Case Study

How to set up an internal recruitment function

Why fast-growing companies are taking volume early-career recruitment in-house

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CASE STUDY

How to set up an internal recruitment function

> Reduce first-year attrition, establish a strong employer brand, and save up to 50% on your annual agency spend: Why fast-growing companies are taking volume early-career recruitment in-house.

In challenging times, cost control has become crucial for sustainable success. One way savvy organisations are saving money is by bringing their non-specialist, volume recruitment in-house. They not only save on agency spend, but also benefit by taking control of the process, ensuring better quality, long-term hires aligned with business ambitions.

The Context

With agency spend on early-career recruitment mounting, our fast-growing, insurance-services client was looking to cut costs, address a high first-year attrition rate, and establish themselves as an employer of choice across the Gloucestershire region.

Our Approach

Ours is an integrated recruitment and strategic and operational HR consultancy approach. Having worked with the company to recruit into specialist finance and HR roles, we already had an in-depth understanding of the company's strategic ambitions.

Alongside specialist recruitment support, we had begun working closely with the internal HR function on projects, like organisation-wide salary benchmarking and detailed person and job specifications, to ensure the business was competitive and its personnel requirements clearly defined in helping them attract the right talent.

The excellent internal team understood the value of HR as a driver of business success and the importance of flexible working and career development pathways to attract the best talent. Taking on our salary recommendations – alongside its already progressive and generous benefits packages – were the first steps in helping to establish the organisation as an employer of choice.



Organisation-wide consultation

Underpinning the whole project was a review of the company's recruitment and onboarding processes and procedures. In addition to an audit of all recruitment documentation, we interviewed the key stakeholders, including HR and hiring managers, as well as new starters who had recently experienced the candidate journey firsthand.

A recurring theme from our new-starter interviews was that there was a disconnect between the role as described in the original advert or at interview and the actual day-to-day job they were now doing.

While hiring managers were in support of bringing the function in-house, they wanted to maintain control of the interviews themselves, but felt they needed more support in terms of recruitment training and better quality, role-specific pre-employment candidate testing.

> Hiring an independent, objective third-party to carry out a recruitment process review means interviewees speak openly and honestly about their experiences, helping to build a true picture of the current situation.

We benchmarked our findings against internal recruitment best practice to draw up a series of immediate, medium- and long-term recommendations, which were developed into a tailored, organisation-wide recruitment strategy, focused on:

- Streamlining and standardising processes through the implementation of the latest recruitment technologies.
- Creating a more professional, consistent, equitable, branded candidate experience – from advert to induction.
- Better, more consistent, assessment and profiling of entry-level candidates based on actual job requirements.
- Identifying skills gaps and putting appropriate recruitment training in place.
- Developing a consistent, more in-depth induction, onboarding and post-probation new-starter journey.
- Developing the talent pipeline.

Key recommendations included:

- Creating a robust suite of documents to support hiring managers in the new process, from adverts to recruitment guidance to data analysis.
- Creation of key criteria for each role and selection processes to evaluate candidates against these criteria.
- Implementation of improved testing / psychometrics for roles, with more information on results reported to managers.
- Set a process for building relationships with local educational organisations for candidate attraction.
- Development of recruitment and probation training programmes for hiring managers.
- Set a clear induction, onboarding and post-probation process to include feedback from new starters through regular check-ins.
- Conduct a review of agency success in more hard-to-fill roles to assess best-fit agencies and maintain relationships for recruitment of more senior roles.
- Create a process for regular review of recruitment data.
- Create a robust process for exit interviewing and reporting.
- Create consistent talent management and succession planning processes to be implemented across the business to ensure recruitment remains aligned with business ambitions.

People resourcing

An in-house talent acquisition function is only as good as the people running it. As a specialist HR recruiter and strategic and operational HR consultancy, we know what great looks like. We worked quickly to establish a talent acquisition team to take on the internal recruitment function. Prioritising the new Talent Acquisition Business Partner role early in the process meant the successful applicant could be integral to establishing the function from the outset.

Benchmarking a competitive salary and advertising the role as an exciting opportunity to build the function from the ground up meant an outstanding candidate was quickly in post for the crucial decision-making milestones of the project.



Commissioning an Applicant Tracking System (ATS)

An effective, cost-efficient ATS is a must for any volume recruitment function. Helping you to work faster and smarter through the automation of everyday recruitment tasks not only saves time and money, but also ensures one source of truth across an organisation, enabling all hiring managers to seamlessly 'jump in' at any stage in the recruitment process. The very best systems facilitate a consistent, professional, end-to-end, employer-branded, candidate experience, from initial search through to onboarding.

