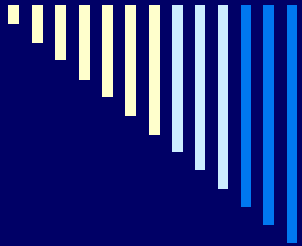


HR Daily Advisor

Faster Recruiting = Better Hires: Strategies to Help You Fill Positions Faster

Sponsored by

LinkedIn Talent Solutions



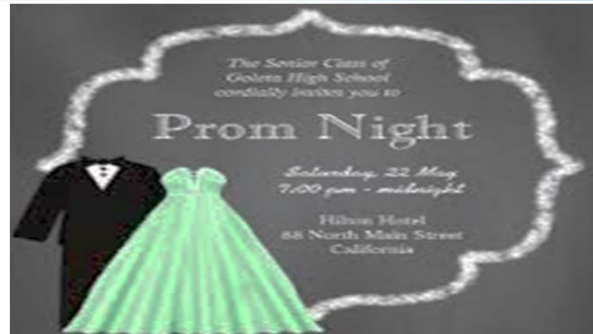
FASTER RECRUITING = BETTER HIRES:
STRATEGIES & TOOLS THAT HELP
YOU FILL YOUR POSITIONS FASTER

BLR webinar - September 6, 2018

© Dr John Sullivan

These slides are available from BLR

Slow decisions have consequences



If you wanted to land a hot prom date...

- **How many offers** would the top potential dates get?
- **How many days** after the prom announcement until the “in demand” dates would say yes to an offer?
- **If you waited 42 days to finally ask** a date to go...

What are the odds that a top date would be available?

And if a prospect said yes to you... **how “ugly” would your date be?**

5 goals for today's webinar

1. Understanding **the connection between hiring speed and the performance of new hires**
2. To **outline the business case** for fast hiring
3. To highlight the hiring funnel **steps where the most roadblocks occur**
4. To provide you with numerous **speed of hire tools and strategies**
5. **To answer your questions** during and at the end of the webinar



INTRODUCTION

Where does Human Capital stand among other business challenges?

The top CEO business challenges

➔ **1. Human Capital for 7 years in a row!**

2. Customer Relationships / Corporate Brand

3. Operational Excellence

4. Innovation and Digitalization

5. Regulation and Risk

6. Sustainability

**4 of the top 5
challenges require
outstanding employees**

Would you agree it's time for *bold* changes... when talent is still the top challenge after 7 years?

Source: The Conference Board survey of CEO's 2017

Why has TTF become more important today

- We have the **lowest unemployment rate** in decades
- We have the **highest employee turnover rate** in decades
- Faced with a lengthy hiring process, **57% of candidates will pursue other roles** or stay put (Robert Half)
- There is literally a **war for AI and cybersecurity talent**
- Business is booming so **hiring managers are extremely busy**
- **New recruiting technologies** provide new capabilities
- **Data-driven recruiting** makes identifying roadblocks easier



HOW DOES A RECRUITER DETERMINE...
THE MAXIMUM NUMBER OF DAYS BEFORE
DAMAGE IS DONE?

Periodically track time in the market

Steps for identifying exactly when top candidates leave the market

- 1. Make a list of the top 10% (the exceptional candidates) in your application pool, based on their qualifications**
- 2. Have an assistant or intern contact each one on the top candidate list every day in order to determine when 100% of the exceptional candidates are no longer interested in your job**
- 3. When the top 10% of candidates are gone... that is the number of days until you have a TTF problem**

Part II



SOME BENCHMARK NUMBERS AND BEST PRACTICE EXAMPLES RELATED TO TTF

Speed of hire baseline numbers

The benchmark average TTF data points

- **Average time to fill** – on average it takes **42 days** to make a hire
(Source: both a HireVue and a SHRM survey)
- **Average days to complete interviews** – it takes almost **24 days** for most US firms to complete their interviews (Source: Glassdoor survey)

What are the target maximum TTF days that major firms have set

1. Same day - Intuit found that... “a lot of times we’ll bring people in, and they get same-day offers. We’ve had to do it...”
2. 10 days – the best candidates are off the market within... 10 days reports Officevibe.com
3. 22 days - E&Y found that if they didn’t act within 22 days, their chances of landing “high demand” candidates decreased by nearly 90%.
4. 31 days - Robert Half reports that “If it takes more than a month to hire someone, you’ve already lost your top pick”

