

Recruitment



Recruiting the right employees can be a challenge, with no guarantee of success. But using the right information and procedures will improve your chances of finding what you are looking for.

This briefing outlines:

- How to plan your recruitment.
- How to find suitable candidates.
- How to choose the right person.

1 Planning ahead

1.1 Recruit to meet your **business needs**.

- Use your business plan to anticipate future requirements. For example, if you plan to break into new markets, you may need to recruit sales people with relevant skills and experience.
- Identify seasonal fluctuations in your business and work out how to cover them.
- Decide on an ideal balance of full-time employees and other types of employee.
- Decide when to recruit. For example, by analysing likely levels of staff turnover.

1.2 Recruit to tackle **problem areas**.

For example, poor performance may be due to employee shortages.

- Identify employees who are not performing. Work out if existing employees could be retrained or if additional employees are needed.
- Consider using a qualified consultant for an objective assessment of recruitment problems, such as high employee turnover. (See **Using a consultant**.)

1.3 **Benchmark salaries** in your industry.

- Read the news and job sections of appropriate trade publications.
- Talk to your local Business Gateway or Jobcentre Plus about local rates.
- Go to the labour market section of the National Statistics website (www.statistics.gov.uk) for information on average earnings.

1.4 Set up good recruitment **procedures** and brief everyone involved in the process.

- Make sure your recruitment procedures do not discriminate illegally on the basis of gender, race, age or disability. See **Discrimination**.

Keep records so you can justify why you chose one candidate over another.

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2 Defining what you want

2.1 Start by drafting a detailed **job description**.

This is especially important for new posts and as posts change.

- Set out the main responsibilities, and the regular and occasional tasks.
- Detail reporting lines and team responsibilities.

2.2 In your **person specification**, set out the skills you want the recruit to have.

- Use the job description to work out which skills and knowledge are needed. Identify what you need immediately, and what can be developed through training. For example, you may want a certain number of years' experience, or the ability to work well in a team.

- The personal skills you are looking for may reflect the style and values of your business, or the balance of personalities in existing teams.

Give all skills a weighting according to their importance and decide which are essential, and which are desirable.

2.3 Decide how much you are prepared to **pay**. See **Remuneration**.

- Decide on your offer, taking industry and local rates into account (see **1.3**).
- Link offers to your pay structures or the value you expect the employee to bring.

Beware of antagonising existing employees and ensure you give equal pay for work of equal value.

“Retaining good employees is preferable to the risks and costs of recruitment. New employees are more likely to stay if they feel they have the respect of their colleagues and managers, while being encouraged to develop their knowledge and skills. Job satisfaction increases if employees believe they can influence their work and their pay is fair.”

Paula Grayson,
CIPD Recruitment Forum

“You can't select the right people if you don't have a clear idea of what you need. Analyse the strengths and weaknesses of your existing team against your business needs, and recruit accordingly.”

Margaret Dale,
management consultant

Best use of agencies

To get good results using recruitment agencies, you need to take care. Consider using members of the Recruitment and Employment Confederation (www.rec.uk.com).

A Provide the right **information**.

- Negotiate a clear contract, detailing what the agency will do, what charges are payable, and what will happen if an employee leaves soon after joining you (most agencies provide a rebate).
- Give agencies feedback about the quality of their candidates, so they can improve their screening procedures if necessary.

B Control the **cost**. For example, if you are recruiting temporary or casual employees, it is cheaper to recruit in batches.

- Agencies usually charge 10 to 30 per cent of the first year's salary, depending on the size of the salary involved. At the 30 per cent rate, you might pay 10 per cent of the salary upfront, 10 per cent on introduction, and the rest on appointment, or the whole fee once the candidate has started work.
- Be prepared to negotiate terms. For example, many agencies require payment within 14 days.
- Avoid exclusive agreements in exchange for lower rates, until the agency has proved it can provide suitable candidates.

3 Finding candidates

3.1 Make use of **internal** resources.

- Internal promotion is the cheapest way to recruit, and can also help you motivate and keep existing employees. Use your training and development programmes to prepare employees for promotion (see **Personal development plans**).
- Consider offering bonuses to existing employees who put you in touch with successful recruits.
- Keep on-spec applications on file.

3.2 **Advertise** externally, using a carefully written advertisement (see **4.1**).

- Advertise in appropriate publications. For example, target employees using national newspapers or specialist trade magazines. Unless you expect the candidate to relocate to your area, local newspapers may be the best option.
- The cheapest way to advertise is on your website. But this may be inefficient if your site does not attract enough visitors. You can also advertise on job sites such as www.workthing.com or www.monsterscotland.co.uk. Use your industry's business portals to find sites that cover your geographical or business area.

3.3 Consider using an employment **agency**, preferably with experience in your business sector (see box).

- Agencies can be helpful when recruiting specialist or temporary employees, or

recruits from skills shortage areas.

- Hiring temporary staff can be a good way to get to know employees before offering them permanent positions.
- Make sure you provide a detailed brief of your requirements (see 4.1).

3.4 Use **Jobcentre Plus** as a cheap and fast way of recruiting.

- It is particularly useful for finding temporary and permanent employees earning up to £20,000 a year.
- There is no charge, and Jobcentre Plus can shortlist applicants for you.
- Under the New Deal, you may get financial assistance if you recruit unemployed and disabled candidates.

Visit www.jobcentreplus.gov.uk or phone 0845 601 2001 to advertise your vacancy.

3.5 Build relationships with local **schools**, **colleges** and **universities** to attract promising candidates for trainee positions.

