

MCA Breakfast Briefing

“Best Practice in consultancy recruitment”

April 2007

The following pages are a summary of survey results presented at the MCA Breakfast Briefing in April 2007. This extensive industry survey was conducted to better understand the ways in which consultancies utilise recruitment professionals to find and assess candidates, as well as the major issues and problems faced during the interview process.

For further information on the survey and its results please contact [Richard Stewart](#) at [Mindbench](#) or [Philip Wilson](#) at [vc-jobs](#)

Topics

Getting the best from your recruitment consultants

The interview process

Survey background

- Combination of quantitative surveys and qualitative interviews
- We interviewed people directly involved in the recruitment process, either in HR, recruiting, resourcing or as interviewers
- Questions focused on satisfaction with current practices and improvements made over recent years
- The information contained in the presentation is from the survey with added commentary from our professional experience and further ‘sense-checking’ with HR professionals

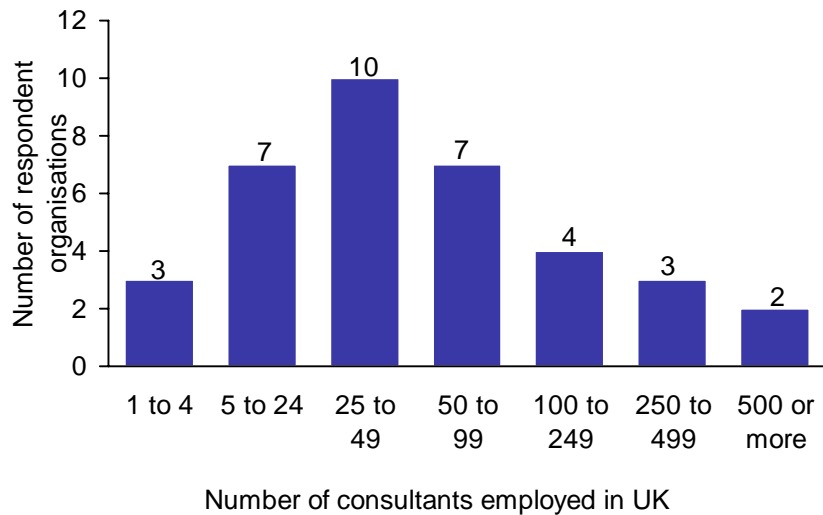
Respondent summary

	<u>Qual.</u>	<u>Quant.</u>
Management Consultancies (‘Consultancies’)	36	140
Recruitment Consultancies (‘Recruiters’)	8	-
Consultants (‘Candidates’)	19	720

Respondent profile - Qualitative interviews

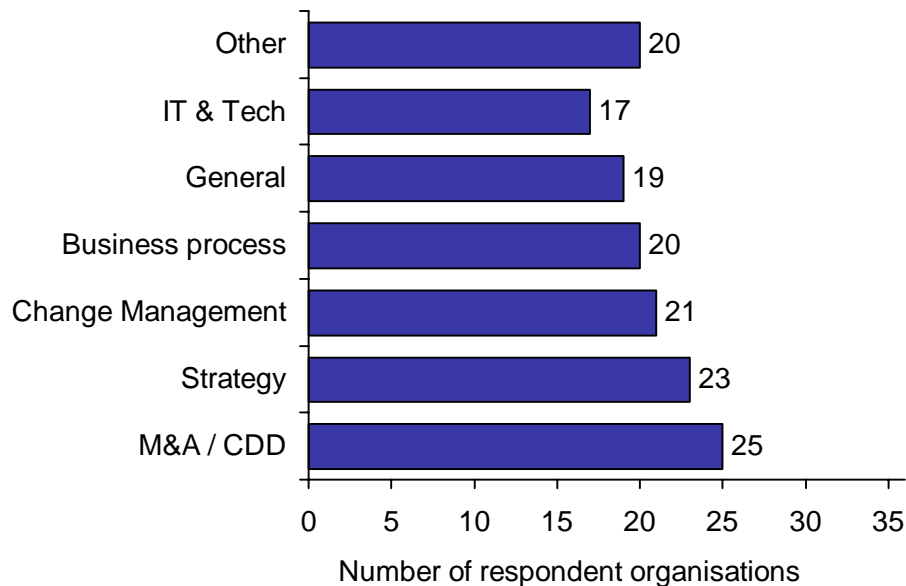
All the consultancies interviewed were based in the UK