Best practice illustrations



WOW best practice examples for TTF

- **A Benchmark reduction in TTF – “Hilton’s time to hire dropped from 42 days to just 5 days”** (Source: Samantha McLaren on LinkedIn)
- **Zero days to fill - Nestlé Purina PetCare in 2017 “filled 43% of their positions before they came open”** utilizing their talent pipeline database which contains over 1 million prospects
And at one NP plant opening, **100% of the jobs were filled** before the job actually started

Benchmark firms



Firms to learn from

Google

Intuit

Hilton

Chipotle

Snapdeal (India)

Apple

Nestlé Purina

Firms that end interviews within 20 days

A.T. Kearney

Caesars Entertainment

Pinterest

Evernote

Cox Communications

Lyft

PSA Airlines

Chase

Huntington National Bank

Sprint

Source Glassdoor: <https://www.glassdoor.com/blog/hire-20-days/>

How much does slow hiring cost?

A rule of thumb for estimating slow hiring costs

I estimate that the “on the job performance” of those you hire into competitive jobs...

- Decreases by as much as 1% for every extra day that you delay a hiring decision
- So if you add just 10 days to your normal average TTF...
- The “on the job performance” of your new hire will drop by 10%



**WHY INCREASING HIRING SPEED
DIRECTLY RESULTS IN AN IMPROVED
QUALITY OF HIRE**

(i.e. better performing new-hires)

Key terms



Some quick definitions

- **Time to fill (TTF)** – the **number of calendar days** between the posting of the job and offer acceptance
Time to fill is only critical... because it impacts the quality of hire
- **Quality of hire** – it is primarily the level of **on-the-job performance** of new-hires, but it may also include **retention** over the first year

The connection... between hiring speed and quality of hire

Slow means the most valuable candidates will be gone, which will lower your quality of hire

- **Machine learning and cybersecurity may be gone in one day, lowering your quality of hire**
- **Innovators and the top diversity candidates... will quickly go to competitors – because of their extremely high value, innovators and diverse candidates are in such great demand that they will be gone in 10 days**
- **Top performers in highly competitive jobs... will dropout – because they will accept “in hand offers” within 3 weeks**

The connection... between hiring speed and quality of hire

Slow hiring will hurt your brand and acceptance rates

- **Slow hiring will hurt your brand and discourage future quality applicants** – negative applicant comments on **Glassdoor.com** will discourage future applications from top prospects because they will damage your employer brand. It may also indirectly hurt your product brand
- **Lower offer acceptance rates because of slow decision-making** - top candidates might assume that **slow hiring decisions reflects the firm's inability to make business decisions** on projects and ideas. That negative projection may lower a top finalists willingness to accept your offer

The connection... between hiring speed and quality of hire

Slow hiring may lower expectations and standards

- **Frustrated hiring managers may lower their hiring standards** – losing so many top candidates may frustrate hiring managers and cause them to lower their expectations and their hiring standards... resulting in lower quality hires and even “butts in chairs” hiring



