



National Audit Office

Recruiting civil servants efficiently: Methodology

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1. Overview of scope and methodology

1.1. This supporting paper is for the NAO report '*Recruiting civil servants efficiently*'.

Figure 1 shows the methodological approach applied.

Figure 1: Overview of study methodology	
Work strand	Method
Analysis of external recruitment across central government	<ul style="list-style-type: none"> • Analysis of central government employment and recruitment statistics from the following sources; <ol style="list-style-type: none"> 1. Office for National Statistics 2. Office of the Civil Service Commissioners 3. Departmental resource accounts 4. Cabinet Office • Interviews with department HR directors and other staff responsible for and working in recruitment • Interviews with Cabinet Office areas responsible for recruitment policy and monitoring recruitment activity • Interviews with the Office of Civil Service Commissioners • Literature research
Analysis of external recruitment data at six organisations; Department for Work and Pensions, HM Prison Service, HM Revenue & Customs, Ministry of Defence, Ministry of Justice and UK Border Agency	<ul style="list-style-type: none"> • Generation and analysis of summary data from six organisations, including the volume and type of recruitment and the total resources used.
Analysis of current recruitment process at six organisations	<ul style="list-style-type: none"> • Generation and analysis of process data from all six organisations. • Production of high-level process maps for each of the six organisations to understand how they recruit. • Detailed process analysis workshops with staff from HM Revenue & Customs and the Ministry of Justice including the generation of primary data in the form of process metrics • Interviews with department HR directors and other staff responsible for and working in recruitment • Interviews with Cabinet Office areas responsible for recruitment policy and monitoring recruitment activity

Design and evaluation of potential future external recruitment process (with HM Revenue & Customs and the Ministry of Justice)	<ul style="list-style-type: none"> • Process analysis workshops with staff from HM Revenue & Customs and the Ministry of Justice • Interviews with Cabinet Office and Office of the Civil Service Commissioners to test the compliance of the new processes with existing policy
Review of findings	<ul style="list-style-type: none"> • Expert panel of process improvement and HR experts to validate and challenge the proposed methodology and study findings • Expert review of emerging findings and recommendations with a sample of central government HR Directors to test applicability to wider government
Good practice comparisons	<ul style="list-style-type: none"> • Interviews with three private sector organisations and the Chartered Institute of Personnel & Development to generate good practice examples
Supporting research	<ul style="list-style-type: none"> • Review of relevant literature including other NAO value for money reports. • Review of Chartered Institute of Personnel & Development reports and survey data
<i>Source: National Audit Office</i>	

2. Central government recruitment

Central government employment statistics

2.1. We used data held by the Office for National Statistics (including *Civil Service Employment Statistics*, published quarterly online and the *Civil Service Statistics Report 2007¹*), the Office of the Civil Service Commissioners, the Cabinet Office and departmental resource accounts to develop a picture of the size and nature of central government employment. This information was used to calculate the following employment statistics:

- i. The number of people employed in central government, broken down by region and as a percentage of the total workforce (**Figure 2**)

Figure 2: Regional employment of civil servants as a percentage of the total workforce

	Number of civil servants	Percentage of total Civil Service	Total regional workforce	Percentage of total regional workforce
London	85,090	16	4,039,000	2.1
North West	63,510	12	3,004,000	2.1
South East	55,340	11	3,670,000	1.5
South West	50,390	10	2,219,000	2.3
Scotland	48,530	9	2,383,000	2.0
Yorkshire and The Humber	39,290	8	2,236,000	1.8
North East	35,840	7	1,054,000	3.4
West Midlands	34,000	7	2,379,000	1.4
Wales	33,350	6	1,192,000	2.8
East of England	29,950	6	2,377,000	1.3
East Midlands	25,110	5	1,856,000	1.4
Not reported and elsewhere	15,880	3	0	-
Northern Ireland	5,380	1	720,000	0.7
Total	521,620		27,129,000	

Source: Office for National Statistics

Notes

1. Figures relate to headcount
2. Calculated as at September 30th, 2007
3. Statistics for the wider workforce taken from labour force survey statistics (ONS)

¹ Data points for these reports are at September 30th in each year

- ii. The total headcount of the civil service as a percentage of the entire public sector and the total United Kingdom workforce (**Figure 3**).

Figure 3: Civil service as a percentage of the total public sector and the total workforce of the United Kingdom

Civil service headcount (Thousands)	Total Public Sector headcount (Thousands)	Civil service headcount as a percentage of the total public sector	Total Workforce (Thousands)	Civil service headcount as a percentage of the total workforce
521	5,771	9	29,538	1.8

Source: Office for National Statistics

Notes

1. Calculated as at March 31st, 2008 using Office for National Statistics data on the United Kingdom workforce broken down by sector

- iii. The number of Full Time Equivalent positions in the civil service between 1999 and 2008. (**Figure 4**)

Figure 4: Full time equivalent civil service positions (1999-2008)

Year	Full Time Equivalents (thousands)
1999-2000	487
2000-2001	497
2001-2002	500
2002-2003	520
2003-2004	534
2004-2005	533
2005-2006	529
2006-2007	515
2007-2008	496

