



How to manage your recruitment partnership?

Making sure your recruitment partner is delivering for your business

Whitepaper

blueArrow

The next stage is making sure that the partnership continues to deliver a return on investment. This could mean solving a problem that your business faces or helping you open new doors for growth.

Define the measures of success

In the previous whitepapers in this series, we focused on understanding the recruitment service to meet your requirements and choosing the right partner for your business. These exploration phases are a key part of establishing a partnership that delivers on your objectives, but it is only the beginning of the story.

The next stage is making sure that the partnership continues to deliver a return on investment. This could mean solving a problem that your business faces or helping you open new doors for growth.

In this guide, we look into how to keep your objectives at the front and centre of your partnership to ensure you are maximising the return on investment.

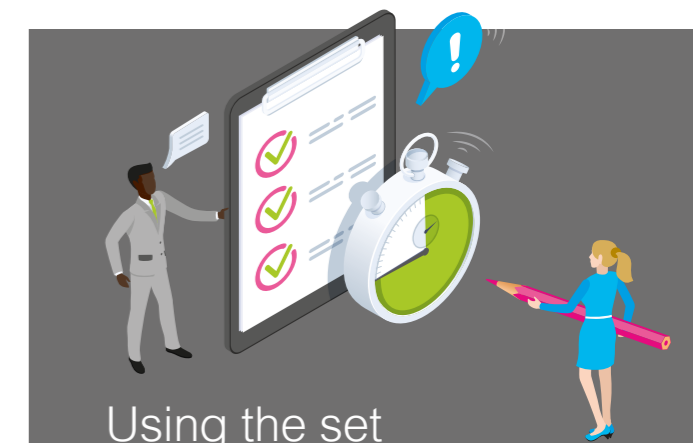
Revisiting your pre-defined objectives

In recruitment, a partnership can help you to develop existing staff, fill gaps, recruit new skills and hire remotely. For the partnership to be successful, however, it needs to go beyond fulfilling these fundamental requirements - it needs to add value to your business beyond what you can already achieve internally. Here are some of the most important ways that your recruitment partner can benefit your business:

- ▲ **Cost savings** - Do you need to cut down on the costs of under performing employees and gaps in your workforce? Are your current processes forcing you to spend too much time on manual tasks rather than value-adding ones?
- ▲ **Reducing time-to-hire** - Do gaps in some functions mean that your business cannot operate properly?
- ▲ **Broaden your talent pool** - Are you looking to widen your search for more specialised professionals to help your business grow? Does your forecasting indicate that you need to build a robust team to scale-up faster?
- ▲ **Increase the diversity of your workforce** - Do you need help to access a broader talent pool to bring more skills and experience into your team?

Through the process of finding your partner, you will likely already have these objectives set out as part of your scope of work. But when you've selected your partner and you're ready to start the relationship, these objectives should also be cemented in a contract and **service level agreement (SLA)**, which acts as a formal agreement. If down the line you need more support from your provider, you can create statements of work that extend your contract.

Your recruitment provider should also propose ways to measure and report on their performance. This enables them to judge where more support is needed and to help you track the value of the partnership in meeting its objectives.



Using the set objectives along with the **performance insights** from your recruitment partner, you can clearly identify what is and isn't being achieved. And with this understanding, you can discuss with your provider ways to improve efficiencies, develop the ongoing service and create targets for progression to meet your changing needs.

First and foremost, your chosen provider needs to deliver the service you expect effectively. Through the steps we've explored in previous whitepapers, you should feel confident that your recruitment partner is capable of delivering on your objectives. That being said, it's important that you track their ongoing performance.

The following metrics will help you open conversations with your provider about performance. It's important to note that any negative figures aren't necessarily down to your provider. The workplace experience you deliver as an organisation, considering everything from pay rates to shift patterns and workplace culture, can drive good talent away. However, using these figures as a reference will help you to work together to make adjustments to your recruitment strategy.

