

Modern HR in the Cloud



Best Practices for Recruiting the Best Talent



Finding and hiring quality talent has never been more critical. Competition, economic uncertainty, and high costs mean that you've got to make sure you recruit the right people for business success.

By implementing recruiting best practices and supporting technology, you can potentially reduce your time to hire by up to 50 percent, reduce cost per hire by up to 70 percent, and improve recruiter efficiency while finding the talent you need for driving business results.

Why is recruiting the best talent so important? It is estimated that the financial impact of hiring a top performer is 10 – 100x the person's compensation.¹ Therefore, hiring a single top performer at \$100,000 per annum salary has the potential for adding \$1 million to \$10 million to a company's revenue each and every year that the new hire remains with the firm. Whether you need to quickly hire high volumes of candidates, find candidates for hard-to-fill positions, build talent pools, or just streamline your recruiting processes, you need to make the most of your already stretched resources.

Technology can help you automate recruiting and staffing activities for improved candidate quality, efficient hiring, increased workforce productivity, and better business performance. With software solutions and applications moving to a new model of delivery—software as a service (SaaS)—organizations of all sizes can take advantage of sophisticated features and functions that were once available only to large enterprises. SaaS technology can be the foundation for several variations in the structure and operation of an HR department. The costs and resources have been taken out of the equation, because an investment in infrastructure is no longer needed—the internet becomes the infrastructure. In addition, advances in security and availability have set the stage for organizations to transform the way they attract and hire quality talent.¹

This executive paper examines best practices in recruiting and the technology behind these practices. You can potentially reduce your time to hire by up to 50 percent, reduce cost per hire by up to 70 percent, and improve recruiter efficiency while finding the talent you need for driving business results.

Careers Website

Having a careers Website is a central aspect of managing your recruiting processes—and where you should begin if you don't already have one in place. The goal is to attract potential candidates to your company, build long-term relationships, assess candidate fit for open jobs, and finally capture and process candidate information in a structured way.

¹ Lou Adler, ERE.net July 2012



IMPACT OF A CAREERS WEBSITE ON VALUE CREATION

1. **Process savings.**
Eliminates labor-intensive and non-value-added steps in the staffing cycle
2. **Sourcing cost savings.**
Drives more candidates into the company candidate pool and enhances the company brand
3. **Improved candidate quality.**
Targets and identifies quality candidates, improving the overall quality of hire
4. **Opportunity cost savings.**
Streamlines the recruiting process, reducing the opportunity cost of an open position and directly affecting the bottom line

With careers Website best practices in place, you can achieve a competitive edge in recruiting the most-qualified candidates quickly and gain financial benefits from direct and opportunity cost reductions. These practices automate recruiting activities that have a direct impact on the cost, reach, and breadth of candidate sourcing and processing. For even the best management practices to be effective, quality of hire and optimum fit are essential. High quality and fit of hires translate into higher productivity and better work satisfaction, consequently producing higher retention rates.

The following best practices for careers Websites can increase your odds of recruiting the most-qualified candidates and can reduce direct as well as opportunity costs.

- **Give applicants anonymity.** Because many potential candidates may be employed while they search your career Website for openings, privacy and confidentiality are important. You will need to ensure that database management, workflow rules, and recruiting processes are aligned to protect the candidates' anonymity.
- **Tailor online applications.** Online prescreening tools quickly separate qualified from unqualified candidates based on answers to questionnaires. Instead of a generic online application used by all candidates, you can use job-specific prescreening to adapt the application to an open position.
- **Keep track of candidate information.** Candidates can create and maintain a personal profile on your careers Website and attach job positions to their profile. The profile is then saved in your company's candidate database and accessed through an appropriate password. Recruiters can view structured data about a candidate, including access to job-specific screening questions to easily assess fit. By tracking candidate information by job, you gather the necessary data for compliance reporting as well.
- **Let job seekers and employees post your open positions on Facebook.** When you allow job seekers to post jobs on their Facebook page, you can increase the exposure of your open positions—and reach a larger pool of candidates at lower sourcing costs. In addition, employees are one of your best sources for referrals. Encourage them to post open positions on their Facebook page and refer their friends.
- **Highlight your company culture.** Your company culture may sway a candidate's decision about applying for an open position. You can include information about your company's mission and values, industry position, facilities, and location. Making this information available online means that recruiters don't have to e-mail it out individually and further brands your company as a well-regarded employer of choice.
- **Enable job searches.** A job search engine is a core component of a top-notch careers Website. It helps job seekers find job openings that meet their requirements



"[Oracle Smart Sourcing Cloud Service] is a big benefit for us. This allows us to recruit simultaneously for a wide variety of employee roles and levels, from professional scientists to sector executives."

