

## Recruitment errors cost Britain £12b

**Alistair Schofield looks at the costs of recruitment errors and at making the process of filling of vacancies more effective.**

According to a recent report by SHL, the psychometric profiling company, British companies are wasting more than £12b a year on recruitment mistakes.

This figure, the equivalent of 1.6% of UK GDP, was arrived at by calculating the amount of time managers and supervisors spend addressing issues caused by the poor performance of employees that are ill-suited to the job. If this figure is correct, or even partially correct, it is rather worrying, especially in light of the fact that in the UK we spend more than double that amount on recruitment each year, the equivalent of approximately £2,000 per employee.

Given the importance of the interview in the recruitment process, it makes you wonder whether this is where the problem lies? I recall an interview I attended soon after leaving University in which a paper clip had been placed on the table in front of me to see what interesting shape I would bend it into. What this



was supposed to tell the interviewer is anybody's guess, but they did have an interesting display of bent paper clips on one of their shelves.

However, I believe that nowadays most interviews are conducted far more professionally than the one I describe, which makes the size of this apparent problem all the more baffling.

The report by SHL identifies the biographical nature of many interviews as being one of the major causes of the problem and, unsurprisingly, suggests that competency based interviews and an objective assessment of candidates by a third party can help.

However, while I agree that these services are useful (I have previously used a similar service provided by Gallup) I do not believe that the interview process is entirely to blame, but that we need to look at the whole recruitment process.

Lets start at the beginning and assume that one of our managers' resigns. This is the start of the process and therefore the first point at which mistakes can be made.

Our immediate reaction when someone resigns is to think about how we can replace them. Alternatively, we could consider it an opportunity for change, to rethink roles and responsibilities and to re-shape the organisation, rather than simply seeking a like-for-like replacement.

Not only might this approach provide a solution to the short-term problem but it will also make the succession planning process easier if careers can be progressed more gradually than by having to step up to a new level of responsibility in a single jump.

Organisations that work in this way also tend to enjoy the benefits of strong staff loyalty as employees can see opportunities for personal progression with the external recruitment being focussed at the bottom of the organisational hierarchy, where incidentally, the financial risks associated with recruitment are also lower.

A good example of an organisation that practices this approach is Procter and Gamble, where the HR Director for the UK and Ireland, recently told me that in 19 years working with the company she had only once recruited a senior person externally. Unsurprisingly, Procter and Gamble came 4th in the FT's 2004 'Best Workplaces in the UK' survey.

However, lets assume that we decide to recruit externally and so need to write a brief for the HR Department or recruitment agency to work from. In my experience, the typical brief predominantly describes the technical skills and previous experience of the ideal candidate, rather than their behavioural characteristics, the objectives of the role and the ways in which they will be expected to complement the rest of the team. For example, I was recently asked to help a relatively small organisation recruit a number of additional senior sales staff. They had lofty ambitions for what they wanted these people to achieve but, having looked closely at the rest of their business, I came to the conclusion that they would need to make significant changes to the way in which they operated if they were going to be able to

support a sales team of that calibre. In the absence of these changes I was certain that the new team would be ineffective and the new recruits, assuming they had managed to recruit them, would seek jobs elsewhere fairly quickly.

Finally, external recruitment is a fantastic opportunity to bring in new thoughts and ideas from other business sectors and to use it as a means of challenging the established practices and conventions of the organisation. For example, a good friend of mine began his career in brand management in the FMCG sector, moved to airlines, to railways, to financial services and is now CEO of a consultancy business. In each industry he achieved great success by simply combining the lessons and best practices that he had learned in one line of business to that of another. However, despite successful examples such as this, few businesses seem willing to consider candidates from different backgrounds and I am constantly disappointed by the reluctance of the recruitment industry to put forward candidates who have the appropriate skills but who lack that particular line of business experience.

My conclusion is that reports such as the one by SHL, while probably being accurate, are none the less unhelpful in that they focus our mind on the risks associated with recruitment rather than the opportunities.

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