Source: Office for National Statistics

Notes

1. Data points taken at the end of each financial year

- iv. The percentage of civil servants employed in individual organisations (**Figure 5**)

Figure 5: Breakdown of civil service employment in individual organisations		
Organisation	Full Time Equivalent Positions	Percentage of total civil service
Department for Work and Pensions. Of which;	96270	19
<i>Job Centre Plus</i>	66420	-
<i>Pension Service</i>	10760	-
<i>DWP Corporate and Shared Services</i>	9590	-
<i>Child Support Agency</i>	9500	-
HM Revenue and Customs	83830	17
Ministry of Defence	68600	14
Public Sector Prison Service	49500	10
Ministry of Justice. Of which;	28500	6
<i>HM Courts Service</i>	19060	-
UK Border Agency	17760	4
Crown Prosecution Service	8060	2
Total	352520	71

Source: Office for National Statistics

Notes

1. Full time equivalent positions
2. Calculated as at March 31st, 2008

- v. Breakdown by grade (**Figure 6**)

Figure 6: Breakdown of central government employment by grade		
Grade	Number of positions	Percentage of total
Administrative Officers and Assistants	229,580	47
Executive Officers	122,540	25
Senior and Higher Executive Officers	95,580	20
Grades 6 and 7	31,010	6
Other	10,230	2
Total	488,940	

Source: Office for National Statistics

Notes

1. Full time equivalents
2. Data calculated as at September 30th, 2007

Central government recruitment statistics

2.2. At the time of our analysis the most up to date source of information regarding central government recruitment as a whole was the Office for National Statistics' *Civil Service Statistics Report 2007*. The report contains civil service recruitment statistics by age, gender, location and grade of job for the period between September 2006 and September 2007. We compared the profile of recruitment against the same report from the previous two years. We then triangulated this information using recruitment statistics for financial year 2007-08, collected by the Office of the Civil Service Commissioners as part of their annual end of year audit of departmental compliance with the recruitment code. We also used analysis of management information collected directly from the six case study organisations to produce an indicative figure for recruitment. This information was used to calculate the following recruitment statistics:

- i. The top five recruiters in central government between 2005-08 (**Figure 7**)

2007-08		
Department	Number recruited	Percentage of total recruitment
Ministry of Justice	6,120	22
Department for Work and Pensions	3,440	22
Ministry of Defence	3,330	14
Home Office	3,070	8
Department for Environment Food and Rural Affairs	1,630	5
Overall percentage		72

2006-07		
Department	Number recruited	Percentage of total recruitment
HM Revenue & Customs	12,210	28
Home Office	7,390	17
Department for Work and Pensions	5,800	13
Department for Constitutional Affairs	3,940	9
Ministry of Defence	3,800	9
Overall percentage		77

2005-06		
Department	Number recruited	Percentage of total recruitment
Department for Work and Pensions	11,440	24
Inland Revenue	11,320	14
Ministry of Defence	7,350	13
HM Prison Service	4,040	12
Home Office	2,340	7
Overall percentage	-	70

Source: Office for National Statistics

Notes

1. Calculated as a percentage of total recruitment as at September 30th in each year
2. In July 2008, HM Prison Service became part of the National Offender Management Service, which although an executive agency of the Ministry of Justice has its own recruitment function and so is treated separate to the Ministry of Justice in this report. Previous to this, HM Prison Service was an executive agency of the Ministry of Justice and prior to this, the Home Office.
3. HM Revenue & Customs was formed in 2005, following the merger of Inland Revenue and HM Customs and Excise.
4. In 2007-08 HM Revenue & Customs was the 7th largest recruiter as at September 30th with 1,460 or 6% of total recruitment.

ii. The volume of recruitment by grade (**Figure 8**)

Figure 8: Breakdown of recruitment by grade		
Grade	Number of positions	Percentage of total
Administrative Officers and Assistants	15,990	64
Executive Officers	3,450	14
Senior and Higher Executive Officers	3,320	13
Grades 6 and 7	1,270	5
Other	920	4

Source: Office for National Statistics

Notes

1. Calculated as at 31st September, 2007

iii. The number of vacancies per recruitment campaign (**Figure 9**)

Figure 9: The number of vacancies per recruitment campaign, 2008			
Organisation	Number of Campaigns	Number of vacancies	Ratio of vacancies to campaigns
Cabinet Office	180	170	0.9
Ministry of Justice	73	934	12.8
Department for Culture Media & Sport	109	99	0.9
Department for Education & Skills	313	386	1.2
Department for Environment, Food & Rural Affairs	225	371	1.6
Department for International Development	18	20	1.1
Department for Transport	344	676	2.0
Department for Work & Pensions	330	3786	11.5
Department of Health	167	134	0.8
Department for Business Enterprise and Regulatory Reform	234	329	1.4
Foreign & Commonwealth Office	126	251	4.7
HM Treasury	101	2731	27.0
Home Office	254	839	3.3
Law officers	1728	299	0.2
Ministry of Defence	43	1404	32.7
Welsh Assembly	8	47	5.9
Northern Ireland Office	0	6	-
Department for Communities & Local Government	259	79	0.3
Scottish Gov	13	393	30.2
Office of Government Commerce	0	0	-
Export Credit Guarantee Agency	843	0	0.0
Ministry of Justice	427	0	0.0
	5,795	12,954	

