



National Audit Office

# Recruiting civil servants efficiently

LONDON: The Stationery Office  
£14.35

Ordered by the  
House of Commons  
to be printed on 11 February 2009



# SUMMARY

**1** Central government employs half a million people and spends an average of 55 per cent of running costs on staff (**Figure 1**). Central government work is diverse, with civil servants working in job centres, courts, prisons, airports, defence installations and tax offices across all regions of the United Kingdom. The largest concentration of central government personnel, some 85,000 staff or 16 per cent of the civil service, is located in London. Over forty thousand new staff were recruited in 2007-08, with 78 per cent recruited for positions at junior grades. These include clerical and administrative roles common to all government departments, but also a wide range of jobs specific to each organisation such as prison officers, immigration officers and court clerks.

**2** Despite the volume of activity there is no centrally held data on the annual cost of central government recruitment or accurate data recorded within each organisation. Efficient recruitment is employing the right person, in the right location, at the right time for the right cost. An inefficient recruitment process adds to the length of time posts remain vacant, affecting the ability of departments to deliver front-line services to the customer and increasing spending on interim solutions such as the temporary recruitment of agency workers which may be less cost effective.

## 1 Employment and recruitment statistics for the six largest employers in central government (2007-08)

Organisation	Number of staff employed	Percentage of civil service employees (%)	Number of staff recruited	Examples types of jobs
HM Prison Service	49,500	10	6,329	Prison Officer, Medical Staff, Psychologist
Department for Work and Pensions	96,270	19	3,833	Policy advisor, Benefits Caseworker, Customer Service Adviser
HM Revenue & Customs	83,830	17	2,982	Tax planner, Economist, Contact Centre Staff
Ministry of Justice	28,500	6	1,407	Court Enforcement Officer, Court Manager, Policy Officer
Ministry of Defence	68,600	14	1,289	Procurement Officer, Medical Staff, Veterinary Surgeon, Training Instructor
UK Border Agency	17,760	4	1,067	Immigration Officer, Scientific Officer (Fingerprinting), Asylum Case Owner
<b>Total</b>	<b>344,460</b>	<b>70</b>	<b>16,737</b>	

Source: Office for National Statistics

### 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 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 separately from the Ministry of Justice in this report. Previously, HM Prison Service was an executive agency of the Home Office and subsequently of the Ministry of Justice.
- 3 Department for Work and Pensions statistics include Jobcentre Plus, Pension and Disability Carers Service, Child Maintenance Enforcement Commission as well as the department's corporate centre.
- 4 The UK Border Agency is a shadow agency of the Home Office. The Agency was formed in April 2008 and brings together the work previously carried out by the Border and Immigration Agency, Customs detection work at the border from HM Revenue & Customs and UK Visa Services from the Foreign and Commonwealth Office. The 2007-08 figures relate solely to the former Border & Immigration Agency.

**3** The report focuses on the efficiency and effectiveness of the recruitment process within the six largest employers in central government: HM Revenue & Customs, Ministry of Justice, Department for Work and Pensions, Ministry of Defence, HM Prison Service and UK Border Agency. Our assessment of the effectiveness of the process focuses on whether there are unnecessary delays in recruiting staff, and whether candidates meet the required standard and have the right fit with the organisation and the working environment. It examines all grades of staff except the Senior Civil Service and Fast Stream, examining the external recruitment process from the point at which the decision to recruit externally has been made, to the successful candidate's first day of employment. There is a detailed focus on two departments, HM Revenue & Customs and the Ministry of Justice, where we undertook detailed analysis of their current recruitment processes and identified opportunities for improvement. At the remaining four case study organisations we conducted an analysis of current recruitment practice only. We also worked with three private sector organisations – Toyota Motor Manufacturing UK Ltd (Toyota), HSBC and

Unipart – in order to inform our understanding of good recruitment practice and to establish if such approaches can be used in the public sector.

### **4 All six organisations have undertaken some form of review to improve the efficiency of how they recruit.**

There are examples of existing good practice such as the use of IT tools to assess large numbers of applications quickly and automatically and more appropriate tests of the skills required for the job, such as telephone skills for contact centre staff and the use of scenarios to assess how prospective prison and immigration officers react under pressure. However our analysis shows that no single organisation can be considered as having a well developed and mature approach to external recruitment that includes key components such as the use of online recruitment, a single team to provide all recruitment services, dedicated staff to liaise between the recruitment teams and non-recruitment teams and the segmentation and targeting of potential candidate groups.

