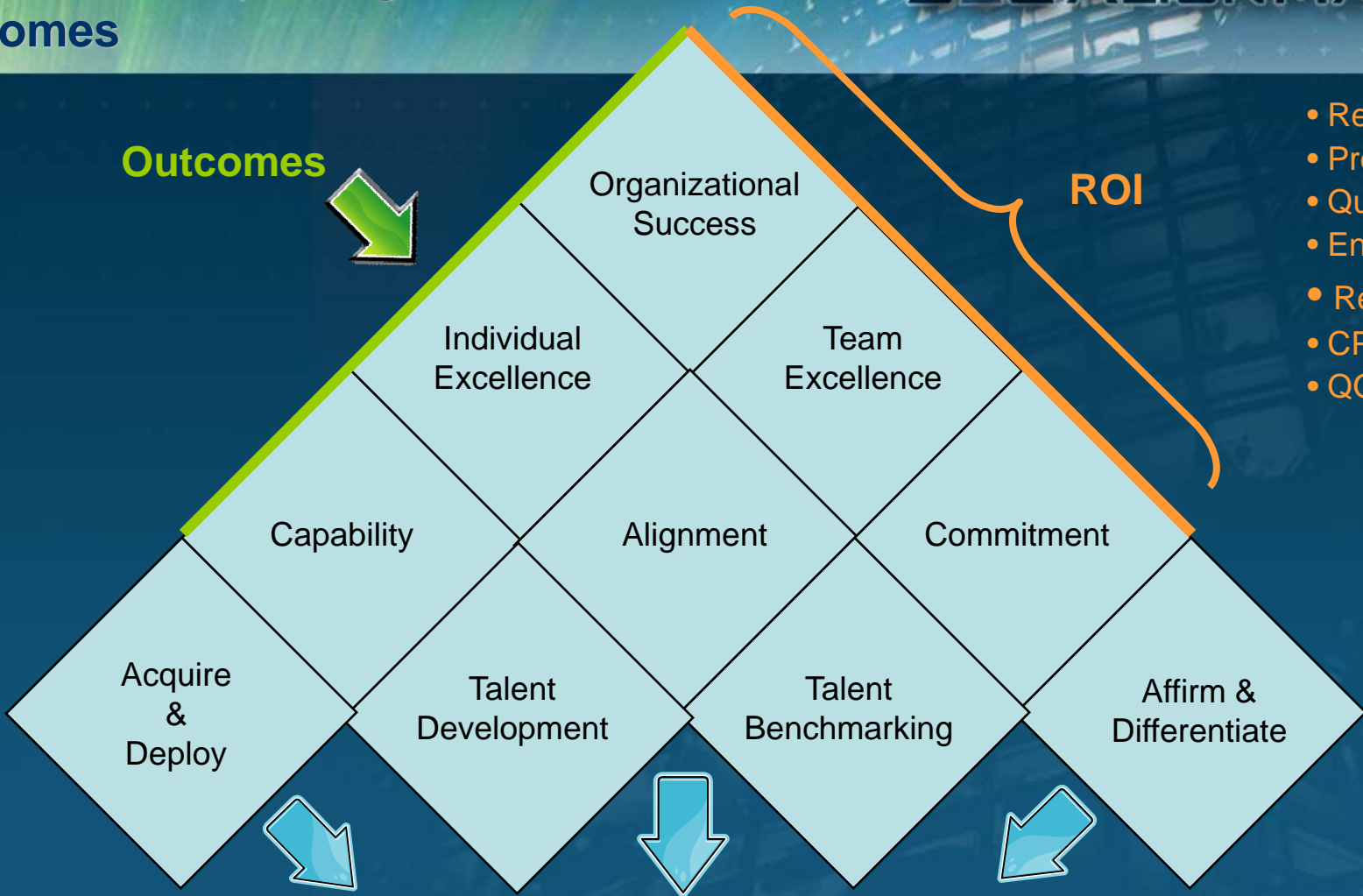
- **Distinguishing the "Best" From "Good"**
(in a Growing Population of Candidates)
- **May 19-22, 2009** at the Mirage Hotel & Casino, Las Vegas, Nevada
- All new sessions include:
 - ...looking beyond experience to identify critical skill sets
 - ...perfecting the "people" side of recruiting
 - ...avoiding legal risk while recruiting
 - ...improving your employment brand
 - ...uncovering new sourcing channels
- Call **800-531-0007** to reserve your place today! Group discounts available – bring the entire recruiting team!



