

eBook



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# **Getting started.**

If quality of hire is the Mother of all recruitment metrics, then time to hire probably is the Father. And although there are numerous recruiting metrics, not many of them are measured as often as <u>time to hire</u>.

In fact, no less than <u>50% of companies</u> report using this metric. And for good reason.

Taking too long to fill a role doesn't just increase the cost per hire, but it also brings in the risk of losing fast-moving (high quality) candidates. A whopping 57% of job seekers lose interest in a job if the hiring process is lengthy. In short, a long time to hire is bad for business. As such, the time to hire metric remains one of the top three key performance indicators for hiring teams, together with the length of time new hires stay at the company and the satisfaction of hiring managers. You'd be surprised to learn that only <u>30% of</u> <u>companies are able to fill a role within 30 days</u>. The rest of them take anywhere between 1-4 months to close a hire!

Now, before we get started, here's a quick recap of what we mean by recruitment metrics: <u>recruiting</u> <u>metrics</u> are metrics used to track hiring success and optimize the process of hiring candidates for an organization.

Recruitment metrics help to evaluate the recruiting process and to determine whether or not your company is hiring the right people.

In this e-book, we'll zoom in on one metric in particular: **time to hire**. Among other things, we'll take a look at why a long time to hire is bad for your business and how you can reduce it. But first, the basics.

# What is time to hire?

First things first, let's make sure we know what exactly it is we're talking about when discussing time to hire.

Generally speaking, there are (at least) two schools of thought when it comes to the definition of this recruiting metric.

The first one, which we'll call the 'strict' interpretation of time to hire, measures the number of days between the moment a candidate applies (or gets sourced) to the moment the candidate accepts the job.

The second school of thought, which we'll call the more inclusive interpretation of time to hire, often uses time to fill and time to hire as synonyms. Time to fill measures the number of days it takes from the moment a job opening is posted to the moment the offer is accepted, while time to hire is measured from when the candidate enters the pipeline until the offer is accepted. While time to hire measures the efficiency of your recruitment process, time to fill is a great metric for business planning; it offers managers a realistic view of the time it will take to expand the team or to attract a replacement for an employee who left. In other words: <u>Time to fill</u> tells you how fast your hiring process is. Time to hire tells you how quickly you were able to identify the best candidate.

In this e-book, we'll stick to the first, more strict, interpretation of time to hire. As such, we'll treat time to hire and time to fill as two separate metrics.

You must live in the moment, launch yourself on every wave, find your eternity in each moment.
 -Henry David Thoreau



# Why a long time to hire is bad for business and why you should reduce it

There are plenty of reasons why a long time to hire is bad for business - and why you should try to reduce it where you can. We'll zoom in on a couple of issues:

### Job seekers lose interest

21st-century job seekers don't have an overly long attention span. Especially since an increasing number of them are Gen Z or Millennials who are used to virtually everything being available ondemand with one swipe of their thumbs.

So if you're taking too long to come back to your candidates after, for example, the first round of interviews, you're likely to lose a big chunk of them right away. What is too long you wonder? Well, that depends.

According to almost a quarter of job seekers, one week is considered as too long. Another <u>39%</u> are a little more patient and considers anything between 7 - 14 days as too long.

### It kills your candidate experience

This problem is linked to the previous one, of course. But since the candidate experience has been a hot topic for quite some time now in recruitment, it's worth mentioning. It's no secret that the job market is a candidatedriven one at the moment. Many companies struggle to find the talent they need, either because they're growing and in need for more people, or because they're trying to fill the gaps left behind by (an increasing number) of retiring employees.

For candidates, this is a pretty comfortable position to be in. As such, they have the luxury to rule out those companies that don't give them the candidate experience they want or expect.

In that regard, a long time to hire is not something that works to your advantage. On the contrary, top talent and candidates with in-demand skills won't bother waiting around for you to make a decision or come back to them. They'll be off to greener pastures before you can even blink.

### It costs you money

There's a reason they say time is money and that's because most of the time, it's true. The time to hire case is no exception. The longer a position remains unfilled, the more expensive the situation becomes for the organization. And not just because no one is doing that particular job.

### There's a bigger impact.

As long as a position stays unfilled, the workload needs to be taken over by other employees. This may not be a big issue at first, but as most people tend to have enough to do as it is, the longer this kind of 'temporary' situation drags on, the more painful it becomes.

Worst case scenario, people become disengaged, frustrated and eventually burned out. This then triggers a downward spiral that becomes more and more difficult to stop and more and more expensive to fix...

