

eBook

# How to build a talent operation

The ultimate guide to becoming  
a recruiting business partner

greenhouse



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Chapter one

# Create alignment

For recruiting to be one of your company's strengths, talent acquisition requires a seat at the table. Creating alignment among teams will improve your chances of securing top candidates, give you a competitive edge and set your new hires up for success.

In chapter one, we cover three strategic steps that will help create alignment across your organization:

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# Partner with hiring managers

In most cases, talent acquisition is limited to a reactive, administrative role, carrying out hiring requests made by executives and team leads. That leaves human resources in the dark about the company's long-term business objectives, and forces recruiting to play catch-up to the rest of the organization.

A more effective approach gives talent leaders a seat at the table, making them strategic partners. A talent operation should tie recruiting into big-picture financial objectives. For example, when a talent lead has a clear understanding of projected revenues for the next quarter, they can meet staffing needs in time or prioritize strategic hires.

Jason Medley, Director of Talent and Culture at Quirky, says that alignment with hiring managers is key to becoming a strategic business partner at any organization. Allowing recruiters transparency into team objectives (and obstacles) helps them work more proactively, fine-tune their hiring strategies and develop a clear understanding of what's needed in the role. Quirky recruiters attend weekly team meetings, have weekly one-on-ones with hiring managers and encourage a process to facilitate hiring manager engagement.

Connecting your hiring efforts to business goals not only ensures you have the right staff when you need them, but actually helps you hire better people. A talent team that's looped in to the company's business plans will have the time they need to hire the right people.

“The paradigm shift we've seen is that talent operations is becoming more proactive rather than reactionary. Externally, recruiters are productizing hiring, but internally they are operationalizing hiring.”

**Erin Wilson**, Head of Talent Operations at Brightroll



# Have the framework in place to plan ahead

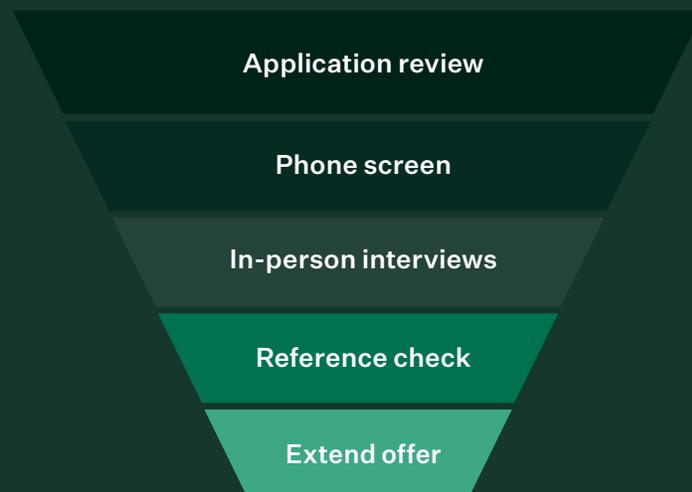
Planning ahead is key to hiring top performers. According to a CareerBuilder survey, 38% of participating hiring managers said they made bad hiring decisions because the company needed to fill the position quickly. The cost of a mis-hire ranges between 14 and 28 times an employee's base salary, a huge loss for any organization\*. A great hire, on the other hand, can result in exponentially more value for your business. Companies like GE, Microsoft, Yahoo and Apple have found that top performers are over ten times more productive than the average hires\*\*.

Talent leaders are creating a structured recruiting framework inspired by the sales and marketing funnel. Each stage of this funnel allows recruiters and hiring managers to qualify the candidate and collect more insights about them. This model enables “pass” or “reject” checkpoints, so you're consistently qualifying out candidates who aren't a good fit. That saves you time and resources by ensuring that only the strongest candidates advance to the next stage.

\* The Shocking Costs of Hiring Mistakes and the Secrets to Avoiding Them

\*\* Calculating the Tremendous Dollar Value of a Top Performing or Innovative Employee

Here's a sample recruiting funnel



A structured recruiting framework also helps recruiters predict the outcome of recruiting efforts and communicate them to the hiring team. Hiring managers often want a position filled yesterday, and a predictable recruiting funnel provides the metrics for a realistic timeline and keep everyone on the same page. For example, if a hiring manager knows that it takes your organization 25 days to secure a top performer, they'll know to loop recruiting in with that time-frame in mind.