Here are a number of metrics that are useful to track:

Volume of hires

If the partnership's aim is to secure a large number of hires, you should set a volume fill rate KPI. This rate indicates how many jobs are filled out of the jobs that are open, and it's calculated over a set period of time. You can work it out using this calculation:

$$\frac{\text{Number of positions filled}}{\text{Number of positions open}} \times 100$$

A high-volume fill rate suggests that your provider is successfully filling gaps. A low one indicates that they're coming up against problems in the process.

An example of more complex metrics would be conversion ratios that look at talent supply versus demand, or fulfilment rates derived from the gap between your booking needs versus how quickly the agency can fill those gaps.

Quality of hires

You can use **attrition and retention rates** to understand the quality of the hires that your provider is securing for your business.

The **attrition rate** is a percentage that shows how many employees you lost and didn't manage to replace over a set period. A high attrition rate shows that you're turning over lots of employees. You can work it out:

$$\frac{\text{Number of leavers}}{\text{Number of employees}} \times 100$$

The **retention rate** shows how many employees you've successfully kept. A high rate suggests that your hires are well suited to their roles and happy in them, and you can build on these positives to help inform your attraction campaigns. You normally calculate it over an annual period using this calculation:

$$\frac{\text{Number of staff who stayed over the year}}{\text{Total number of staff one year ago}} \times 100$$

If the rates indicate that employees aren't staying or gaps aren't getting filled, it could mean that your recruitment partner is not finding candidates that are well suited to the roles available or are not a good fit for your company. It could also indicate, however, that you need to review company culture and adjust the employee experience, so be wary about placing all the blame on your provider. These rates should be used to open the conversation about what is going well and what needs to change.

If you're looking to hire more specialised talent to drive your business forward, you'll need to measure the **quality of individual hires**. It may seem odd, but it is possible to quantify their quality.

You can choose which performance indicators you measure - this list gives you an idea on helpful stats to investigate:

- ▲ **Job performance** - This could be their most recent appraisal score.
- ▲ **Retention** - As above.
- ▲ **Ramp-up time** - Time taken to reach full productivity in role.
- ▲ **Productivity** - This could be the percentage of goals achieved.
- ▲ **Employee lifetime value (ELV)** - This is the total net value that an employer brings from day one to the current day.

Using these stats, you can create a benchmark against which to measure the quality of new hires. If new hires aren't matching up to your standards, it could be time for a conversation with your provider about the kinds of people you are looking for.

Next, we will discuss how you can take the quality measurement forward by appraising the value of the service you receive from your recruitment partner.

Assessing your provider's quality

As well as having the capability to do the role, you want your recruitment partner to fulfil its role to a high standard. There are a few ways that you can track the efficiency and quality of their performance.

First, consider assessing their **recruitment efficiency**. Your provider should deliver value for money, and they can only do so if they're being efficient. One way to assess efficiency is **through conversion rates** of applicants generated through advertising effort and ability to turn applicants into registered workers and then registered workers into workers or employees placed in positions. You can ask your provider to supply these conversion rates, so that you can get a clear idea of how well each stage in the recruitment process is performing.

Next, review whether they handle administration tasks efficiently. Your provider should handle paperwork in an ordered, transparent and watertight way. Keep track of when you receive invoices - are they accurate and on time? If you ask for data on progress, are they able to produce this quickly and present it in a coherent way? Are candidates receiving the information they need to prepare for interviews and, if successful, hit the ground running at your business?

Meeting your sector-specific needs

It's crucial that you work with a partner that helps you navigate opportunities and threats in your industry. They should advise you on how to be a competitive employer to attract and retain staff. For example, they should support you in considering the level of pay, working hours or employment conditions you should be offering. Are you beginning the hiring process too soon? Is having to attend non-paid induction days causing application drop-outs?

Understanding your recruitment partner's expertise in your industry is a key part of managing their service provision to ensure that you are not missing out on the right talent. You can gauge their sector expertise by regularly asking yourself these questions:

- ▲ **Are they sharing insights regularly?** - Providers often give presentations to explain trends in the market as well as more in-depth insights that you may have to pay extra for.
- ▲ **Are the insights relevant?** - The insights should help you steer your recruitment strategy. So, if they're not very relevant, this may indicate that they don't have a good understanding of your industry.