Your Critical Business Issues

1. Aging Baby Boomer Population
2. Birth Rate Decline
3. Job Market Instability
4. Talent Shortages
5. New Hire (Low ROI)
6. High Cost Per Hire
7. Turnover
8. Selection
9. Limited Resources for Recruitment
10. Speed / Rate of Change

The Recruiting & HR Value Proposition: Impacting Business Outcomes



- Revenue
- Profits
- Quality
- Engagement
- Retention
- CPH
- QOH

Your Critical Business Issues

The “Stealth Fighter” in Action!

Top Quartile Companies

EBITDA	+ 2%
Net Profit	+22%
Return on Assets	+49%
Return on Equity	+27%
<hr/>	
Total	\$400m annually*

*typical Fortune 500 company annual net profit gain
Source: The Hackett Group

*Acquiring & Deploying **CAPABLE, COMMITTED, & ALIGNED** Talent is
the First Step in Driving an
Organization's Operating Results.*

“Quality of Hire” Metrics=Leading Indicators

Quality of Hire Metrics—What?

- Individual Performance Metrics
- Retention Rates
- Manager Satisfaction
- Candidate Satisfaction

Quality of Hire Metrics—When?

- Output compared to recent hires
- Output (average) compared to last year's hires after 6 months
- Manager perception of new hire performance at 1st month and 6th month
- Time to productivity (average) compared to last year's hires

Micro Predictive Elements

- Application process straightforward?
- Good first impression?
- Fair & objective?
- Available 24/7?
- Ratio of interviews to hire 3 to 1?
- Ratio of candidates to hire 7 to 1?
- Pre-screening for MQ
- Job & cultural preferences captured?

Micro Predictive Elements

- Realistic job preview?
- Option to self-select out---early?
- Predictive skill and experience information captured?
- In-depth assessments used after pre-screening and prior to interviewing?
- Selection assessments yield “go” “no go” information?
- Selection assessments are valid and reliable?
- Assessments are compliant with EEO/ADA legislation?
- Assessments are job-related and use simulation?



Questions

Thanks.....

John S. Mattone

Vice President

AlignMark, Inc.

800-682-4587 (x3525)



- Recruiting benchmarking tactics that help business functions measure and improve performance
- How to use process measurement and benchmarking to drive predictive talent leadership
- Critical success factors for effective recruiting process measurement and benchmarking

- What is benchmarking?
 - ▣ Continuously comparing/measuring against other organizations anywhere in the world to gain information on philosophies, policies, practices, and measures which will help your organization take action to improve its performance
- Why benchmark your recruiting process?
 - ▣ Establish a baseline for the process
 - ▣ Compare performance internally and externally
 - ▣ Validate areas of process success
 - ▣ Identify potential opportunities for improvement

Recruiting Benchmarking Tactics

3

- Link measures to business and organizational strategy
- Monitor a balanced set of metrics (not just financial) – cost, quality, productivity, cycle time
- Benchmark internally and externally (both within and outside of your industry)
- Common, standard definitions to enable apples to apples comparisons with validated data