# **Industry benchmarks**

53.8 Government And how do you determine whether or not is your Aerospace & Defense 32.6 time to hire too long? Compare your results with the averages across sectors and parts of the world. **Energy & Utilities** 28.8 Nonprofit 25.2 Are you (a lot) faster than the competition? In that case, you may want to check if you're not being as Media & Publishing 25.2 thorough as you should be during the hiring process. 25.1 Travel & Tourism Farming & Agricultrure 24.9 Are you (a lot) slower than your competitors? Then you may want to double-check your hiring process for Internet & Tech 24.4 inefficiencies and optimize certain parts of it. 24.4 Consulting Computer Software & Hardware 23.9 23.4 **Banking & Financial Services** 19.3 Construction 15.2 Retail Supermarkets 12.3 12 0 24 36 48 60

### Average Length of Interview Process (Days)

# glassdoor

# How to reduce time to hire?

Just like there are numerous reasons why a long time to hire is bad for business, there are also plenty of ways to reduce it.

To help you up your game and improve your recruitment process - and find the perfect person for the job as quickly as possible - we've listed 15 effective ways to reduce time to hire.

Of course, you don't have to combine all of them to achieve better results. However, the right mix of a few of these ways might make your hiring process significantly faster.

Here they are.



As soon as we talk about measuring something, it's obvious that data is involved. So, of course, when it comes to measuring time to hire - and eventually reducing it where possible - data is key.

In that regard, as a first step toward working on your time to hire, try to find out:

- How long it currently takes you to fill a role.
- The time it takes for the candidates to move between the stages (for example, from the application stage to the phone interview stage or from the phone interview stage to the in-person interview stage, and so on).
- How you're time to hire compares with the standard time to hire in your industry.
- The number of calendar days from the final selection to making the job offer.

Once you've gathered all the data, pick the most alarming numbers and look for ways to improve them. Remember that you only get around <u>10 days</u> before your top candidates get hired elsewhere.



29% use it to forecast hiring demands.

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## How to reduce time to hire? Establish a structured hiring process

## A no-brainer, right?

Sure, but many businesses out there still have much to improve on this part. Not having a structured hiring process means having a longer time to hire you basically end up starting from scratch each time there's a new role to fill.

And even if you do have a process in place, grab a big piece of paper and sketch it out! From start to finish, what does the candidate journey look like, what are the steps, how long do they take? Make things visible, that's the only way you can exactly check where to improve.

A documented hiring process also protects you from slowing down and improves your time to hire dramatically as you know exactly what to do at each step.



A <u>structured hiring process</u> is cost-effective and will streamline how you find and qualify candidates. Plus, it can provide measurable, tangible results for your business by helping you avoid damage caused by bad hires.

-Adam Robinson (CEO and Co-Founder of Hireology)





A talent pipeline - or a group of candidates you've pre-screened for a certain role - is one of the most powerful ways to reduce time to hire.

When you have a number of qualified candidates on your speed dial, you don't have to advertise your job, wait for the applications to roll in, or spend time vetting the applicants.

All you need to do is reach out to these people about the open role. To get you going, here are 5 basic steps to build a quality talent pipeline: Identify the roles you often hire for.

- 1. Determine the requirements for those roles (skills, cultural fit, etc.).
- 2. Find the hangouts where you could get your ideal candidates (conferences, industry events, social networks like LinkedIn, referrals etc.).

- 3. Identify the talents who look like good fits and reach out to them.
- Stay in touch with these candidates by sharing meaningful content and personalized messaging (invite them for coffee every now and then!)

Building a talent pipeline is often considered the most effective way of sourcing candidates.

Try spending at least 30 minutes per week on building talent pipelines and sourcing candidates, even when you aren't actively hiring) 4

# How to reduce time to hire? Improve your careers page

Usually, candidates visit your careers page at least twice during the hiring process: (1) When they learn about your job opening, and (2) when they're considering your job offer.

If your careers page doesn't sell your candidates on your jobs, they'll either drop off immediately or end up rejecting your offer.

Now, both of these situations negatively impact your time to hire as drop-offs result in fewer applications (and eventually a slower time to hire), and offer rejections mean starting over with making an offer to the second most eligible candidate and the subsequent negotiation(s), if any.

By improving your careers page, you can reduce both drop-offs and rejections and speed up your time to hire.

You can start by anticipating all the information your candidates seek on your careers page and give it to them.



# 5 How to reduce time to hire? 5 Look for speedy ways to source candidates

Strictly speaking, the sourcing phase isn't a part of the time to hire territory. But since quick wins here have a significant impact on your actual time to hire, we wanted to include it anyway.

Knowing the ratio of good to poor applications you get with your current strategy, helps you diagnose if there is a slowdown happening in the sourcing phase. After all, sorting through the low-quality applications will cost you a lot of time and energy without ROI. This adds to your Timeto-Hire.

To get an idea of your ratios, you can look at applicant-tointerview ratio for example (<u>The average is 12%</u>). If your ratio is on par or better than that, you're sourcing a relatively high percentage of good candidates.

