

## **Recruiting Success in a Jobless Economic Recovery**

By Jon Bartos

[www.jonbartos.com](http://www.jonbartos.com)

The economy today is different than previous recovery periods following a recession. As you have probably heard, we are in the midst of a jobless recovery. It happened before during the great depression as well as after the 1990's recession. By definition, a jobless recovery occurs when Gross Domestic Product recovers and real growth is sustained, unfortunately jobs do not recover. Economists argue about the causes. Half suggest it's about automation and the other half think it stems from the structural changes in the labor market which led to unemployment as workers change positions and markets.

My personal belief is that employment would have recovered if the labor market matched the existing demand, or more precisely if the skills and experience of the labor pool met the specific qualifications our clients are now requiring. Businesses are hiring and there are abundant opportunities for qualified candidates. And let me emphasize the term "qualified" in this last sentence. I feel this past recession has left a lasting mark on the world of employment and recruiting. The market has been modified significantly based on the constraints and the implications placed on the business sector over the past few years and the game has changed.

Case in point; how many open job orders do you have on your desk right now? If you are doing any marketing, I will bet that you have more job orders than you can fill. So what is happening? Due to the sting from the recession, every hiring decision carries more weight and accountability. No longer can employers hire without budget constraints or careful consideration. They are now overly cautious, demanding to see better qualified talent and they are unwilling to pull the trigger on "B" or "C" players. They have instituted more stringent interview processes with additional testing. They have lengthened the hiring process and they won't settle for someone close, they want a perfect fit. This presents a new challenge to those of us in the world of recruiting and requires a special focus to be successful in this difficult market. Your success lies in watching your metrics more closely than ever before and knowing where to tweak your numbers to get the results you need.

### **Understand where you are**

Begin by taking a good look at your current numbers and evaluate where you are at in relation to your goals and objectives. There are four metrics that give you a pretty good indication of how well you are performing in this environment. They all indicate the quality of the work that is being done and they are: Time to Fill (TTF), Job Order to Placement Ratio, Sendout to Placement Ratio and Offers Extended to Offers Accepted(OE/OA).

### **TTF – Time to Fill**

This metric tells us how long it takes to fill a specific position. There are several factors that are associated in this ratio and they all involve time. The Time to Fill metric includes; the time it takes to get and evaluate a good quality Job Order, the time it takes to attract and deliver quality candidates that match the job requirements (Time to Produce -TTP), the time frame designated for the hiring process, as well as the time it takes from offer to start date of the new employee. Any time the TTF metric goes beyond six weeks something is wrong. It is important to track this metric closely and see where

corrections need to be made if there is a problem. If the problem is not your TTP, then usually the issue rests on the client side. Clients are now taking more and more time to interview, test and evaluate candidates today. More than six weeks for a TTF metric tends to result in the loss of quality candidates in process due to them taking other positions, candidate concerns of not seeing an interest level on the clients side and candidates getting cold feet and losing interest in general. If your TTP is the component that is causing a delay, it is important to tighten up the recruiting process to ensure the delivery of candidates in two weeks or less. It still holds true - Time kills all deals.

### **JO/PL – Job Order to Placement Ratio**

This ratio indicates the quality of the job orders you take and insight regarding your delivery skills. The lower the JO/PL ratio, the better the quality of the job orders your organization takes. Certain variables affect your JO/PL ratio in addition to the quality of job order that you work on. Whether it is solid and guarantees you a placement if you find the right candidate is a large part however this ratio is also linked directly to your matching and delivery skillset. Retained search firms run around 1.5/1 to 2/1, while contingency search firms typically hover in the 2/1 to 10/1 area. A good number to shoot for relevant to retained business is 1.25/1. A good number to target for contingency firms is 3/1. If your JO/PL ratio is high – I suggest implementing a job qualification method – like the Job Order Matrix form which can be downloaded from [www.jonbartos.com](http://www.jonbartos.com). For improvement in matching and delivery, take a look to make sure the candidates fully match the client's requirements and are interviewed once submitted. Engage in subsequent conversations with your client to get additional feedback and refine the search so you are able to hit the target every time. Establish a set of five criteria that need to be met for the client to interview the candidate. Even more important in this ratio is the relationship with the candidate and the ability to set expectations in advance. It does no good to do all the work to find the right candidate only to have them not accept the offer for some reason.

By reducing this one metric to an appropriate level, you will see immediate results and impact your revenue over night. Working on quality job orders and positions that you are “guaranteed” to make a placement if you bring them the right candidate will increase your success rate exponentially.