Better still, the funnel is scalable, and provides talent acquisition with valuable data to optimize the entire process. That gives you the opportunity to start building predictability into your operation, which will enable you to forecast your recruiting performance. If a VP of Engineering needs 10 new engineers next quarter, your funnel's conversion metrics will help you determine how many prospects you need to source, how many candidates you should interview and how many finalists your executive should plan on meeting. This approach gives you comprehensive data on how hiring is going and provides insights on how long it really takes to fill each position.

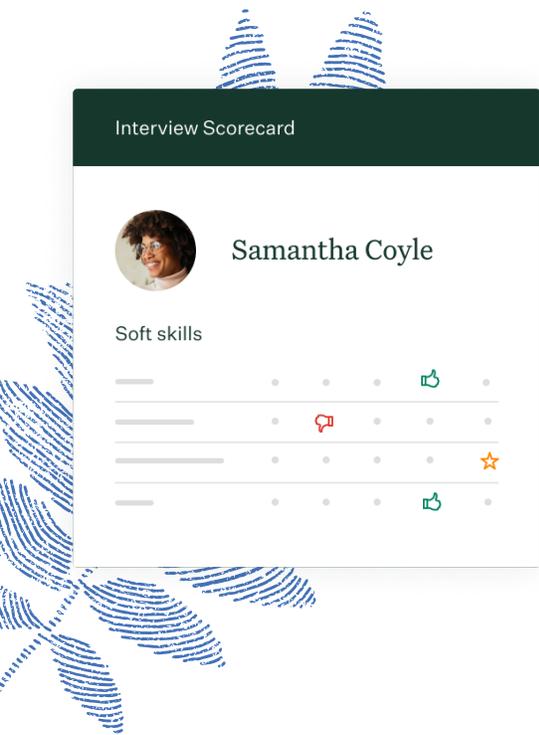


# Define what you're looking for

You should only hire “A players,” defined by recruitment pros Geoff Smart and Randy Street as people with a 90%+ chance of success in a role. To bring the right people on board, it's everybody's job to define what that means. Hiring managers should work closely with recruiting to define the specific attributes of an A-player. Too often, these attributes are defined after the interviews begin, causing unnecessary frustration and wasted time for the hiring and recruiting teams.

Airbnb's recruiters developed a service-level agreement with hiring teams during a recruitment kickoff meeting. Together, the teams discuss hiring needs and candidate attributes. Recruiting also provides a reasonable window of time – normally six weeks – to fill the position.

Recruiters and hiring managers should kick off recruiting efforts with two key alignment exercises that have become rudimentary for sales and marketing. These tactics help teams agree on exactly what they're looking for in a prospect.



## 1 Develop candidate profiles

Marketing kicks off every campaign by developing buyer profiles. Members of the marketing team collaborate with other department stakeholders to create a profile prospect, called a persona, which allows the team to create targeted and personalized campaigns.

For recruiters, that means working with hiring managers to fill out your candidate scorecard. This is a simple list of all the skills and traits your ideal candidate would have. Creating a candidate scorecard early on in the process locks in the attributes you need for certain roles, providing a clear picture of what to look for when sourcing candidates

## 2 Create a service-level agreement

Occasionally, marketing runs campaigns and generates leads to be passed to sales, only to discover that sales is disappointed with the lead quality – marketing then has to start all over.

Similarly, every recruiter has experienced the frustration of finding a great candidate only to have the hiring manager decide the applicant is wrong for the job.

In sales and marketing, a service-level agreement (SLA) forces teams to formally define a “qualified” marketing lead. It’s a conscious decision to set mutually agreeable goals, while holding each other accountable.

You can leverage the power of an SLA by holding hiring managers accountable for the candidate scorecard, effectively defining a qualified candidate. If a candidate meets the expectations on the scorecard, a hiring manager must interview them in a timely manner. In turn, recruiters agree to present a set number of quality candidates to hiring managers by a certain date.

Chapter two

# Think like a marketer

Modern marketers don't simply post an advertisement and wait – they cast a wide net, run experiments and use tools to track and measure results. A talent operation should mirror these data-driven marketing strategies.