Size of consultancies interviewed



Respondents were asked what the main business focus of their consultancy work was

Stated business focus*



* respondents could give more than one answer
Source: Mindbench research and analysis

Key issues

As part of a general introduction to the topic of consultancy recruitment, respondents were asked *“What are the key issues currently facing recruitment in management consultancy at the moment?”*

Four main areas of concern were identified:

- Huge demand for experienced consultants
 - Consultants with 2-3 years experience at a ‘named’ consultancy are in highest demand
 - Senior Consultants are changing jobs more frequently
 - Principals – quality candidates for managerial roles are hard to find
- Strong competition on salaries, bonuses and starting packages, not only from within the consulting sector, but also from industry. Telecoms, BioTech, IT and Retail were all cited as significant competitors for talent
- Internationalism – the need to identify and assess international candidates, as well as candidates who have been working overseas (Dubai, Eastern Europe, South America and Malaysia were specifically mentioned as regions of current major consultancy activity)
- Changing expectations in terms of work-life balance, travelling, professional development, career path planning. Consultancy’s image has been tarnished in the eyes of many candidates as a harsh working environment, whilst its benefits and opportunities are not necessarily understood.

Assessing recruiters

All respondents were asked, unprompted, “What makes a good recruiter?”



Number of respondents = 36

* Others include location, regional coverage and volume of candidates
Source: Mindbench research and analysis

“With recruitment consultancies you get out of the relationship what you put into it!”

“The key to recruiters is to get it right from the start - make sure you are working with the recruiter(s) that are right for you. It’s worth putting the effort in, because you are selecting a business partner not a supplier!”

“I have always insisted on recruiters who have industry experience outside of recruitment. Recruiters cannot advise candidates properly if they don’t have personal experience - ideally in the same industry.”

Satisfaction with recruiters

Respondents were then asked to assess their satisfaction levels with their current main recruitment firm

“How happy are you with your current main recruiter?”



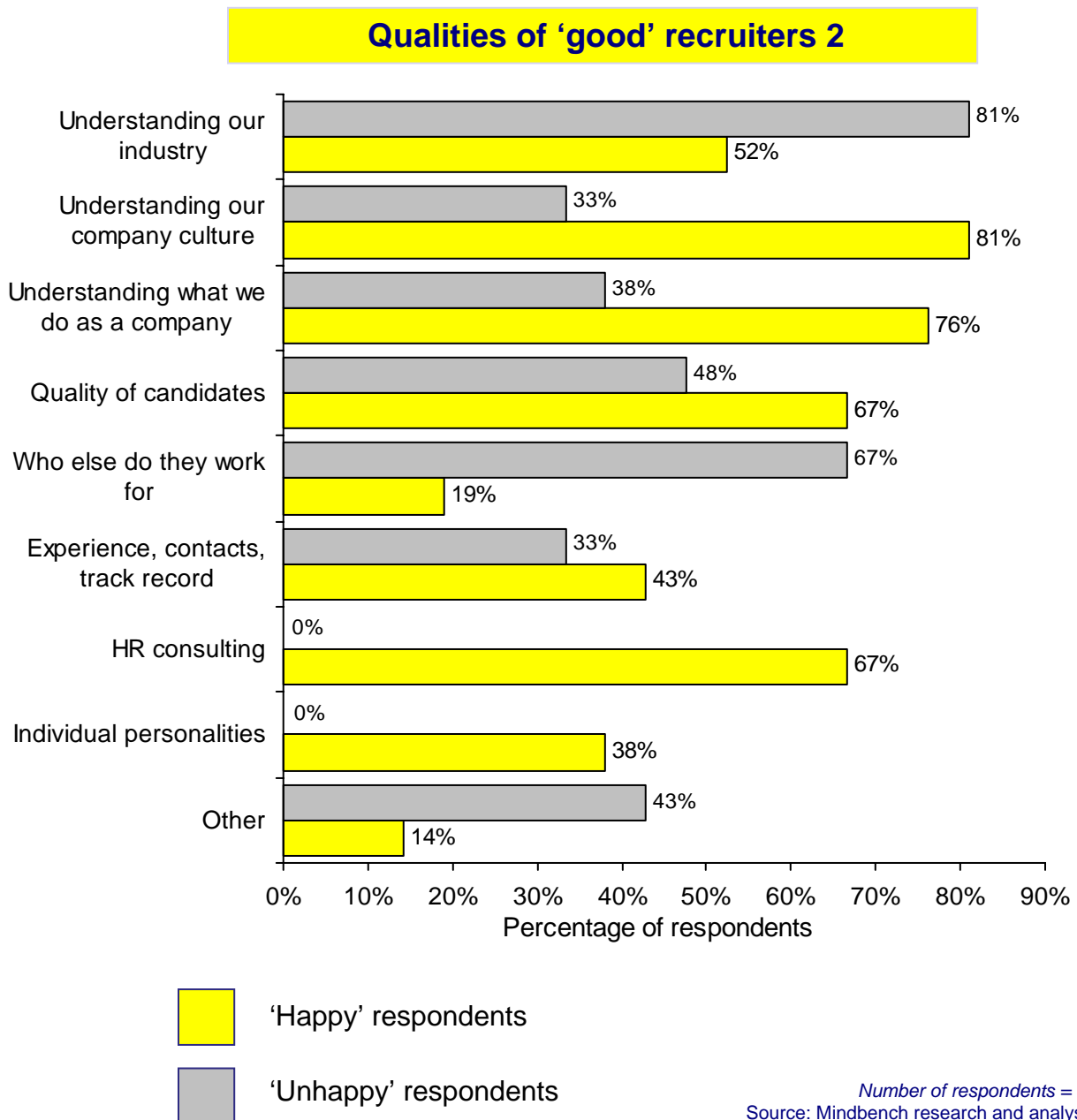
Number of respondents = 36
Source: Mindbench research and analysis

