Case Study: Cost Analysis of Entry Level Hiring for a BPM Client

Background

Our client, a leading company in the BPM sector, was facing challenges in managing the cost associated with entry-level hiring. As a part of their financial analysis, the cost per hire last year went up to INR 14,000. Our client has known for innovative solutions and exceptional services, however, excessive cost of hiring talent affected the overall capability and efficiency of the business organization. The challenge at hand revolved around the management of costs associated with entry-level hiring, a key aspect of their workforce expansion strategy.

"We've always prided ourselves on attracting the best and brightest," the CFO explained, "but it's evident that our recruitment costs are eroding our profitability. We need a solution that maintains our hiring standards while optimising our recruitment expenditure."

What Challenges Our Client Was Facing?

The primary challenge faced by our client was the excessive cost required on hiring talent. They were spending considerable financial resources on recruitment processes, including advertising, screening, interviewing, and onboarding. Not only was attracting and onboarding an issue, higher attrition rate also became a massive problem for our client. Apart from financial constraints, a lot of internal recruitment team's time and effort wasted on manual tasks which involved documentation and processing. This deviated them from focusing on high priority tasks or projects. They speculated that outsourcing the hiring process might provide cost savings and mitigate attrition-related expenditures.

2COMS being one of the leading recruitment and manpower consultancy in India, they reached out to us.

Our Analysis and Findings

 To address the client's challenge, we embarked on a comprehensive analysis of their hiring process and cost structure.

We gathered information on the client's internal recruiting procedure, such as attrition rates, recruitment costs, and staff expenditures for HR. We also looked at the market pricing and conditions provided by permanent recruiting firms for employing entry-level candidates.

The cost of hiring was projected to be approximately INR 10,000 per hire. We determined the client's current cost per hire, which came to INR 14,000 using the information provided. All direct and indirect expenses related to the hiring process were included in this sum.

Recommendations

Based on our analysis, we provided the following recommendations to the client:

Our recruitment experts on analysing the situation determined that excessive time, effort and resources being used in hiring alone, more than what was required. Therefore, we recommended a completed digitalized transformation in recruitment process (not only in terms of ATS).

As part of our solution we offered a ***complete tech-led transformation*** in their recruitment process which comprised of:

- **Technology**

Tech-driven solutions that completely redefines how talent is discovered and harnessed.

- **Process**

A well-defined recruitment process which is the cornerstone of a successful business.

- **People**

Human centric approach to recruitment which ensures tailored result.

- **Promotion**

Latest recruitment promotion strategies to expand your reach and elevate the brand.

These Are All Equal REAL COST SAVER

A visible and measurable decrease in expenses across many elements of the recruiting process is the consequence of eliminating inefficiencies and matching hiring methods with business objectives.

What happened NEXT!

Our client accepted the recommendations and outsourced the entire recruitment process to the hands of experts, while their internal team focused on higher priority tasks. Our expertise complimented the existing internal team, enhancing their capabilities.

Core Benefits Received

- **Reduced Time-to-Hire:** *The waiting time to screen from the pool of candidates was slashed down as digitalized systems enhanced this aspect of recruiting.*

- **Reduced Hiring Costs:** *Our partnership with finest brands like Zoho Recruit improved the overall efficiency in hiring thus cutting down additional hiring costs.*

- **Laser-Focused Targeting:** *With digitalization in place, the right talent was targeted who has specific skill set required by the business.*

- **Swift Onboarding:** *The new hires were onboarded swiftly thus ensuring a better experience for the candidate.*

- **Decisive Hiring:** *Informed choices about hiring were made with powerful recruitment analytics and smarter strategies like brand promotion on social media.*

Conclusion

In summary, this case study highlights a BPM client's struggle with rising entry-level hiring costs impacting their innovation and efficiency. Through our analysis, we uncovered excessive expenses and attrition challenges. By recommending a tech-driven recruitment process transformation and outsourcing, we successfully reduced costs, accelerated hiring, and enhanced targeting precision. The client's adoption of these measures led to increased efficiency, cost savings, and improved decision-making, showcasing the pivotal role of strategic adaptations in navigating modern business challenges.