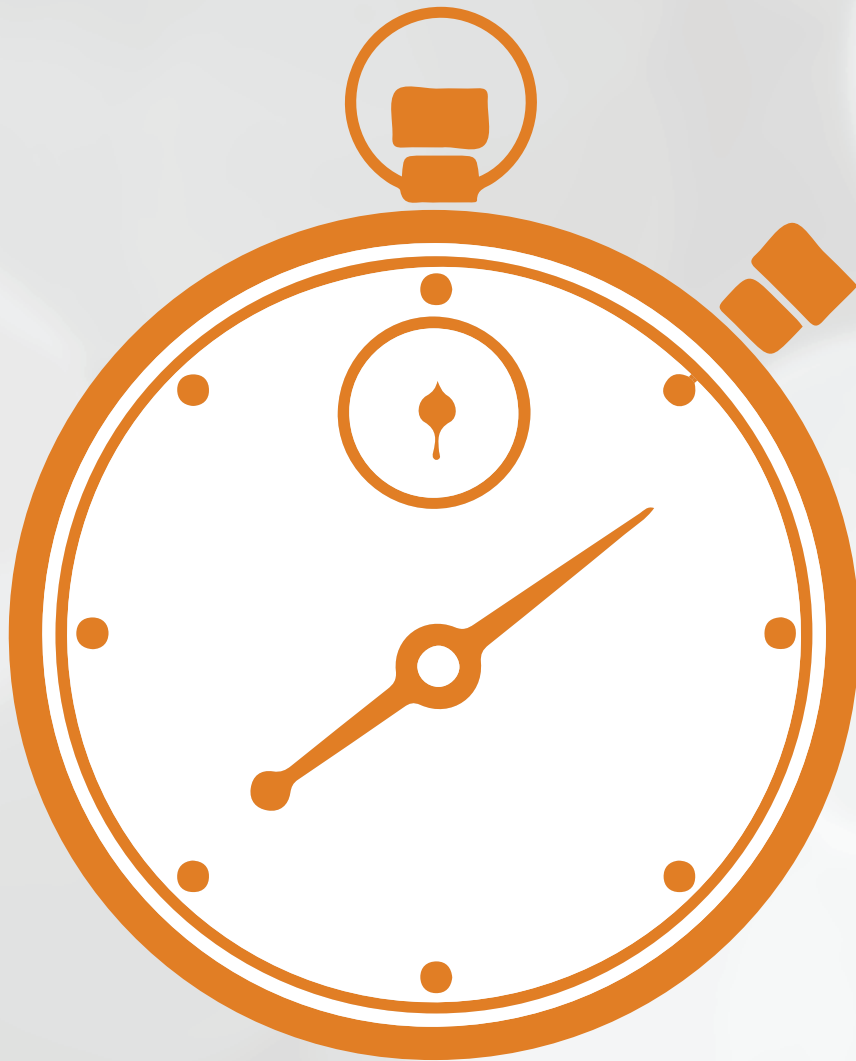# Time-to-Fill:
The Key Ingredients

2018

# Introduction

At RWA Technology People we've noticed a trend. Over the past few years, the time that it takes to fill a job vacancy has significantly slowed. The cynical among you might think we are highlighting this because we want our clients to make quicker decisions. Correct, we do, but we aren't alone in noticing this trend. A report by Dice Holdings Inc. (one of the largest job board providers in the US) recently highlighted that the average time-to-fill rate is now 27.8 days, 10 days more than it was in 2009[1].

So rather than just tell you this information and leave you to figure out how it might affect your business, we have scoured the web to find out why time-to-fill has increased, the impact it has on attracting talent, and most importantly, what you can do to ensure your business continues to successfully hire the best talent.