Taking our cues from the recruitment strategy, we worked closely with the HR Manager to draw up a comprehensive list of must-haves, detailed in a Request for Proposal (RFP) benchmarking questionnaire. Following a market review and recommendations from our network of HR and recruitment professionals, this was sent out to all leading ATS providers. Based on the completed responses, we cut the vendors down to a long list of the most suitable, which were interviewed on video call or invited to demo.

Demos completed, we whittled the list down to three leading contenders, based on cost, functionality, and customer support. We then conducted an evaluation of online user reviews on each. Highlighting the overwhelmingly good and the occasional bad reviews, we compiled a pros and cons list on each system, using the negative real-world experience of some users to draw up a list of challenging questions to be addressed in another round of presentations. These in-depth demos were delivered over the course of three days to the key stakeholders in the business, including the new Talent Acquisition Business Partner, hiring managers, and the HR Manager, focusing in on:

- Ease of use: Is the system intuitive, so any hiring manager could jump in, at any stage of the process?
- Customisation and brandability: to enable the creation of a tailored, consistent and professional candidate journey, throughout the newly developed recruitment process.
- Integration: with our client's current HR system, other third-party applications, and with the leading jobs boards and assessment and profiling tools – to ensure seamless, user-friendly access to everything within the one system.
- Customisable reporting: to measure key metrics, like time to hire, equality monitoring, interview scoring, and candidate surveys.

From the receipt of the initial benchmarking questionnaire to the client demos, one system shone brightest. Beyond ticking all the cost, functionality and interoperability boxes, the vendor's commitment to a partnership-led approach was exemplary and clearly demonstrated in the team's responsiveness throughout the commissioning process. Nothing was too much trouble.

> Any software solution is only ever as good as the people using it. It is imperative, therefore, that any system implementation is supported with dedicated training and ongoing, responsive, face-to-face support.

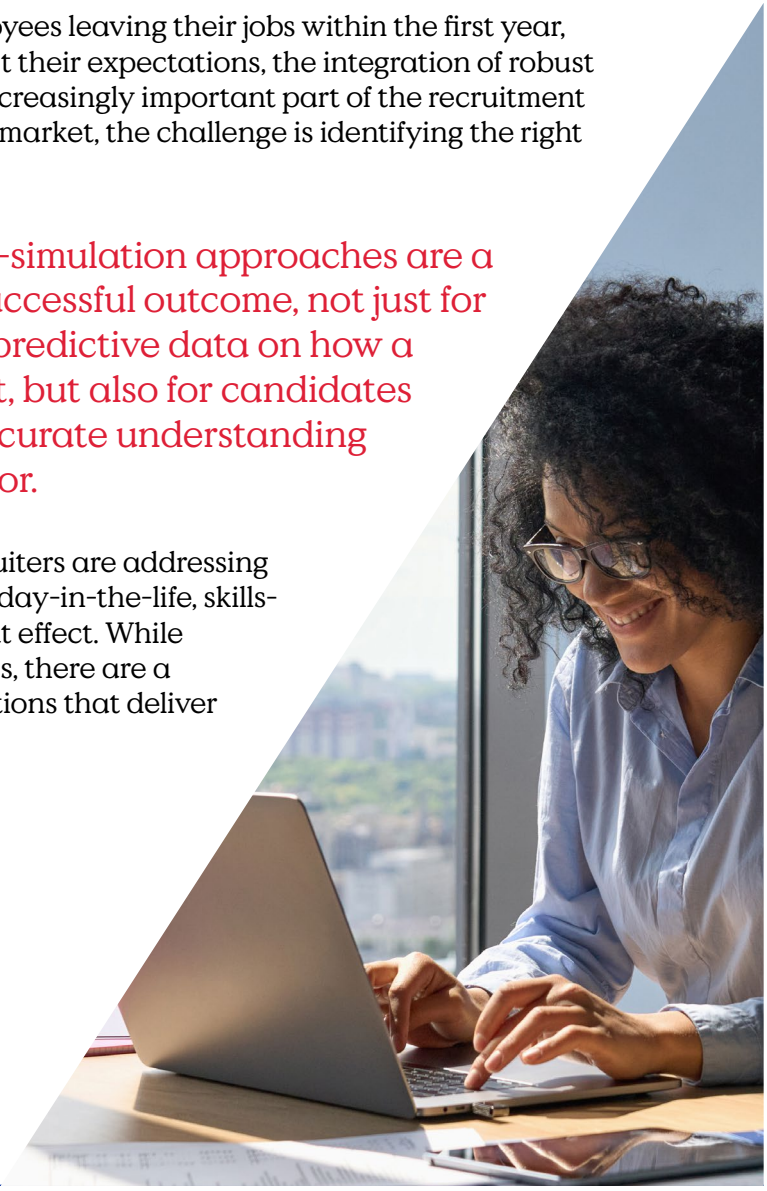
With the preferred system unanimously approved, we embarked on a due-diligence process that included one last, in-depth, proof-of-concept presentation. This was delivered to senior representatives across the business, including HR, IT, Finance, and Operations, enabling searching questions around functionality interoperability, security and cost. We also sought customer testimonials from verified user organisations before presenting a report to the Design Authority Group of our client's parent company for final sign-off. The project was then handed over to their legal team to approve the terms of the final contract.

