The HR Professional's Guide to Recruitment Budgeting

The importance of having a recruitment budget, and 5 tips on how to get one for yourself.

Introduction

This project was inspired after Lyne Groulx, AtmanCo's Talent Acquisition Strategy & Solutions Specialist, was invited to speak at TruMontreal's 16th annual recruitment workshop. Lyne and her co-presenter Sarah-Mélanie Lambert, HR Director at Groupe Montoni, were joined by over 30 HR professionals to discuss one of recruitment's most important topics: **Budgeting**.

Over their 1-hour discussion, one thing became apparent: very few HR professional had official recruitment budgets. Forced by upper-management to be reactive instead of proactive, many HR professionals have difficulty finding the time to be strategic in their recruitment efforts.

For this reason, AtmanCo put together this eBook to describe the benefits of having a recruitment budget, and to provide all HR professionals with tips on how to get their own recruitment budgets and **become the strategic partner we know they can be**.

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The Importance of Having a Recruitment Budget

Many HR professionals have managed to do their recruitments without a specific budget, so it is only normal that you wonder if having a recruitment budget is really necessary. However, ask anyone who *does* have a recruitment budget, and they'll tell you they don't know any other way that allows them to be effective and efficient in their efforts.

After all, recruitment budgets allow you to have a data-driven view of your recruitment, understand your specific needs, identify deficiencies in your process, become a proactive recruiter, and confidently determine the best tools to help you improve.

Let's eliminate any doubts you may have on the importance of having a recruitment budget and dig a little deeper into their benefits.

1

Become Data-Driven

1 Have a data-driven view of your recruitment

You simply cannot start building a recruitment budget without understanding the ins, outs, and gritty details of your recruitment process.

Before you can start demanding a budget, you need to be prepared to have the answers to data-focused questions. Here are a few examples of questions you will be asking yourself before starting to build a recruitment budget:

- How many positions are you asked to fill every year, quarter, and month?
- Are you expected to have a qualified pool of candidates ready to be interviewed within a week, or a month?
- Are the positions you are usually asked to fill entry-level, or are they considered "hard-to-fill"?
- What is your turnover rate for new hires? What is the reason for the turnover?
- How do your managers rate the quality of the new hires?

KEY TAKEWAY

All budget plans are highly data-driven, and building one for your recruitment needs will allow you to think more objectively and strategically about your recruitment efforts.

2

Identify Weaknesses

2 Pinpoint your most dire weaknesses

Now that you have a data-driven view of your recruitment process, take a close look at your numbers. Is there anything that sticks out at you?

No matter how good your processes are, everything can be done better. And when you focus on your biggest weakness, you can expect the biggest return. However, identifying your most dire weakness may not be as easy as you think.

There are many elements that can contribute to an ineffective process and it is important to be specific when identifying flaws.

For example, "poor quality of candidate pool" would be a better identified weakness than "high turnover rate", because you are describing a ***cause*** that can be improved, as opposed to an ***effect*** that is the result of several factors.

KEY TAKEAWAY

Focus on your most crippling weaknesses, because that is what will allow you to most improve your results. But be sure to compare your figures to others in your industry before jumping to conclusion about what your weaknesses are.

3

Clarify Your Needs

3 Identify your specific recruitment needs

Once you have completed your research and identified your weaknesses, then you won't have a problem clarifying your specific recruitment needs.

Of course, that is only true if you were also specific with your weaknesses. A good trick to achieve that is to keep asking yourself "Why?" - You have a high turnover rate. Why? Because the quality of your hires is poor. Why? Because your candidate pool did not have the skills you needed. Why? Because the job description was unable to attract the type of talent we are looking for. Why…

Keep asking yourself "Why" until you hit the sweet spot. That is what your specific need is, and that is where you can add the most value.

4

Invest Smart

4 Invest in the tools YOU need to excel

Many HR professional have fallen for the trap of investing in tools or solutions that promised better recruitment results, but to no avail.

That isn't to say that you shouldn't be investing in tools and solutions – on the contrary! After all, the majority of these solutions came about because of a need in the market, and there are many tools out there that have amazing returns.

However, the most important thing to remember before investing in a tool or solution is YOU. What are your specific needs? How does this tool meet them? What results are you looking to achieve from investing in a tool? Can this tool help you reach your goals?