We then looked at the different answers given in the previous question, *“What makes a good recruitment consultant?”* and subdivided the answers by those who were happy and those who were less than satisfied with their recruiter’s performance

Working with recruiters

“What makes a good recruiter?” Happy vs. Unhappy respondents

Interestingly, those respondents who were happy with their recruitment firms – shown below in yellow - showed a far higher interest in the closeness of their relationship with the recruiter, valuing understanding of their individual company far more than knowledge of the sector. ‘Happy’ consultancies also expected their recruiters to be able to supply a range of HR consulting services.



Lessons from experience

“What are the most important things you have learnt about working with recruiters?”

We asked consultancy HR and recruiting staff what the most significant lessons they had learnt from working with recruitment consultancies were and what they would like to have known when they first started working with their current main recruitment services supplier

The answers, laid out on the following pages with verbatim quotes from respondents, are given in order of most frequent mentions.

Understanding the brief and provide a full job specification

The more detailed the brief you give them the more accurate the recruiters can be in searching, pre-qualifying and preparing candidates

“Time spent on the briefing document is always well spent. I used to get very frustrated with our recruiters until I realised why they weren’t understanding our requirements - we hadn’t explained them!”

“We still see a lot of highly qualified candidates who just aren’t right for the positions we are trying to fill.”

Manage the relationship as an ongoing process

- Agree clearly defined metrics and performance standards
- Hold regular review meetings to discuss performance and ways of improving
- Always ensure recruiters are kept up to date with current thinking, requirements and cultural initiatives

Individual point of contact

Wherever possible and practical insist upon having an 'account manager ' or single point of contact within the recruitment firm.

- A single account manager reduces communications and cuts down on misunderstandings
- An individual can be kept fully-informed as to your company's needs, culture and direction
- They can 'champion' your company's needs within the recruiter

Communications and IT systems

- Integrated IT systems can save a lot of data work and ensure up to date information for all parties
- This applies as much to small and medium organisations as it does to larger ones. Integrated, dedicated HR software has obvious advantages, but for smaller firms it may not be a practicable investment. However, co-ordinated use of standard office software, template documents, etc can contribute major time and cost savings

Niche sector understanding

- Ensure recruiters fully understand what your company does within its sector. Consultancies that to all intent and purposes look the same from the outside can have very different approaches to similar tasks and disciplines
- Make recruiters fully aware of what you do and whom you do it for. Client names can be a good marketing device for recruiters hoping to attract quality candidates

“Find a good recruiter and learn to trust their judgement!”

