Written by Dr. John Sullivan
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Some recruiting directors don't like it when I criticize them for not operating their recruiting function in a more businesslike manner. They fail to realize that the recruiting process directly impacts business revenues and it is at least as important as supply chain, lean production, and CRM. Many who are responsible for the overall recruiting process rely on their gut to determine whether the overall process is running smoothly.

In direct contrast, other major business process owners use a "data or evidence-driven" approach to determine not just whether a process is producing the desirable results but also to determine precisely at what step are the failures occurring. If you're ready to shift to a more businesslike and data-driven approach that can help you pinpoint the "failure points" in your recruiting process, this article will outline what you need to do.

FPI (Failure Point Identification) — a process for identifying recruiting failure points

The technical term within the field of process reengineering for identifying the specific causes of process failure is "failure analysis" and when a significant percentage of a processes errors occur at a single stage or step, that is known as a "failure point." As a result, I call the process that I have developed for identifying the weak stages of a recruiting process "Recruiting Failure Point Identification" or "Recruiting FPI." Rather than trying to completely rebuild the whole recruiting process, the FPI approach helps you identify the steps that are contributing the most to poor results. In fact, it's quite possible that the majority of your recruiting shortfall is occurring as a result of weaknesses in one or two, out of a dozen recruiting process steps. Unless you can accurately identify these failure points, you run the risk of wasting significant amounts of money and time fixing the wrong step. And by not accurately identifying and fixing these key failure points, you may be dooming your recruiting process to a long future of continuously disappointing results. There are three broad categories of approaches that corporations can use in order to identify the key failure points in any hiring process.

The three basic FPI approaches include:

1. **Evaluating the steps in the recruiting process** — in order to find failure points, locate the deluded individual step to determine if it is even being carried out, who is accountable for it, and whether there are metrics for assessing the output of that step. I covered that approach in a related article.
2. **Using a yield model to identify failure points** — this approach identifies failure points by measuring the yields or the volume remaining after each step. For example, if at the interview step it takes 10 interviews to yield one offer (or a 10% pass-through rate) you know you have a quality issue when the normal pass through is 20%. Whenever the process manager encounters a significant decrease from the average expected pass through

percentage at a step, they must take notice and analyze that step. I covered that approach in a related article.

3. **Alternative approaches for identifying failure points** — this last category includes two dozen alternative approaches that you can use to supplement the "step approach" and "the yield model." In this article I'll cover those remaining approaches that can be used for identifying failure points in the recruiting process. I have purposely provided "too many" approaches so that you're not forced to select an approach that you are not comfortable with.

A list of alternative approaches (categorized by recruiting step)

Each of the major alternative approaches for identifying failure points are bullet-pointed here under the most relevant step in the recruiting process.

Step 1: The *application classification* step — is the problem originating here?

- **Submit "perfect" resumes for screening** — if you suspect your problem is occurring at the resume receiving or sorting step, you can test the effectiveness of this screening step by using dummy "perfect resumes." By taking each of the critical job requirements and placing them into newly created résumés, you can in effect create a "perfect resume" that perfectly fits every requirement of the job. By submitting a variety of these "perfect" resumes under different names you can identify which percentage are actually received and are then classified as "qualified" (i.e. passed along for a phone screen). The percentage of these perfect resumes that should receive a phone screen should be close to 100%, and if it's not, you will know right away if you have a screening problem (one firm found that 82% of their perfect resumes never made it to step two). Another alternative is to disguise the resumes of your own top employees and submit them to see what percentage of your own top employees would be rated highly by your own screening process (one firm found only two out of five of their top employees would receive an interview if they applied under another name). You can also include some clearly unqualified candidates to see if any (unfortunately) make it through to the phone screening process.
- **A comparison classification of the applications** — have one or more of your technical employees independently classify a large group of applications/resumes into qualified and unqualified categories. Then compare those results with those from the original classification done by the recruiter to see where the recruiter made mistakes in assessing unqualified applicants to be qualified and vice versa. You can also hire an external agency recruiter to do a similar comparison assessment.
- **Use mystery applicants** — one of the best ways to identify where problems are occurring in any customer setting is to use mystery shoppers. A similar approach, using

anonymous applicants can be an extremely valuable tool for identifying process problems. This process (users have included DaVita and Publix Markets) allows you to hire trained customer service professionals to become applicants in order to assess first-hand at least the early phases of the application and recruiting process. The mystery applicant works best for high-volume jobs that don't require a high level of professional level knowledge.

Step 2: *Sorting applications* into the right jobs — is the problem originating here?

- **A comparison sort** — have one or more of your technical employees independently sort a large group of received applications into what they consider to be the most appropriate open requisition. Then compare that job sort with the same sort that was originally done by the recruiter to see where the recruiter made mistakes in putting the wrong applicant with the wrong job.

Step 3: The *phone screen* step — is the problem originating here?

- **Add professional assessors to the phone screen list** — if you are concerned that problems are occurring during the phone screen or during the reference-checking steps, you can check the effectiveness of the process by using trained assessors. Start by periodically inserting the names of trained assessors among the real names to call for phone screens or reference checks. These assessors can take notes and use a checklist to identify potential problems with the phone screening or reference-checking process. Incidentally, just letting your screeners know in advance that a professional assessor may be on the other end of the phone line might by itself significantly improve their performance.

Step 4: The *interview* step — is the problem originating here?

- **Survey candidates about the interview process** — one of the best ways to identify problems with the interview is to survey a small sample of the applicants who participated in the interview process. Use a simple e-mail survey after the job has closed and ask them to identify problems that they saw and things that they would improve.

- **Survey managers and recruiters about the interview process** — survey a small sample of the hiring managers and recruiters after the job has closed and ask them to rate the overall effectiveness of the process on a 1 to 10 scale. Also ask them to identify problems that they saw and things that they would improve.