SOME ADDITIONAL BENEFITS AND
BUSINESS IMPACTS FROM FASTER HIRING

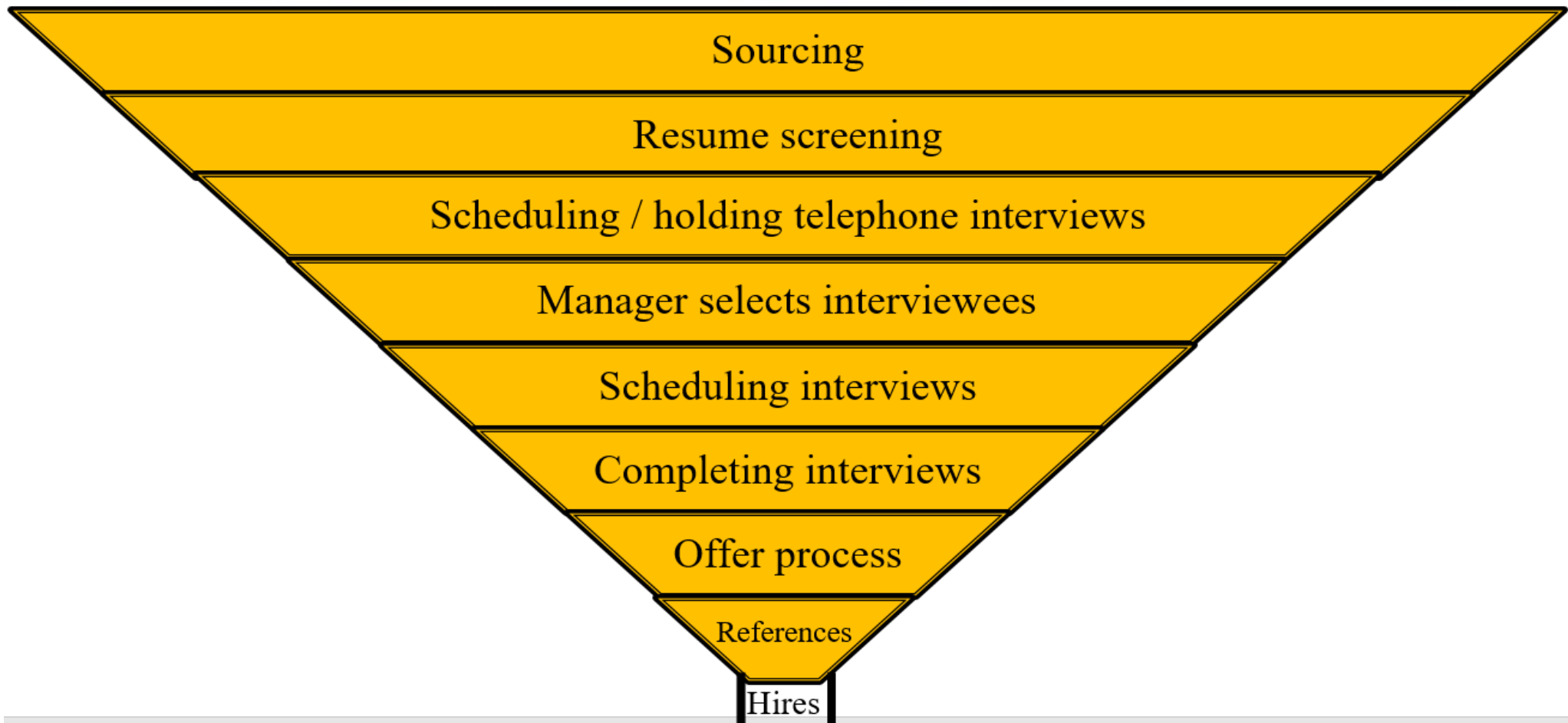
Additional benefits and business impacts from faster hiring.

- **More revenue** – filling revenue-generating positions faster **increases your revenue.**
- **Less lost productivity** – open positions means lower team productivity because **needed work is not done.**
- **Higher team retention** – long vacancies means that others have to fill in **and that stress may increase turnover and errors.**
- **Lower salary demands** – the longer a top candidate is in the market, the higher likelihood that they will be “bid on” by multiple firms. This will likely increase their salary demands.
- **Training begins sooner** – faster filling means the **new-hire training can begin sooner.**
- **Applicants will stop applying elsewhere** – lowering competition



THE PRIMARY AREAS
WHERE MOST HIRING PROCESSES ARE
UNNECESSARILY SLOW

The hiring funnel



The highest impact bottlenecks in the typical recruiting funnel

- 1. Interview scheduling**
- 2. Availability for interviews**
- 3. Stretching out interviews**
- 4. The resume screening step**
- 5. Hiring managers selecting the top finalist**
- 6. Having to reopen a search because of initial unrealistic job specifications**
- 7. The requisition approval process**
- 8. Slow offer creation**
- 9. Too many interviews**



A SPEED OF HIRE TOOLKIT

SIMPLE BUT PROVEN APPROACHES FOR INCREASING YOUR HIRING SPEED

Let's start with a quick overview of... the top 12 highest impact TTF reduction action steps