In Chapter two, you will learn the three key elements of a modern recruiting model:

**Have a sourcing plan** 10

**Play the long game** 12

**Use the right tools** 16

# Have a sourcing plan

When it comes to finding candidates, many companies just keep doing what they've always done. Not surprisingly, they always get the same results. Finding the right people can be tough, and there are no shortcuts. Sourcing is more than just posting a few job ads, or paying an agency to do the heavy lifting. An effective sourcing plan lays out all the channels you want to use, sets goals and budgets for each one and tracks results so you can see what is working and what needs adjustment.

Effective sourcing plans follow five fundamental guidelines:

## 1 Define your sourcing strategy for each job

Different roles require different approaches in order to find the right candidate.

## 2 Cast a wide net

Use every channel at your company's disposal (and invent some new ones) to reach candidates. Post on general and niche job boards, use outside agencies, work the room at industry mixers and get the word out at college job fairs. Equally important, identify and thank employees who are sharing job openings on social media, and then reward them for any candidates they bring in. Experiment constantly, moving beyond your usual hiring routines.

## 3 Track every candidate

Make sure you know where every candidate is coming from and how far they got in the interview process. Your sourcing experiments are delivering priceless data – be sure to analyze that information regularly and adjust your strategy accordingly.



#### **4 A/B test your job ads**

Everyone agrees that recruiting is marketing, but few companies take the essential step of A/B testing their job ads the same way they would for other important campaigns. Write different headlines for each ad, see which phrases get you the right candidates and then double down on them.

#### **5 Source continuously**

Though it may sound counterintuitive, it's important to start the recruiting process before you need to fill a position. If you're always adding to your talent pool, you won't be pressured into settling for second best when you need to make a hire. Also, don't stop sourcing just because you think you've found the best fit for the role – even the most promising candidates can fall through the cracks.

## Sourcing cheat sheet

- 1 Define your sourcing strategy for each job
- 2 Cast a wide net
- 3 Track every candidate
- 4 A/B test your job ads
- 5 Source continuously



# Play the long game

Building a pipeline is about knowing what the future demands will be, working backwards to determine how many new candidates you'll need to engage and figuring out the timeline to achieve your goal. To keep that recruiting pipeline strong, you should be sourcing continuously. You may not be interviewing every day, but you can always be sourcing and engaging with candidates.

“Greenhouse supports the rapidly scaling nature of our business. Low setup costs and an intuitive user interface let us get started quickly, while best-in-class APIs and add-ons like CRM give us the functionality to allow our organization and recruiting process to mature.”

**Shane Noe**, Director, Recruiting Operations & Analytics, at Okta

Create ongoing campaigns to ensure that you have enough leads when you need them, and build your hiring brand by hosting events that establish thought leadership. One great model for this comes from Disqus, who invites former candidates to events at their headquarters. It gives the company a fun, practical way to keep in touch with potential hires without being pushy.

## Personalize your outreach

Technical Recruiter Aline Lerner recently analyzed about 8,000 recruiting messages. She found that less than 1% of recruiting outreach messages were genuinely personal, and that when a recruiter did take the time to write a truly personal message, they had a 73% introduction rate.



Lerner encourages recruiters to talk about specific projects their company is working on, and why they believe those projects might be of interest to the candidate. Like marketers, effective recruiters never underestimate the power of a good subject line. After crafting a witty, personal email, it would be a shame if the candidate never opened it.

Make your subject line as personalized as your message content, and test variations. There's a likely correlation between your open rates and your subject lines – you should be watching them closely so you can improve your chances of engaging top talent.

## **Nurture your talent pool**

Smart marketers play the long game when it comes to prospective customers. They nurture their database, knowing their leads aren't likely to turn into customers overnight. The same is true for recruiting, and there are a couple of easy ways to nurture passive candidates.

You can do community development through live events, meet-ups, networking and educational sessions. Or you can reach out via email every month or so – perhaps to invite them to an event, share a bit of insight or simply ask how they're doing. Passive candidates receive a lot of email from headhunters and recruiters, so being authentic and sincere is key.

