

When to Recruit:

Replacements, Workload & Economy...

While the world's economy is struggling, businesses in Australia are dealing with something a bit different. Australian companies are generally thriving, and while all businesses are prone to their own ups and downs, these organizations have a unique opportunity to take advantage of the successful Australian economy.

But growth doesn't come easy. Growth requires smart decision making, especially with regards to recruiting and retention. This brings up an important question: when is the right time to recruit?

Assessment, Performance & Need

Most companies look at recruiting in terms of revenue. Companies that have money create positions to improve revenue. Companies that are struggling either remain stagnant or go through layoffs. Neither of these are necessarily correct strategies.

It starts by formally assessing your company and ensuring that you're correctly measuring performance and output:

- You'll want to spot those whose contributions provide more revenue, and identify those that may need improvement.
- You'll want to locate strengths within the organization and its employees, and categorize weaknesses that need to be addressed.
- You'll want to determine the value of everyone within the organization from top to bottom and see what they're truly bringing, and what needs to be brought.

Assessment is a crucial part of a successful strategy. Formal methods of gauging productivity allow you to truly identify the performers and the slackers without bias. Until you've put these performance metrics in place, there is no way to know what truly needs to be addressed.

Proactively Recruiting for Need

From there, you can start recruiting for need. You need to avoid the temptation to look at revenue when it comes to recruiting for need. Remember that the key is long-term sustainability.

Sometimes you'll need to take the risk and recruit someone even when your business is struggling, because addressing a need is crucial for the health of your business.

Other times you'll find that even though you have the money there is no real benefit to bringing someone else on, because you haven't opened up a need yet. That extra money could always be used for marketing, or the development of new products or services that will ultimately create a need.

This is why performance metrics are such a crucial part of this type of campaign. Without them, there is simply no way to know when you have a need to meet, and when you're simply wasting potential investments on whims.

Keep in mind that you'll still want to keep costs down. Low cost recruitment like that of Recruit Shop helps ensure that you're taking fewer financial risks, while also identifying potentially successful employees. But taking those risks to fill needs is an important part of a successful business.

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Basing Recruiting Decisions On the Economy?

Forecasting is an important component of a successful business, but basing your decisions solely on the economy ignores the fact that need is still need. You'll still need to make sure that you're addressing the needs of your business and its customers, regardless of current economic changes. The economy is important and can have a major effect on your business, but it's also not something you should over-adjust to unless you see or know with certainty that economic changes will affect your company in the near future.

What About Replacements?

Another aspect of running a company is how to handle replacements. Replacements either replace a bad employee, replace a lost employee, or change a position and give some of the tasks to someone new.

The question of when to recruit replacements has a simple answer: as soon as you know a replacement is necessary.

There is an assumption that every employee within your organization must be contributing more than their salary. Ideally, every employee needs to have a positive return on investment. You'll be able to know this by creating performance metrics.

As a result of this positive ROI, any time spent without an employee is, by definition, lost revenue.

As soon as you have any indication that an employee is going to leave or will need to be replaced, finding a suitable replacement should be your priority to reduce any downtime and ensure that the position continues to provide its value.

There is no set time, but recruitment takes time, so looking for a replacement immediately or hiring a recruitment company right away will reduce losses and improve the long term outlook for your business.

The Question of When to Recruit

Hiring and recruitment are complex fields. They need to be navigated appropriately in order to reduce losses and keep your company thriving. As a result, the question of when to recruit relates directly to whether or not your business has or will have a need, and how soon you can fill it.

Economic indicators certainly play a role, and there may be a rare time when you need to recruit someone for reasons that have nothing to do with filling a need and everything to do with taking a risk.

But, in general, the most important thing you can do is develop accurate metrics that measure your business and identify the areas that need someone to take on a role.

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- Team at ABEX Training



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