



Escaping the recruitment black hole.

What alternative sources
of talent could mean for HR.

Scope of research

This report is based on

496

interviews conducted in late 2014

Of the people we surveyed,

89%

were directly involved in their company's hiring over the last 12 months

The remaining

11%

had the responsibility of leading HR strategy

Of these organisations,

25%

were operating in the public sector and

75%

in the private sector

Between them they cover a wide range of industries:

- Manufacturing 14%**
- Financial services 13%**
- Technology and telecoms 11%**
- Professional services 10%**
- Retail and wholesale 9%**
- Construction 6%**
- Education 6%**
- Health and social work 6%**
- Transport and storage 6%**



They also represented organisations of all sizes:

i

100-249 employees

18%

ii

250-499 employees

15%

iii

500-999 employees

16%

iiii

1,000-9,999 employees

32%

iiiii

10,000 + employees

19%

Executive Summary

HR departments can and should be directing the path their businesses take. To do so they need the freedom to commit greater resources to strategy. However, 34% of HR professionals are currently spending almost half their time on recruitment and one in six HR departments is already going over budget.

With departments using up to 17 different channels to source talent, the recruitment process is not only fragmented and time consuming, it's also insufficiently effective. As a result, 40% of recruiters say the candidates they source are underprepared for interview.

So why not outsource recruitment?

In principle, HR departments would love to. But all too often it's a case of conflicting priorities, with recruitment consultants playing a 'numbers game' and leaving HR departments to sift through unsuitable candidates.

Cost is a consideration too and when 44% of HR departments have no budget at all, it's clear that consultants are not the answer.

It's time to explore new models of recruitment – models that'll allow HR departments to recruit more efficiently, freeing up the time they need to develop strategies while delivering the talent to realise them.

It's time to hurdle the roadblocks

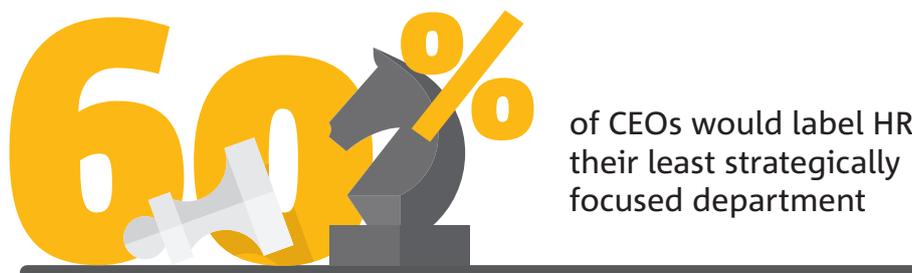
HR is inherently future facing. After all, no business can fulfil its long-term aims unless it attracts, retains and unlocks the full potential of the talent available to it.

So it's little surprise that modern boardrooms look to their HR departments to help steer their strategic thinking. But, unfortunately, that's not the only expectation these departments have to shoulder. Before they can look to the future, they need to negotiate the present. And that means keeping their organisations staffed. According to 78% of HR departments, that's becoming harder and more time consuming than ever before.

Naturally, the harder recruiting becomes, the harder other HR functions become. There are only so many hours in the day, and even the most strategically minded departments are finding their time and resources are being sucked into the recruitment black hole.

The strain is starting to show. Worryingly, 60% of CEOs would label HR their least strategically focused department. It's a perception HR leaders are ready and able to cast off, but first they need to find the freedom that will allow their departments to demonstrate their true value.

In this paper we'll look deeper into the black hole and explore the alternatives.



Less channel surfing, more vision

It's rare that inspiration comes as a bolt from the blue. Despite the occasional 'eureka moment', most good ideas are the product of sustained effort. Strategic thinking in particular requires man-hours to accomplish.

Unfortunately, black holes exert their influence over even time itself. An astonishing 34% of HR professionals spend almost half of their time at work sourcing talent – time they'd rather be dedicating to other valuable activities.

So just why is recruitment taking so long?

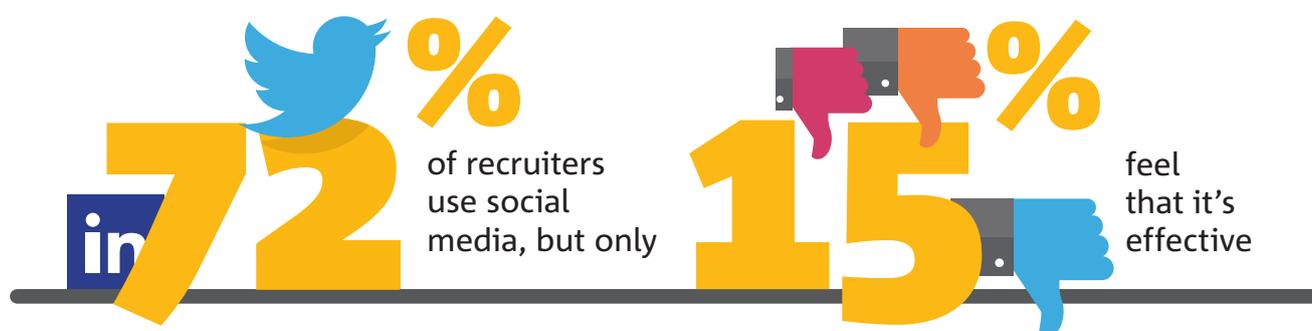
In short, 'channel surfing'.

