

**Staffing Strategies:  
Can You Find, Recruit, and Retain the  
Talent You Need?**

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## Executive Summary

If people truly are an organization's most valuable asset, attracting, managing and developing people in the most effective and efficient way possible is of paramount importance. Yet historically, while companies use state-of-the-art technology to aid them in acquiring and managing other assets, they rarely do the same when it comes to staffing. And because attracting and recruiting the best talent is the first step in creating a superior workforce, it is here where improvement efforts must really begin.

In recent years, many organizations have adopted sophisticated new software tools that help them better perform various staffing functions, from sourcing and applicant tracking to resume processing and interviewing. Throughout the pre-hire process, they acquire a substantial amount of information about applicants, candidates and new hires. However, once positions are filled the sheer amount of this information and traditional ways of capturing it means that important people data is too often relegated to HR archives and largely forgotten.

Comprehensive HR software suites that include several highly-integrated component applications now enable companies to extract maximum value from all HR data they acquire and use it to manage their human capital more strategically. This includes developing candidate pools of hard-to-find talent, precisely aligning search and performance review criteria, comparing recruiting data with subsequent job performance, and using comprehensive reporting capabilities and analytics to improve overall staffing performance. Drawing on a broad suite of well-integrated solutions gives employers a distinct competitive advantage when it comes to finding, attracting, and retaining the highly qualified talent that is required to meet organizational business objectives.

## I. The Cornerstone of Human Capital Management

Strategic human capital management includes pay for performance activities that help bring out the best in people and identify where top leaders are emerging or where performance challenges or pay imbalances may exist. All of these initiatives presume organizations to be proficient in first finding and recruiting the talent that's right for the organization and thereby worth developing in the first place. However, companies often take months to find and recruit talent for key vacancies, or worse, hire individuals who poorly fit the positions for which they are hired, thereby squandering valuable resources. The problem is that hiring errors rarely become apparent for months—a gap which can have severe effects on the performance of the organization. By increasing their proficiency in sourcing and recruiting talent, companies not only save time and financial resources, but hone their competitive edge.

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To understand why some organizations are less efficient than others in finding and recruiting talent, we observed how these processes typically work. We learned that, as with other functional areas, talent sourcing and recruiting tend to be isolated functions within the HR domain. Companies effectively treat each function as a distinct operational silo with minimal levels of interconnectivity with each other and with other functions, such as compensation planning or succession management efforts. In most mid-size and larger organizations, for instance, when a vacancy occurs, the manager completes and submits a job requisition that in-house or external recruiters use as the basis for a candidate search. After hiring, HR generally stores the detailed information it has gathered about candidates in departmental archives rarely seen by non-HR staff.

This traditional approach, which many companies once considered efficient, has several challenges. Here are a few examples:

- Recruiting criteria entered on job requisitions are often inconsistent with the criteria to be used subsequently in performance reviews.
- Systems and processes are designed to target external candidates with no parallel structures for conducting internal searches.
- Companies archive pre-hire employee information, making it difficult to access and consider during performance evaluations, compensation and succession planning, and internal hiring searches.
- Because staffing initiatives are difficult or prohibitively expensive to track and analyze, companies rarely attempt either and thereby lose the substantial value of process feedback.

These challenges make it difficult for organizations to gain full value from the data collected during the recruitment process, add additional costs, and compromise through sheer scale of effort the overall outcome. With more and more organizations looking to shift recruiting responsibilities internally to control agency costs, a new method of addressing these challenges adds significant value.

## II. Optimizing Staffing Performance

The investments companies make in recruiting, training, and retaining human capital can be one of the largest (if not the largest) expense on their balance sheets. Today, however, most companies have uncertain strategies toward attainment of the right people for business success and equal challenges in adopting the pay-for-performance strategies needed to develop and retain them. Consider a company contemplating a corporate acquisition. Its management carefully examines the proposed transaction against its own company's future needs, how it will integrate the new enterprise with existing resources, how the target firm has performed historically, and what costs will be incurred to fully integrate it into the parent organization. For competitive advantage, organizations should apply the same intensity to recruiting the right people. Candidate and source information, for example, should be gathered and analyzed against real staffing needs, and the information acquired during search and recruiting processes should be retained, analyzed, and used to manage human capital more strategically.