Source: Cabinet Office data taken from the Civil Service Vacancies website

Notes

1. Data covers period between April and September 2008
2. Number of vacancies rounded to nearest whole vacancy

iv. The location of vacancies by region (**Figure 10**)

Figure 10: The location of vacancies, 2008		
Region	Total Vacancies	Percentage of total vacancies (%)
East Midlands	1,086	8
East of England	969	7
London	59	0
National	1,697	13
North East	7,914	61
North West	436	3
Northern Ireland	893	7
Overseas	250	2
Scotland	5,591	43
South East	1,935	15
South West	2,326	18
Wales	2,884	22
West Midlands	108	1
Yorkshire & Humberside	12	0
Total	26,160	

Source: Cabinet Office data taken from the Civil Service Vacancies website

Notes
1. Data covers period between April and September 2008

2.3. Analysis of Office for National Statistics data shows 70 per cent of all civil servants are employed in six organisations (**Figure 11**). The formation of the Ministry of Justice in 2007 led to the transfer of HM Prison Service from the Home Office and the merger of the Department for Constitutional Affairs, HM Courts Service and the Tribunals Service. As HM Prison Service has an independent recruitment function to the rest of the Ministry of Justice, our analysis has treated it separately. The Department for Work and Pensions uses a shared services model through which all recruitment for the department and its agencies such as Jobcentre Plus and the Child Support Agency and the Pensions Service occurs and is therefore treated as a single organisation. The six organisations and their agencies account for nine of the top ten largest organisations in central government, the other being the Crown Prosecution service.

Figure 11: Employment and recruitment statistics for the six largest employers in central government (2007-08)

Case Study	Organisation	Number of staff employed	Percentage of total civil service	Number of staff recruited (2007-08)
1	Department for Work and Pensions (includes Jobcentre Plus, the former Child Support Agency and the Pensions Service)	96,270	19	3,833
2	HM Revenue & Customs	83,830	17	2,982
3	Ministry of Defence	68,600	14	1,289
4	HM Prison Service	49,500	10	6,329
5	Ministry of Justice (includes HM Courts Service)	28,500	6	1,407
6	UK Border Agency	17,760	4	1,067
	Total	344,460	70	16,175

Notes

1. Employment statistics are recorded as the number of Full Time Equivalent positions. Recruitment statistics are recorded as headcount, i.e. the actual number of people recruited.
2. Ministry of Justice statistics are taken from departmental information as the department had not been formed at the time of the Office for National Statistics report

Source: Office of National Statistics and National Audit Office analysis of departmental information

2.4. We used departmental resource accounts covering the period between April 2005 and March 2008 to calculate department spending on employees as a percentage of total running costs. A sample of sixteen of the largest central government organisations identified that across a three year period the sixteen largest central government organisations spent a median of 55 per cent of their running costs on employing people (**Figure 12**).

Figure 12: Spend on employing civil servants as a percentage of departmental running costs

Organisation	Percentage of running costs 2005-06	Percentage of running costs 2006-07	Percentage of running costs 2007-08
Home Office	48.4	50.5	54.5
Department for Children Schools & Families	63.2	61.1	64.4
Cabinet Office	56.4	58.3	50.3
Ministry of Justice	41.8	46.3	95.0
Foreign & Commonwealth Office	57.4	50.7	53.5
Department for Culture Media & Sport	47.5	48.7	47.8
Department for Transport	46.4	58.2	47.5
HM Revenue & Customs	66.4	65.0	66.8
Department for Work & Pensions	51.8	51.9	52.8
Department for Environment, Food & Rural Affairs	58.7	58.1	42.6
Department for International Development	42.5	37.9	46.5
Department for Communities & Local Government	69.2	68.1	68.7
HM Treasury	61.9	60.8	52.7
Department for Health	55.3	57.2	54.3
Department for Business Enterprise and Regulatory Reform	54.9	55.7	31.9
Department for Innovation, University and Skills	-	-	57.7
Median	54.9	57	54.3
Median over 3 years	-	-	54.9

Source: National Audit Office analysis of departmental resource accounts

Notes

1. Ministry of Justice figures for 2005-06 and 2006-07 relate to the Department for Constitutional Affairs
2. Department for Business Enterprise and Regulatory Reform figures for 2005-06 and 2006-07 relate to the Department for Trade & Industry
3. Running costs refers to *administrative costs* as declared in departmental accounts which includes all elements of expenditure relating directly to the operation of an organisation such as infrastructure and people but does not include programme costs, for example the costs of staffing and accommodating the organisation to deliver tax credits, but not the tax credits themselves.
4. Resources spent employing people include pay, national insurance contributions and pensions contributions.

- 2.5. We calculated the workforce turnover for all central government departments using Office for National Statistics data. Percentage turnover is calculated using the total number of leavers over a year as a percentage of the average total number employed over a year.