BONUS TIP

It's easy to fall in love at first sight with a new tool or solution that seems to have all the answers. But remember to shop around. Can you achieve your desired goals in a more cost-effective way?

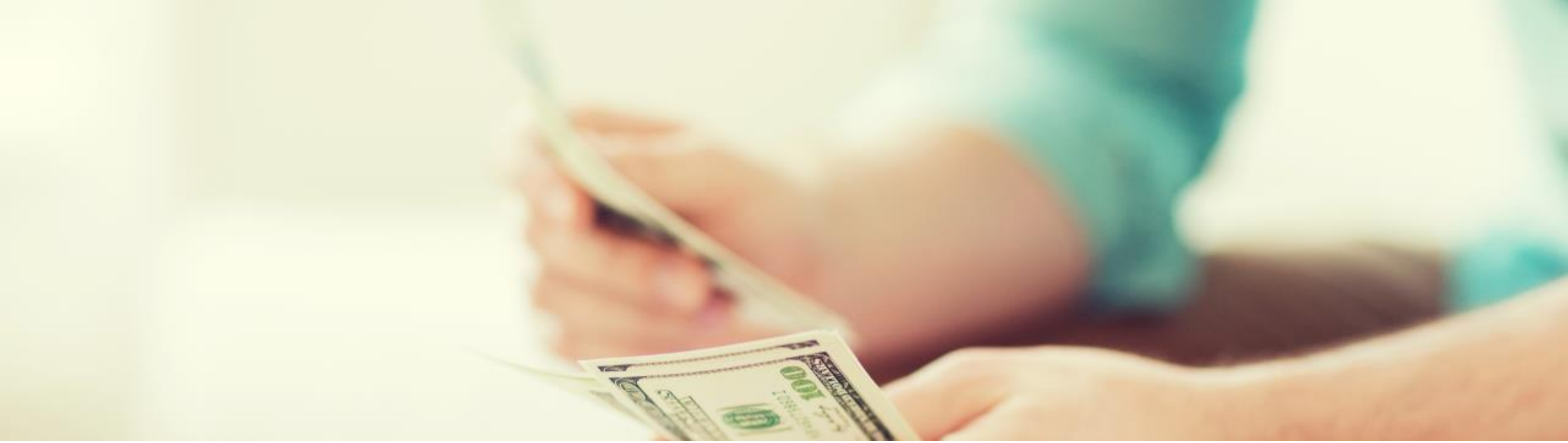
5

Become Proactive

5 Stop being a reactive recruiter. Become a proactive one

Most recruiters know the struggle of being under the recruiting gun; when you are asked to fill a position *now*, with no warning or time to plan. In fact, for many out there, this situation isn't an incident, but more like their day-to-day reality.

But it doesn't have to be. When you start building a recruitment budget, you force yourself to understand your environment, to anticipate your needs, and to be prepared for emergencies. In other words, **recruitment budgeting allows to become proactive and strategic**.



How to Get Yourself a Recruitment Budget

Now that the benefits of a recruitment budget are crystal clear, you may be wondering "how can I convince upper-management to authorize a recruitment budget?". In addition to the outlined steps above, there are a few things you can do to present your proposal and have a better chance of having it be approved.

When upper-management is approached with a budget proposal, there are a few things they expect to see and have specific factors that will influence their decision. These factors include having a strategic vision, a needs evaluation, a fully developed strategy, an outline of the costs, and clear evidence of ROI.

Here is what you need to do to get your recruitment budget proposal approved.

1

It's in the Vision

1 Clearly communicate your vision

If there is one thing that executives and decision-makers have in common, it's their strategic thinking and ability to have a global vision.

Most executives are always led by a vision; they have an ultimate goal that they want to achieve, and all of their activities are focused on fulfilling that vision. When you approach upper-management with your proposal and can demonstrate that you have the same strategic mindset that they do, then you can capture their attention right off the bat.

Start off your proposal with a solid vision for your recruitment. Make it clear and concise, and don't shy away from ambitious goals.

BONUS TIP

If you really want to score brownie-points with your executives, try to tie your recruitment vision with that of the overall company. This form of alignment is almost guaranteed to create intrigue.

