

why recruiting shouldnt be like dating.txt

The Cost of a Missed Hire or Why Recruiting Shouldn't be like Dating
January 24, 2007

By Kathy Baron, January 22, 2007

There has been a lot written about the cost of a bad hire. The cost of replacing an employee has been estimated at anywhere from one times salary to three times salary, depending on who you ask. But how do you estimate the cost of not hiring a great candidate? Or even a good candidate? How do you estimate the impact of a non-event, of something that doesn't happen?

Chris Isidore, writing for CNNMoney.com, takes a crack at it in an article called "Skilled Worker Shortage hurts US". The premise of the article is stated in the subheading: "Employers would be hiring more if they could just find the skilled workers they need". Supporting statistics include data from ADP showing that US private sector employment shrank in December, the first decline in three-and-a-half years. Also, while unemployment in December stayed at 4.5%, the rate for college-educated workers was 1.9%. The lowest rate for college graduates on record was 1.5% for three months in 2000.

The explanation for this, as stated by a number of experts in this article, is labor constraints. Companies can't find enough qualified, skilled workers, and so they are forced to cut back on new initiatives, restricting their growth. This causes lower productivity and economic growth for the U.S. economy as a whole. So - the cost of missed hires is measured not in dollars spent, but in less revenue and less profit for companies.

For many of us, this description of the current state of recruiting is counter-intuitive. We all know people who have been laid-off, or who are unhappy in their current jobs, who haven't been able to find a new one. In fact, Isidore's article quotes some of these qualified, college-educated people who have been looking for work for over six months. Outplacement firm Challenger, Grey and Christmas states that job search times are about the same today as they were a couple of years ago, when the number of unemployed college-educated workers was almost twice what it is today.

Now that's an interesting dichotomy. Companies, and the economy, aren't growing as fast as they could because they can't find skilled workers. And skilled workers who want jobs can't find them. Why is this?

One explanation that's offered is that while companies say they want experienced workers, they really want relatively young, relatively inexpensive, somewhat experienced workers. That only makes sense if companies are hiring the younger workers instead of the more experienced workers. They aren't. They aren't hiring anyone - which is why the size of the workforce is shrinking and corporate growth is constrained. So what gives?

why recruiting shouldnt be like dating.txt

A telling quote from one job hunter gives us a potential clue: "One company said that even though you're the top candidate, you're not exactly what we we're looking for." (Italics are mine.) Aha! This is a statement that all recruiters have heard more times than we want to remember and each time with the same sense of frustration. Somewhere behind that quote lies the dreaded three page job description. While the candidate may have matched 80 or 90% of the requirements, they weren't a perfect match. The recruiter knows that the candidate is perfectly capable of doing the job. The candidate knows that he is perfectly capable of doing the job. The only one that apparently doesn't know it is the hiring manager.

It's hiring as a kind of weird on-line dating service, where some kind of matching technology pairs you with the candidates that look good on paper, which are then run past the hiring manager like a series of first dates. Does she smoke? Is he in good shape? Does he have a nice smile/sense of humor? Does she like sports/travel? Do you share values/backgrounds/alma maters? The manager is looking for someone that fits a specific profile in the same way that many people look for a potential mate. The same pitfalls apply. Presentation becomes more heavily weighted than other factors and the person that for some reason doesn't look the part, or fit the exact profile, doesn't make it past the first interview.

Hiring shouldn't be like dating. Job descriptions shouldn't be a laundry list that describes the perfect sales person, or engineer, or loan officer. All of us have been in the workforce long enough to know that great sales people, engineers, and loan officers come in all shapes and sizes, from all kinds of backgrounds, and may or may not have gone to an Ivy League university. So, how do we decide if someone is capable of doing the job that we need to have done without relying on some type of super-specific profile of the über-employee?

It's easier than it sounds. First, throw away the job description. Then define what someone needs to do to be successful in the position. Stop focusing on describing the attributes that some perfect candidate needs to HAVE and focus on what a successful employee will DO in the job. A successful sales person may need to: develop a territory plan, identify potential clients, set-up 20 appointments a month with these potential clients, and deliver two million in revenue at the end of a year. Do they need to come from an Ivy League university? Well, can they be successful in the job if they didn't? Do they need 10 years of experience? Well, what if they already have a track record of success with just seven years of experience? Do they need to have worked for a competitor, or have been in your industry? Well, have you had successful sales people that didn't come from your industry? What types of experience seems to be transferable? What matters is whether the candidate has been successful in the past doing the types of things that he or she needs to do to be successful at your company.

If the cost of a missed hire is less revenue and less profit for

Why recruiting shouldn't be like dating.txt
organizations, it is sobering to think that US companies may actually be choosing to be less successful than they could be because they don't know how to recruit and hire good employees. This probably means they don't know what makes their employees good at what they do. If you know what makes your employees successful in their jobs, then you know what to look for in a candidate that you want to become a successful employee. I can guarantee that it has a lot more to do with past success rather than with years of experience, MBAs, or even specific industry experience. The labor market is only going to get tighter. It's time to start looking for candidates that can perform, not match a job description. Unlike dating, you won't have to kiss any frogs. However, you may find out that there are a lot more princes out there than you thought.