3. External recruitment statistics in six organisations

Summary analysis of external recruitment

3.1. In order to understand the key metrics of recruitment performance we designed a data collection template and worked with human resources staff in the six case study organisations to collect the specified information. This included details on suppliers, inputs, processes, outputs and customers to identify the resources, stakeholders, issues and the composition of the recruitment process at a high level. This work comprised four main elements:

- Analysis of data identifying the volume and types of recruitment
- Analysis of data identifying the key areas of spend, divided into internal and external costs
- Analysis of the summary performance metrics (cost and time) of the recruitment process
- Analysis of the performance (cost and time) of the current process divided into high level process steps

3.2. **Figure 14** details the information we requested which was used to produce the results shown in **Figure 9** of the main report. We reported data from 2007-08 but also requested data for the previous two years to determine if this data was representative.

Figure 14: Performance metrics – the basic data requested

Context
Organisational equivalents to standard civil service grades
Examples of types of jobs in this grade
Summary data on volumes and types of recruitment
Number of vacancies by grade
Number of applicants by grade
Number of people recruited by grade
Number of events/campaigns by grade
Number of FTE on external recruitment team by grade
Total annual external costs
Spend on recruitment companies
Spend on advertising
Spend on venue hire
Spend on candidate travel and subsistence costs
Total annual internal staff costs
Recruitment team staff costs
Non-recruitment team staff costs
Process time
Average time from receipt of authorisation to recruit to first day for new recruit
Service level agreement for time to recruit
Effectiveness
Average percentage of staff withdrawing from the process
Number of staff leaving within 12 months
Diversity targets
Achievement against diversity targets
<i>Source: National Audit Office</i>

4. High level analysis of the current recruitment process in six organisations

Time spent on recruiting by non-recruitment team staff

4.1. We found that while all six organisations could provide information on recruitment staff costs, none of the case study organisations held reliable information on the amount of time spent by non-recruitment team staff. Our process analysis workshops with HM Revenue & Customs and the Ministry of Justice had identified non-recruitment team staff time as a significant element of the total cost to recruit. We therefore worked with the six organisations to produce estimates based on typical recruitment campaigns in order to help construct an estimated total recruitment cost and cost per recruit. Using this information we also calculated non-recruitment team staff costs as a percentage of the estimated total cost. This produced a weighted average of 38 per cent and a median of 41 per cent. We used a range of methods to estimate time spent by non-recruitment team staff (**Figure 15**)

Figure 15: Performance metrics – the basic data supplied on recruitment	
Department	Method for estimate
HM Prison Service UK Border Agency	Estimates provided as part of summary data submission. Based on percentage of total costs reported
Ministry of Defence Department for Work & Pensions	Estimates of non-recruitment staff time provided as part of a high level process mapping exercise. Total non-recruitment staff cost estimated based on extrapolations from a sample of typical recruitment campaigns
Ministry of Justice HM Revenue and Customs	Non-recruitment staff time provided as part of detailed process mapping exercise taken as a percentage of total internal staff time for a typical campaign

Source: National Audit Office

The range in internal staff time and costs

4.2. We worked with human resources staff in each of the six organisations to identify the most common types or “natural groups” of recruitment to establish whether there is any significant variation in the recruitment process or in the level of resources used. We found that most of the six organisations could split their recruitment into two or three different natural groups as even very different grades and job roles often follow a similar process. We then worked with human resources staff in each of the six organisations to produce high level process maps for each natural group for a typical recruitment campaign and to collect data on the amount

of time taken spent on each process step and the total internal staff effort. We undertook a comparison exercise to align each organisation's recruitment steps against a common process. **Figures 16 and 17** detail the cumulative time and internal staff cost of a typical recruitment campaign for each natural group. The calculations of cumulative time and internal staff costs are based on the assumptions detailed in **Figure 18**.

Figure 16: The cumulative time collected for each process

Department	Processing time (working days)
HM Revenue & Customs (Specialist grades)	212
HM Revenue & Customs (Generalist grades)	182
Ministry of Justice (E-F grades)	162
Ministry of Justice (A-D grades)	146
HM Prison Service (Support staff)	137
HM Prison Service (Management / Executive)	133
UK Border Agency (Grade 6/7)	133
Ministry of Defence	110
UK Border Agency (HEO/IO/AIO)	105
UK Border Agency (HEO Technical Specialist)	100
Department for Work & Pensions	80
HM Prison Service (Prison Officers)	64

Note: Cumulative time is the time taken to complete each of the individual stages of recruitment one after the other. It does not account for steps that may be undertaken concurrently

Source: National Audit Office

Figure 17: The internal staff cost collected for each process

Department	Internal staff cost per recruit (£)
HM Revenue & Customs (Specialist grades)	1921
UK Border Agency (HEO Technical Specialist)	1760
UK Border Agency (Grade 6/7)	1702
HM Revenue & Customs (Generalist grades)	1631
Department for Work & Pensions	1541
HM Prison Service (Management / Executive)	1515
Ministry of Justice (A-D grades)	1092
HM Prison Service (Support staff)	934
Ministry of Justice (E-F grades)	811
Ministry of Defence	651
HM Prison Service (Prison Officers)	556
UK Border Agency (HEO/IO/AIO)	-