**5 Our analysis of how the six organisations recruit identifies three common issues: staff costs are too high; the length of time taken to recruit is too long; and the quality of recruitment needs to be improved.** Cost, time and the effectiveness of the recruitment process are influenced by a combination of internal organisational factors, such as effective use of resource, and external market factors such as seasonality, competition in the local labour market and wider economic issues. For example competition for candidates is high in the North East region where both public and private sector employers have located large customer contact centres. Government organisations are also affected by some constraints which are specific to the civil service, such as the requirement for fair and open competition and the need in some cases to obtain security clearances.

**6 Internal staff costs of recruitment vary from £556 to £1,921.** The detailed analysis of recruitment processes at HM Revenue & Customs and the Ministry of Justice identifies the potential to reduce the internal staff cost for a typical recruit by up to 68 per cent, although some improvements will be easier to implement than others. The six organisations could not identify the total cost of recruitment or the cost of a typical recruit, which are standard measures of efficiency used by the private sector. In general, organisations hold insufficient management information on internal staff costs, and spending on advertising, venue hire and support from recruitment companies.

**7 Organisations do not accurately record the amount of the time spent by staff that are not part of the recruitment team.** For example, managers recruiting new staff can be responsible for sifting application forms or interviewing candidates. We estimate non-recruitment team staff time accounts for an average of some 40 per cent of total costs, but the cost is not attributed to recruitment and is absorbed into day to day activity. The high staff cost to recruit is also affected by ineffective use of resource such as using too many staff or staff at too high a grade to sift applications or to assess and interview candidates for general administrative roles.

**8 It can typically take an average of 16 weeks to recruit a new member of staff.** The activity that consumes the most time is conducting pre-employment checks which require government organisations to wait for external bodies to complete the checks. Similarly, waiting for references from previous employers and for candidates to return forms also consumes time and involves staff effort in pursuing information on progress. There are opportunities for organisations to reduce the time to recruit by removing unnecessary steps in the process and by greater use of automated assessment tools.

**9 There is little evidence that central government organisations systematically test the quality or effectiveness of their recruitment processes.** In our case study organisations between 14 and 52 per cent of staff leave within 12 months of being appointed. The Chartered Institute of Personnel and Development recommend this measure of the effectiveness of recruitment but it is not routinely used by the six organisations we examined. Some organisations use feedback from the candidate and from across the organisation to judge effectiveness, but usually on a local or campaign basis and not generally to improve the process. We identified other indicators of effectiveness that are not typically used by the six organisations such as the time it takes for new recruits to become productive employees, performance in training examinations and initial appraisals, and regular surveys of candidates and managers to identify ways to improve the recruitment process.

**10** Although each department manages its own recruitment there are a number of bodies with cross-government ownership of activities which affect recruitment. The most important are the Cabinet Office and the Civil Service Commissioners, who are appointed directly by the Crown and are independent of Government. Central government organisations need to comply with the Cabinet Office security policies, submit assessment returns to the Civil Service Commissioners and quarterly statistical returns to the Office for National Statistics. Organisations have different interpretations of the requirements, however, leading to variations in approach. There is no formal means for departments to share good practice, particularly for recruitment at levels below the Senior Civil Service.

## Conclusion on value for money

**11** Central government's external recruitment processes do not fully deliver value for money. There is evidence of organisations performing work to understand and improve parts of their recruitment process, but more can be done. Our analysis identifies potential improvements at HM Revenue & Customs and the Ministry of Justice that, if implemented, could reduce the internal staff costs by up to 68 per cent for the recruitment of junior grades while maintaining the quality of the candidates appointed. The scope for central government to deliver similar efficiency improvements depends upon the existing maturity of recruitment processes within the organisations, the type of posts being recruited and the ease of implementing the proposed solutions within individual organisations. If the performance of other organisations is consistent with the level of improvement identified at HM Revenue & Customs and the Ministry of Justice, then central government could achieve potential annual internal staff cost savings of up to £35 million across generalist recruitment alone.

## Recommendations

**12** Our analysis across government, and our detailed process analysis work with staff at HM Revenue & Customs and the Ministry of Justice, has identified the potential for organisations to improve their external recruitment processes without compromising the quality of the candidates recruited. These opportunities are equally relevant to organisations with in-house recruitment functions and to those which outsource all or part of their recruitment activity as they relate to improvements in service delivery. To improve the value for money of central government's external recruitment processes we recommend as follows.