One big thing to keep in mind is that recruiters often drop the ball after the initial contact. Don't expect a candidate to respond after one message. It can take several touchpoints before a lead converts, so it pays to engage candidates in a multi-touch outreach strategy. Don't give up if the candidate isn't available for hire, or lacks the skills you need at the moment.

If appropriate, move the candidate to a new role, or continue engaging them until the timing is better. When the right position opens up, you'll be ten steps ahead of the competition.

## Build a referral culture

In the sales world, most high-quality leads come from customer referrals. Similarly, in talent acquisition, there's no tool more powerful than a strong employee-referral channel.

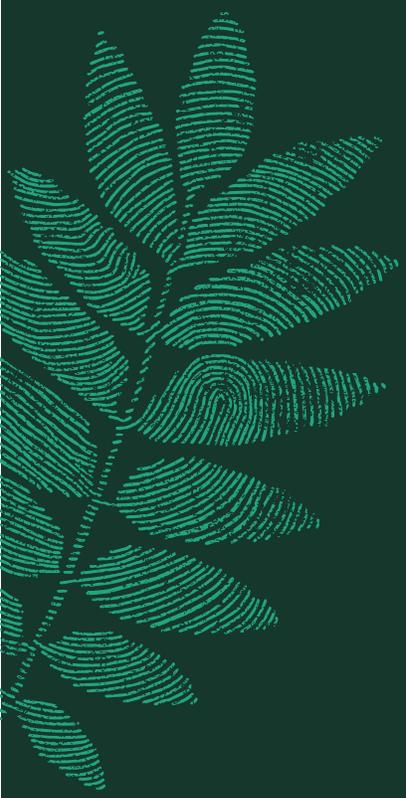
Dr. John Sullivan, an HR thought-leader based in Silicon Valley, reveals some hard data on the impact of employee referrals:

- Referrals are the #1 source for top-quality hires
- Referrals are the fastest hires (In 2012, this was 29 days, compared to 45 days for career sites)
- Referrals are #1 in employee retention (45% retention after two years, compared to 20% from job boards)

So how do you get more referrals? Spamming employees' social media profiles definitely won't get you there. A better approach is to give leadership a high-profile role in your referral program, which will inspire employees to tap into their networks as well. Encourage leaders to take ownership of filling a certain number of roles each quarter, and make sure they're publicly praising employees who bring candidates into the pipeline.

It's also important for employees to know how far their referral makes it in the hiring process. Ideally, you have recruiting software that allows referrers to see the status of their contact and stay in the loop during the hiring process. Above all, you want your employees to know that their referral is having a great candidate experience.





# Five tips for building a referral culture

- 1 Importance**      Make sure your team knows how important referrals are for maintaining the company culture they love.
- 2 Transparency**      Make it easy for employees to see where their referrals are in the pipeline.
- 3 VIP treatment**      Treat referrals like VIPs when they come in for interviews.
- 4 Make it fun**      Gamify it! Put up a referral leader board. When a referral is hired, celebrate with prizes.
- 5 Make it social**      Throw recruit-a-thons. Provide food and drinks, and give employees guidance on how to tap into their networks to find appropriate candidates.

# Use the right tools

The tools you choose to manage your talent pool operations will have a huge impact on what you're able to achieve. The key is choosing software and apps that will integrate smoothly with your existing workflow, support your process and have a 100% adoption rate across your team. Even the best designed, most powerful tool is a waste of everyone's time if your hiring managers don't use it.

In recent years, there's been a surge in the number (and quality) of data-driven hiring tools that solve specific recruiting and interviewing problems:

## **Sourcing**

You can get creative in your candidate sourcing efforts by searching proprietary databases, boosting employee referrals and managing a fleet of agencies with apps like Entelo, RolePoint and RecrutiFi.

## **Remote meetings and collaboration**

Use CoderPad or CodePair to facilitate interviews remotely and create a shared collaboration space for coding or video meetings.

## **Scheduling**

If getting interviews on the calendar is turning into a scheduling nightmare, explore interview scheduling services like Reschedge.

## **Screening**

Companies like HackerRank, ClassMarker and Codility all offer great ways to screen candidates with online skills tests. HireVue also allows you to pre-screen candidates by having them record a short video answering a set of predefined questions.