Time-to-fill
has increased by
10 days
since 2011

Time-to-Fill Over Time
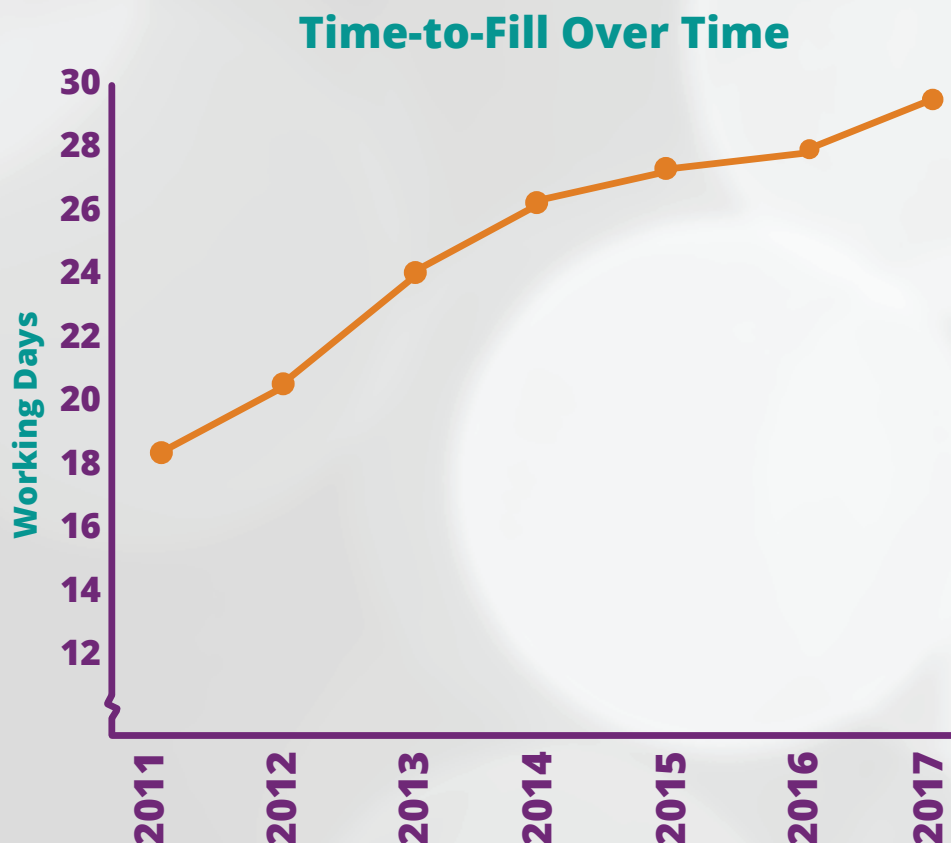
Data collected by Dice-DFH

Why Hiring Has Gotten Slower

Whilst the global average time-to-fill is now at 29.4 days, hard to fill technology, engineering and digital roles take significantly longer. Research states that these roles take closer to 45 to 50 days to fill[2]. There are many reasons the average time-to-fill rate has slowed significantly, but these are the most significant:

Employer Expectations Have Changed

The recent increase in time-to-fill ties in with the start of significant growth from the leading professional social network, LinkedIn, in 2010[3]. This rise in the use of social media in the recruitment process has led to the assumption that perfect ten out of ten candidates ('purple squirrels') are more accessible. Because of this, we have become more ponderous when making hiring decisions.

Candidate Expectations Have Changed Too

It's not only employer expectations that have changed in recent years. Candidates, in particular those that are in-demand, are now more aware of their status in the market. This has resulted in candidates delaying the recruitment process so they can wait for multiple offers, or cross reference your opportunity with the market.

Excessive Interviews

The desire to avoid 'bad' hires has led to a culture where we spend significant amounts of time and resources to ensure this doesn't happen. This has led to prolonged interview and vetting practices becoming more and more widespread.

A report by Glassdoor[4], a leading employment review website, has shown that the average time spent on the interview process is now 22.9 working days in the US and 27.9 working days in Australia (they didn't think to separate New Zealand!), which is nearly double what it was five years ago.

