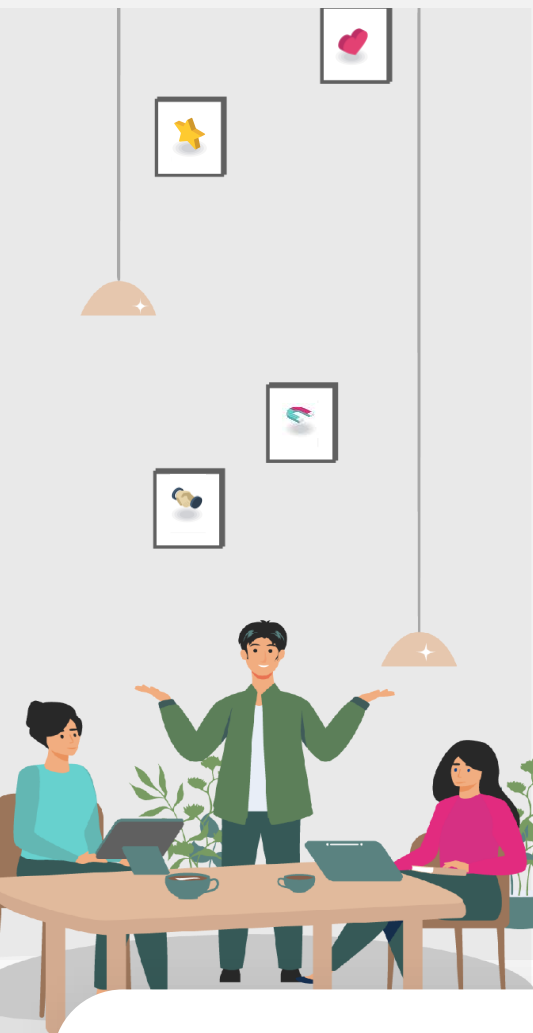# Talos360

Reduce your hiring costs

in 10 easy steps

By Frank Allen

Introduction

If your employer brand matches that of Google, Meta, or Microsoft, you'll likely be inundated with speculative CVs, with talent acquisition for some roles costing *nothing*. However, for most businesses, welcoming talent through the door comes at a cost: That's not a negative – it's just a fact.

According to Oxford Economics, recruiting for an employee earning £25,000 or more will set you back nearly £31,000 to replace. And that was in 2019; the rate will be even higher now.

So, if you're still working your way up to Google status, practically, what can you do to reduce acquisition and candidate management costs? First and foremost, businesses must find a balance between time and cost…

Hiring costs: Finding the balance

First thing first: Hiring a new candidate is never a straightforward process. It takes time, and time costs money.

But then that's the dilemma. How do you find the balance? Spend too much time finding the right fit, and recruitment budgets will rapidly vaporise, or hire too quickly and potentially hire the wrong person…

So, how do you quantify recruitment costs? Is it all about the time it takes to fill an empty chair, or is it the physical cost element involved in hiring, or a mixture of both? When counting the costs of a hire, the individual cost should be superseded by the cost to the business as a whole.

For example, the longer you take to fill a vacant position, the business must foot the bill for:

- An empty chair
- The loss in productivity
- The loss of knowledge and expertise

But then it's back to the dilemma. Does HR focus on speed to the potential detriment of other metrics? Here, we could insert the old adage, swapping out marry for hire: *Hire in haste, regret at leisure*. Nothing will swallow up your budget quicker than a wrong hire…

Fact: 43% of new hires leave their role within 90 days – Work Institute

10 easy steps to reduce recruitment spend...

#1 – Define your ideal employee

It's incredible just how many companies will skip this stage. Instead, HR is often given little or no directive, just instructed to find a replacement double quick.

It's what we'd call reactive recruitment. We're proposing the opposite: Proactive recruitment - which means profiling the role and the ideal employee to fill that role.

