



Focus on Process to Reduce Your Recruiting Costs

In good times, trimming operational costs is an ongoing goal. In tough times, it's a necessity. In both good times and bad, however, recruiting occurs. Growth increases headcount in good times, and opportunistic or replacement hiring occurs in slow business cycles. By employing creative recruiting strategies in tandem with the latest technology developments, you can reduce recruiting costs while driving exceptional business results.

Creative recruiting strategies in tandem with the latest technology provide the opportunity to reduce recruiting costs while powering exceptional business results.

Target Direct Cost Savings

Total recruiting process expenses are the sum of external costs plus internal labor costs. Most organizations can reduce recruiting expenses with direct cost savings. While additional savings on indirect costs can be realized from process improvement and efficiency gains, there are direct cost savings and benefits readily available in three broad areas: sourcing, assessments, and green recruiting.

Sourcing: Reduce Agency Costs

Agency search firm fees can amount to 35 percent of a new employee's annual base salary. Typically taken from the hiring department budget, these fees may not be visible to HR. By relying on internal mobility programs, referrals, candidate pipelines, and corporate career Websites, organizations can reduce or eliminate this agency spend.

And when you do have to pay third-party agency fees, you can optimize the value you receive by collaborating with agencies to identify referred candidates, ensure access to candidate data and history, and receive automatic notifications and correspondence.

Sourcing: Reduce Advertising Costs

You can realize significant cost reductions by placing all job positions on your corporate career Website. This will allow you to reap a substantial number of candidates at minimal cost compared to job boards and other sourcing options.

When sourcing decisions are made without metrics or analysis, recruitment advertising spend can quickly get out of control. Today, however, online tracking and reporting change the equation by delivering insights on sourcing-channel performance. By monitoring résumé volumes, number of hires, and employee performance by source, you can make the best use of high-return recruitment sources.

Sourcing: Internal Talent Pool

Internal talent pools provide a way to reduce sourcing and advertising costs while delivering improved productivity and retention. Internal redeployment reduces costs and ramp-up time while increasing retention and employee satisfaction.



Need proof? A Mellon Learning Curve Research Study found a 50 percent faster time to productivity on average among eight categories of workers hired from internal talent pools. In addition, internal hires result in direct savings through a reduction in costs associated with sourcing, signing bonuses, relocation, onboarding, and severance.

Sourcing: External Talent Pool

Strategic recruiting requires identifying and matching people with a given set of skills to a particular job while efficiently allocating sourcing expenditures. By using an e-recruiting system (which drives external talent pool management) with a candidate relationship database, you can automate prescreening and candidate matching while communicating with targeted candidates.

Candidate relationship management can lower sourcing costs by marketing new job opportunities to candidates sourced in the past. By mining the talent pool in this fashion, you eliminate the need to source a new pool of candidates for each new requisition. Managing and mining the corporate candidate database can reduce the sourcing cost per candidate by as much as 50 percent.

Assessments: Reduce Turnover Costs

By taking advantage of assessments during the recruitment process, you can achieve a range of benefits, including better productivity, superior candidate performance, and lower turnover (providing considerable savings). Assessments also save recruiter and hiring manager time by focusing on a short list of qualified candidates. Hired for fit, such candidates tend to stay with the organization and produce quality work—ultimately driving revenue.

Green Recruiting: Reduce Paper and Processing Costs

You can reduce recruiting costs by automating the process—and making it green. A paperless process informs candidates that you're dedicated to green recruiting. It also leads to direct cost savings. E-recruiting reduces energy use and pollution associated with manufacturing, transporting, and recycling paper products. And process automation saves energy in mailing, storage, handling, filing, and reporting tasks. Direct cost savings come from reduced paperwork related to résumés, advertising, and onboarding.

In addition, software-as-a-service (SaaS) e-recruiting software is inherently greener than purchased software running on local servers because it creates redundant computing environments with smaller carbon footprints.

Improving the recruiting process through sourcing, assessments, and green recruiting not only saves costs. It also positions the company to improve the talent base during the recession while retaining the ability to grow appropriately in recovery.

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