



Internet Recruiting is Dead!

Internet recruiting is dead. Or at least it should be put to sleep. Recruiting independent agents and financial advisors on the internet is basically good for one thing – appeasing corporate offices. It produces lots of activity – which corporate loves to see. But let's face it, while it does produce lots of activity, it's expensive, eats up huge chunks of time, and produces pretty poor results.

It's true that internet recruiting occasionally turns up a great producer – even a super producer. But the vast majority of the time the results are mediocre at best. The proof is all around. If recruiting via the internet worked well, then the majority of managers or agency builders would easily meet their recruiting goals or quotas. The truth is that as many as two-thirds of the managers in a company fail to even meet the minimum quotas set by their company. These folks are otherwise sharp, hard-working professionals. They possess good people skills, demonstrate good judgment, and have a good sense of business success. Nevertheless, for the most part they fall short of their growth requirements. I say "growth" goals because relying on internet recruiting not only limits one's ability to bring in quality candidates, but also causes production growth to ultimately diminish. It's good to have a strong pace of recruiting, but at the end of the day, the thing that matters most is increased production. If the agents on a team don't produce, not only will the business suffer, but the agents and their families suffer. It's a lose-lose situation.

Trying to recruit on the internet is damaging on so many different levels. I'm going to explain how this effort is so damaging, but first let me clarify some things. I am not a traditionalist. I love to embrace new ways of doing things. I virtually live on the internet. I am one of the more computer-savvy people I know. However, I also understand that sometimes the best solution to a problem is a piece of paper and a pen. There are many ways to leverage technology, but recruiting via the internet is not one of them.

To understand why internet recruiting should be put to sleep, let's start by examining some of the logistics and demographics of the process. Typically, insurance and financial recruiters start by visiting the websites we've all come to know – Monster®, HotJobs®, CareerBuilder.com™, etc. The first question to ask is this: What kind of websites are these? The answer is that these are EMPLOYMENT SITES. And what kind of people search these sites or post their resume on these sites? PEOPLE LOOKING FOR JOBS! We are in an industry of independent business people. There is a fundamental problem with looking for independent business people on employment sites! By that I mean that we are looking for business owners in a pool of potential employees. The industry needs to identify people who are entrepreneurial and are self-starters. We need to find people who have a business owner's mindset rather than an employee's mindset. We are looking for people who want an opportunity rather than a steady paycheck or full benefit program. When we look for candidates on the internet, we are choosing from an adverse pool of candidates. What's the consequence of this process? We have to turn over an extraordinary number of stones to find a candidate who's even acceptable and who has an interest in our business opportunity. In an informal study that I've been conducting over the last five years, the consensus is that it takes an average of 20 internet-generated interviews to find one good candidate! When you compare that with the 2 or 3 interviews it takes to find a good candidate from, for example, agent referrals, it's no wonder that managers/recruiters feel overworked and have only weak results to show for their efforts.

Adding insult to injury, not only does it cost a fair amount of money to "play" in the internet recruiting world, but because of the sheer volume of activity generated, a manager can't possibly handle the task without help. So they hire a "recruiter" to assist them. This person generally has the responsibility of identifying potential internet candidates, contacting them, and handling the first screening. Some managers even take it a step further in an effort to become more efficient. They have their "recruiter" do the first and even second interviews. (Wasn't this internet recruiting approach supposed to be efficient to begin with?) What happens when this "recruiter"



conducts the screening interviews with a candidate? The “recruiter” makes the decision as to which candidates would become good agents and which ones wouldn’t. The “recruiter” makes the decision! You probably have noticed that I keep putting the term “recruiter” in quotes. That’s because, except for a few rare exceptions, the person being called a “recruiter” is nothing more than an administrative person. No only that, but this administrative person all too often makes the call as to who moves on and who doesn’t. Without exception, every manager I’ve talked to about this has regretted relying on a “recruiter” to find good candidates. They admit that their recruiting has been a disaster when they relied on this “recruiter”. The really sad part is that when a manager is relying on the internet to recruit, there’s really no way to avoid needing a “recruiter” to sift through the sheer volume of activity. It’s a vicious cycle. Oh,... and the other irony of this is that besides having to pay to play on the internet, the manager has to pay this “recruiter” to help sift through the scores of employees looking for jobs. Another interesting statistic from my informal study on recruiting is the cost of bringing on a full-time agent/advisor. Because of the high cost of playing on the internet and the cost of this admin/“recruiter”, the investment required to bring on a full-time agent via the internet - a “passive” method - is about 4-5 times greater than the cost to bring on an agent from “Active” methods! No wonder it’s been so difficult to build a profitable business.

The nature of the dynamics of internet recruiting ultimately causes agent production to be poor. If we take a step back and examine the differences between an agent brought on via the internet and one brought on by one of the “Active” methods, it becomes easy to see why internet recruited agents are generally weaker producers, are less responsive, and are less loyal. When a candidate is recruited through an active method, the dynamics are such that the leadership, character and reputation of the manager as leader play a large role in attracting him or her. In contrast, when a candidate is pursued via the internet (understanding the nature of the pool you’re fishing in), pretty much the only thing they’re looking for is income. They’re often either “tire-kickers” or job-seekers enticed by the idea of flexible hours and unlimited income potential. Neither relationship nor connection/rapport plays a part in the recruiting process. The consequence is that the manager ends up with a candidate who is on board predominantly due to financial reasons – and not very motivated. To make matters even worse, besides ending up with poor producers you end up with lots of team members who require excessive amounts of hand-holding, and who are whiners and complainers. Talk about a waste of an executive’s time, and a blow to personal attitude and energy!

If internet recruiting is so ineffective and expensive with regard to time and money, then why do so many managers still insist on relying on it? Generally there are three main reasons. One reason is that their corporate office encourages it. The second reason is that they don’t know what else to do. And the third reason is that everyone around them is doing it. The solution? Get out from behind your desk and recruit “actively”. If you want to achieve great recruiting results and generate increased production, then stop recruiting passively and start recruiting actively. Here’s the best part. The managers that are recruiting actively are not only getting better recruiting and production results, but they’re working less hard and enjoying their work more. How much better could it get?!

In summary, although internet recruiting is a great corporate office pleaser and appeaser, for the most part it’s an expensive, inefficient process that produces mediocre results at best. The dynamics are all wrong, the pool of candidates is made up of people who are NOT ideal agents/advisors, and the process is conducive to inappropriate delegation of recruiting responsibilities. Do yourself and the success of your business a favor - unplug your reliance on internet recruiting and take it off life support. Internet recruiting is dead.