Source: National Audit Office

Figure 18: Assumptions used when constructing high level process data

Department/Agency	Working hours	Cost basis
HM Revenue & Customs	42 hour/52 week year	Annual staff salary costs
Ministry of Justice	37 hour/52 week year	Annual staff salary costs
Ministry of Defence	42 hour/52 week year	Annual staff salary costs
Department for Work & Pensions	42 hour/52 week year	Annual staff salary costs
HM Prison Service	42 hour/52 week year	Annual staff salary costs
UK Border Agency	42 hour/52 week year	Capitation rates (salary plus other employee costs)

Source: National Audit Office

Profile of average internal costs and time to recruit

4.3. Our work across the six case study departments found that there were variations in the overall totals for both staff costs and cumulative time. Each organisation has different approaches, volumes and types of recruitment making direct comparison difficult. We focussed on establishing the profile of staff cost and cumulative time for each process step as a percentage of each organisations' own process to understand where the majority of cost and time is spent. These calculations were used to establish the median across all six case studies. Our detailed process analysis work with HM Revenue & Customs and the Ministry of Justice confirmed the findings of this summary analysis.

Maturity of recruitment practices

4.4. We worked with the Chartered Institute of Personnel and Development, private sector organisations, human resources professionals in government and consulted existing literature to identify how to judge the relative maturity and sophistication of the six organisations' current recruitment processes. The seven main criteria identified as relevant indicators were a website presence for external recruitment, automated sifting of applications, E-recruitment, process improvement, the use of HR Business Partners, shared services for recruitment and candidate segmentation. We assessed each department against these criteria using the six organisations' returns and interviews with human resource staff within each organisation.

Percentage of successful applicants

4.5. We used information gathered in the data collection templates to calculate the percentage of successful applicants across the six organisations in 2007-08 (**Figure 19**). We calculated the median in order to understand the relative success of applicants across all six organisations.

Figure 19: Percentage of successful applicants (2007-08)			
Department	Total number of applicants	Total number of people recruited	Successful Applicants
Department for Work & Pensions	34089	3833	11%
HM Revenue & Customs	18782	2812	15%
Ministry of Defence	6819	1289	19%
Ministry of Justice	30442	1407	5%
HM Prison Service	43124	6329	15%
UK Border Agency	11614	1067	9%
	Median		13%

Source: National Audit Office

Understanding annual demand for staff

4.6. We worked with HM Revenue & Customs and the Ministry of Justice to understand the breakdown of annual demand for new staff over the financial year. We collected information for 2007-08 and the first quarter of 2008-09.

Evaluating the effectiveness of recruitment

4.7. We consulted with departments, the Cabinet Office, private sector organisations and the Chartered Institute of Personnel and Development to evaluate how to best judge the effectiveness of external recruitment. From our consultation we identified the number of leavers within the first 12 months of employment, or during probationary periods, as the most direct indicator of the effectiveness of the external recruitment process. We requested data on the number of staff leaving within 12 months of their start dates for financial year 2007-08 and used this figure to calculate the percentage of leavers during that year as a proportion of the total number recruited.

5. Design and evaluation of potential future external recruitment process

5.1. We undertook detailed analysis with HM Revenue & Customs and the Ministry of Justice to further understand the current external recruitment process, collect detailed metrics on the process steps, identify the issues with the current way of working for candidates, vacancy holders and the organisation and to generate opportunities to improve the process. The detailed analysis was split into two workshop sessions delivered over the course of five days. In the first we captured the current process activities, the associated metrics and issues and the second session was used to identify, in conjunction with the client departments, the opportunities for improvement. Our detailed analysis with the two client departments was supplemented by interviews with the remaining four case study organisations, the Cabinet Office and the Civil Service Commissioners to further build our understanding of the degree to which the issues identified are common across central government and to test potential solutions.