2

Show Your Work

2 Present the findings of your assessment

After all, you did spend a lot of time doing research on your process and industry, assessing your deficiencies, and identifying your needs. Why not show it off?

It is very important to present the findings of your assessment in your proposal, and that is for several reasons.

First, showing that you have conducted a needs assessment of your recruitment department will immediately give your proposal more legitimacy. Second, presenting your findings will allow your executives to see the deficiencies, and that you are targeting the areas that could add the most value. And finally, showing that you have done extensive research will show your commitment to the vision, as well as inspire more confidence in you.

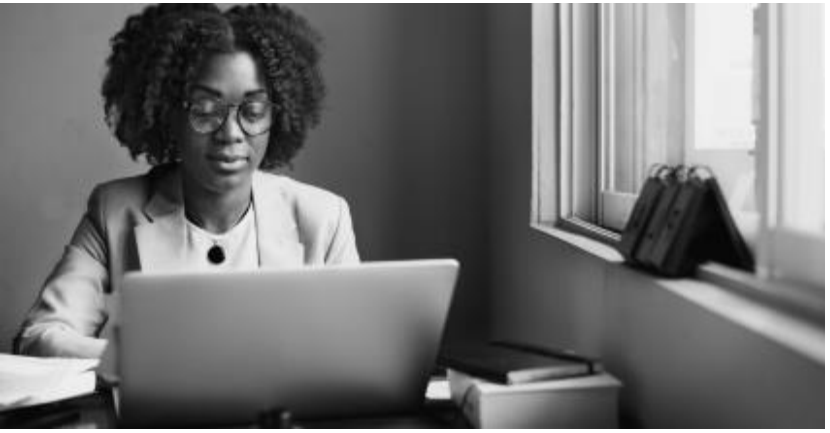
KEY TAKEAWAY

Present smart. Use charts, graphs, and concise wording in order to make your content easily digestible and ensure your audience remains engaged.

3

Build the Strategy

3 Set up a fully formed strategic plan



This is your chance to present your fully comprehensive recruitment strategy.

At the most basic level, your recruitment strategy will show how you plan on achieving your vision. Just like with any other strategy, you will need to outline how you will be realizing your vision with concrete, measurable objectives.

For example, don't go to your executives with vague objectives like "fill positions faster", and instead have something more like "reduce time to hire by up to X%, which translates into savings of XX$ per position".

After you have communicated your objectives, you will also need to present the projects that will need to take place in order to achieve your goals. In this part, you will need to specify who will be involved in each project, how long it will take, and what are the requirements (IT, HR, tools, etc.).

Don't forget to set up your KPIs – key performance indicators that will allow you to measure the performance of your projects as they take place.

KEY TAKEAWAY

Have 3 – 5 objectives that will allow you to achieve your vision. Ensure each one of your objectives is specific, measureable, achievable, relevant, and timely.

4

Show the Breakdown

4 Provide a detailed outline of your cost and expenses

It is important to show the decision-makers the breakdown of your budget. Which areas you're focusing on, where the money is going, and why it's going there.

Just think of your proposal as an investment pitch. If someone were to come asking you for money, wouldn't you want to know how your money is being spent and whether or not it's being invested wisely? Be sure to list all of your elements in a table and appropriate the costs and expenses accordingly. Try to be as specific as possible, and be prepared to discuss every line.

5

Focus on ROI

5 The proof is always in the numbers

This is probably the most important part of your proposal. You could have a revolutionary vision, and the world's best-planned strategy, but it all means nothing if you can't get a return on your investment.

It is imperative that you show how your budget will be used in a way that will lead to positive results – cost-cutting, reduced time to hire, higher quality candidate pool, etc. If you aren't sure how you can find these numbers, do some more research.

The information is always available, it just needs to be found. And if for any reason you still can't find it, simply ask! If you're confident a certain tool or assessment is what you need to achieve your goals, then just ask the supplier to help you out with some statistics on their ROI. Trust me, they will be more than happy to help!

ROI
THE ONLY THING YOU REALLY CARE ABOUT

READ ON

There is no better time than right now to become the strategic partner you know you can be in your organization. And with these 10 tips, you have everything you need to build your strategy, pitch your proposal, and get the recruitment budget you need to make it all happen.

Be sure to check out the ROI of psychometrics and see if it's something that meets your recruitment needs.

Best of luck!

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