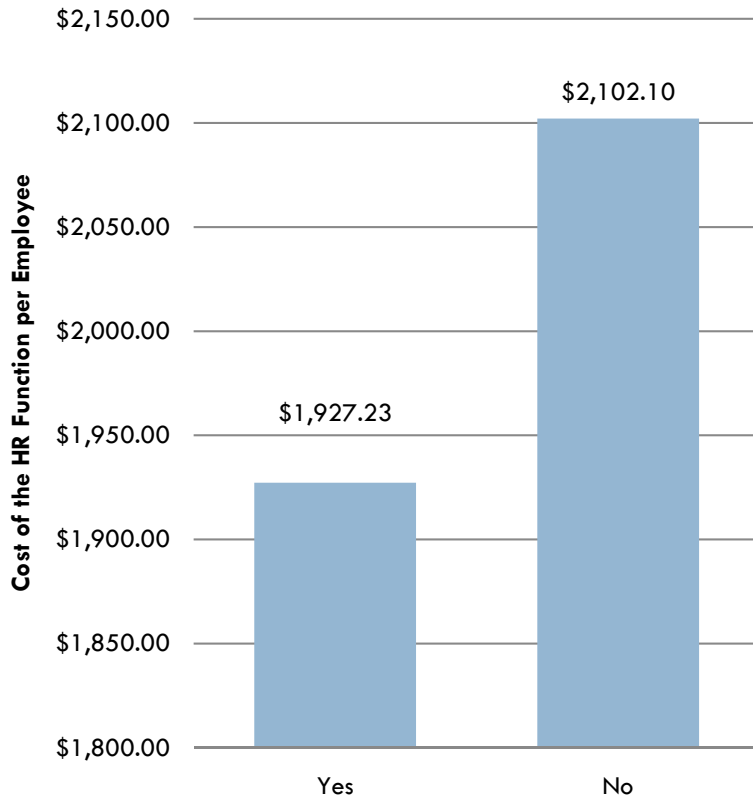
Performance Measurement Model

4

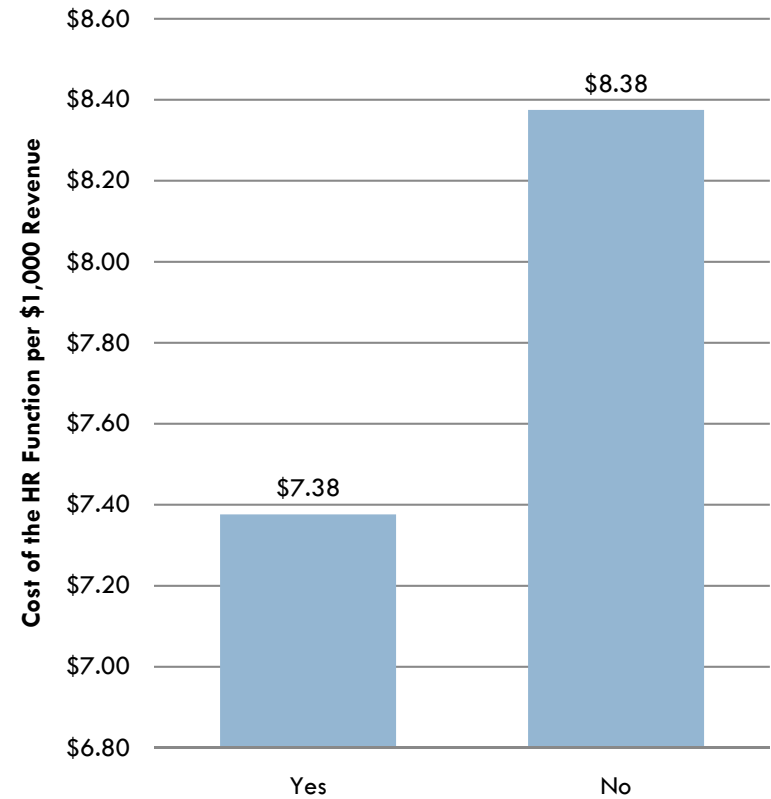


Linkage to Organizational Strategy (Cont.)

Does your organization have a standard set of metrics for measuring HR performance that are aligned with its strategic objectives?



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Balancing Recruiting Measures

- Cost effectiveness: how well are operating costs managed?
 - ▣ Examples: Cost per new hire, recruiting process cost per revenue
- Staff productivity: how much output has each full-time equivalent employee (FTE) produced?
 - ▣ Example: Number of new hires per FTE
- Process efficiency: how well are procedures and systems supporting the operation?
 - ▣ Examples: Job offer acceptance rate, new hire retention rate
- Cycle time: what is the duration to complete a task?
 - ▣ Examples: Time from identifying the need to hire a new employee to time new hire begins in an agreed upon position, inquiry cycle time

Driving Predictive Talent Leadership

7

- OSBC correlations with lower HR costs:
 - Centralized service delivery model
 - Low unwanted turnover
 - HR process measures linked to organizational strategy
- Lagging versus leading recruitment process measures

Two Types of Strategic Measures

Outcome (Lag) Measures

Purpose

- Focus on the performance results at the end of a time period or activity

Examples

- Cost per new hire
- New hires per recruiting FTE

Strengths

- Usually objective and easily captured

Issues

- Outcome measures reflect the success of past actions, not current activities and decisions

Driver (Lead) Measures

Purpose

- Measure intermediate processes, activities and behaviors

Examples (lagging and leading?)

