What to focus on to get through a Jobless Economic Recovery

By Jon Bartos

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This economy today is different than in most recoveries after a recession. As you have heard of the We are in the midst of a jobless recovery. It happened during the great depression as well as after the 1990s recession. When Gross Domestic Product recovers and real growth is sustained, unfortunately jobs do not recover. Economist argue about the causes. Half of the economists suggest it’s about automation. The other half think it stems from the structural changes in the labor market. This led to unemployment as workers change positions or even markets. My personal belief is that we would have a recovered employment if the labor market matched the qualifications our clients are looking. Case in point, how my open job orders do you have on your desk right now? If you are doing any marketing you have more than you can fill. So what is happening? Employers are demanding to see better qualified talent and they are unwilling to pull the trigger and “B” or “C” players. Employers are having more stringent interview processes, adding testing, lengthening hiring process and want close to perfect. So how can we be as successful as possible in this market?

**Understand where you are**

There are four metrics that give you a pretty good indication of how well you are performing in this environment. Time to Fill(TTF), Job Order to Placement ratio, Sendout to Placement Ratio and Offers extended to Offers accepted(Oe/Oe).

**TTF**

The time to fill metric tells us how long it takes to fill a specific position. The factors that go in to this ratio are all based on time. The time it takes to take a good quality Job Order. The time to attract and deliver those quality candidates that match(Time to Produce (TTP), the timeframe for the hiring process as well as the time it takes from offer to start date of the new employee. Any time the TTF metric goes beyond six weeks something is wrong. If the problem is not your TTP, then the problem rests within your client. Clients are taking more and more time to interview , test and evaluate candidates today. A TTF that goes for more than six weeks has a tendency to lose quality candidates that were in process due to taking other positions, candidates not seeing an interest level on the clients side and just losing interest in general. If your TTP is the component that is out of whack, tighten up your recruiting process to deliver candidates in two weeks or less. Time does kill all deals.

**JO/PL**

This ratio tells us a lot about the quality of job orders you take and a little about your delivery skills. The lower the jo/pl ratio, the better job orders your organization takes. The variables that affect your jo/pl ratio is quality of job order, your matching and delivery skillset. Retained search firms run around 1.5/1 to 2/1. Contingency search firms hover in the 2/1 - 10/1 area. A good number to shoot for Retained firms is 1.25/1. A good number to shoot contingency firms is 3/1. If you job order to placement ratio is high – use a job qualification method – like the job order matrix you can get on www.jonbartos.com. This one metric can help you double your revenue and income over night if you tweak it probably. Remember, only work on positions that you are “guaranteed” to make a placement if you bring them the right candidate.

**SO/PL**

This ratio has been the single ratio that tells us the quality of work that you do overall as a recruiter or recruiting firm. A lower number suggests that you have great job orders, set expectations with the client and have good matching/delivery skills. A higher number suggested a problem with the one or more of the prior three issues. A good number to shoot for is 3/1 for both Retained and Contingent Recruiters. When your SO/PL ratio is off, take one issue at a time. Is the quality of job orders? Put them through a job order qualification tool- like the job order Matrix – to insure you are only working on good ones. If you are qualifiying your job orders, then look at your matching skills. If you are sending in candidates that are not getting interviews, then matching is a problem. If your matching skills are correct and your job orders are good, find out from client where the miss is. You may have to explain the hiring manager that its your job to weed out the B and C players and you will bring them the top three in the market.

**Oe/Oa**

The Offers Extended versus Offers Accepted tells you how good you can qualify and close a candidate. Period. If don’t have a 1/1 ratio here – you need to work on setting expectations, qualification skills and closing skills. No offer should ever go out from your client unless you know for sure it will be accepted by your candidate. To set expectations clearly insure you have a compensation number you can accept on your candidates behalf at the beginning of the interviewing process. Also let them know you will be going over that again before the final interview. Then after the second interview requalify the candidate. Find out on a scale of 1-10 where they are in the process and what they need to see or hear to make that a 10. Flush out all potential objections before the second interview to get addressed – so it doesn’t happen after the offer is given. Before the final interview – ask them.. IF I get you $x (the number they gave you in the beginning) can I accept the offer on your behalf? The reason you do this, is to again make sure you have commitment in moving forward as well as another chance to flush out any objections.

Conclusion

Once you know your real ratios, then its time to get better at them. Make sure you qualify your job orders as much as possible and only work on the good ones. MPC or A player marketing is working better than ever in the market place. Make sure you reduce the Time to Fill as much as possible to insure you don’t have candidate loss during the process. Educate your clients as to what is going on in the market place and be their trusted advisor in hiring. Finally once you’ve done all the hard work, make sure that you don’t lose them in the end, by not setting expectations, requalifying and closing your candidates “BEFORE” the final interview. If you don’t know what your metrics are, there is a great tool called that [www.rpmdashboard.com](http://www.rpmdashboard.com) that will provide you with the data you need to make any recruiting management decisions. By doing these things, a jobless recovery will not leave you jobless.

*Jon Bartos is a premier writer, speaker and consultant on all aspects of human capital and achievement. As President and CEO of Jonathan Scott International, he has achieved industry-leading success. He is one of an elite group of executive recruiters who have billed over $1 million annually.  In a 10 year period from 1999 to 2009, he cashed in over $10 million in personal production.  Jon has established Jonathan Scott International as a top 10% executive search and contract staffing firm. The office has won over 17 international awards in the MRI Network, including International Billing Manager of the Year and Top 10 SC Office. Jon also competes nationally in Masters Track and Field and is a four time National Champion in the Pole Vault.  To help recruiters reach their potential, Jon developed the RPM Dashboard, a total revenue performance management system for the recruiting industry that allows offices and individuals to set goals, get a series of weekly dashboard views of performance metrics and receive specific suggestions for immediate improvement of critical areas.* [*www.rpmdashboard.com*](http://www.rpmdashboard.com)*. If you or your organization is ready to take it to the next level, contact Jon at 513-701-5910 or* *jon@jonbartos.com**.*