By defining your role, you'll help:

- Focus your campaign
- Create a relevant job spec
- Align candidates with your culture
- Strengthen your culture
- Increase retention
- Create brand ambassadors
- Cut recruitment costs

Poor planning equals poor performance

74%

Fact: 74% of HR professionals say they've hired the wrong candidate for an advertised opening more than once
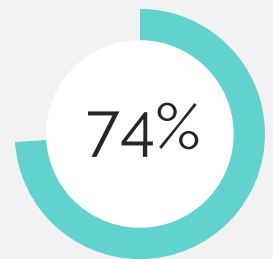
Career Builder

#2 – Don't discount internal talent

This might seem like an obvious suggestion, but it's surprising how many businesses plunge into a new recruitment drive without first surveying the internal talent available.

When LinkedIn claims 41% of employees will stick with a company that has a reputation for hiring internally, shouldn't this particular recruitment route at least be considered?
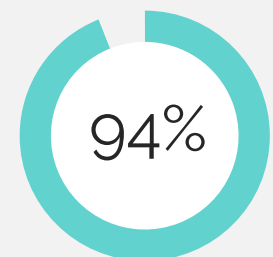
Our advice; before you launch a new recruitment campaign:

- Advertise vacancies internally first
- Take time to identify your top talent
- Consider upskilling to plug gaps

94%

Fact: 94% of HR professionals say that internal recruiting helps retain their most valuable talent

#3 – Increase your job board visibility

If you're subscribing to individual job boards, it's easy to use the same default job board.

However, this can restrict the number of people who'll see your job adverts. In fact, if you persist in using one job board, you'll only get your ad out to roughly 25% of job seekers.

The answer? Use more job boards. Using more than one job board will give you access to a much more diverse audience since most candidates are only registered to one or two 'favourite' job boards.

Indeed, the beauty of modern applicant tracking systems is that you can access multiple job board integrations through a single dashboard. And by sending your advert out to multiple job boards, you'll expose your ad to up to 60% more job seekers. A bit of a jump from 25%.

In addition, if you utilise multiple job boards, you'll be better placed to:

- Analyse individual job board success
- Track the job board that works best for your roles
- Improve your job adverts if they're not performing
- Maximise your ROI

60%
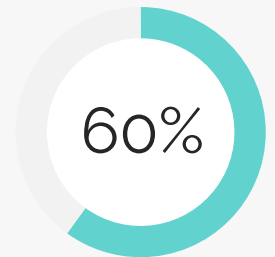
Fact: 60% of job seekers use job boards to source new job opportunities

LinkedIn

#4 – Create a careers site

If you're serious about reducing hiring costs, then implementing a careers site should be seriously considered.

Why? How does a careers site save on cost?

Simply put, a well-designed and easily navigable careers site will be a one-stop shop for all your career opportunities. Its mere presence will reduce the necessity to spend portions of your budget on external recruitment. But that's not all. A careers site is a brilliant platform to promote your EVP, increasing your chances of successful hires by 29%.

The pros of a careers site are numerous. Here are just a handful:

- Advertise your own job vacancies
- Attract more 'free' candidates
- Showcase your EVP
- Attract candidates who share your cultural values
- Deliver a talent-winning recruitment journey
- Ensure a mobile-friendly candidate experience
- Create landing pages for specific roles
- Highlight featured jobs

56%

Fact: 56% of applicants visit the company website and career site after discovering a job opportunity