If you feel that your provider isn't utilising industry research to best meet your recruitment objectives, you can encourage them to improve their service.

It is helpful to do some mystery shopping research to find out what exists elsewhere or ask your provider to appraise themselves against the competition so that you can both agree what good looks like.



Delivery quality



Your partnership should be managed day to day in a way that is supportive and conducive to feedback and change. With mutually agreed commitments that reinforce the partnership objectives in place, you will both have a framework from which to discuss any concerns around over- or under-performance and your changing needs.

From the outset, you should create a service level agreement (SLA) that sets out the commitments from both parties. This should cover:

Relationship management

Your **communication commitments** will depend on the kind of relationship you have. If your programme is project-based, you will probably need weekly or daily meetings, whereas an on-demand relationship is unlikely to be quite as structured. But your provider's approach to customer relationship management (CRM) is also crucial here and it is worth digging into the detail as much as possible. Your SLA should say exactly what you can expect with things like response times, how often you will meet and what topics will be discussed regularly. Having this structure facilitates regular feedback and open dialogue and ensures that both sides remain fully committed to the process.

What your partner tells you is just as important as how often they get in touch. You should expect them to **report on issues as well as successes**. As part of your SLA, you should include requirements for them to update you about your spend/budget and provide performance stats, like the ones discussed earlier in this whitepaper.

You and your provider need to be clear about your delivery expectations. Set out who is dealing with things like background checks, interview scheduling, verifying candidate qualifications, and initial interviews/tests.

Finally, if they are providing an RPO or managed service programme, they need to give you clear steps on how they are going to help you implement any new tech and embed it within your workflows.

Dealing with problems

If you find that your recruitment partner isn't fulfilling their responsibilities, what should you do? The SLA should also include a **complaints management and handling** section on how to raise a concern and the response expected from the supplier. Be clear about how quickly you expect to hear back or receive a solution.

Developing the relationship

Adding value and innovation in a strategic way should be at the heart of the relationship. Welcome your recruitment partner's expertise on industry best practice and expect new ideas that will drive your competitiveness as an employer.

On a more practical note, your provider should be able to support you over the long-term as your recruitment needs change. In your SLA, you should agree a plan for how much they can **scale up or down** their services for you. This could be on a seasonal basis, for example, if you are recruiting for temporary positions, or to adapt as your business grows.

Just as your business might have a service and product development roadmap, so should your service provider. They may welcome your input in helping to establish this roadmap with a view to **streamlining their offerings** and **future-proofing** their service to you.

If your business is growing steadily and likely to require more recruitment needs, your service provider should work with you to ensure cost efficiency and avoid an unsustainable increase. In your SLA, you may agree to share in cost savings realised by joint activities or agree volume-based pricing rebates.

It's also important that cost savings don't compromise your ability to attract and retain high-quality staff. We recently conducted a survey of over 1,000 Blue Arrow temporary workers across a range of sectors and occupation types and found that 22% of temporary workers would leave their current assignment for a better paid temporary assignment elsewhere. A managed service provider will actively help you ensure your costs are competitive while also identifying opportunities to drive efficiencies.



Navigating risk

As discussed in the previous whitepaper, working with partners and suppliers can put you at increased risk of reputational damage, non-compliance and data breaches. Even after selecting your partner, you should continually review how they are handling the recruitment process to help protect your business.

The recruitment process does carry some risks. For example, failing to ensure public sector candidates have passed their Enhanced DBS check could potentially put people in harm's way as well as damage trust in your services and your reputation, sometimes irrevocably. Data breaches are another major concern for businesses. And not just in terms of reputational damage and lost business; it can result in significant costs through lost revenue and potential penalties. This is especially true in jurisdictions where GDPR is law. You should work closely with your provider to make sure you are both aligned on strict processes to prevent these mishaps.