1. Identify the key **roadblocks and delays**
2. Reveal the **business case** and the consequences of slow hiring
3. Set “**do by dates**” and report compliance
4. Expedite the **interview process**
5. Use **data-driven job specifications**
6. **Automate slow processes** or use vendors
7. Use fixed **data-driven decision formulas**
8. Shift to **data-driven recruiting**
9. **Measure and reward managers** and recruiters for great hiring
10. **Reduce requisition loads** for recruiters
11. **Expedited hiring for exceptional candidates** when they apply
12. Add a pre-need **talent pipeline approach**



NOW LET'S SHIFT TO
A MORE DETAILED DESCRIPTION...
OF THE TOP 12 ACTION STEPS
FOR MINIMIZING TTF ROADBLOCKS

Action step #1... for TTF reduction

#1 Identifying the key roadblocks and delays

Why is this necessary? – because every hiring process is unique, it is essential that you use a data-driven effort to **identify the biggest roadblocks, so that you focus on the highest impact changes.**

Recommended things to do

- **Use a reengineering approach** - use a process map to identify the bottlenecks... with minimum to maximum time ranges per step.
- **Look for areas where there is a wide variation...** because that is an indication that significant improvement is possible.
- **Work with the hiring step owner** – to id the highest impact actions

Action step #2... for TTF reduction

#2 Reveal the business case and the consequences of slow TTF

Why is this necessary? - executives and hiring managers won't change their behavior until they understand the \$'s of business impact from expedited hiring and the bad consequences of slow hiring.

Recommended things to do

- **Reveal the connection** – between TTF and quality of hire.
- **Quantify in \$'s the business value that will be added** - by hiring significantly more top performers, innovators and diverse hires.
- **Make the impact on individual managers clear** – show how easy hiring manager actions can have an immediate impact on their own new-hire quality.

Action step #3... for TTF reduction

#3 Set **“do by dates”** and report compliance

Why is this necessary? - hiring managers and recruiters are more likely to **act faster when they are aware of “do by deadlines” and the positive impact from meeting them.**

Recommended things to do

- **Set “do by dates” for manager/recruiters** – for screening resumes, picking interview slates and selecting the finalist.
- **Widely report compliance** – make sure that executives, recruiting leadership and managers themselves know who is not complying and remind them of the consequences of not meeting these do by dates

Action step #4... for TTF reduction

#4 Expedite the interview process

Why is this necessary? – by far the most significant preventable delays in the entire process are related to interviews. So recruiting leaders must encourage or require an expedited interview process.

Recommended things to do

- **Utilize remote video interviews** – managers/candidates are more available if they can conduct some interviews on their mobile phone.
- **Allow candidates to schedule online** – minimize the back and forth by letting candidates pick their best available time online.
- **Reduce interviewers / interviews to four** – ease scheduling by limiting the number of interviewers and interviews to 4, based on Google research. Others can watch the recorded interview.
- **Lump interviews** – try to do them all in the same day/week

Some firms conduct too many interviews (Google)

Increase in accuracy (ability to predict hire/no hire decision) of the mean interview score



Action step #5... for TTF reduction

#5 Use data-driven job specifications

Why is this necessary? – having to revisit searches after the initial job requirements prove to be wrong, causes major delays.

Recommended things to do

- **Validate job specs** – use data to determine which job specs actually predict on-the-job success and then eliminate non-predictors.
- **Limit manager discretion** – make it difficult for individual hiring managers to add unproven (higher than necessary) job requirements.
- **Make questionable specifications preferred** – avoid losing candidates that can actually do the job by labeling questionable specifications as “preferred”.

Action step #6... for TTF reduction

#6 Automate slow processes or use vendors

Why is this necessary? – many firms find that **automation can do human recruiting tasks faster** and just as accurately.

Recommended things to do

- **Automate reference checking** – where feasible use vendors that utilize electronic background checking databases and processes.
- **Automate requisition creation and approvals** – make it digital. Where possible allow the initial hiring process for budgeted positions to begin in critical jobs before all approvals are finalized.
- **Automate candidate slate approval** – make it easy for hiring managers to electronically approve their choices.

Action step #7... for TTF reduction

#7 Use fixed data-driven decision formulas

Why is this necessary? –recruiting processes that require **ad hoc decision-making generally take much longer** than those that are guided with a decision formula.