## **Listing positions**

There may be no such thing as a free lunch, but there is free advertising! Job boards such as Glassdoor, SimplyHired and Indeed let you get the word out about your jobs at no cost.

A recruiting optimization platform like Greenhouse integrates with all your recruiting tools and lets you run your entire process from a single platform.



Chapter three

# Optimize the recruiting process

A strong and consistent recruiting model gives talent acquisition the critical data needed to improve sourcing, interviewing and hiring. That's how you stay ahead of the curve, getting better and faster over time.

In chapter 3, you'll learn how to collect powerful data and optimize your recruiting process:

**Measure sourcing campaign ROI** 18

**Have a structured interview process** 19

**Improve the candidate experience** 21

# Measure sourcing campaign ROI

Like marketers, recruiters need to iterate on sourcing strategies and calculate the ROI for every campaign. This is a must, but few companies use their data to work out the true return on their sourcing efforts. Instead, they post a job ad or hire an agency, and then gauge success or failure by the raw number of candidates generated. And while quantity is great, the best sources are the ones sending you the highest quality candidates.

Track every candidate from application to job offer (or rejection) and then calculate your ROI based on how far candidates from each source made it in the interview process. That number will let you determine cost of acquisition, and give you a clearer picture of which sourcing methods work best.

Metrics that can help you build a better talent operation include:

- Total new candidates by source
- Candidate quality by source (how far in the pipeline did they get?)
- Cost per candidate (acquisition cost by source)
- Quality of hire by source
- Total new candidates sourced by department
- Total new candidates sourced by recruiter



# Have a structured interview process

One of the best ways to get important hiring data is by changing the way you conduct interviews. A structured interview process ensures all your interviewers are on the same page, and delivers the detailed candidate feedback you need to make the right decision. It also provides clear insight into where you can make process improvements.

## **Give every interviewer a specific purpose**

When each interview is focused on getting a few specific points of information, interviewers know exactly what questions to ask, and what to look for in a candidate's answers. Making every interview about a different set of skills or traits means that, by the end of the process, you'll have a complete picture of the candidate.

## **Put all candidates through the same process**

Every candidate should face the same questions and be scored on the same criteria. That way, when the time comes to evaluate the relative strengths and weaknesses of each candidate, you'll be comparing apples to apples. It also means that you can take a step back to measure the efficacy of your interview process.

## **Measure conversion rates at each stage**

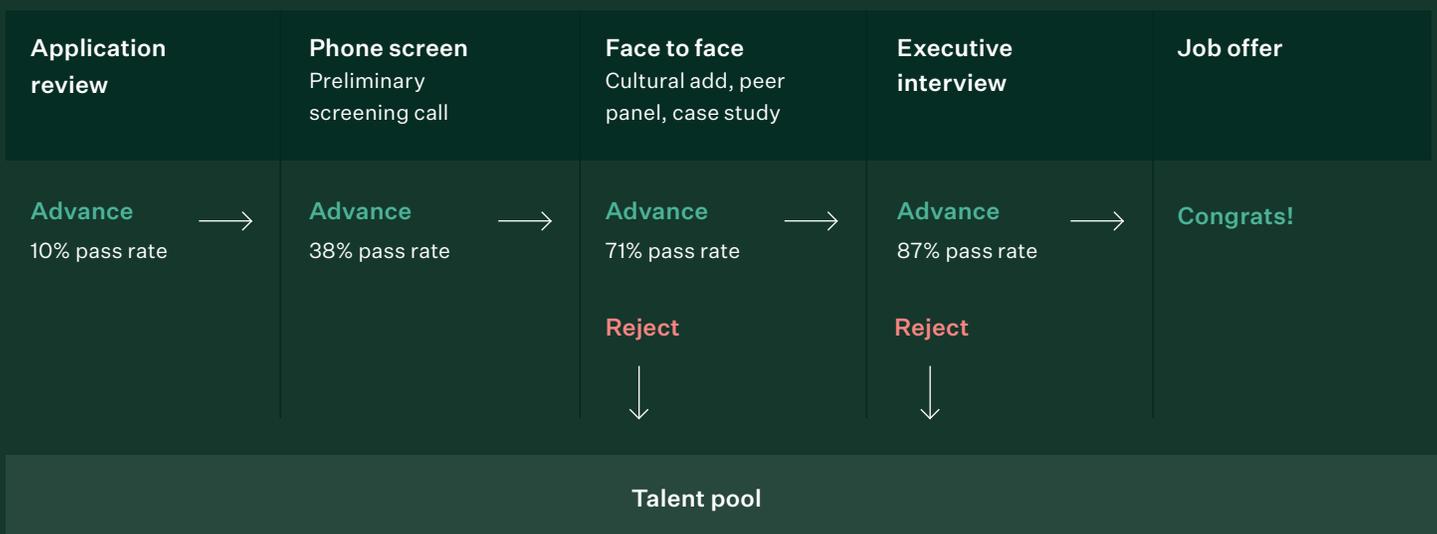
A structured interview process allows recruiters to measure conversion rates at each stage in the recruiting funnel. Monitoring stage conversion rates allows your talent team to identify where candidates are dropping out, and why. It also helps manage the number of candidates that interviewers are passing or rejecting.



