



Good with Recruiting: A Top-20 Australian Company Re-engineers Talent Acquisition

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“Good with people. Good with money.” It’s a fitting tagline for St. George, Australia’s fifth largest bank and one of the top 20 publicly listed companies in Australia. Since 1937, our organization has developed a reputation as a grass-roots, relationship-focused bank with an extremely loyal customer base. But a strong reputation alone is no guarantee of success. Innovation and growth are essential.

According to recent Australian workforce data, the nation’s finance industry employs just under 400,000 people—a larger sector workforce than that of major financial centers like Hong Kong and Singapore. When St. George began looking at refocusing its recruiting processes in 2005, a study by the Australian Bankers’ Association found that same sector was slated to boost its employment by approximately 70,000 over the next four years. This increase is predicted in the face of a very strong Australian economy, with close to full employment.

At the heart of St. George’s challenges was a recruiting process that, at the time, depended largely on individual hiring managers working with a collection of recruiting vendors. The old model had several shortcomings. First, the decentralized model limited the organization’s ability to ensure a consistent brand presence and candidate experience in the talent marketplace. Secondly, relying on multiple external vendors for the bulk of the recruiting activity was not cost effective. Finally, due to the distributed hiring activity, it was difficult for the company to gain visibility and strategic control over its entire recruiting effort.

RPO Surfaces as Best Solution

To address these issues, St. George launched a strategic recruiting initiative focused on what we call an “engaged

people” strategy. This strategy is driven by the core philosophy that engaged employees deliver great service, make St. George a compelling place to work, and, ultimately, make it a compelling place for customers to do business. A key ingredient to the initiative was establishing a partnership with an RPO provider.

The right provider needed to have depth of experience and service capability. An emphasis on innovation would

The employment value proposition (EVP) had to reflect a culture driven by a commitment to integrity and customer focus.

also be critical for us to stay out in front in a competitive labor market. Finally, that RPO provider would need to align with our relationship-oriented culture. After considering several choices, St. George engaged Futurestep to address the permanent workforce recruiting effort.

Bringing the Employment Value Proposition to Life

The RPO model supports St. George’s effort to drive its employment brand in the marketplace. Reaching out to the employment market with an accurate reflection of our unique culture is critical for identifying and attracting the right candidates.

For St. George, the employment value proposition is viewed as more than a marketing effort—it is a fundamental piece to the HR process and the whole employee lifecycle. Futurestep played a key role in enabling a focused recruiting process that would bring that EVP to life and support the brand with a consistent and

positive candidate experience across multiple sourcing channels. As a result of the focused centralized recruitment model and improved brand, St. George has now evolved from complete reliance on external agency sourcing to drawing on a diverse candidate pool that has grown to more than 25,000 in two years.

Improved Efficiency and Cost Effectiveness

The new RPO model also yielded immediate improvements in recruiting efficiency. From a functional perspective, the most dramatic result was the rise in direct placements. St. George established an original goal of cutting our nearly complete dependency on agency hires by half. After the first year, direct hires represented 66 percent of the total recruiting effort, and by mid-2008, that figure stood at approximately 74 percent.

While cost was not initially the central factor in developing the RPO relationship, improvements in cost effectiveness were significant. Since implementing the initiative, St. George has seen the average of cost per hire decrease by 62 percent, from approximately \$14,500 to \$5,500. Much of this improvement is related to the shift

toward direct, non-agency recruiting and a focus on a dedicated multi-sourcing channel function—a move made much easier and faster by the cultural fit between Futurestep and St. George.

Our transformed recruiting operation was recognized by an industry award in 2007: Best In-House Recruitment Team. The RPO team at St. George provides a foundation of recruiting excellence that supports our business strategy, delivers candidate care to support our employment brand, and effectively utilizes multiple sourcing channels. Futurestep will facilitate nearly 1,000 hires at St. George in 2007/2008, up from 530 in the first year of the engagement. With the right RPO relationship in place, St. George can identify the right candidates to drive the company's customer brand while maintaining the productive and cost-effective model needed to compete in a rapidly growing financial services industry. That's good for recruiting, and it's good for business success.

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