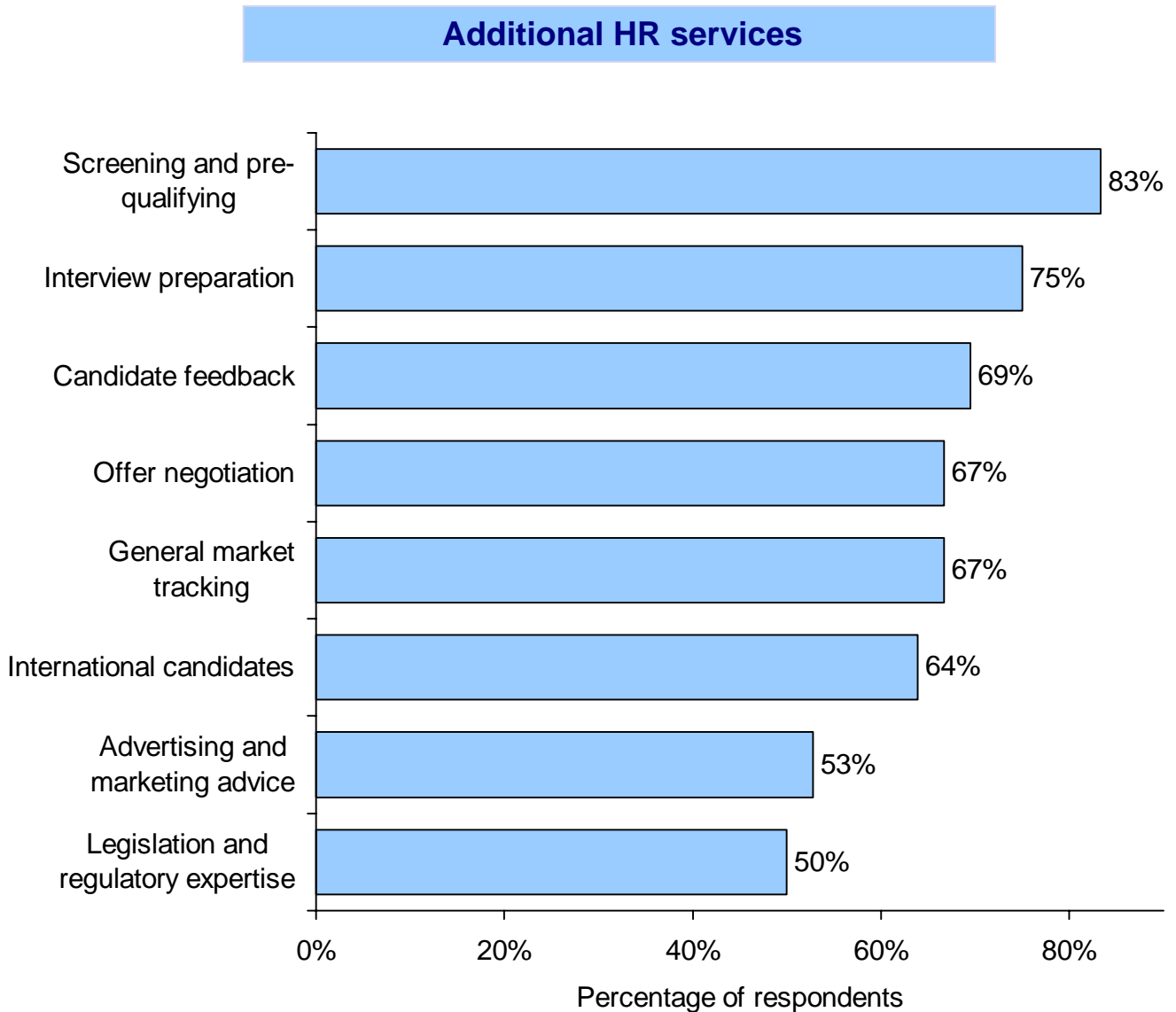
Use the recruiters to reduce your workload, rather than just to supply you with CVs and candidates

“The best thing our recruiters have done for our recruiting process isn’t the candidates they’ve supplied - although they are good. It’s the amount of day-to-day admin work they have taken off our hands. We have more time to devoting to the internal interviewing process and really getting to know the individual candidates.”