LinkedIn
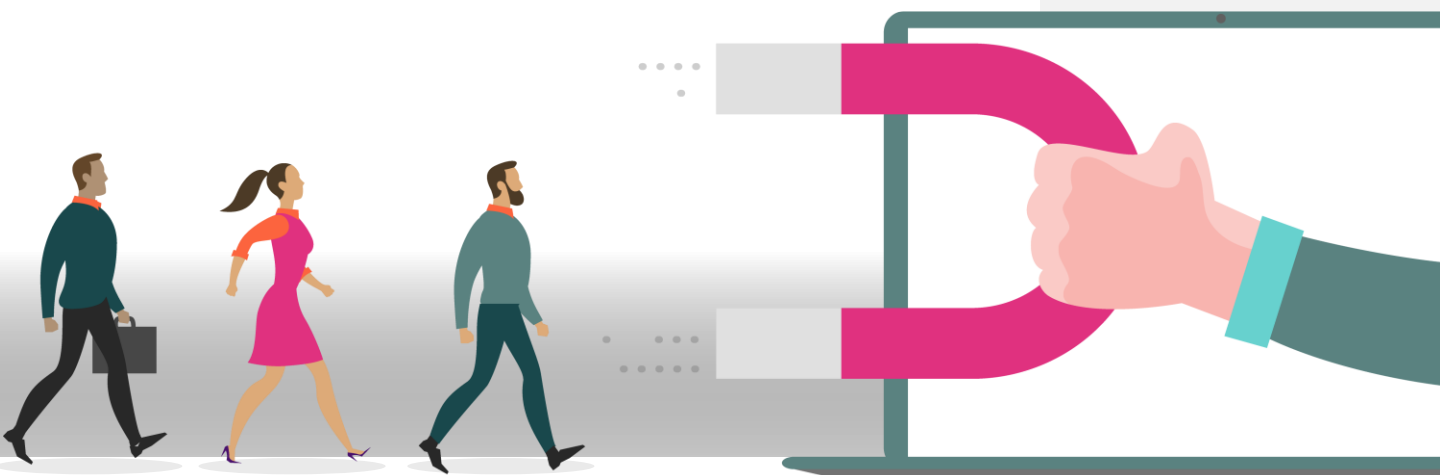
#5 – Recruiting via social media

According to Jobvite, 92% of companies are making a concerted effort to recruit via social media. The reasons are obvious. Social media is immensely powerful.

However, you can't do this on your own.

Unless you're a huge brand, you're likely to reach just 2% of your followers. So, instead, harness the power of your network and get your people to like and share your posts. With 72% of adults using social media, posts shared by an employee network will be shared 25 times more frequently. That's a huge potential reach you have at your disposal. Best of all, this leverage is free.

But merely posting about your job openings isn't enough. Social media needs to be used first and foremost to promote your EVP. Promote your business, sell its culture, and make yourself an employer of choice; when you post a job opening, you'll put it in front of people who share your values.

Pros of recruiting via social media:

- 86% of job seekers use it to search for a job

- Social media is an easy way to advertise your employer brand

- You'll reach more passive candidates via social media

- Attract candidates who match your culture

#6 – Make use of employee referrals

Did you know that over 45% of employees referred by colleagues stay at a company for longer?

Here are more reasons why employee referrals should be prioritised, helping you save time and money:

- Referrals take 29 days to hire compared to 39 using job site
- Referrals boost job matching from 2.6% to 6.6%
- Referrals stay longer at the company
- Employee referrals invite more relevant candidates
- You're more likely to find the right culture match
- They'll help retain your current talent especially when you reward them for successful referrals
- Referrals will improve your employer brand

#7 – Managing your time

During recruitment, so much cost is wrapped up in time spent on administration. So, it stands to reason that saving time will save on cost.

But how can time be saved? For many of us, there isn't enough of it, particularly in HR circles, so the suggestion of trying to save it may seem overly simplistic and somewhat impossible.

However, when considering 86% of employers already use video interviewing and say that it's saved vital administration time while improving their hiring process, saving time isn't impossible. It's rather a matter of thinking outside of the box.

Here are some examples of 'outside of the box' for you to consider….

- Allow candidates to self-select interview slots
- Video screen candidates – it's quicker than telephone
- Video interviewing to facilitate remote interviews
- Use SMS and email reminders

#8 – Choose automation

Outsourcing recruitment might seem more economical if you're a start-up or a small company. However, that's not always the case.