Hard to fill Engineering & Technology roles may take up to 45-50 days to fill

Increased Competition

The main argument for longer hiring times is that it results in better hires, but in reality it only leaves more time for top candidates to find other opportunities.

According to eremedia.com the top 10% of candidates are often off the job market within the first 10 days[5]. This suggests that these desirable candidates are unlikely to remain available through to the end of the average 28 day recruitment process.

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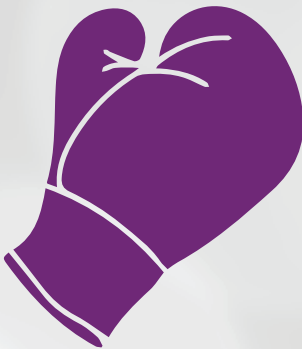
Think Sonny Bill Williams. He's a marquee talent, resulting in his services being in high-demand. When he comes onto the job market, he can essentially have his pick of a range of offers. Unless he is dead-set on working for a specific franchise, he is unlikely to put his decision on hold waiting for that company. This is because he will already have a number of very similar offers, from companies that have demonstrated that they can move quickly.

Communication Breakdown

Though it seems a simple proposition, the act of recruitment can often be an arduous undertaking. Days are lost in many companies as other departments are consulted, documentation is prepared, approval processes are conducted and desks and equipment are organised. This often results in candidate feedback on CVs taking significantly longer, and candidates not being responded to within a reasonable timeframe.

This issue becomes even more apparent in larger companies, as companies with 5000 or more employees take an average of 58.1 working days to fill a vacancy[6].

In many cases, candidates are oblivious to this potential delay, with 58% of employers not clearly informing applicants of how much time the recruitment process will take[7].
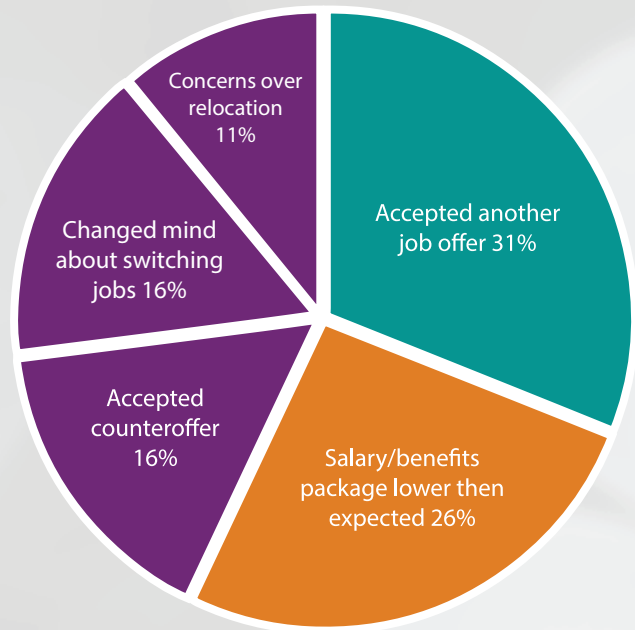
Why Slow Hiring Damages Your Business

Losing In-Demand Candidates

Although 78% of rejected offers are made after the three-week mark, 40% of hiring managers still take over a month to make a job offer[8]. The leading reason for offers being rejected is that another offer has already been accepted[9]. This means that if your business has a slow time-to-fill rate, even if you (or your agency) are able to initially attract top talent, they are highly likely to be off the market by the time you are ready to submit them an offer.

Reasons Job Offers are Rejected

Concerns over relocation 11%

Changed mind about switching jobs 16%

Accepted another job offer 31%

Accepted counteroffer 16%

Salary/benefits package lower then expected 26%

Data collected by CareerBuilder

Revenue Loss & Decreased Morale

It sounds obvious, but it is also true: the more time your business has to function understaffed, the less output that is likely to occur. At the same time, your existing workforce is likely to be overworked and become de-motivated. This is more prominent in positions that relate directly to sales, but it also applies to support roles. For example, having no Accounts Receivable employee for 30 days will result in your sales staff having to chase their own invoices, or worse, your clients not paying on time.