If it's hard enough locating the proverbial needle in a haystack, when you need to search 17 haystacks, it's tougher still. And that's how many different channels some HR departments are now using to track down appropriate candidates. With such a fragmented focus, it's hard to work efficiently.

As such, it seems the rise of new media has been more of a hindrance than a help. While 81% of departments are using new channels, they don't necessarily rate them. Indeed, though social media is now a hunting ground for 72% of recruiters, only 15% actually feel that it's effective.

Free online tools, with their wide reach and perceived cost efficiency, can be difficult to resist. But attempting to piece together a coherent process out of a multiplicity of channels – while simultaneously staying on top of traditional sources – is extremely difficult.

And the problems caused by this approach don't end once potential candidates are found...



One step forward, two steps back

There's no middle ground in recruitment. As those involved in hiring know, if you find a hundred candidates who were almost right for the role, all you have to show for your hard work is a vacancy that still needs filling. Prospects who come to interview only to fall flat are ultimately a far greater source of wasted time than those passed over right from the start.



At present, a huge number of the candidates yielded by these multi-channel recruitment drives end up exacerbating the problem. Over 40% of recruiters say that their candidates are noticeably underprepared for interview, with a lack of research on the company and understanding of the role leading to poorly thought out answers.

This raises the question: when even interviews are feeding the black hole, why don't businesses simply rid themselves of the task altogether? By outsourcing to a specialised partner with a single focus and a precisely defined process, couldn't they start re-prioritising – taking on duties that drive more value for the organisation?

At 70%, almost three quarters of HR managers would now say that finding people with both the hard and soft skills to take on their vacancies is their biggest challenge. And the problem is compounded when recruitment is being undertaken in high volumes.

Plodding performance and runaway costs

Whilst HR departments would love to entrust recruitment to someone else, they don't believe it's really possible.



Though the search for talent now takes place over wider ground than ever before, channels with a human element remain the most popular. Recruitment consultants are still used by 42% of recruiters, and are deemed to be effective by around 30%.

While hardly a staggering figure, it's still head and shoulders above the competition. Only referrals and direct applications come close in terms of turning up quality candidates, and when it comes to volume, the former is impossible to apply while the latter would require a prohibitive amount of screening.

Clearly, even if they're the best of a bad bunch, recruitment consultants alone can't provide the solution. They'll always operate with their own priorities, and getting the best people into the right roles will only ever be marginally more important than getting the roles filled at all.

With this numbers game and frequently scattergun approach – as we've seen – too many interviews still end up being a waste of time for all involved. And that means scouring other channels for hidden gems continues to be business critical.

Then there are the financial implications to consider. While they may offer better results than free channels, recruitment consultants are costly. Considering that 44% of HR departments have no budget whatsoever and two fifths lack any mechanism to manage their spending, it's little surprise that overspending is rife. One in six departments go over budget, rising to one in three in the retail sector.

As such, recruitment agencies are far more likely to make an impact on a business' finances than its long-term strategy.

Escaping the black hole: The power of partnership

In light of this research, it has become evident that recruitment is a real burden to HR departments. The problems are manifold, and a piecemeal approach reliant on the lottery of free channels simply isn't viable.

By handing over responsibility to a specialised third party, HR departments can, at a stroke, benefit from a more efficient, defined set of procedures and gain transparency with regards to the cost, time and effectiveness of the recruitment process. However, given that budgets are small – or in almost half of cases, non-existent – these parties will need to be affordable.

To eliminate the need for HR teams to undergo additional 'channel surfing', these sources will need to be able to supply quality candidates in volume. And to do that, they'll need both expertise in the sectors they serve, and more granular insight into the individual businesses they're supplying with candidates.

As we've seen, traditional recruitment consultants aren't meeting this demand. They're simply not close enough to their clients. The solution, therefore, will come not from outsourcing to agencies, but from building partnerships with organisations that work differently, more creatively and in tune with today's labour market.

As such Work Programme providers are positioned to offer a valuable alternative. They have access to extensive and diverse talent pools, and the resources and expertise to add value to the recruitment cycle. And due to the time they have to work with both their candidates and clients alike, they can take informed measures to ensure each provides a fit for the other.

Furthermore, owing to the nature of their business model, Work Programme providers are able to work at no cost to the hirer. This means HR departments can give themselves a single point of focus, off-loading a great deal of effort without the need to consider budgetary constraints.

Taken together, these factors present a compelling case for businesses to consider Work Programme providers as a means of freeing up HR resources and finally escaping the recruitment black hole.

About Ingeus

We provide our partners with an alternative source of ready talent. As a leading Work Programme provider and employability and skills specialist, we focus on taking the recruitment burden away from you – only putting forward talent that is ready to fit into your business.

Once we place candidates, we continue to support and mentor them for months and – using this approach – we've filled over 250,000 vacancies in a raft of industries, all at no cost, often at high volume and in challenging labour markets.

Discover a new way of hiring.

If you're looking for a partner to work as an extension of your HR department – supporting the recruitment cycle and delivering – talk to us.

Call today on **0800 321 3160**
Or go to **[ingeus.co.uk/employers](https://www.ingeus.co.uk/employers)**

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All statistical data supplied by Circle Research.