Process analysis: current state

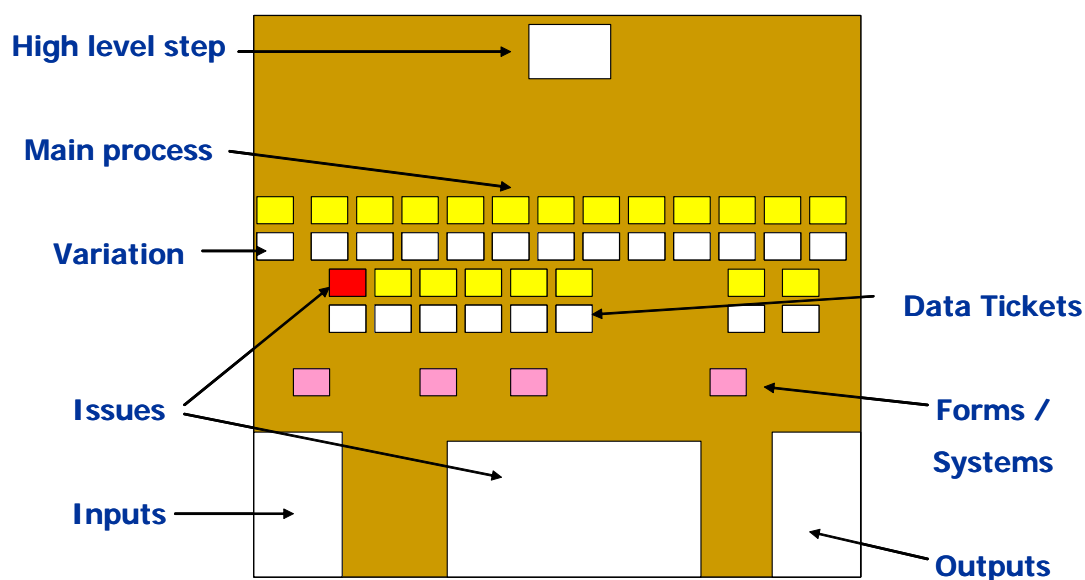
5.2. We applied business process improvement techniques to analyse the current process and identify opportunities for improvement at HM Revenue & Customs and Ministry of Justice, supplementing our own process analysis experience with support from Simpler, a consultancy firm specialising in process improvement. A key element of our approach was the use of Value Stream Mapping in a series of workshops with the two organisations. The purpose of Value Stream Mapping is to provide visibility of the process and to aid evidence-based decision making and clear planning in how to improve.

5.3. The first activity of the process analysis workshops was to develop a current state process map to illustrate each step of the recruitment process at a detailed level (**Figure 20**). The map included the resources required, the time taken to complete each step and the issues associated with each step. The workshop attendees were drawn from staff involved in the day to day running of the recruitment process from across the entire business such as recruitment team staff and the human resource liaison points. We also included business managers who have vacancies in their teams, central human resource policy staff and candidates.

In addition to identifying the issues and ways of working that actually occur day to day, these staff generated the ideas for improvements.

Figure 20: Example current state process map

Multiple detailed process maps are created for each of the high level steps in the recruitment process



Source: National Audit Office

5.4. As part of the Value Stream Analysis we collected metrics to understand in detail what was happening at each stage of the process and to generate quantitative data (**Figure 21**). The data enabled us to identify the profile of resource used throughout the process and the time taken to recruit as well as issues experienced by the recruitment team. The data also provided visibility of where there was batching of work in the process by looking at work in progress and the relative quality of each process step by collecting details on the frequency with which all required information is correctly supplied for each process step to be successfully completed.

Figure 21. Example data ticket

TRIGGER	What causes this step to start?
DONE	How do we know this step is completed?
CUMMULATIVE TIME	Total time for the process step to be completed including waiting and processing time
INTERNAL STAFF TIME	The amount of effort (time) that it takes from all staff involved to progress one candidate to the end of that process step
PEOPLE	How many internal people are involved in this step and how much time is spent on the process?
EXTERNAL INPUT	What is the total cost of the external input for this part of the process. E.g. Advertising costs
WORK IN PROGRESS (WIP)	How many candidates are required to trigger this process step?
YIELD	Number of candidates at the start and finish of each process step
INFORMATION	How often is the information supplied to you correct and complete so that you can complete this process step
ISSUES	

Source: *National Audit Office*

5.5. It is important to note that our method was designed to baseline the current process and to then use this information to identify opportunities for improvement. Some activities may be performed concurrently to reduce the total (cumulative) time taken to recruit. However using cumulative time helped us to identify where there were delays candidates through the process and enabled us to focus on the underperforming activities (**Figure22**).

Figure 22: An example of how to calculate internal staff time and cumulative time

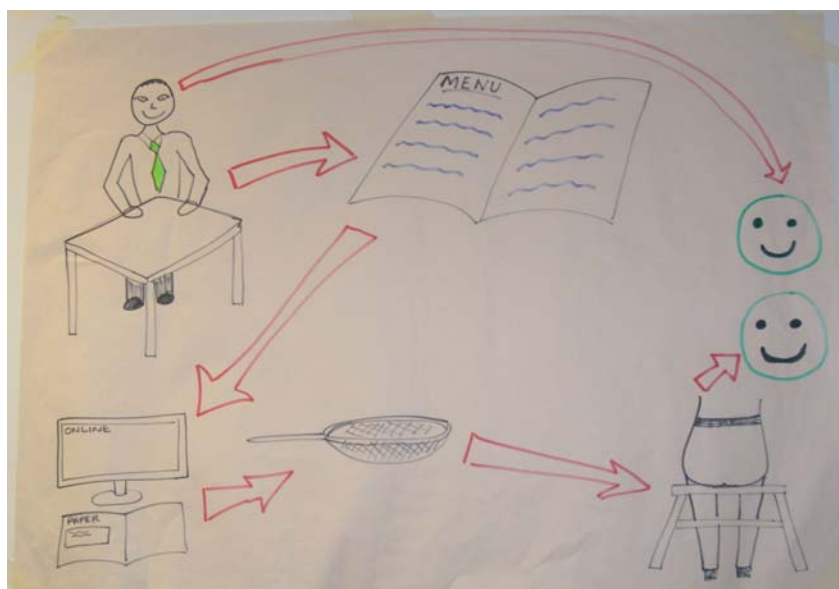
Activity	Internal staff time	Cumulative time
A writes an e-mail to B requesting a meeting	5 minutes	5 minutes
B reads the e-mail and writes a response	5 minutes	55 minutes
A reads the response and arranges a meeting room	5 minutes	1 hour
A & B hold a meeting	15 minutes	5 hours
Total	30 minutes	7 hours (1 day)