- **Have HR professionals participate** — periodically have an HR professional sit in on a random sample of interviews in order to identify what's working and what isn't.

Step 5: The *offer* step — is the problem originating here?

- **Survey those who rejected our offer** — identify problems with the offer process by surveying each of the applicants who turned down our job offer. Use a simple e-mail survey after the job has closed and ask them to identify problems that they saw with their offer and the process as well as things that they would improve. You might want to delay the survey for several months in order to improve the honesty of the answers.

- **Survey new hires** — during the onboarding process, survey all of your new hires. Ask them about the positive and negative aspects of the offer process, the interview process, and the overall candidate experience. Because they now work for you, they are much more likely to provide honest feedback so that the firm will be better able to recruit effective coworkers for them in the future.
- **Survey managers and recruiters about the offer process** — survey a small sample of the hiring managers and recruiters after the job has closed and ask them to rate the effectiveness of the offer process on a 1 to 10 scale. Also ask them to identify problems that they saw and things that they would improve about the offer process.

Other Miscellaneous Approaches for Identifying Failure Points

Some additional approaches to consider include:

1. **Identify the dropout point of high quality applicants who you "didn't hire"** — nothing demonstrates failure more prominently than having a process that rejects or somehow loses the very best quality candidates. To check to see if you're losing top quality candidates, periodically take one or two high-priority jobs. After the position has closed, compile all of the resumes of individuals who were not hired. Identify any of these individuals who would be classified as "high-quality" candidates and identify at which step that they dropped out or at which step you dropped them. Any step where you are losing more than one high-quality candidate must be further analyzed. By the way, if more than 10% of your "didn't hires" (or whatever number you determine to be appropriate) are rated as high-quality candidates, you must assume that your overall recruiting process is failing.

2. **Identify the dropout point of diverse applicants you didn't hire** — periodically take

one or two high-priority jobs and after the position has closed, compile all of the resumes from diverse individuals who were not hired. Identify any of these diverse individuals who would be classified as high-quality candidates and find out at which step that they dropped out or you dropped them. The steps where we are losing any high-quality diversity candidates must be further analyzed.

3. **Force-rank all applications and see what happened to them** — select one or two high-priority jobs and have a hiring manager rank them and number each one from best to worst. Keep the numbers secret until the end of the hiring process. Then see if the person that you actually hired was in the top 10% of the initial ranking. Next, check to see at what step of the hiring process that you lost the remaining top ten percent of all applicants. If a significant percentage are lost in a single step, consider that step to be a main failure point.

4. **Ask them to rate each step** — give a small sample of applicants a rating sheet and ask them to rate the effectiveness of each step immediately after it is completed during their hiring process. Promise to keep their evaluation anonymous (or don't open it until after the hiring process is over), in order to minimize any fear they may have of retribution.

5. **Identify their frustration points** — survey applicants and new hires in order to identify their relative frustration level at each of the steps in the hiring process. Even if their frustrations didn't cause them to drop out at any step, it's important to limit their frustration wherever possible.

6. **Implement a complaint process** — implement an anonymous web-based complaint process that allows applicants to anonymously make comments or to complain about each individual step, as well as the overall process. Then track the number and the seriousness of the complaints at each step, in order to identify the step where the most serious problems are occurring.

7. **Survey them three months later** — due a follow-up survey of applicants long after they have been rejected in order to see if after a long delay, they are more honest about problems that they encountered.

8. **Use external experts** -– hire an external recruiting expert to sit through the different steps of the process over several different hires. Use their assessment to identify which steps contain the most problems.

9. **Force the step's owner to periodically conduct an audit** -– require the process owner of each major step of the recruiting process to develop an audit checklist, which covers all of the potential major problems that are likely to occur. Require them to periodically do a self-assessment or audit, so that they can continually improve.

10. **Use common staffing metrics** -– monitor common recruiting metrics like time-to-fill as warning signs. Look at the time that each recruiting step actually takes, and compare it to the expectation.

11. **Focus on typical problems** — overall, my research indicates that the root causes of most recruiting process problems come from the top of the funnel, as a result of poor sourcing. As a result, if you're unsure, I recommend that you focus on sourcing problems first, such as over-utilizing sources that contain primarily active candidates, having no direct sourcing, and having a weak referral program.

12. **Look for patterns** — many recruiting leaders find that the same recruiting problems

periodically return. As a result, try to identify these patterns so that you can use them to identify the most probable steps where problems are likely to return.

13. **Benchmark other firms** — you might find that other firms of a similar size in the same industry have already identified common problem steps. Although they might not be exactly the same, they might be a good indicator as to where to look further. Even if each step in your process is meeting your expectations, it might help to compare your level of expected results against other firms to see if your expectations are too low.
14. **Calculate the cost of a bad hire** — calculate the value difference in revenue between a great hire and a bad hire in the same position. Use that dollar amount to motivate everyone to continually improve not just the step that they own but also recruiting the overall process as well.

Final Thoughts

I've attempted in this series (see the first and second) of articles to highlight the importance of looking beyond the simple question of "is the recruiting process meeting its goals?" and to develop a process for identifying failure points at each step in your recruiting process. Unfortunately, most recruiting leaders have no formal process for pinpointing their problems.

As a result, I have also provided a long list of failure point identification tools and approaches that I have found to be helpful to me when I've been asked to audit a corporate recruiting process. Of course, every organization needs to select the tools that best fit their needs and their culture but the key learning is to have in place a formal process for periodically identifying specifically where your process is failing. This might require you to become a CSI-type investigator but at least you now have a long list of tools that you can use to quickly and accurately pinpoint though your problem steps.