—Anne Brown

Senior VP of Human Resources,
NeoSphere Energy

quickly and efficiently. Making sure that current job openings are in the searchable database also reduces the administrative burden of maintaining a manual list. The three best search criteria are Job Search by Job Category, Job Search by Location, and Job Search by Keyword.

- **Link your careers Website to your home page.** A direct link from your home page to the careers Website makes for easy navigation and drives visitor traffic. You can also leverage the marketing efforts of your company to get visitors to your home page.
- **Establish a memorable URL.** It sounds like a simple idea, but making sure that your career Website URL is memorable is important. By assigning an easily remembered URL, your company promotes recruiting and ensures that job seekers won't forget it when they want to look for job openings at your company.
- **Focus on urgent jobs.** Highlighting urgent job openings can be as easy as making the links to descriptions a different color or using a symbol such as an exclamation point. You can also maintain a separate list that can be linked at a prominent position on your career Website. A list of urgent jobs alerts job seekers who have the appropriate skills to apply for those first and can help you meet your company's high-priority recruiting goals.

Smart Sourcing

Talent acquisition costs come into play when a new position is being filled for the first time, when an existing position is refilled due to turnover, and when employees switch jobs internally. Much of the spend for acquiring talent is on sourcing, including recruiting agency fees and recruitment advertising costs for new hires. It is estimated that worldwide, organizations spend upwards of a combined \$85 billion each year to source candidates.² These fees typically come out of the budget of the hiring department and may not be visible to an organization through its HR department's accounting of talent acquisition costs.

Using smart sourcing technologies, businesses of all sizes can get the same talent sourcing advantages that large organizations enjoy. You can recruit faster from a wider network of qualified candidates, build stronger relationships with active and passive job seekers, and earn a higher return on your sourcing investments.

The following best practices for smart sourcing help you find the best person for the job while decreasing your sourcing costs and time to hire.

² Estimates based on Bersin Talent Acquisition Factbook 2012



- **Automate job board processes.** Get the most out of your job board investments with predictive ranking and optimization capabilities. Recommend job boards with the highest likelihood for attracting qualified talent, and automatically post to these boards.
- **Build a talent pool.** Reduce your dependence on third-party recruiters and external résumé databases by keeping your own database of quality candidates. Then manage candidate relationships so you can tap into this valuable resource when you have a job opening. Candidate relationship databases lower sourcing costs by better marketing opportunities to candidates sourced in the past.
- **Plug into social networks.** According to the Pew Research Internet Project, 73% of online adults use social networking sites.³As more people use social networks such as Facebook, LinkedIn, and Twitter, you can go beyond job boards. A 2012 publication by Meisha Rouser found that 18.4 million applicants found their jobs on Facebook, 10.2 million found theirs on LinkedIn, and 8 million found theirs on Twitter.⁴Share your most urgent job openings with millions of potentially qualified candidates.

Smart Screening

Online recruiting can quickly swamp recruiters and HR staff, because it is now possible for a job seeker to apply for hundreds of jobs in a single session. With increasing applicant volume, recruiters still have to carry out the process of selecting the most-promising candidates. Yet, the largest block of time in the hiring cycle is typically sorting and ranking candidates based on résumés.

Smart screening—that is, prescreening candidates by asking targeted questions—offers a cost-effective way to have an in-house recruiting function without churning through limited financial and employee resources. Not only will smart screening technologies quickly steer hiring managers toward the most-promising candidates but they will also assist you in building a repository of prequalified, ranked candidates to draw from in the future. The greatest advantage over manual applicant processing is the speed with which recruiting decisions can be reached. Smart screening is not just about finding employees but also about finding the most-qualified employees.

The following best practices for prescreening candidates are designed to help you find the employees who—based on skills, behavior, and prior history—will fit perfectly within your organization.