Pre-employment assessment & profiling

With 55% of early career/entry level employees leaving their jobs within the first year, because the reality of the role doesn't meet their expectations, the integration of robust pre-employment testing is becoming an increasingly important part of the recruitment process. With a plethora of options on the market, the challenge is identifying the right tools for your organisation.

> In the early-career space, job-simulation approaches are a proven path to achieving a successful outcome, not just for hiring managers, to leverage predictive data on how a candidate will perform in post, but also for candidates themselves, to gain a more accurate understanding of the role they are applying for.

Large, volume, early-career in-house recruiters are addressing attrition rates by commissioning bespoke, day-in-the-life, skills-based, job-simulation assessments, to great effect. While usually not a cost-effective option for SMEs, there are a number of customisable, off-the-shelf solutions that deliver excellent results, instead.



Starting with the list of providers already integrated within the selected ATS, then expanding the search outwards, we carried out an online review of the market, taking onboard recommendations from our networks, too. Reviewing the reviews, we cut this down to a shortlist of testing tools, comparing criteria, like:

- Saves time by streamlining and standardising the volume screening process.
- Has a great interface for creating completely customisable realistic job simulations.
- Integration with the ATS for a completely brandable, seamless, candidate experience, and delivered through a single platform for ease of use.
- Integration with GenZ mobile technologies and delivery formats, like video and chatbots
- Ease of use and setup
- A helpful and responsive support team

With unlimited testing, face-to-face support, and the option of a bespoke build, and customisation support, again, one mid-market-priced solution rose above the others.

Equity, Diversity & Inclusion (ED&I)

> While some right-leaning politicians and activists might claim ED&I is nothing more than a woke waste of money, it is well documented that diverse and inclusive organisations are more innovative and productive. Beyond the moral and regulatory imperatives, the business case is compelling.

While our insurance client has certain regulatory requirements, set by Lloyds, the FCA and PRA, to comply with, they also understand that where people feel relaxed and confident to be themselves in the workplace, they will bring their best selves to work, realise their full potential and, therefore, be more productive and effective for the business. As such, they were keen to explore ways in which ED&I could be further leveraged across the business as well as in their recruitment processes.

Too many companies simply pay lip service to ED&I, in aspirational tick-box statements, but do not back it up with an implementation strategy. As such, alongside a new ED&I strategy statement, we also developed an extensive, practical, implementation plan built on its five key principles of:

- Leadership: Passionate advocates lead by example and ensure ED&I is considered in all key business decisions.
- Learning & Understanding: Recognising that we are all learning from one another and that there are always opportunities to improve.
- Review & Implementation: Regularly reviewing employment practices to ensure they are free from discrimination and implementing initiatives to improve diversity and inclusion.
- Employee Voice: To seek employee involvement and feedback in building an inclusive workplace culture.
- Partnerships: Working with other organisations, to widen understanding and leverage support.

Understanding your organisation's diversity profile is the foundation from which you can create, build, and sustain an inclusive organisation. As such, we have recommended the client undertake an ED&I audit to identify under-represented groups, which will help inform and further develop an inclusive recruitment strategy.

Built within their chosen ATS are tools and templates, like neutral-language job-advert checks and diversity reporting, to help them not only meet their regulatory obligations but also develop inclusive attraction strategies to meet their organisational ambitions: to build the diverse, innovative, complementary teams necessary to succeed in today's complex, ever-evolving business environments.

The result

With a great talent-attraction team and ATS in place, and recruitment, induction, onboarding and probation-period-process recommendations made, we are confident that everything is set for our client to translate rapid growth into sustainable success. Only time, and the reporting capabilities of the new ATS, will evidence whether cost-per hire and first-year attrition rates are reduced. Watch this space.

The progressive internal HR team are already a long way down the road to creating a great place to work. Flexible working, career-development pathways, competitive salaries and progressive and generous benefits packages are already helping to establish the organisation as an employer of choice in their region.

Building relationships with local education providers and the targeted search capabilities of the new ATS will help them attract a wider early-career talent pool; focused job-simulation pre-employment testing will help ensure better quality, long-term hires, by facilitating a better fit – for both candidates and hiring managers.

To take control, by taking your volume early-career recruitment in-house, **speak with:**

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