40%
of hiring managers take over a month to make a job offer

78%
of job offers are rejected after the 3 week mark

In addition, every time a candidate is lost due to a slow hiring process, the same amount of time and effort has to be invested to find another prospective employee.

Data collected by The MRI Network

Negative Branding

Applicants almost always see a slow hiring process as negative. Traditionally this would be discussed with colleagues and friends, leading to a negative employer brand with that group of people. Though this still happens, the rise of social media and sites such as Glassdoor means that potential employees are now able to publicly share their feedback, leading to negative messages having a far broader reach.

Applicants almost always see a slow hiring process as a negative

Bidding Scenarios & Increased Staffing Costs

More and more job offers turn into bidding wars as two or more parties compete against one another to secure talent. This can end up with you paying over the odds, or time being wasted as candidates choose other employers. By moving quickly this can often be avoided, either by securing the candidate before they have looked elsewhere or presenting an offer ahead of companies that have a slow time-to-fill rate.

Improving Your Speed to Hire

Know Your Speed to Hire

Knowing your organisation's (and even more importantly, your division's) time-to-fill rate is crucial. If you are ahead of the industry average then it immediately puts you in an advantageous position, or you can compare yours to the average and make adjustments as necessary.

Knowing your organisations time-to-fill rate is crucial

Hire for Skill, But Also for Culture

In the IT industry, people with high levels of experience in certain skills are hard to come by, as some of the most prominent technologies are still very new. For example, seeking Android Developers with over five years of experience significantly limits your candidate pool, as Android has only been available for seven years.

Instead of risking valuable time and resources in an attempt to lure that 'unicorn', it can be more efficient and rewarding to hire candidates who don't yet have the full technical skill-set but have the potential to quickly learn and are a good fit for the company's culture[10].

Though these candidates may come from different backgrounds than what you were originally looking for, this can also have its benefits. Candidates such as these can bring fresh perspectives and a different set of skills, which can result in better outcomes.

Screen Smarter

Every organisation recruits differently and there is no one-size-fits-all strategy, but making sure you are using the right mix of assessment tools can make your process more efficient. In examining this, it helps to assess the strengths and weaknesses of different interview tools, and their impact on the overall interview process.

Glassdoor's research concludes that the average number of working days added to the recruitment process for each different interview tool is as follows:

Total Time Added to the Interview Process

Advertising

Telephone Interviews
+7.5 Days

Group Panel Interviews
+6.2 Days

Interview Process

Face to Face Interviews
+4.7 Days

Checks and Tests
+12.6 Days

Offer Made

Data collected by Glassdoor

Telephone Interviews

Telephone interviews are good for initial contact and as a screening tool, but it is challenging to get candidate buy-in over the phone, reducing the chance they will be willing to continue their application.

Face to Face Interviews

In-person interviews are far more effective in engaging the candidate, and are an essential step in any hiring process. However, although they allow you to get to know a candidate, they can be one-sided. Multiple one-on-one interviews can negatively impact the candidate's experience, as it will inevitably increase the interview process time.

Panel Interviews

For larger organisations, or those with more stakeholders involved in the hiring process, it can be better to carry out panel interviews. Panel interviews are best suited when multiple stakeholders are deciding on a candidate, but there is the risk that the format may put some candidates off.

Speed Interviews

Some companies have mixed panel interviews with one-on-one, resulting in something close to speed dating. As these are essentially a series of shorter interviews with different people that happen one after the other, organising these internally can be complicated. Candidates will get a chance to meet a broad range of managers in one sitting, but they can often find themselves answering the same questions. Co-ordinating questions beforehand is one way of overcoming this issue.