## Identify coaching opportunities

Another valuable benefit of a structured interview process is that it helps you see which employees are adept at picking out top performers, and which could use some coaching. Everyone at the company should be able to conduct a great interview, but few of us are skilled interviewers right out of the gate. As you look through your hiring data, you'll likely notice some employees who are always saying "yes" or "no" – both are signs that they would benefit from some coaching. Invest time in teaching everyone how to ask the right questions and assess candidates properly.

## Sample structured interview process



# Improve the candidate experience

Your interview process should be a powerful marketing tool. Ideally, every candidate will walk out of their interview feeling impressed by your team and excited about your company.

Great recruiters make each interaction relevant and personal to candidates. What are their interests, hobbies, passions and life goals? Make an effort to get to know the candidates you want to hire – you'll be surprised by the things you learn that will help you convince them to join your team.

## Be prepared for every interview

There is no faster way to make a candidate lose faith in a company than a poor interview experience. Being late for interviews, asking silly questions or repeating questions from previous interviews will make you seem disorganized, and make them less likely to accept your job offer down the line.

On the other hand, interviews that happen on schedule, with thoughtful and thorough questions, reinforce that your organization is a great place to work.

## Challenge every candidate

The best candidates want to work with smart people and appreciate being challenged. Skip the trick questions and brain-teasers – ask them to weigh in on actual dilemmas you're facing as a company, or get their thoughts on tough, real-world scenarios they'll encounter on the job.

## Don't leave them hanging

Searching for a job is incredibly stressful, and candidates remember companies that treat them with respect. That means promptly



returning emails, following up after interviews and always being honest, direct and clear with rejections. Let every candidate know when you've decided they aren't a fit for the job and, if possible, when you've made the decision. No one likes being rejected, but if you handle the situation professionally and constructively, you'll build a reputation as a great company to work for. As Jon Stross, the co-founder of Greenhouse, says: "For every person you hire, there are 99 people you didn't. Those are the ones talking about your company, so make sure they have good things to say!"

## Survey them afterward

Follow up with a candidate survey to collect info on the experience so that you can identify room for improvement. Maybe your 2:1 interview model is overwhelming, or key pieces of company information aren't being communicated to candidates. Surveys also show candidates that their opinions are valued and that you take the hiring process seriously.

# Five tips for a great candidate interview experience

- 1 Smile and shake hands
- 2 Make eye contact
- 3 Offer a glass of water
- 4 Avoid "HR speak" – be genuine
- 5 Let them know what's next

# In closing

Building a talent operation is easier than most companies realize, and the rewards are enormous. A faster, more efficient hiring process leads to better people, higher revenues and a happier, more productive workforce.

If this book has sparked any ideas or questions, please get in touch! At Greenhouse, our mission is helping companies find and hire great people. We'd love to learn more about your organization and talk about how our software can help your company thrive.



# greenhouse

Greenhouse is *the* hiring software company.  
We help businesses be great at hiring through  
our powerful hiring approach, complete suite of  
software and services, and large partner ecosystem –  
so businesses can hire for what's next.

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