The HR Consulting Role

As we saw from the earlier answers, consultancies have come to expect more than simply candidate details from their recruitment firms

“Aside from finding candidates what else should a good recruiter be able to offer you?”



Number of respondents = 36
Source: Mindbench research and analysis

Fast-track screening and pre-qualification

- Ensuring that candidates meet job specifications, qualifications and, where possible, a good cultural fit
- Making sure that candidates are keen to join

“The real benefit of interviewing candidates through a recruiter should be that they are all suitable for the position in terms of their qualifications and experience - if only this were true!”

“A significant part of what recruiters do is selling - not only selling the candidate into the company, but selling the candidates on the idea of the consultancy.”

Helping the candidate prepare for interview

Candidates should know:

- Who they are coming to work for
- What they do and how they go about doing it
- Who they do it for – which industries, sectors, companies and divisions
- What their job will entail and require of them
- What is expected of them in the interview process at each stage

“The biggest single improvement we have made in interviewing in the last 2 years has been to get our recruiters to stringently apply screening processes. We still see borderline cases - and each time this helps to narrow the filter.”

Providing feedback from the candidate

- Understand the candidates reaction to the firm as presented in the interview – their impressions of the company, its position and its people
- Discuss what is being put across well, what isn't.
- Advice on advertising and marketing to candidates

“Interviewing at its best is a two way process. We learn a lot from candidates about our image in the marketplace and our appeal - as well as our faults - and this has been crucial in developing our recruiting process.”

Money

- Helping to negotiate the offer
- Manage the candidate's expectations
- Ensure that all parties are happy with the eventual agreement

“Interviews work best when no mention of money is made!”

Tracking market conditions

- Measuring candidate availability
- Tracking industry wide salary and bonus schemes
- Reviewing training and professional development schemes

“There's a whole range of areas we no longer have the time or resources to track as closely as we'd like. Fortunately we have several recruitment firms who seem to be competing to demonstrate their knowledge of the market as a whole.”

“We expect our recruiters to be fully informed about the marketplace. Experience has shown that if they are not engaged enough to track these things then they are unlikely to see us as more than a fee.”

Overseas candidates

- Finding and assessing 'internationals', either directly, through international offices or via strategic partnerships with 'local' recruitment firms
- Searching for consultants currently working overseas

"International coverage has become crucial to us over the last three years. We used to worry about having European languages, now we need Cantonese, Brazilian-Portuguese, as well as knowledge of the Central Asian oil industry!"