- Candidate/New hire/Employee satisfaction
- New hire retention rates
- Quality of hire
- Employee referral rate

Strengths

- More predictive in nature
- Allows organizations to adjust behaviors for performance

Issues

- Based on hypotheses of strategic "cause and effect"
- Often difficult to collect supporting data

QUESTIONS/CONTACT:

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Memo to CFOs: Don't Trust HR

A professor says most human resources professionals are ill-equipped to carry out value-added workforce planning and transformation.

David McCann - CFO.com | US
March 10, 2009

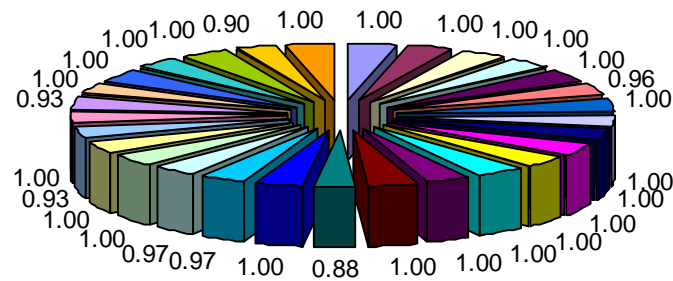
Addressing a crowd of about 300 financial executives this morning, a professor of human resources soundly denounced the corporate HR profession for being mostly unable to provide analytics that are useful in making workforce decisions that build economic value.

Most companies today spend too little effort on attracting and retaining top strategic talent and too much on satisfying the rest of the employee base, asserted Rutgers University's Richard Beatty, who spoke at a general session during the *CFO Rising* conference in Orlando. In fact, he claimed that typical human resources activities have no relevance to an organization's success. "HR people try to perpetuate the idea that job satisfaction is critical," Beatty said. "But there is no evidence that engaging employees impacts financial returns."

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Staffing Quality Summary

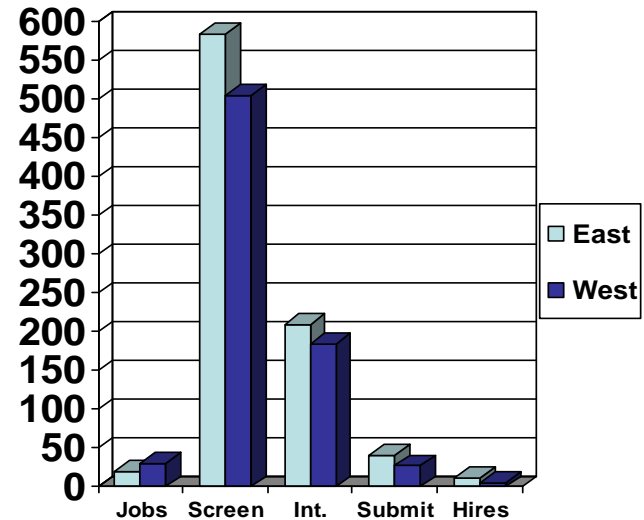


Intw Schdl - Paperwork	Intw Schdl - Col	Intw Schdl - Cand Conf
Intw Schdl - Drivers	Intw Schdl - HM Comm	Intw Schdl - Accuracy
OHR - Accuracy Input	OHR - Remedy Log	OHR - Wkly log to Payroll
Bkgd Chk - Release	Bkgd Chk - Adrem F/U	Bkgd Chk - Rw 48 hrs Recpt
Offers - Follow Up	Offers - Completed/Valid	Offers - Tracking
Offers - Accuracy	Accepts - Source Code	Accepts - Filing
Accepts - Referrals	Accepts - QA Checklist	OnBoarding - Complete
OnBoarding - Follow up	I-9 - Correct	I-9 - Documentation
I-9 - Filed	e-Pass - Correct US/Non	e-Pass - Sponsor Verified
Relocation - Correct entry	Relocation - Approvals for Variation	