In case you find yourself with a not so great ratio, here are a few ways to improve your sourcing methods:

Programmatic advertising: Programmatic advertising means running paid ad campaigns to certain target groups to advertise your job openings. If you've got the budget, programmatic advertising can help you raise awareness about your openings, build your employer brand, and earn some promising applicants as a result.

- Social sourcing: Use social media networks like LinkedIn, Facebook, Twitter, etc. to identify the people in your industry who could be good fits for your company. You can even use offline events like industry gatherings and meetups to connect with your ideal candidates.
- Internal talent auditing: Stay updated on the status of your internal talent situations. You may find you're able to fill some positions just via internal promotions.
- Referrals: The <u>#1 way</u> candidates learn about jobs is through referrals. So recruit all your existing employees to refer their friends for your openings. Design winning referral schemes and reward the employees who find you quality talent.
- Browse talent databases: Job websites like Indeed hold millions of resumes.
   Tap into these and use the platforms' advanced search functionalities to filter the candidates who could make excellent employees at your company.

Once your quality ratios improve, you'll be able to identify better candidates sooner and improve your time to hire.

### 83.1% companies source proactively

regardless of current vacancies.

How to reduce time to hire?

# 6 Invest in a good Application Tracking System (ATS)

A good ATS helps you at each point during your hiring process. All the way from posting your job ad on multiple job boards to notifying you in real time as people apply, an ATS can help you increase efficiency throughout large parts of your hiring process.

With interview scheduling, application streamlining and sorting, talent pipeline building, compliancechecking, and automation capabilities, an ATS is a core tool to structure your hiring process and reduce your average time to hire.



Request demos of the ATSs you're considering and find out how the system works from the point of view of everyone involved - talent acquisition managers, recruiters, candidates, and hiring managers - before you make a decision. Also, check our guide on purchasing software <u>here</u>.



#### How to reduce time to hire?

# 7 Use assessment software

While assessments like skill tests, personality questionnaires, and cognitive ability assessments add value in terms of getting the right candidate in, they also add time <u>to your hiring process</u>:

- A cognitive ability assessment adds between
  2.6 and 4.4 days on average
- A job skills test adds between 0.6 and 1.5 days on average
- A personality questionnaire adds between
  0.9 and 1.3 days on average

Considering that the best talent is available only for 10 days, bringing down this screening time is essential.

A good screening solution can dramatically cut down your time to hire without losing quality. Harver clients, for example, can screen candidates for the right skills, personality, and cultural fit without having to design tests that take days to create and implement.

With intelligent screening, you also get to rely less on the resume and more on the candidates themselves.

<u>Harver</u> has helped many companies (like Netflix and Zappos for example) decrease their time to hire without compromising on the quality of the candidates.

Pre-employment assessment software

can help you reduce time to hire by 60%.

8

# How to reduce time to hire? Connect your systems

There's not one single solution that takes care of your complete hiring process (yet). But if the different tools you use don't work well together, you'll lose track of applications and candidates along the way. So, to plug any leaks in your hiring toolkit and to optimize your time to hire, make sure to connect all your systems.

In order to do so, create a hiring workflow and map the different tools you use at each stage. In the end, your recruitment tech stack may just look a little something like this:

- An augmented writing tool for amazing job posts
- A pre employment assessment solution to uncover the right talent
- An ATS to keep track of the process

Alternatively, you can look for a solution that offers multiple functionalities. Be aware here though, many times a jack of all trades has to compromise on functionalities.



Make sure different components of your tech stack integrate with each other to avoid switching tabs and manual data exporting/importing. 9

# How to reduce time to hire? Improve your job listing

<u>Writing a job description</u> is the first step of the sourcing stage. As such, this isn't officially part of the time to hire territory either. But, since it does have an impact on your time to hire, a word on writing a job description is in order.

Losing good candidates right at the start of the sourcing stage results in a delay in the time to hire as you get fewer eligible applicants. What causes this?

Gender-biased words, for example. Job listings with a gender-neutral wording get <u>42% more candidates</u>.

So, try to ensure you write gender-inclusive job descriptions. With a more inclusive job ad, you'll attract more and better applicants and this will reduce your sourcing time (and eventually your time to hire).



Use tools such as <u>Textio</u> to check if your job description sounds neutral and Hemingway to make it easy to read.



# 10 How to reduce time to hire? Make interviewing quick (you need to be prepared too!)

Delays in scheduling interviews directly add to your time to hire. With most companies conducting at least 3 rounds of interviews, the time to schedule interviews usually offers a lot of room for improvement.

Using an automated interview scheduling tool will save you time. Also, schedule all the interviews rapidly as delays between interviews frustrate a number of applicants and degrade the overall candidate experience.