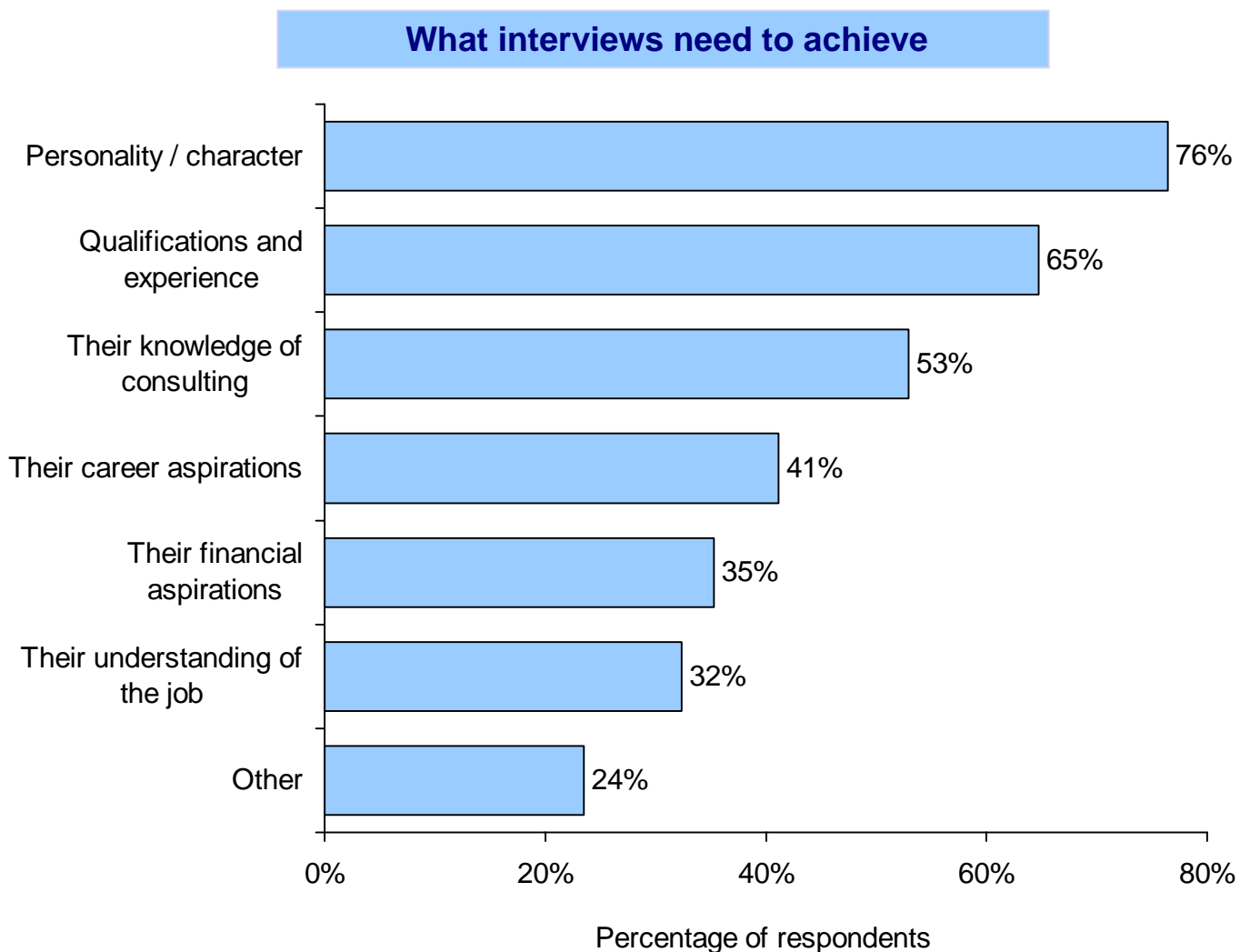
"The internet has helped keep track of consultants as they move around the world, but our problem is really knowing what they've been up to whilst they've been abroad!"

The interview process

We asked respondents what were the most significant pieces of information they expected to get from a candidate interview.

Assessment of the individual's personality and character was most frequently mentioned

"What are the most important things to resolve / find out about a candidate during the interview process?" (Unprompted)



Number of respondents = 34
Source: Mindbench interviews and analysis

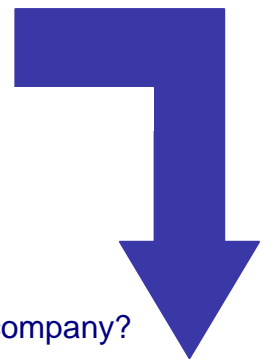
The five things an interview must resolve

Put in terms of questions the interviewers were seeking to resolve, the five most important issues came out as:

- 1) Will this person fit into our organisation?
- 2) Can we train them to do the jobs we require?
- 3) Will they bring added experience and knowledge to the company?
- 4) How much do they want to work for us?
- 5) What will they require to accept an offer?

Interestingly when discussed in depth it became clear that three of the five most important issue had to do with how long the interviewers expected any particular candidate to remain with their organisation

- 1) Will this person fit into our organisation?**
- 2) Can we train them to do the jobs we require?
- 3) Will they bring added experience and knowledge to the company?
- 4) **How much do they want to work for us?**
- 5) **What will they require to accept an offer?**



When will they leave the company?

3 dimensional interviewing

One aspect of the interviewing process that was thought to be often overlooked was that the candidate should have to represent themselves in front of different levels with the organisation's hierarchy and that each of these levels would require a different approach

Whatever the level of the candidate it was important that to fit into the company as a whole they should be assessed by the company as a whole

Consultants

- Someone they can work with
- Someone they are going to spend time with
- Someone they are going to compete with

Managers

- Someone they have to manage
- Someone who is going to work as part of their team and effect their 'team' performance
- Someone they may have to train with new skills or methods

Directors

- Someone who will represent their company
- Someone who will strengthen the 'team'
- Someone who will add to the company's bottom-line – an asset!