Remove Unnecessary Restrictions

The biggest contributor to a long application process is waiting for the application closing date to pass before reviewing applicants. In a worst-case scenario, candidates could wait up to 4 weeks before an interview date is even confirmed. In some circumstances this is unavoidable, but by having a more flexible process, companies can beat rivals who are still working to strict processes.

Reviewing and responding to candidates as they come in, instead of stockpiling candidates until the application close date, is a good way to speed things up. We aren't suggesting you respond instantly to every application, but if your role is urgent then vetting applicants daily will help to expedite your hiring process.

Another solution is to make application windows shorter, closing them within one or two weeks rather than four. With online job advertising making applications quicker and easier than ever, reining in application dates enables you to still get the best candidates, whilst eliminating the temptation to sit on applications.

Progressing Post-Interview

Poor communication can discourage your candidates, and has the potential damage your reputation with other candidates in the future. Keeping in touch with candidates and updating them post-interview can also help stem drop off rates[11]. Following up quickly between interviews keeps candidates engaged and informed throughout each stage of the hiring process, and communicates your commitment to making a hire.

Running in Parallel

If you partner with RWA (or another agency!) we undertake many recruitment tasks in parallel throughout the hiring process to reduce your time-to-fill. For instance, as soon as a candidate has been identified as the preferred applicant, we move on to checking references whilst simultaneously conducting personality/aptitude tests, criminal and credit checks, as required.

Manage Expectations Early

We often see clients trying to attract talent that they can't afford. Going back to Sonny Bill Williams; if you've been able to make contact and have him be a part of your hiring process, and then go on to offer him $850k per year as opposed to his market rate of $1 million per year, then he will likely turn you down.

Though negotiation is obviously a step in the process, targeting certain high demand candidates but not being able to meet their expectations is only going to end with the candidate taking up another offer.

Additionally, this kind of strategy could damage your brand, as getting a reputation for making below market offers is not something that helps attract top talent.

Make your opening offer a verbal offer, as opposed to a written one

Start with a Verbal Offer

If you like the candidate in question and have carried out the necessary checks, then make your opening offer a verbal offer, as opposed to a written one. This way you can get a feel for how likely it is that the candidate will progress with your business, and eliminates the potentially wasted time preparing paperwork that will either not be needed or need to be re-worked.

To look at it another way, when you get married you don't just surprise your partner with a marriage certificate! First you extend a verbal offer, and make an agreement in principle. Only after that agreement is made is the necessary paperwork worked out. If you take those steps in reverse, you end up with a lot of time spent on paperwork which can turn out to be redundant.

Summary

Having a strong time-to-fill is one of the most important factors when it comes to converting candidates into new employees. It isn't independent of other variables, such as your employment brand, salaries or location, but it definitely eliminates one reason that people won't choose to work for you. As a recruitment agency, we try to nullify as many time variables as possible in the recruitment process, so you can be assured your schedule will be effectively communicated and your candidates will remain engaged throughout their application.

If you think your company might be struggling with time-to-fill, we'd be more than happy to help get you back on track. Please feel free to get in touch with us for more information.

@   info@rwa.co.nz

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[1] Dice-DFH Measure of National Mean Vacancy Duration
[2] Glassdoor – June 2015 Research Report – "Why is hiring taking longer?" (p. 11)
[3] LinkedIn – A Brief History of LinkedIn
[4] Glassdoor – June 2015 Research Report – "Why is hiring taking longer?" (p. 18)
[5] ERE Media - The Top 12 Reasons Why Slow Hiring Severely Damages Recruiting And Business Results
[6] DHI-DFH Measure of National Mean Vacancy Duration
[7] Careerbuilder Communications – Candidate Behavior
[8] The MRI Network – Recruiter Sentiment Study 1st half 2015 (p. 8)
[9] The MRI Network – Recruiter Sentiment Study 1st half 2015 (p. 9-10)
[10] Entelo – Why You Should Hire Candidates For Potential
[11] Entelo - Time-to-Fill at Its Highest Since the Recession. Here's How to Deal.