³ Social Networking Fact Sheet, Pew Research Internet Project, December 2013

⁴ Best Practices in Social Recruiting, Meisha Rouser, 2012



A FAILURE TO SCREEN

A large San Francisco bank employing an agency to provide janitorial services did a spot background check on the 217 workers who were performing services at the time and found that 12 had known pre-employment felonies and major misdemeanors. Luckily, there was no incident and the agency was fired.

— from Taleo Research, “Background Checking: Uncovering the Facts”

- **Narrow down candidates.** When you consider that in 2012, employers received in the neighborhood of 85 applications for every job opening and estimate that about 60% of all candidates that apply are unqualified,⁵ you get an idea of the amount of time “knockout screening” can save. Knockout screening eliminates candidates who aren’t qualified for the job you are looking to fill. It uses technology to assess data the merits further consideration. You set the mandatory requirements during the requisition process, so no human interaction is necessary.
- **Assess candidate skills.** You can identify top performers by analyzing the needed skills, experience, and fit and then matching those to the talent profiles of external candidates. This method of effective recruiting requires a streamlined process. Automated ranking and workflow enable recruiters and hiring managers to focus on evaluating a short list of quality candidates. A skills assessment can include any number of questions—in a series of different formats—that the candidate answers during the application process. The goal is to find out the applicant’s skill set and if that individual approaches a task in a suitable manner for doing the job effectively.
- **Cut your time to hire.** Every applicant who passes the knockout screening process and completes the skills assessment is scored. You can choose from the highest-scoring applicants to move to the next step of the hiring process. To this point, your only time investment will have been in setting up the mandatory job requirements and the questionnaire.
- **Check candidates’ backgrounds.** Background screening has become increasingly relevant in the last 10 years. The reasons for its growing popularity include the rise in workplace violence, corporate fraud scandals, and litigation—both real and potential. Background checks also help employers nail some of the 30 to 40 percent of job candidates estimated to lie on their résumés.

Candidate Management

Recruiting is no longer a static event; it is about ongoing communication with people who possess a given set of skills. Managing relationships with candidates takes time, but it’s important to deliver a good experience, or you might lose them in the process. Candidate relationship management and candidate communication play a critical role in identifying, developing, and sustaining long-term relationships with candidates and existing employees.

⁵ Candidate Experience 2012, Crispin, Murphy, Newman, Orlor



Establishing a candidate communications process makes it easier for candidates and employees to interact with the organization. At its best, you can use systems to streamline staffing processes and make better staffing decisions while being responsive to candidates and internal employees. Tools for enhancing communication and contact can speed up the process on your end while ensuring that the candidate has all the information needed.

The following best practices will help you more easily manage candidates and improve their experience.

- **Have candidates create profiles.** The relationship with a candidate begins when an online job application is completed for an immediate job opening or a candidate profile is submitted to see if there are other open requisitions that suit a candidate's skills and interests. Candidates can be immediately notified via e-mail that their application has been received and can view the status of their application throughout the entire staffing process.
- **Automate response management.** Candidates can receive notification and status updates every time they apply for positions within the corporation or when they update their profile. Today, job seekers expect an acknowledgement after submitting an online application.
- **Provide status updates.** During the hiring process, candidates can be kept apprised of their status and may apply for as many positions as they like without resubmitting their information.
- **Communicate directly with candidates.** You can periodically send messages to the candidate pool on an ad hoc basis or to the entire database of candidates.

“Before [Oracle Recruiting Cloud Service], we had all candidates applying through e-mail and we managed the candidates on an Excel spreadsheet. We are now able to search, track, and report metrics to our executive team.”

—Alissa Dare

Human Resources Manager, ProService
Hawaii

Compliance Management

Compliance is a major part of your recruiting, hiring, and performance evaluation processes. It's not only about automating and streamlining but also about documenting and archiving to ensure that you are capturing the data you need in order to maintain compliance with regulatory agencies or internal policies and procedures.

The following best practices in compliance management will help you track your recruiting and hiring initiatives and report on them.