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**ACCESSIBILITY WHERE NEEDED:** Integrating employee data and other information across the entire HR spectrum provides organizations with significant advantages that include the following:

- **Performance reviews** are more reflective because supervisors have the historic precedent of relevant pre-hire information, such as job history, training, awards, and interviewers' observations.
- **Compensation planning and management** can align initial offers with market data, ranges and pay relation to other employees who serve in similar roles.
- **Career Development activities** create a path toward immediate success in the job for which the individual is hired plus creating a path toward future career growth.
- **In-house recruiting** can be more effective because everyone involved in hiring has access to career and performance information concerning prospective internal candidates, regardless of location or current position.
- **Succession management** is easier because more extensive and current information about each manager and employee available to planners.

The last point is particularly relevant. Good succession management identifies, in pure business terms, the needs of the organization and how people map to those needs. Doing succession management correctly means knowing when you have a candidate capable of filling a role immediately, short-term or long-term. By integrating the succession management process with recruiting management, organizations can avoid promoting an individual who is next in line from a raw succession standpoint, but is simply not ready for responsibility. Doing so is bad for the individual and bad for the organization. In these situations, organizations need the right mix of internal candidates and external applicants to make the best business decision.

How can you make good decisions when in many cases the recruiting and performance data needed to make those decisions exists only in decentralized files? For example, how can geographically dispersed organizations who may even utilize different systems and strategies make aligned and integrated decisions? In decentralized processes, this effort is time consuming and difficult if undertaken at all. And because of effort required, only rarely does pre-hire information become a permanent part of an individual's performance record. It is this complexity and the scale of addressing the challenge in traditional manual intensive methods that often cause organizations to turn to outside recruiting resources for assistance (or compromise on the outcome of the search). It is never a corporate initiative to cut corners—it happens because people run out of time.

Situations like these quickly make clear the substantial additional value of being able to seamlessly access pertinent employee data during any phase of the human capital management process.

**OPTIMAL RECRUITING EFFICIENCY:** A major drawback of traditional staffing and HR management systems is an inconsistency between the parameters used in recruiting for a position and those against which the supervisor later measures the employee's performance. Ideally, the criteria established to assess performance in a position also would be used in recruiting for it. When such information is easy to replicate from performance management systems to job requisitions, managers save valuable time and recruiters know more about what type of candidates to pursue.

Automated processing and systems integration also simplify the logistics of managing job requisitions, resumes, interviews, reference checking, and other tasks that add cost and increase the risk of error when done manually. Semi-manual systems that use incompatible or otherwise non-integrated applications do provide limited improvement. Seamless access to employee information—whether the objective is staffing, compensation management, performance review, coaching, training, or succession planning—facilitates strategic HCM and increases manager and employee acceptance.

Another major advantage of fully-integrated human capital management systems is the comprehensive analytical and reporting capabilities they provide. Rather than just reporting simple recruiting statistics, they enable HR managers to compare recruiting data with actual job performance. For example, managers can learn whether employees hired through a particular source or with certain qualifications under-perform or outperform others—and these reports may be gleaned by individual or in aggregate fashion to illustrate underlying business trends.

Being able to rapidly find and attract top talent whenever the need arises gives companies a strong competitive advantage.

**MAINTAIN CANDIDATE POOLS:** Being able to rapidly find and attract top talent whenever the need arises gives companies a strong competitive advantage. This is especially true for jobs that require skilled, hard-to-find talent, such as engineers and nurses. Frequently, during a search, individuals surface who are clearly desirable and interested in the organization, if not quite the right candidate for the current opening. Having an active pool of such candidates can save time and expense in future searches if companies periodically engage such individuals and inform them when appropriate opportunities arise. Truly integrated HCM systems facilitate this process and even enable interested hiring managers to participate at their discretion.

As mentioned above, our opinion is that part of a successful succession management strategy is both uncovering and identifying and developing internal candidates as well as identifying when openings should be filled by external talent. From the organization's standpoint, this helps ensure continuity of business operations and a realistic picture of capacity and bench strength. From an individual standpoint, this means investments in individual employees—a reason for retention on its own. More subtle, but just as important, a full picture of succession management means avoiding the promotion that should never happen—that places him or her in a position too early, one the organization should be looking externally to fill.

The converse is a similar problem—never giving top individuals to job openings within the organization for which they are eminently qualified. How many organizations lose their top people by not simply helping them identify opportunity?

### III. Staffing and Strategic Human Capital Management

If organizations plan to manage people in ways that maximize shareholder value and long-term competitive advantage, they must use all information they acquire about those individuals to maximum advantage. Recently, information technology has made dramatic advances in the HR field. Companies now have access to highly sophisticated software suites that offer a broad range of tools to facilitate every aspect of talent management, from sourcing and recruiting to compensation and succession planning.