HR software is so good now that much of the recruitment process can be automated. And automation will lower costs.

For example, you can now automate critical HR processes like:
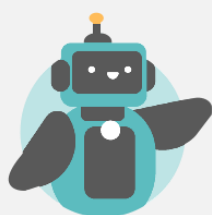
- Candidate sourcing
- CV screening
- Interview scheduling
- Reference checking
- Offer management
- Onboarding

Did you know that according to Gartner, only 25% of companies report using HR automation? That indicates huge opportunity for improvements. Utilising automation will revolutionise your recruitment; it's as simple as that.

If you're spending time sieving through copious CVs, scheduling multiple interviews, and syncing calendars with hiring managers, HR professionals and the candidates themselves – then you could hugely benefit from implementing automations into your hiring process.

Time equals money, yet automation halves the time spent on the more monotonous tasks: Automation can save you a truckload of money.

#9 – Build and maintain talent pools

According to Glassdoor, 76% of hiring managers say attracting talent is their greatest challenge. And they're not wrong. These are challenging times for HR. Though phenomenon like 'The Great Resignation' is showing signs of petering out, no one could argue that for now, at least, candidates still hold the aces when it comes to choosing where they want to work.

To mitigate this, we suggest you build a talent pool.

Don't let good candidates who have missed out on one of your roles disappear back into the ether. Having a workable talent pool of pre-qualified candidates will speed up your hiring time and prove more cost-efficient than starting your search anew.

Top tip…

Stay connected with employees who've left for new pastures. The grass isn't always greener, and they may want to return to a new role…

Or, at the very least, recommend someone who matches your culture.

#10 – Utilise recruitment analytics

Like any process, it's at the review stage where you improve it.

Our advice: Be open, be honest, and always analyse the metrics.

1. What part of the process proved to be inefficient?
2. What was the attrition rate?
3. How successful have recent hires been?
4. What part of the process was time-consuming?

HR software will help you analyse your campaign at every stage, giving you information on vital statistics like:

- Time-to-fill
- Time-to-hire
- Cost-per-hire
- Source-of-hire
- Candidate attrition rate
- Quality-of-hire
- Quantity of applicants
- Offer acceptance rate

94%
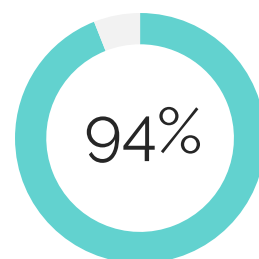
Fact: 94% of professionals that use an ATS report that the software has improved their hiring process

Zippia

In summary...

To gather all the points we've made above, the most essential aspect of reducing hiring costs is making the right hire first time around. What's the point saving valuable budget if the person recruited isn't the right fit?

The wrong hire can quickly snowball, upsetting the workplace equilibrium and potentially sending attrition soaring. If this happens, recruitment best practice is replaced with reactionary recruitment. It's not an advisable route.

So, how do we mitigate? Well, to ensure you recruit the right culture fit for your company the first time around, you must engage your current employees to understand:

- Why do they stay?
- What drives them to be successful at your company?
- What is attractive about your culture?
- Why are you an employer of choice?

Find out the answers to these questions, and you'll not only know the secrets of the universe, but more importantly, you'll have the secrets to solving the eternal recruitment dilemma.

Of course, both time and money are important and indeed difficult to separate. However, rather than obsessively analysing speed-to-hire metrics or acting like a Dickensian character preoccupied with nothing but money, the focus should be on finding the right fit the first time around. Do that, and you'll reduce the time it takes to recruit WHILE reducing your recruitment spend.

Recruitment should always be proactive and nearly always never reactive.