Supplier audits are also important for the ongoing management of risk across your operations. As with any other supplier in your supply chain, your recruitment service provider should be regularly monitored and audited by an external third party. REC, for example, gives its members the option to become independently verified. This status must be updated every two years. The mechanisms in place to handle complaints for legal and HR will be analysed as part of this.

You could look to perform regular **operational audits** on your provider or be aware of the external audits they undergo - for example you or your recruitment suppliers may be audited by the Environmental Standards Agency Inspectorate (EASI) or any public sector bodies that you or they work with. You may also be subject to spot checks from governing bodies such as HMRC and the Home Office Border Force.

Finally, you should look to include in the contract your expectations on which party is liable for any losses or damages. This could be because you face financial penalties, you need to recover from a data breach, or failing to manage compliance by not checking a worker's right to work. Your provider should have **business recovery** and **business continuity plans** that set out procedures should something go wrong. If you find that the plan isn't sufficiently protecting your business, you should meet with your provider to suggest edits to the plans or inclusions in the contract.

A more hands-on approach to protecting your business

Some recruitment partners will offer to assess and help manage your reputational risk. This service is chargeable, so you need to have a contractual agreement that sets out the level of input you expect.

If monitoring your reputation as an employer is your provider's responsibility, you should expect them to be using a **reputation management system**. This could include **social listening tools** that track how the company is being talked about on social media and online review sites. They should also have **feedback mechanisms** as part of their application process, which captures ways that you can improve your employee offering.

If your recruitment partner is providing temporary workforces, a managed service or RPO, they'll also need to **capture HR-based grievances**. The system should enable a swift escalation of any concerns raised so that you can deal with them and, if needed, follow media-handling protocol should the situation reach the public news.

Social responsibility



Your recruitment service provider needs to be able to align with or even contribute towards your Environmental, Social and Corporate Governance (ESG) goals and targets. These include achieving greater diversity and inclusion, offering more employment opportunities to the community, contributing to the local economy and reducing your environmental impact. In fact, many people now specifically select employers that prioritise their social value.

On an ongoing basis, your provider should collate data to help with your **reporting activities**. It is increasingly common for companies to implement and report on diversity, equity and inclusion (DE&I) policies that look to build a broader range of identities and backgrounds into their workforces. The requirement for businesses with a headcount of over 250 to report on their gender pay gap is a related but distinct reporting requirement. As the UK aims to reach net zero carbon emissions by 2050, companies are also increasingly being required to report on their sustainability policies and performances.

Looking ahead, they should also help you take steps to improve your progress towards your ESG goals. Through a **partnership roadmap**, you can create a plan that maps out how you are going to work together to achieve your aims. This could include:

- ▲ How will job ads reach people of all ages, from gen Z to baby boomers?
- ▲ Are you making your job profiles gender neutral?
- ▲ Are you developing interviews and assessments to cater to different needs?
- ▲ Are you taking steps to eliminate any unconscious bias from the recruitment process?
- ▲ Do you have targets for hiring local people?
- ▲ Do you have targets for hiring a more gender - and ethnically diverse pool of talent?
- ▲ How can bring your environmental efforts into the employee experience?
- ▲ Can you create a net zero recruitment process?
- ▲ Are your job roles actively answering community concerns?

Your roadmap should include clear targets that will help lead discussions with your partner about progress and next steps. It's important to bear in mind that your supplier shouldn't be expected to commit to future goals before your organisation is ready. By prioritising each initiative and embedding these into your organisation first, you and your provider can agree achievable targets and work together to achieve them.

Conclusion

This whitepaper concludes the last in our series, guiding you through finding, selecting and managing the right recruitment process and partnership. A successful recruitment partnership should be one that adds value and helps to solve your business challenges, which is why it's important that you have a provider that's capable of meeting your recruitment objectives to support the business' ambitions.

As one of the largest recruitment agencies in the UK, we have extensive experience in helping businesses hire staff in a more productive and efficient way. Get in touch for tailored support in managing and devising a stronger recruitment strategy.



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