



NEW THINK-TANK URGES BOARDS TO PUT RECRUITMENT ON THE AGENDA

Boardroom attitudes and apathy are costing companies dear according to a new Recruitment Think-Tank facilitated by Executives Online. Chaired by Broadcaster, Evan Davis, the group of eight leading business people identified a number of key weaknesses in the recruitment process:

- **Lack of top level insight** - CEOs master critical disciplines such as finance but are less interested in understanding recruitment "Businesses are run by people, so HR must be integral to a Board's remit," commented Norrie Johnston, Managing Director, Executives Online
- **Boards not engaging HR at the strategic level** - Too few companies (just 60%) have HR represented at Board level "Businesses don't allow the HR guys to understand what is going on. They don't actually integrate HR. No HR person is on the board, they don't attend operational meetings, said Duncan Sedgwick, Chief Executive, Energy Retail Association.
- **Time delays** – Companies have to wait six months plus to fill senior vacancies. "Six months is just time businesses don't have. It's just not good enough. When I have identified the need, I want that person now. I don't want them in six months time; what's my business going to be like by then?" commented Gordon Steele, Former Sales and Marketing Director, The Post Office.
- **Poor assessment & inductions** - Companies still don't know how to interview, assess and integrate new recruits - resulting in hiring errors and new recruits quickly leaving the business. Gill Aitchison, Chief Executive Marketing & Advertising Research Ipsos MORi commented, "Even with all of this time taken, a third of staff typically leave any new job in the first six months."
- **Little planning** – despite difficulty replacing people, 60%-70% of organisations succession plan on an ad hoc basis. "Say your business relies on a highly specialised piece of equipment, the day it breaks down, your business breaks down. Would you wait for it to break down? No, you would plan for it. Yet businesses don't plan around their senior people," said Geraldine Ward, Director, Nicholson McBride

- **Failure to measure** - Despite these flaws and problems, Board's don't know what recruitment costs them – as a result there is limited appetite to change things. Companies better understand their call centre recruitment costs than they do those of recruiting the senior team. In Executive Online's research only 27% of companies said they measure the quality of the candidate hired and almost 10% have no formal measurement of recruitment at all.

To combat these weaknesses the forum developed a Seven Point Plan:

1. **Get creative** - consider filling the gap with an interim appointment. This is an expanding resource with the skills and experience to keep the 'show on the road' and many interims being tasked with helping to fill the permanent position.
2. **Don't necessarily appoint like-for-like** - when a new vacancy arises, look at it afresh. Understand fully what the person is required to do before briefing the recruiter.
3. **Don't be obsessed by cultural fit** - it is also important that the person has the necessary skills to successfully undertake the role. Being closed-minded around culture can be obstructive to true diversification and blind you to competency assessment.
4. **Get the senior team involved** - the senior team should be seen to become more involved in the recruitment process and even consider dropping down a level to support new appointments.
5. **Make sure you are both making the right decision** - let potential appointments take a good look at your organisation to ensure the fit will work for both parties. Transparency will pay dividends.
6. **Devise a comprehensive induction programme** – which is a key attribute to joining and integrating into the organisation. The first six months is a crucial period when new people make their minds up about the organisation they have joined.
7. **Measurement** - consider a metric whereby you can look at the cost of recruitment over a period of time and measure whether, or not, it has been successful. Every other aspect of corporate life is closely assessed;

recruitment should also be offering a solid return on investment. Factors to consider beyond the obvious direct fees are:

- Is the person hitting the required targets of the role?
- What has been the impact on their direct team?

Norrie Johnston, Managing Director, Executives Online, "With great talent in short supply, companies cannot afford to be apathetic about the situation. The way a company recruits will become a key driver of corporate success. That's why we held the Think-Tank, to get companies debating the issues and thinking about the solutions."

To obtain a PDF copy of the report from the Forum entitled 'Recruitment & Corporate Success Forum' visit www.executivesonline.co.uk

Notes to Editors:

The experts who participated in the Think-Tank were:

- Chair: Evan Davis, Broadcaster
- Gill Aitchison, Chief Executive and Advertising Research, Ipsos MORI
- Gordon Steele, former Sales and Marketing Director, The Post Office
- Samir Patel, Managing Director, Ruskinn Group
- Norrie Johnston, Managing Director, Executives Online
- Tom Hadley, Director of External Relations, REC
- Ewan McConnell, General Manager, British Energy Direct
- Duncan Sedgwick, Chief Executive, Energy Retail Association
- Peter Heath, Managing Director, easyFairs UK
- Geraldine Ward, Director, Nicholson McBride

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