Here are a few of the ways we have seen companies apply today's technologies to manage their human resource investment more strategically:

- Reducing costs through process automation, systems integration, and digital communications capabilities that enable focusing limited resources on more important needs.
- Centralizing control of information and processes so policies and procedures are implemented with greater consistency and fewer errors.
- Providing ready access to a broad range of information by those charged with acquiring, motivating, training, and retaining human assets, enabling them to perform HR tasks more efficiently and effectively.
- Displaying in easy-to-use fashion the results of in-depth analyses that help HR management identify opportunities for unifying and improving staffing operations and performance throughout the organization.
- Using automated and ad hoc reporting tools to alert management to trends and impending problems so they can take early action and avoid unnecessary costs.
- Helping establish compliance through reporting, including information required by Sarbanes Oxley legislation.
- Accessing pertinent information from any place at any time enabling employees and managers to perform HR-related tasks in a supportive and easy to understand fashion via the web.

In essence, organizations know how they want their strategic recruitment management efforts to work, including alignment with pay-for-performance initiatives. Emerging technologies, for the first time, provide organizations with both the scale to address the recruiting challenge itself while at the same time simplifying integration to related data that improves the overall value of information collected—from the day an individual expresses an interest in a job to when he or she is promoted to a new job opening within the organization.

## IV. Integrating Staffing with Post-Hire Pay-for-Performance Actions

The HR technology market offers employers a diverse range of solutions, including many specifically designed to help better manage talent sourcing and hiring processes. Many of these applications are excellent tools and are already used by companies to great advantage. They greatly facilitate resume processing, requisition and applicant tracking, scheduling, staffing analysis, and much more. These applications have enabled a major step forward in human resource management. Their one significant drawback is that information tends to remain largely within the discipline of recruiting / staffing, thereby limiting its usability and long-term value to the organization.

To solve this problem, Authoria and similar vendors have created comprehensive software suites that deliver a broad spectrum of highly integrated solutions. *Authoria Hire Advisor*, for example, is an application rich in features designed to help organizations effectively manage every aspect of the staffing process, from strategic sourcing and screening to recruiting to building target candidate pools. More importantly, integrated HCM software suites are intended to facilitate the sharing and transferring of data files across individual software components, thereby eliminating the time, cost, inconsistencies, and errors associated with transferring files or struggling to reenter them because of application incompatibility. The Authoria Advisor Series suite enables seamless access to data files from any Authoria application empowering integration not just at a “data level” but from a practical business standpoint. Organizations, in short, have the capacity through automation to track an employee’s progress—from applicant to candidate to hire to promotion—helping create a supporting framework along the way to maximize investment in people. Ultimately, the ability of an enterprise to find, attract, hire and retain high quality talent, and to do it more effectively and efficiently than its competitors, will be a major determinant of its ability to succeed and thrive long-term. The sophisticated integrated strategic human capital management tools now available can give companies a meaningful competitive advantage.

## V. An Executive Discussion

Best known for operating the world's largest, international, multimedia, news agency, London-based Reuters LLC is also a global provider of information to the world's financial services and corporate markets. Its staff of approximately 14,500 employees spans more than 90 countries. In the following discussion, Steve Schwander, director of talent acquisition for Reuters, talks with Authoria about his experience in introducing technology to the recruitment process at this geographically diverse enterprise.

### ■ *How do the staffing needs of Reuters differ from those of most companies?*

Well, at the executive and managerial levels our needs are probably similar to those of other organizations. I think at lower levels we're more likely to differ. While most people see Reuters as a media news and information provider, the financial information services we provide to financial and corporate markets generate almost 90 percent of our revenue. This means that nearly everyone we hire needs to have a solid, if not highly advanced, knowledge of business finance and the financial services industry.

Recruiting people with such specialized knowledge and skills is a major challenge. You not only need to recruit them in substantial numbers, but also at the right price point. In major financial markets, such as London and New York, we're often competing with high-paying investment banks and the headquarters of financial services firms. By contrast, in cities like St. Louis and Tiverton (England) where Reuters has significant operations centers, just finding enough people with the right knowledge and skills can be a challenge. In the first case, we get inundated with applications, so effectively managing information is a real issue; and in the second, optimizing how you source talent is the primary concern. Technology can greatly aid the process in each of these areas.

### ■ *How was the staffing process addressed in the past?*

It seems difficult to believe for an organization of Reuters' size, but until the year 2000 it had no designated recruitment function. Moreover, most recruiting records were maintained manually. For each job requisition there was a Manila folder in which the relevant applications were kept along with a spreadsheet for tracking the applicants' progress. It was a highly manual and distributed process.