- **Increase transparency.** A recruiting solution ensures that you execute proper notification and advertising of open positions—a requirement for public sector agencies and educational organizations.
- **Automate reporting and ensure online privacy.** The U.S. Equal Employment Opportunity Commission (EEOC) requires proper notification and reporting about job openings, screening, compensation, and other HR practices. In addition, many government agencies in the U.S. and Europe require that all information be kept private and not be distributed. An online recruiting solution can automate reporting processes and ensure that all information is confidential, while reducing your costs.
- **Define basic qualifications.** Enforce use of job templates to ensure consistency in how you post positions. Make sure basic qualifications are specific, objective, and measurable. Document and communicate evaluation criteria and processes, which will help you establish your applicant pool.
- **Track expressions of interest.** Create, document, and communicate company selection policies and processes. Communicating a clear definition of expressions of interest and consideration is critical for identifying who is an applicant and who is not.
- **Track candidate status.** Automatically track the candidate through the workflow process. It's important to track the steps and status and capture the reason a candidate is no longer being considered for a position. This information is then available for compliance reporting.
- **Ensure proper certifications and qualifications.** Automated prescreening and background checks help you determine whether candidates meet the basic qualifications outlined for the job.
- **Safeguard against charges of bias.** Some employers struggle to apply federal job mandates consistently. Smart screening technologies rectify this, by retaining a record of each applicant's assessment. These technologies also safeguard employers by proving that each applicant was asked the same set of questions.

Reporting and Analysis

A best practice and first step in reporting and analyzing your recruiting efforts is to identify the proper metrics.

1. **It is aligned with business.** Clearly, HR alignment with business goals is a priority to measure and improve upon, but it is also difficult to achieve. Business targets (such as direction and goals set by the CEO and senior management) and HR



strategies need to be synchronized and then translated into the tactics HR implements.

2. **It is actionable and predictive.** A good metric must provide information that can be acted upon. The issue with data points is that they are usually lagging indicators—in other words, they show what happened in the past. Leading indicators—data that forecasts the direction actions should take in the future—are what provide true power. Presenting leading indicators that can drive aligned action is where strategic HR is going.
3. **It is consistent.** A good metric is consistent in what it measures. Comparisons are made of equally weighted criteria. Cost per hire, for instance, has been a popular HR metric. Make sure the data included in any metric you use is defined at the outset and remains consistent; otherwise, the value of its comparison is useless.
4. **It is time trackable.** A good metric must be trackable over time. It is not a snapshot of an activity at any one moment. The frequency of reporting for a metric varies with different metrics. Time to fill, for instance, should be reported weekly. Metrics addressing longer-term evaluations such as hiring manager satisfaction and new-hire performance can be tracked quarterly or annually.
5. **It is peer comparable.** In addition to analyzing internal performance, good metrics should be able to be compared with external benchmarks among a peer group. That peer group may be another business unit within your company; another company, similar, for instance, in size or location; or an industry benchmark. A good peer comparison metric allows for additional analysis of benchmark performance.

Once you have identified the proper metrics, you can begin assessing historical results. Getting a historical view helps you understand where you are so you know the level of efficiency you have obtained with your current sourcing and recruiting efforts. This historical view also helps you set benchmarks so you can measure improvement over time.

Another best practice is to push information to executives and business managers so they have instant access to recruiting information that affects them. This information can be pushed in a dashboard or report format. To facilitate this, your recruiting solution should enable you to quickly find, analyze, and display key staffing information at as high or as detailed a level as you need. In addition, it should ensure that you can control access to information so confidential information is protected.

Many organizations take recruiting to the next level when they use the results of performance reviews to improve their recruiting efforts. By analyzing performance, you can see who the top performers are across the organization. Once you understand the



characteristics of these top performers, you can look for similar characteristics when filling future open positions. These characteristics may include years of relevant experience, skills, or education. You can correlate these characteristics with screening questions and assign points accordingly, which enables more-qualified candidates to rise to the top and helps you further reduce your time to hire.

Conclusion

You may not have the human resources staff or budget that larger companies have for recruiting. For activities ranging from setting up a branded careers Website to leveraging social networks and using smart screening technologies to automate processes, Web-based solutions offer ease of use, increased efficiency, and dramatically lower costs. A solution such as Oracle Taleo Business Edition Cloud Service enables HR professionals to automate recruitment and staffing activities for improved candidate quality, efficient hiring, increased workforce productivity, and strategic advantage.



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Hardware and Software, Engineered to Work Together