In that sense, recruitment begins with retention.
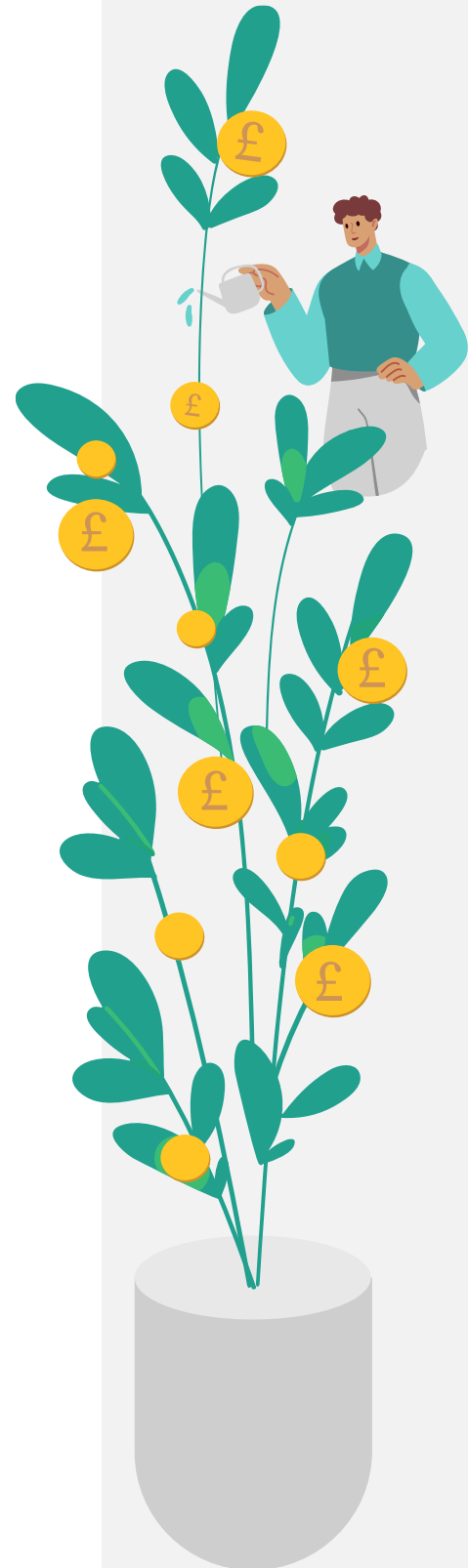
How Talos360 can help

If you need any help with your hiring strategy, candidate attraction, candidate management or employee engagement, then the team at Talos360 are here to help.

With our market-leading, award-winning people tech, we can save businesses time and money by improving people engagement and streamlining the entire candidate journey

Free Recruitment Reviews

Talos360 offer free recruitment reviews that show how you can easily improve your hiring process.

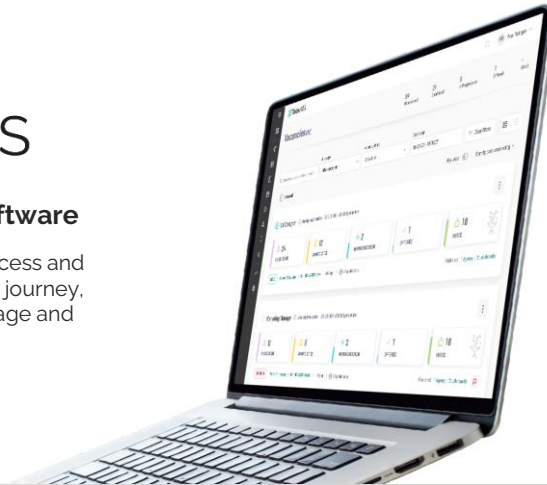Get your free review today and see how you can save on your recruitment costs.

Find out more

Talos ATS

Advanced Hiring Software

Streamline your hiring process and create the ideal candidate journey, to effectively attract, manage and onboard talent.

Talos Engage

Employee Engagement Platform

Unlock insights, improve engagement and boost morale with our intelligent engagement and workforce analytics platform.

Talos Attract

Candidate Acquisition Solutions

Create and distribute compelling recruitment advertising campaigns, making sure they get maximum attention from your ideal audience.

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