In 2000, the company built a dedicated group within HR to focus exclusively on recruiting. Until then, our staffing efforts were heavily dependent on outside agencies, which represented a considerable expense for an organization of our size and staffing demands. What we needed, therefore, was a more economical and effective way to bring candidates into the system. At about the same time, our entire HR department was undergoing a transformation aimed at improving efficiency and reducing costs.

By 2001, the recruitment group was firmly established and had identified two needs as being high priority. First, as mentioned, we needed a way to curb agency costs and simultaneously source the growing number candidates our growth demanded. Second, we needed a more efficient and reliable method of recordkeeping to fully comply

with governmental EEOC (equal employment opportunity) regulations. So, technology was something we needed to give serious consideration to, and some promising solutions were appearing in the marketplace.

■ ***What approach did Reuters take in evaluating technology options?***

We focused on the market's leading HR software vendors and assessed their offerings based on four factors: functionality, service, user friendliness, and cost. In 2001, we adopted *Authoria Hire Advisor* (formerly *Hire.com's Recruiting Center*). That application enabled us to immediately begin posting jobs on the Internet rather than relying on agencies and print advertising. A year later, we added the company's *Hiring Center* component that enabled us to process and track applications far more efficiently. Initially, we had about 60,000 registered profiles on the system. We wanted to leverage that database when selecting an applicant tracking system and build on the strength Hire Advisor had already brought to us. Today we have about 160,000 registered profiles.

■ ***Tell us something about the implementation process.***

Considering that it was Reuters' first effort at implementing this kind of technology, it went very well. The vendor's staff was solid, knew its business thoroughly, and had an excellent implementation process in place. When we purchased and installed the second component, we sensed a slight disconnect between management and the implementation team, but that was understandable given the firm had just obtained the package through an acquisition and we were the first to adopt it.

Configuring the product upon installation required us to do a lot of serious thinking about where we wanted to go with the technology. It offers three or four options for handling a variety of tasks, and which you choose can make a difference down the road. So, it took us some time to think everything through and get things right. However, having done it, we're much better prepared to do it for future installations.

■ ***What sort of training is needed and how difficult is it do?***

The amount of training needed to use *Authoria Hire Advisor* is certainly not overwhelming. To date, only a few from our group, including myself, have taken advantage of the training program; and, so far, we have rolled the program out to 160,000 users. Having *Authoria* train the trainers, who in turn train our users has two major advantages: first, it's much more economical—especially given Reuter's size and geographic diversity, and second, our in-house training staff has a much deeper understanding of our systems and processes, so they can tie the training much more closely to Reuters' unique needs.

Now, as we prepare to take the system to the next level where it will be much more service based, our training needs will grow substantially—a challenge we have still to address. We now need to explore the amount of training required to make all Reuters hiring managers proficient in using *Hire Advisor*.

■ ***How well has Hire Advisor been received by those now using it?***

We adopted a phased rollout plan in 2002, so the first two years saw it deployed to our U.K. and the U.S. recruiters. It was well received in both markets. Management issues temporarily slowed adoption in the U.K., but that is already back on track. So currently, about 60 to 70 percent of Reuters' job openings worldwide are now handled, to some extent if not fully, using Hire Advisor, and we are moving rapidly toward making that 100 percent.

■ ***What sort of results has Hire Advisor generated to date for Reuters?***

We started keeping records of our recruiting performance when the group originated in 2001. In the U.S. at that time, we were paying agency fees on 35 percent of our external hires. By 2004, this had dropped to eight percent of hires—a 77 percent decrease. So, the savings in U.S. agency fees alone has averaged \$1.5 million a year. For the U.K., the savings picture looks much the same. And, we anticipate similar savings next year when we roll out in our other European locations and elsewhere.

■ ***Thank you, Steve, for taking time to share Reuters' experience and learning on this important HR issue.***

## About the Author

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James Bowley is Authoria's director of sales development and consulting. In collaboration with the firm's product development and marketing groups, he helps design and implement sales support systems and methods, and address a broad range of collateral needs. He previously served in Authoria's product management and professional services groups. Before joining Authoria, Bowley held positions in organizational and communications consulting with Mercer HR Consulting and Towers Perrin. He also has taught at Boston College where he earlier earned a B.A. and an M.A.

### **About Authoria**

Authoria is the leading provider of integrated, strategic, human capital management (HCM) solutions that help employers increase the value of their workforces. The *Authoria Advisor Series* includes performance and compensation management, succession planning, and benefit and policy communications while providing just-in-time knowledge and coaching for managers and employees. More than 200 leading employers, including Boeing, Pfizer, and Unocal, rely on Authoria to help manage their mission-critical HR needs. For more information, please visit [www.authoria.com](http://www.authoria.com).



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