In addition to moving the applicants quickly between interviews, prepare yourself for those interviews. Robert Half, a recruiting influencer, suggests the following <u>5 ways to prepare for an interview</u>:

- Review the job description
- Review the candidate's work history
- Schedule it out
- Prepare key interview questions
- Meet in a comfortable setting

Quick and efficient interviews will help you screen through the candidates faster and make your time to hire more speedy.

> Phone interviews add 8 to 8.2 days on average to the interview process, one-on-one interviews might add another 4.1 to 5.3 days. See where the bottlenecks are and speed up your process there.



This may seem obvious, but it's something that still goes wrong quite often. <u>61% of hiring managers</u> even feel that recruiters have only a low to moderate understanding of the roles they're hiring for.

Furthermore, hiring managers may have different expectations of recruiters. One hiring manager may want to stay on top of things all the time while another one may want to get an update every once in a while.

But regardless of their preferences, it's important to regularly check in with hiring managers during the hiring process to avoid misunderstandings that will lead to a longer time to hire.

Communication is key here.

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Make sure everyone knows exactly what candidates they're looking for and when and how the hiring manager will be informed of the progress of the recruiting process.

### Communication is key here.



Integrate your ATS notification with a Slack channel to make sure that all

stakeholders stay updated on a candidate's status.

12 How to reduce time to hire? Optimize candidate communication

This is something we can't stress enough. Today's candidates are (most of the time) not very patient people. They want to know where they're at, if possible in real-time.

Not getting back to them when they send an email or more likely even, a message via one of your social accounts - late at night or during the weekend isn't an option anymore.

Once again, communication is key.

There are various ways to optimize candidate communication, ranging from automated emails to <u>chatbots</u>, so you have no excuse not to keep in touch with your candidates. Make sure they know exactly when they'll hear from you again after each stage of the hiring process - and via what channel. And most importantly, don't be late.



### Communication is key here.

Only <u>14%</u> of applicants feel that companies have been responsive.

13 How to reduce time to hire? 13 Analyze and improve internal workflows

We talked about the importance of data already. One of the main reasons why it's good to have data about your hiring process is that it allows you to improve said process.

### An example.

Let's say you're hiring for a role that needs to get additional approval from the hiring manager. Data shows you that this part of the process takes quite some time compared to other parts.

Since you need an approval before you can extend an offer to the candidate, and therefore time is of the essence, this information is crucial. You can use it to decide together with the hiring manager how you can smoothen the process - and decrease your time to hire.



Create a <u>recruitment policy</u> document for your company. This can help you define recruitment procedures and standards for the hiring process. The tasks will be clearly divided within the hiring team, which will lead to an improved internal cooperation.

# 14 How to reduce time to hire? Create strategies to reduce employee turnover

Sometimes a different way of looking at things can be quite refreshing. And that's what this one is all about. So, instead of thinking of ways to reduce time to hire, why not focus on strategies to reduce employee turnover? After all, a lower turnover means a lower hiring need...

Gather, for example, your exit interview data to find out why people leave - and after how much time spent at the company. Or talk to your people team and ask them about this data.

Once you've found out more about the reasons why people leave, you can start to think about ways to prevent that from happening.

Because at the end of the day, it's better to prevent than cure, right?





# 15 How to reduce time to hire? Train your hiring teams

There's always room for improvement, right? As human beings, we're never done learning new things and improving ourselves.

In recruitment, things are moving so quickly that a regular training to keep up with the latest developments is more of a necessity than a 'nice to have'.

There are heaps of different trainings and courses for recruiters out there. One that may be indispensable and relevant when it comes to your time to hire - is interview training.

Interview training is something <u>both recruiters and</u> <u>hiring managers can benefit from</u> and that can help them spot the best candidates for a role faster.

Your team can develop their interviewing skills through online courses. Check out <u>Udemy</u>, <u>Coursera</u> or <u>High Speed Training</u> for courses on interviewing that can be completed from the comfort of your own office with a minimal budget.



# On a final note

The time to hire metric remains one of the top key performance indicators for hiring teams. It measures the number of days between the moment a candidate applies (or gets sourced) to the moment the candidate accepts the job.

As such, time to hire tells you how quickly you were able to identify the best candidate. There are plenty of reasons why a long time to hire is bad for business - and why you should try to reduce it where you can.

Today's job seekers, for example, aren't very patient and tend to lose interest. A long time to hire is bad for your candidate experience too, especially in a candidate-driven job market where the latter is king. And last, but not least, a long time to hire costs you (a lot) of money.

Luckily, there are a lot of things you can do to reduce your time to hire. The above list of 15 things you can do to cut down on your time to hire isn't exhaustive, of course, but it should definitely help you on your way. Take a good look at your current hiring process - and the data you've got on it - and pick out those elements that can help you reduce your time to hire.



# Want to know how others deal with decreasing Time to Hire?

How multinational grocery store chain Albert Heijn decreased Time to Hire with 60%

**DOWNLOAD CASE STUDY** 