Recommended things to do

- **Have a fixed formula for offer compensation** – you can speed up offer decisions by having a **fixed market-based compensation formula** that makes decisions faster and with less bias.
- **A fixed formula can also help in other areas** – a fixed data driven formula can also speed up and **make resume sorting and finalist selection decisions** more consistent.



HARDER TO IMPLEMENT

SPEED OF HIRE ACTIONS

Action step #8... for TTF reduction

#8 Shift to data-driven recruiting

Why is this necessary? – more errors are made with intuitive recruiting process decisions, so some steps need to be redone. **Re-do's can be reduced when decisions are based strictly on data.**

Recommended things to do

- **Commit to data-driven sourcing** – when you calculate quality of hire for a position, **you can easily determine which sources produce the best candidates.** Using weak sources slows up the hiring process and increases the likelihood of a bad hire.
- **Be data-driven in other areas** – use data to identify **the strongest attraction factors and weak recruiters / hiring managers.**

Action step #9... for TTF reduction

#9 Measure and reward managers and recruiters for great hiring

Why is this necessary? – rewards can dramatically increase the time that hiring managers devote to recruiting.

Recommended things to do

- **Reward great hiring** – measure, recognize, reward and report on hiring managers and recruiters that produce great hiring results (including quality of hire and speed of hire).
- **Make great hiring a promotion criteria** – require hiring managers to demonstrate great hiring before they can be promoted.

Action step #10... for TTF reduction

#10 Reduce requisition loads for recruiters

Why is this necessary? – there is a **direct correlation between recruiter requisition loads and time to fill**. Recruiting executives need to be convinced that the false savings generated by high req loads actually costs the firm money.

Recommended things to do

- **Reduce req loads** – track recruiter requisition loads and determine the optimum level for the targeted hiring speed and quality.
- **Prioritize jobs** – lower the req loads for recruiters that are charged with recruiting in revenue and other strategic jobs.

Action step #11... for TTF reduction

#11 Expedited hiring for exceptional candidates when they apply

Why is this necessary? – whenever you receive a resume of an exceptional candidate or innovator, **it's essential that you expedite the hiring process** so it is completed before they can get another offer.

Recommended things to do

- **Identify top candidates early on** - it's a mistake to wait until all applications are in before examining the top received candidates.
- **Expedite the standard hiring process for exceptional candidates** - legally the hiring process should be the same across all candidates, but it is certainly okay to expedite the process so that the steps are completed faster for exceptional candidates.

Action step #12... for TTF reduction

#12 Develop a pre-need talent pipeline approach

Why is this necessary? – eliminate TTF issues by **proactively sourcing positions from your talent community before the job start date**. This minimizes chaotic “just-in-time” sourcing and assessment.

Recommended things to do

- **Continually source** – continually source for candidates for priority jobs that you know will become open within 1 to 3 months.
- **Assess and prequalify excellent candidates** – slowly assess their skills and check the references of the identified top prospects.
- **Continually sell them** – so that they are willing to wait and accept the job when it eventually comes open.



ADDITIONAL TOOLS TO CONSIDER

More tools

- **Evergreen jobs** – this approach **designates important high-volume jobs as “always open.”** And that means that sourcing can be continuous seeking them out and with an always open requisition. You can make an exceptional hire immediately without the delay of having to get a new requisition approved.
- **Instant referrals** – this “we need candidates today” approach notifies employees of an urgent job opening that must be filled immediately. The approach can start with something as simple as a **sandwich board** in the lobby or the cafeteria announcing the critical need. Because the approach is only used sporadically, it gets everyone to focus on finding candidates immediately.

More tools

- **Use a hiring committee because they are faster** - firms like **Google and Intuit** have found that a well-trained permanent hiring committee with a structured process is clearly superior in both speed and decision quality. The fact that committee members hire so frequently makes it easier for them to make fast / accurate decisions.
- **Utilizing speed interviews** – using the five minute speed dating model. Firms like Travelodge have dramatically reduced the time it takes to interview multiple individuals
- **A national hiring day** - this increasingly popular approach publicizes the fact that the firm is hiring thousands of employees on a single day. It is effective because it garners a great deal of free publicity and a buzz about working at the firm.



Did I make you think?

If we have time, how about some more questions?

Please follow me or connect on LinkedIn

www.drjohnsullivan.com or JohnS@sfsu.edu