Analysis Paralysis



- Number of Jobs Posted: 49
- Resumes Screened: 1090 (22:1)
- Phone Screens: 395 (3:1)
- Submittals to HM's: 67 (6:1)
- Hires: 17 (4:1)
- Offer Acceptance: 80%
- Cost/Hire: \$2500
- Cycle Time to Slate: 4 – 14 days
- Cycle Time to Offer: 32 days





- We all like to benchmark the standards
 - > Cycle time to fill
 - > Cost per hire
 - > Conversion ratios
 - > Turnover
 - > HR:Ee



450 Miles Per Tank

Sumner Grace & Associates

optimizing your human capital supply chains



- Even in the most competitive marketplace
 - > We do not have exact competitors
 - That use the same language for measurement
 - That have the exact same internal issues and advantages/Disadvantages
 - That have the same processes and procedures
 - That operate in the exact markets (geography and service/product delivery)





- The Key to Valuable Measurements:
 - > Do they reflect or influence the improvement to the most efficient process possible that ...
 - > Yields the desired or best in class output that...
 - > Positively impacts the company's top/bottom line?

- If you cannot answer those start with:
 - > Do you have a purpose driven process?
 - > What key activities derive the desired results?
 - > What internal and external measures influence how to increase the positives and minimize negatives?



- Financial Discussions – Revenue
 - > Vacancy Cost
 - AutoNation - \$100,000 per month loss for each mechanic bay not staffed
 - Pharmaceutical sales representatives with drug launch
 - Market Penetration and boost to quarterly balance sheet

- Financial Discussions – Stakeholder Value
 - > Price to Earnings Ratio (Do you read your annual report?)
 - Valero – increased headcount based on financial impact
 - Hired 3 Commodity Managers – reduced cost by \$1MM per manager per year for 5 years
 - At a 10:1 PE that equated to \$150MM in shareholder value



Story Board

65%

Employee Referral
Program Success

Reduced TTF
by 20 days



Decreased CPH
by \$2300

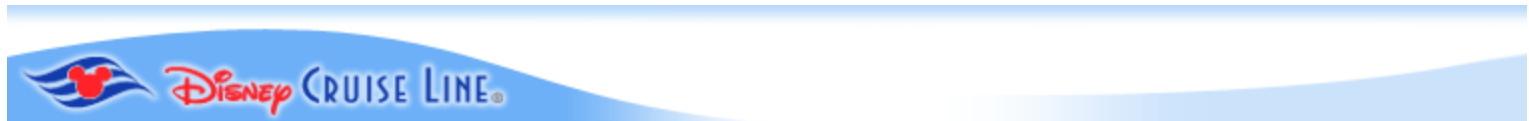


Lowered voluntary
turnover by 7.5%



Time Value of Measurement

- Quality of Hire (long-term metric with a lot of analysis)
 - > Utilization (overcoming J-curve)
 - > Pace of sales, R&D or area of impact
 - > Initial reviews (30/90/180)
 - > Long-term retention (3/5/7 yrs)
 - > Internal mobility (within retention)





Questions?

- Geoffrey Dubiski, MS, CDR, CIR
 - > Chief Talent Scout, Principal and Managing Director
 - > www.sumnergrace.com

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- *iCIMS is a leading Software-as-a-Service provider for the mid-market, focused on delivering web-based Business Solutions through its premier and on-demand **Talent Platform**. *iCIMS' Talent Platform* makes it possible for corporations to manage pre-and-post hire functions from within one application, from *applicant tracking* and *onboarding* on through *workforce management*, *performance management*, and more. Clients include **Room & Board, eHarmony, XM Satellite Radio, Tommy Hilfiger**, and more.*

Thank you for joining us

- Survey
- No handout - post conference email contains link to recording
- Suggestions to hholian@kennedyinfo.com

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