- I The Ministry of Justice operates a largely paper-based recruitment process, and there are unnecessary labour-intensive steps.** The Department manually issues paper application packs to all prospective applicants and letters informing candidates that their application has been unsuccessful at the first assessment stage. By making more use of online application packs and informing applicants upfront that they should assume they have been unsuccessful if they do not receive notification by a certain date, the Department can save an estimated £225,000 a year in resource costs which the Department estimates will reduce the amount of processing time by 5 full time employee years.
- II HM Revenue & Customs' recruitment process is subject to local variation and does not routinely test the candidate's fit with the organisation and the prospective work environment.** HM Revenue & Customs can improve the efficiency and effectiveness of its recruitment process by implementing standard ways of working and improving candidate assessment procedures. The Department should implement a standard approach to assessing candidates and could improve the relevance of the recruitment process to the vacancy by testing candidates in the workplace using realistic work scenarios. There is also the potential to remove the need to hold academic qualifications for specific positions such as contact centre staff, and instead use alternative methods to test a candidate's suitability for the role. The Department should assess the costs and benefits of introducing and maintaining alternative assessment methods. Qualification checks currently cost the Department an estimated £50,000 per year and consume three full time employee years.

**III External recruitment takes too long and consumes too much internal staff resource. Central government can reduce internal staff costs and the time taken to recruit by better managing demand for external recruitment, improving internal resource utilisation and increasing standardisation across the recruitment process.** Our analysis shows that there are common recruitment issues across central government and that there are three main areas that organisations can focus on to improve the efficiency of their recruitment processes.

- a Demand management** – Organisations should collect and use management information to understand the profile of annual demand for recruitment. They should use regional and role-specific demand data to recruit candidates in advance so that they are ready to join the organisation when required. For types of roles that are high volume and a constant requirement, organisations should implement a continuous rolling recruitment campaign.
- b Resource utilisation** – Organisations should match the appropriate amount of recruitment resource to the particular vacancy and reduce the total number of staff involved. Where possible and appropriate they should consider using telephone interviews and the recruitment teams to assess candidates. They should use early assessment procedures to remove unsuitable candidates and reduce the effort of processing their applications.
- c Standardisation** – Organisations should implement a standard process for discrete process steps such as interview panels and assessment days. They should review the supporting forms and guidance to identify opportunities to reduce and standardise the requirements placed on candidates, recruitment teams and other staff throughout the recruitment process.

**IV There is insufficient accurate management information to understand how organisations recruit.**

- a Central government organisations do not hold the necessary management information to forecast annual demand for recruitment and undertake accurate workforce planning.** They should collect data on the annual recruitment cycle to identify the volume, geographical distribution and type of roles recruited. Organisations can reduce the time to fill a vacancy and reduce the burden on recruitment staff by improving their understanding of variations in demand throughout the year and evaluating the extent to which they can control the influencing internal and external factors. They should aim to use this knowledge to reduce the variability in demand for recruitment throughout the year and to plan future recruitment activity.
- b Management information is not routinely collected and used to improve the efficiency of recruitment processes.** Organisations should collect key metrics on external recruitment including a breakdown of internal staff costs, processing time and the amount of rework that is typically required. They should use this information to design and implement a more efficient way of recruiting. All organisations require a better understanding of key metrics such as the time taken to recruit and the internal and external costs at all stages during recruitment. They should use these metrics to develop a unit cost of recruitment in order to understand the efficiency of their current process and to identify and measure the impact of any future improvements.
- c There is no systematic monitoring and testing of the effectiveness of external recruitment processes.** Organisations should collect and analyse management information to assess the effectiveness of their recruitment processes and use this information to improve the quality of staff recruited. They can assess the effectiveness of their recruitment process by monitoring the training needs of new recruits, pass rates in relevant examinations,

performance in appraisals, the time taken to achieve satisfactory performance and the number of candidates leaving within a year. Organisations should also monitor the diversity profile of recruitment campaigns to assess their contribution to workforce diversity targets. They can improve the quality of candidates recruited by better aligning assessment procedures with the skills required for the job to ensure that they recruit candidates with the right skills and fit to the organisation.

- V There are variations in how departments apply Cabinet Office guidance and the Civil Service Commissioner's Recruitment Code. There is insufficient interdepartmental coordination to improve the consistency of these interpretations or to spread good practice on how to recruit for posts below the senior civil service.** The Cabinet Office should more actively support recruitment activity across government for levels below the senior civil service, and should systematically share good practice advice across government. It should expand the existing support structures for senior recruitment which represents less than one per cent of civil service recruitment, to include all grades. They should re-establish quarterly meetings of a recruitment network and regular dissemination of examples of good practice and advice from the Civil Service Commissioners. The Cabinet Office should also circulate analysis of data from the Office for National Statistics and from its own bilateral relationships with departments to improve the collective understanding of recruitment across government. The new structure should be in place before April 2009 in order to help facilitate an accurate and consistent understanding of the new *Recruitment Principles* when they replace the existing *Recruitment Code*.