- Be ready to interview candidates when they start to look for work at the beginning of their final year.

Proof of the pudding

Testing should be a central part of your selection process, helping you check the claims made on applicants' CVs. If you have no experience of the candidate's field of expertise, get someone who has to help you test. Below are examples of different tests.

- A** For **sales people**, provide a fictional customer profile and product description, and ask candidates to prepare a presentation within a specified time.
- B** Test **accountancy** personnel by printing off a profit and loss table and asking them to identify problem areas. Always check for knowledge of spreadsheets.
- C** Ask **IT applicants** to look at, and suggest solutions for, problems you experience on your IT system.
- D** Assess prospective **engineers** by asking them to suggest a maintenance schedule for your key machinery.
- E** Check basic skills of **office employees** by asking them to produce a sample document.

See **Graduate recruitment**.

4 Attracting candidates

4.1 Carefully write your **job advertisement**, or agency brief. (See **Writing an advertisement**.)

- Model your own ad on the best advertisements for similar jobs.
- Describe your business. State what you do and where you are located.
- Detail the important elements of the job. Remember to mention attractive features. For example, explain what makes the job interesting and why your company is good to work for.
- Indicate the salary involved. Specify a range so that you can vary your final offer according to what a candidate seems worth.
- Include any training and promotion opportunities.
- State what you want from a candidate (eg indicate what experience is required).
- Tell candidates how to apply (see 4.2), and the closing date for applications.

4.2 Invite **applications** in a form that helps you assess each candidate (see 5.1).

- A CV and covering letter should give you the information you need to draw up an interview shortlist.
- Using your own application form can help you get more specific information, and provides an easier and fairer way to compare candidates.

5 Selection

5.1 Use your job and person specification (see 2.2) as a **checklist** to help assess each applicant.

- Look for evidence of success in previous work. Distinguish between tasks applicants have carried out and areas where they have managed the activities of others.

5.2 Prepare a **shortlist**.

- Invite shortlisted candidates to an interview. Tell them where, when, and how long the interview will be, what testing you have, and who they should ask for when they arrive.
- Ask any candidates with disabilities whether they need special arrangements.
- Send an interview pack with relevant information about your company.

“Interviews can often be less than 50 per cent effective in predicting how well new employees will do their job. To get people who really perform, you need to test their skills at the selection stage.”

Bob Havard,
Havard Consulting

“Around 25 per cent of employees who leave their jobs do so within the first six months. Not only do companies need to match the person to the job, but also the job to the person to retain the very best talent — increasingly important as the economic upturn puts the jobseeker in the driving seat. Including psychometric testing, now easily undertaken online, as part of your recruitment process will ensure a better staff retention rate.”

Kevin Kerrigan,
SHL UK

- Keep some candidates in reserve in case the most promising applicants turn out to be unsuitable.
- Send rejection letters to unsuccessful candidates as soon as possible.

5.3 Interview shortlisted candidates. See Interviewing.

- Use two or more interviewers, including any relevant personnel.
- Ask questions using your checklist.
- Give more information about the job, and sell it to the candidate.
- Test for relevant skills (see 5.4).
- Record the performance of each candidate. Give each one a score, using your weighting system (see 2.2).
- If necessary, arrange second interviews for the best candidates.
- Tell candidates when they will hear from you. Beware of making verbal offers of employment, which are legally binding.

5.4 Use work samples or exercises to assess candidates' ability to do the job well.

- Devise your own test, relevant to the job you are offering (see box, page 3).
- You can use psychometric tests to measure candidates' general aptitude, specific skills and personal qualities.
You will need appropriate training or support accredited by the British Psychological Society (0116 254 9568 or www.bps.org.uk).

5.5 Take up references for the best candidate.

- Ask for written details of the candidate's responsibilities and performance.
- Check any other crucial details.
- If none of the candidates are suitable, start again. Evaluate what went wrong. See 7.

6 Employment

6.1 Send an offer letter to your preferred candidate.

- Say when the job starts and how much time the candidate has to accept the offer.
- State what salary you are offering and when it will be reviewed.
- Make it clear if the offer is subject to any conditions.
For example, references (see 5.5).
- For permanent employees, state the length of the probation period (usually three to six months).
- Supply written terms and conditions with your offer letter, or not later than two

months after the date of employment (see Employment contracts).

It is sensible to have a written agreement when contracting with self-employed people.

6.2 Send polite rejection letters to any remaining unsuccessful candidates.

- It may be appropriate to offer opportunities for feedback. Do so automatically for internal candidates, on request for others.

6.3 Plan a warm welcome for new employees. This can significantly improve their attitude, even if they only work on a temporary or casual basis.

- Tell other employees when someone new is joining your company.
- Show new employees round and make introductions to key colleagues.

6.4 Complete new employees' induction.

- Provide a company handbook, information about the business, and relevant health and safety information (see Health and safety).
- Support the employee through the probation period with regular appraisals and organise any training needed.

6.5 Fulfil your obligations as an employer.

- For example, complete appropriate tax procedures. (See Payroll.)

7 Review

Periodically review the effectiveness of your recruitment process by examining key indicators.

7.1 Analyse your recruitment methods.

- Look at the different recruitment channels you use. Are they delivering the quality of applicant you want?
- Analyse how many unsuitable applicants you get. Compare their applications with your advertisements. You might need to change the information you provide.

7.2 Monitor your employee turnover.

- Interview employees when they leave, and find out why. You may find you recruited the wrong people in the first place.

Expert contributors

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Further help

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name, such as Remuneration.

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