Source: *National Audit Office*

5.6. We invited candidates and managers that recruit staff to the process mapping workshops in order to understand issues from the perspective of the customers of the process. We undertook a separate exercise to map the process from their perspective alone. The technique, known as consumption mapping, provides a fuller insight into the experience of the customer during the process (**Figure 23**). The

Figure 24: Example ideal state

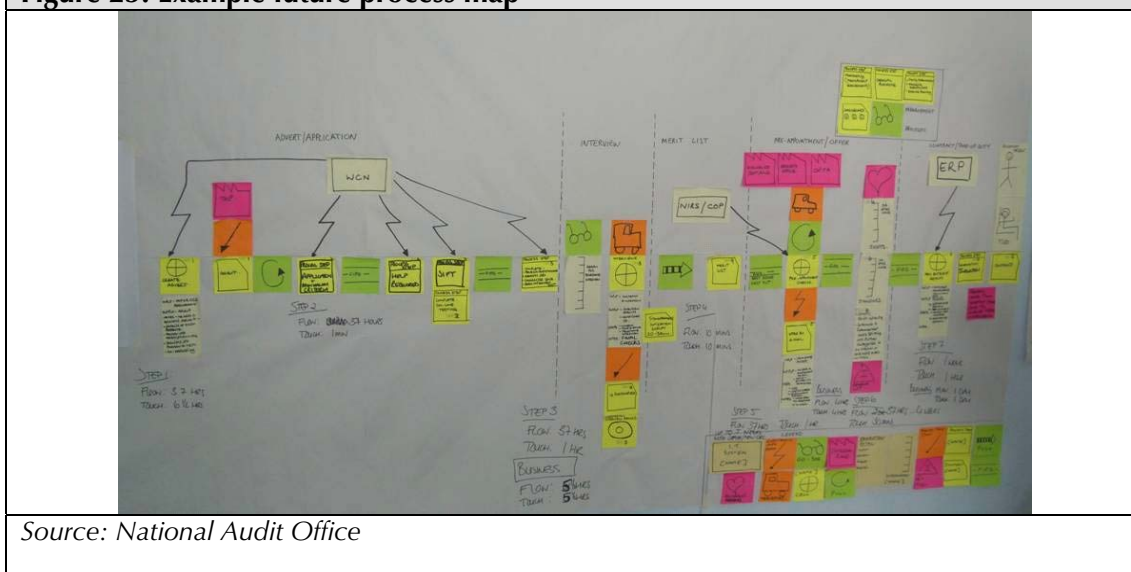
Having produced the ideal state the guiding principles for the ideal are captured and used in the design of the future process. In the example below one guiding principle was to use a short list of options for recruitment (the menu) which details the implications of the chosen recruitment route, including the associated effort and cost.



Source: National Audit Office

5.8. Using the guiding principles we developed a “future state” process map, in conjunction with the staff from the client departments. The future state process map used the guiding principles to create a new way of working, including placing the remaining value added steps from the current process in the most efficient order (**Figure 25**). By using the future state map, and referring to the current state process, we identified steps which had been removed, altered and added to create the new way of working. The department staff then estimated the effort involved in any new or altered steps and added these metrics to those remaining from the current process to produce new cumulative time and staff effort metrics for the future state. We identified the key changes required to implement the new way of working and estimated their achievability by assessing the level of benefits versus the ease of implementation which included a high level assessment of the work required to implement the changes.

Figure 25. Example future process map



Interviews with client organisations

5.9. We used our interviews with all six case study organisations to supplement our understanding of recruitment issues and to identify opportunities for improvement. The purpose of these interviews was to assess the contextual factors that influence how departments recruit and to develop a rounded understanding of the main issues with the current way of recruiting. We assessed whether these views were representative of the experience across government by holding interviews with representatives from the Cabinet Office and the Office of the Civil Service Commissioners, and also identified issues from their perspective. The interviews were unstructured but did cover the same issues (**Figure 26 and 27**)

Figure 26: Contextual questions asked of the six case study organisations and central bodies

Question
What are the major issues around recruitment for the organisation as a whole?
What are the major issues around recruitment From the recruitment team's perspective?
What are the major issues around recruitment for the customer of the process, i.e. the vacancy holder in the business area?
What are the major issues around recruitment for the customer of the process, i.e. the candidates?
What action is the department taking to address the main issues?
What else could the Department do to address the main issues
Who do you provide information to in central government on your recruitment function?
What kind of information do you provide?
Has central government effectively communicated what they want?