"It is important that the candidate is interviewed by people from all aspects of the work environment. Support staff can be particularly insightful, as they tend to have an unclouded view of the organisation as a whole."

Hiring on fit versus qualifications

- Get the right person and train them to fill the roles you need
 - They're will be trained to work within your system - consistency
 - They have the same training as everyone else - consistency
 - Raises 'team-bonding' and retains staff - consistency

"Identify an intelligent, capable individual - someone you like - and then give them the support and training to become what you need.

I've been asked, "Isn't that gambling on your assessment of their personality?"

*Too often consultancies hire someone because of their CV, to fill a role they fit on paper. **That's** gambling! Character can't be taught - practically anything else can!"*

Asking the questions

Favourite interview questions

- *Why do you want to work in this country?*
- *Why do you want to work in this industry?*
- *Why do you want to work for this particular consulting firm?*
- *What is your biggest strength / greatest weakness?*

“It’s not the questions that tell you - it’s the answers! Keep them general and see how the candidate relates their answers to what you are looking for in a consultant.”

“Please think about your most significant accomplishment up until now - please tell me all about it?”

“I’ve always liked this question as it gives the candidate full range to select a subject they should be comfortable speaking about - as well as being something I hope they would have thought about!”

This position offers you the chance to move upwards in the industry - how can you prove that you are ready?

“There’s a fine balance to attain - we want confidence but not arrogance. This question gives you a good look at people’s ability self-assess.”

What is the best / worst thing about your current job?

“Strong candidates tend to view the business as a whole, rather than pick individuals (colleagues, staff, managers) out for criticism. They will also tend not to go for the obvious self aggrandisement!”

Case studies, GMAT & psychometric testing

POSITIVES

- Case studies in particular provide 'situational responses', allowing assessment of likely 'on the job' performance
- GMAT and similar tests assess 'must have' qualifications

NEGATIVES

- The organisation, scoring and assessment of such interviews is expensive in time and money

N.B.

- Try not to lead the candidate towards certain answers
- Results **must** be viewed in the context of other interviews: social behaviour, intent vs. cognitive, career path, etc

"As with some projects - you measure that which can be measured and you gather as much information about what can't and make the most sensible, educated guess you can!"

Telephone interviews

- A time and cost effective way to filter candidates
- A useful insight into how candidates perform

"In an industry that relies so heavily on telephonic communications I find it hard to understand why more companies don't do this. A good telephone manner is almost essential for our clients - so why not test it!"

Making the interview process a competitive advantage

All candidates should be valued

- Candidates rate “friends, colleagues and web-blogs” as the three best sources for information about working at a company
- Poor communications can gain an organisation a bad reputation with surprising speed
- Try to ensure that ALL applicants receive at least an email response explaining, even in generic terms, why they haven’t been selected for the recruitment process at the current time
- Candidates who get to the interview stage should be given a direct communication explaining why they are not being asked back and further debrief if possible via the recruitment firm

Keep channels open

- Declined candidates should be contacted and informed
- Keep candidates informed of what they are to do and when at each stage of the process
- Provide feedback afterwards

Candidates beget candidates

- *“We get most of our candidates from direct referrals now, because we bother to keep in touch with them.”*

“Before going to an interview I always ring around and ask people’s opinions. I’ve never turned down a company because of others opinions, but I have negotiated harder!”

Choosing between candidates

A significant area in small to medium businesses was what to do when two candidates appear to be equally qualified and approved

In many cases the lack of a clear, structured interview process, requiring a consistent rating and assessment system was to blame. Often this resulted in delays in the hiring process and unnecessary costs due to re-interviewing

Structured interview notes

- To be able to effectively choose between two or more candidates it is important to keep accurate and consistent notes throughout the process - rather than “getting them back in yet again to choose”!