### **SO/PL – Sendout to Placement Ratio**

This ratio indicates the most about the quality of work that you do overall as a recruiter or recruiting firm. A lower number suggests that you have great job orders to work on, you set appropriate expectations with the clients and you have good matching/delivery skills. A higher number suggests a problem with one or more of the three areas mentioned above. A good number to target is a 3/1 ratio for both retained and contingent Recruiters. When your SO/PL ratio is off, take time to evaluate each area independently. First look at the quality of the job orders. Utilize the JO Matrix form listed above to insure you are only working on good ones. If you are working on solid job orders, the next step is to look at your matching skills. If you see a trend that candidates are being submitted but not getting interviews, dive in further to assess your matching skills and determine if this is where there is a problem. Lastly, if your matching skills are on track and your job orders are qualified, take time to address the disconnect with the client. There may have been something that was missed or excluded from the initial communication. This may require explaining to the hiring manager that it's your job to weed out the B and C players and you will only bring them the top three in the market.

## OE/OA – Offers Extended to Offers Accepted

The Offers Extended versus Offers Accepted ratio expresses how good you can qualify and close a candidate. This should be a 1/1 ratio. If that is not the case, you need to work on setting expectations, qualification skills and closing skills. No offer should ever go out from your client unless you know for sure it will be accepted by your candidate. This is one critical measure to implement immediately.

The offer/acceptance expectation must be clearly outlined and addressed in the beginning of the process. It is important for you to have a compensation number that you can accept on your candidates behalf, an agreement from the candidate that they are willing to adhere to this and an understanding of how that comes in to play at closing. Go over this again prior to the final interview. After the initial interview re-qualify the candidate and re-set expectations. Find out on a scale of 1-10 where they are in the process and what they need to see or hear to make that a 10 for going forward. Flush out all potential objections before the final interview and address them at that time, this gives you a chance to get everything resolved before any offer is given. Before the final interview verify the expectations that have been set, ask them, "IF I get you \$x (the number they gave you in the beginning) can I accept the offer on your behalf? This gives you the ability to confirm you have commitment in moving forward as well as another chance to flush out any objections that may still exist.

Once you know what your real ratios are, it is only a matter of diving deeper in to the details to improve skills where needed. The four key ratios alone give you unlimited potential to improve and take your recruiting performance to the next level. Learn them and live by them. Take the time to qualify your job orders thoroughly and only work on the good ones. (MPC or "A" player marketing is working better than ever in the current market place). Pay strict attention to the Time to Fill (TTF) metric to minimize candidate loss during the process. Educate your clients as to what is going on in the market place and be their trusted advisor in hiring. Set clear expectations up front with your candidates to make sure that you don't lose them in the end. Get in the habit of re-qualifying and closing your candidates "BEFORE" the final interview.

Just as businesses and hiring managers have had to tighten their belts and be more selective as a result of the severe economic conditions, we as recruiters have to also fine tune our performance and strategies to align ourselves with the new requirements placed upon us. We now have recruiting down to a science and we can improve our success rate simply by developing a better understanding of the numbers and ratios that determine our quality.

If you would like to learn more about the importance of metrics and ratios in performance management, visit [www.rpmdashboard.com](http://www.rpmdashboard.com), a new software program designed specifically as a Business Intelligence tool for the recruiting industry. RPM provides the information and data you need for performance enhancement and recruiting management decisions. *Don't let a jobless recovery leave you jobless!*

*Jon Bartos is a premier writer, speaker and consultant on all aspects of human capital and achievement. As President and CEO of Jonathan Scott International, he has achieved industry-leading success. He is one of an elite group of executive recruiters who have billed over \$1 million annually. In a 10 year period from 1999 to 2009, he cashed in over \$10 million in personal production. Jon has established Jonathan Scott International as a top 10% executive search and contract staffing firm. The office has won over 17 international awards in the MRI Network, including International Billing Manager of the Year and Top 10 SC Office. Jon also competes nationally in Masters Track and Field and is a four time National Champion in the Pole Vault. To help recruiters reach their potential, Jon developed the RPM Dashboard, a total revenue performance management system for the recruiting industry that allows offices and individuals to set goals, get a series of weekly dashboard views of performance metrics and*

receive specific suggestions for immediate improvement of critical areas. [www.rpmdashboard.com](http://www.rpmdashboard.com). If you or your organization is ready to take it to the next level, contact Jon at 513-701-5910 or [jon@jonbartos.com](mailto:jon@jonbartos.com).