Source: National Audit Office

Figure 27: List of interviewees

Department/Agency	Interviewee	Area of responsibility
HM Revenue & Customs	Janet Champion	Head of HR Strategic Policy & Change
	Joe Stuart	Director, Corporate Shared Services
Ministry of Justice	Steve Verdon	Head of HR Operations and Shared Services
	Mike Sterling	Interim Head of resourcing
Ministry of Defence	Alison French	Director General, Civilian Personnel
	Lesley Bennett	HR Policy Team
	Joy Newton	HR Policy Team
Department for Work & Pensions	Nicola Ellis	HR Policy Team
	David Cordey	HR Policy Team
	John Pringle	Head of Shared Services recruitment team (since retired)
	Robin Wilkinson	HR Director
	James Heavens	Head of Resourcing
UK Border Agency	Suzanne Gooch	Deputy Director, Delivery HR
Staff interviewed in central organisations		
Cabinet Office	Helen Dudley	Leadership and Talent
	Esther Wallington	Deputy Director, Senior Appointments & Succession Planning
	John Whittaker	Efficiency & Relocation Support Programme - West Midlands Pilot
	William Fitzmaurice	Efficiency & Relocation Support Programme - Civil Service Vacancies website and regional co-ordination
	Kennedy Humphreys	Security Policy Division
	David Benwell	Cabinet Office Regional Coordinator for the Efficiency and Relocation Support Programme (North West)
	Jacque Heany	HR Profession
Office of Civil Service Commissioners	Janet Paraskeva	First Commissioner
	Barry Forrester	Principal Policy Advisor for recruitment

Source: National Audit Office

Calculation of potential benefits

5.10. We based our estimation of potential opportunities to improve the efficiency of central government recruitment on our detailed work with HM Revenue & Customs and the Ministry of Justice. Our processes analysis and improvement work

identified opportunities to reduce the internal cost of recruitment by at least 68 per cent. If the performance of other organisations is consistent with this level of improvement, then central government could achieve potential annual internal staff cost savings of up to £35 million (**Figure 28**).

Figure 28: Calculation of potential benefits

	2007-08
Total number of staff recruited	40000
Median internal staff cost of recruitment	1631
Total staff cost for recruitment	65,240,000
Percentage of staff across government recruited for generalist positions	78%
Estimated cost of recruitment for generalist staff	50,887,200
Potential improvement identified for generalist recruitment	68%
Potential benefits for central government	34,603,296

Source: National Audit Office

Notes:

1. Total number of staff recruited taken from triangulation of Office for National Statistics, Office of the Civil Service Commissioners and departmental management information
2. Median cost of recruitment taken from NAO analysis of typical internal staff costs of recruitment for 11 types of vacancies across six organisations.
3. Total cost for recruitment based on median cost of recruitment multiplied by the total number of staff recruited
4. Percentage of staff recruited at generalist grades taken from Office for National Statistics
5. Estimated cost of recruitment for generalist staff based on total cost for recruitment multiplied by the percentage of staff recruited for generalist vacancies
6. Potential improvement for generalist recruitment based on the lowest level of potential improvement identified during detailed analysis with HM Revenue & Customs and the Ministry of Justice
7. Potential benefits for central government based on estimated cost of recruitment for generalist staff multiplied by the potential improvement identified for generalist staff

6. Review of findings

6.1. We used our expert panel to review the findings from a process improvement method perspective and to assess the applicability of our findings to HR in general and HR in central government. The purpose and method used with each of our experts is outlined in **Figure 29**.

Figure 29: Expert Panel members and areas of expertise		
Panel member	Purpose	Method
Dan Jones	To test the process methodology, findings and what further considerations are required to successfully implement the changes identified by our analysis	1:1 feedback session
Paul Ryder (HSBC) Jim Crosbie (Toyota)	To test the output findings and recommendations with HR expertise and to assess their resonance with their own experience from the private sector	1:1 feedback session
Nicola Monson (CIPD)	To test the output findings and recommendations with professional body with oversight of HR matters and to assess the resonance of our findings with their knowledge base	1:1 feedback session
The Civil Service Commissioners	To test the output findings and recommendations with the body responsible for oversight of Human Resource matters for the civil service and to assess the resonance of our findings with their knowledge base	1:1 feedback session

Source: National Audit Office

6.2. In addition we held a workshop with representatives of Human Resource Directors from across central government. The session confirmed the validity of the findings contained in the report. We also explored the applicability of the recommended areas of improvement with departments and agencies which were outside of the six case study organisations.

7. Good practice comparisons

7.1. We visited HSBC, Toyota and Unipart to compare and contrast practice with government organisations and to identify good practice that can be applied to external recruitment processes. The organisations exhibit different characteristics which provided insights into approaches that can be applied at contrasting types of organisations. HSBC and Unipart recruitment is more akin to the mix of volume generalist and specialist recruitments undertaken by the larger government organisations such as the Department for Work and Pensions and HM Revenue & Customs. Toyota's external recruitment is smaller scale and mainly for technical positions such as engineers.

8. Supporting research

Literature review

8.1. We reviewed, and used, existing literature to help shape the scope of the study and supplement our primary research. Our sources, including other NAO value for money reports, are listed in the bibliography.

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