Qualification levels

- When choosing between two or more candidates ensure that they all meet your standards. Don't select the best of a particular group if the general standard is not high enough

Interviewer personality

- If using more than one interviewer ensure that the result is not a case of one dominant person getting ‘their’ preferred candidate selected out of competitiveness

The interview process: Summary

- Have a clear idea of who it is you want to hire
- Wherever possible itemise the criteria you are judging candidates by
- A clear structure to the interview process should help the candidate give their best performance and your assessors rate them accurately
- When asking questions try to keep them general and allow the candidate to expand should they want
- Make sure the process is given the time and resource it deserves - whatever pressures there are to fill the role

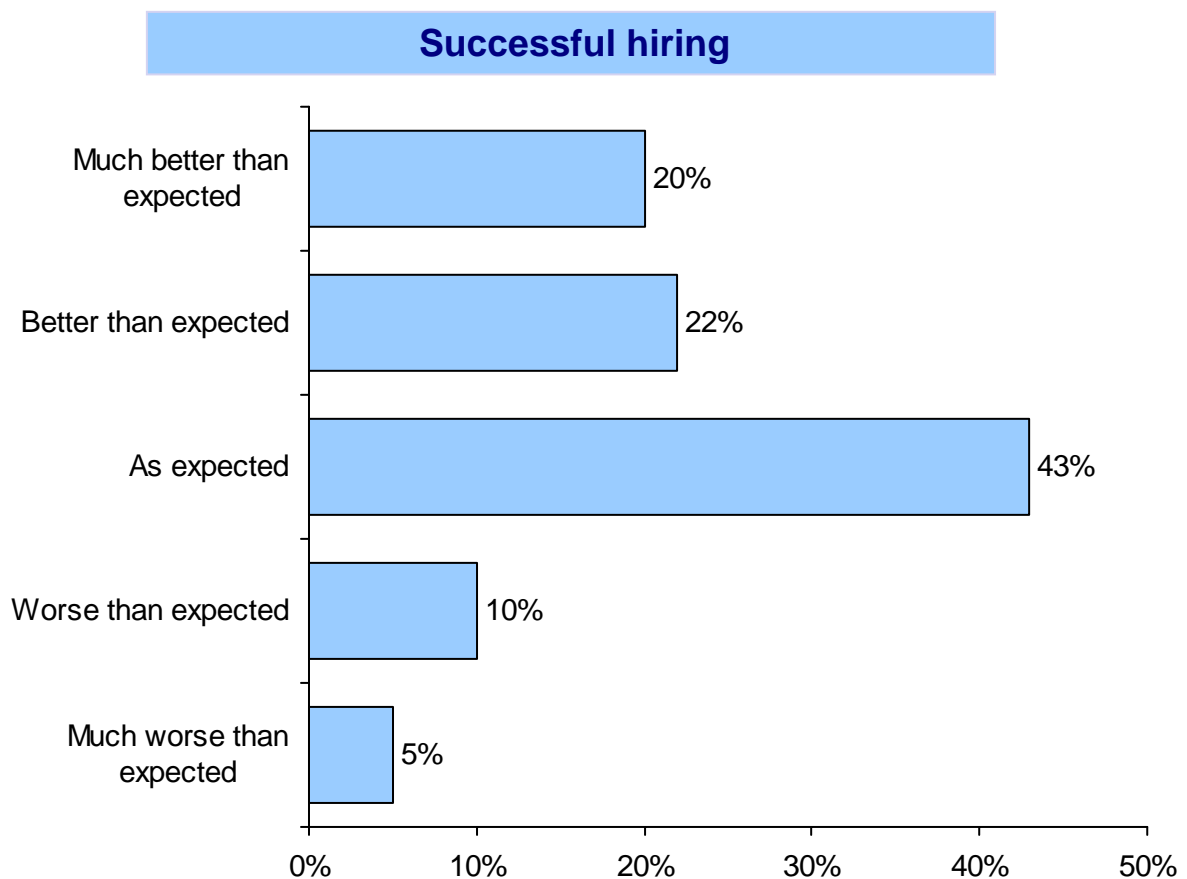
And finally

We asked respondents to candidly assess their success rate in hiring candidates – what percentage of hires came up to or exceeded expectations

Even in an open telephone conversation with an ‘unknown’ interviewer – even allowing for promised anonymity and non-attribution of quotes – respondents admitted that **15%** of hires worked out poorly

After further discussion the majority of respondents admitted this was probably a low estimate and that *“they wouldn’t be surprised if the industry average was at least **double** this figure.”*

“Honestly, what do you regard as your success rate in recruiting - how many work out as well or better than you expect?”



Number of respondents = 28
Source: Mindbench interviews and analysis