# Moving from Reactive to Proactive Staffing

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The difference between reactive and proactive recruiting is rooted in whether one believes recruiting is about responding to line manager requests to hire candidates into currently open positions or proactively maintaining ready access to a steady supply of high performing talent over time. Reactive staffing organizations tend to emphasize reducing time to hire as it is a measure of response time. In contrast, proactive recruiting is about minimizing time to start. Time to start is a measure of continuity in business operations, and is meaningful different from time to hire (See sidebar, “The difference between “time to hire”, “time to fill” and “time to start” and why it matters”). If your company strategy depends on staffing hard to fill jobs with high performing talent, then it is far more valuable to adopt a proactive stance that focuses on reducing time to start and minimizes the risk of not having access to the necessary talent when you need it.

The only way to effectively shift from a reactive to proactive recruiting is to get serious about workforce planning. Workforce planning is a process for working with business leaders to anticipate the company’s future staffing needs. At a minimum, it involves created structured processes and data to do the following:

- ✓ Agree on likely business growth scenarios looking three or more years into the future (Labour market trends that impact recruiting unfold over years, not quarters).
- ✓ Determine what sort of talent will be required to support different hiring scenarios. This involves analysing the kinds of jobs required to support business strategies and determining what skills and experiences candidates will need to be qualified to perform these jobs.
- ✓ Analyze the skill and experiences of your current workforce and forecast the likelihood of losing employees with certain skill sets due to turnover, retirement, or movement within the organisation.
- ✓ Calculate the gaps between the employees you currently have and the ones you are likely to need over the next several years. Use this to design staffing processes to ensure the company has the talent it needs when it needs it. These processes will typically be a mix of external hiring strategies combined with internal employee development, succession planning, and the use of contingent workers.

**Difference between “time to hire”, “time to fill,” and “time to start” and why it matters:**

Time-to-hire is one of the most frequently used metrics for evaluating the recruiting performance. Usually measured in days, time-to-hire refers to the total elapsed time required to staff an open position. Despite its wide use, time-to-hire is among the most poorly understood metrics in the field of staffing (the others being job performance and candidate quality). Time-to-hire is primarily a measure of staffing speed. It is not necessarily associated with candidate quality. The emphasis time-to-hire places on time over quality significantly limits its value as a measure of staffing performance.

Time-to-hire also suffers from poor definition. Some organisations start measuring time-to-hire with the initial approval of a requisition while others do not start measuring until a requisition has been assigned to a recruiter or posted to a career site. One of the most critical differences in time-to-hire definitions is whether to stop measuring when an offer is secured from an approved candidate, or to include time that elapses after a candidate accepts an offer and before they actually start the job. These metrics are more appropriately referred to as “time-to-fill” and “time-to-start”.

Many things that affect time-to-start do not affect time-to-fill and vice verse. For example, company policies restricting employees from moving into new internal positions until replacements are found for their current roles may radically lengthen time-to-start, but could have little effect on time-to-fill. There are even situations where a company may intentionally increase time-to-fill while simultaneously taking steps to decrease time-to-start. Although such staffing strategies may seem contradictory, they make sense when time-to-fill and time-to-start are analyzed independently instead of being lumped into a single time-to-hire metric. The following case studies illustrate reasons why time-to-fill and time-to-start should be treated independently.

***Increasing time-to-fill to increases the chances of a better candidate applying.*** A few years ago I wrote about a company that analyzed the impact hiring technology had on their ability to hire candidates with certain rare qualifications[1]. These star candidates generated extraordinary levels of revenue to the company. The company would like to hire these candidates all the time, but there are rarely enough available to meet operational staffing needs. A key finding from this study was that there are situations where it is advantageous for companies to purposefully increase average time-to-fill.

It is important to remember that star candidates are by definition rare, and receiving applications from star candidates is a relatively infrequent event. Companies that focus on minimising time-to-fill are likely to hire non-star candidates simply because they did not wait around long enough for a star candidate to apply. So how long should companies wait for star candidates to apply before they decide to close a requisition? The answer to this question will depend on the job and labour market. The organisation determined that if they intentionally waited five days before filling positions they would receive an additional £200,000 per year by hiring better quality candidates. Of course these gains have to be offset against costs associated with leaving positions unfilled for five additional days.

***Decreasing time-to-start to zero without impacting time-to-fill.*** Companies that recognise the difference between time-to-fill and time-to-start may adopt unique staffing strategies to ensure time-to-start remains near zero. These strategies avoid disruptions in company operations caused by vacancies while avoiding the risk of lowering hiring standards just to fill a position. The staffing department in one retail organisation made a commitment to keep their store manager jobs “100% staffed” at all times. This meant no open management positions in field operations by reducing time-to-start to less than a day. To achieve this, the company decoupled the process used for hiring new store managers from the process used to place newly hired managers into specific positions. They then intentionally “over-hired” so that within a given region they always have slightly more store managers than store manager positions. After initial on-boarding, newly hired store managers are provided with additional in-store training until a vacancy occurs in their region. They are then transferred into the vacant position immediately to minimise any discontinuity in operations.

In addition to increasing operational continuity, these changes also led to improvements in the process used to hire new managers. Although recruiters still feel constant pressure to keep the

[1] S. Hunt (2004). Understanding time to hire metrics. Electronic Recruiting Exchange (www.ERE.net)

pipeline filled with good candidates and minimise time-to-fill, they are no longer under the gun to staff a specific position in a specific store as fast as possible. Recruiters are able to hire in a more systematic and measured fashion, focusing on candidate quality instead of constantly responding to the "hiring crisis of the moment". They are not pressured to lower hiring standards just to get someone in the door, and can scrutinise candidates without worrying about added pressure of having to fill the vacancy as fast as possible.

Decoupling the concept of time-to-fill from time-to-start represents a bold and innovative approach. But these examples also illustrate what can happen when staffing leaders take the time to critically analyze staffing metrics and processes.

Moving to proactive recruiting shifts recruiters from "responding to hiring managers requests" to actively working with business leaders to figure out what sort of people the company should be hiring and whether it is better to acquire them through external hiring, internal development, contingent workforces, or a mixture of all three. This includes engaging the business on whether workforce deficiencies might be better addressed through increasing productivity of current employees, rather than hiring of external staff. This requires close integration between recruiting and the functions that support succession management, employee development, and performance measurement.

**Recruiting Process Maturity**

The illustration below shows the maturity phases organisations often go through on their journey from reactive "filling of positions" to proactive "maintaining a steady supply of high performing talent".

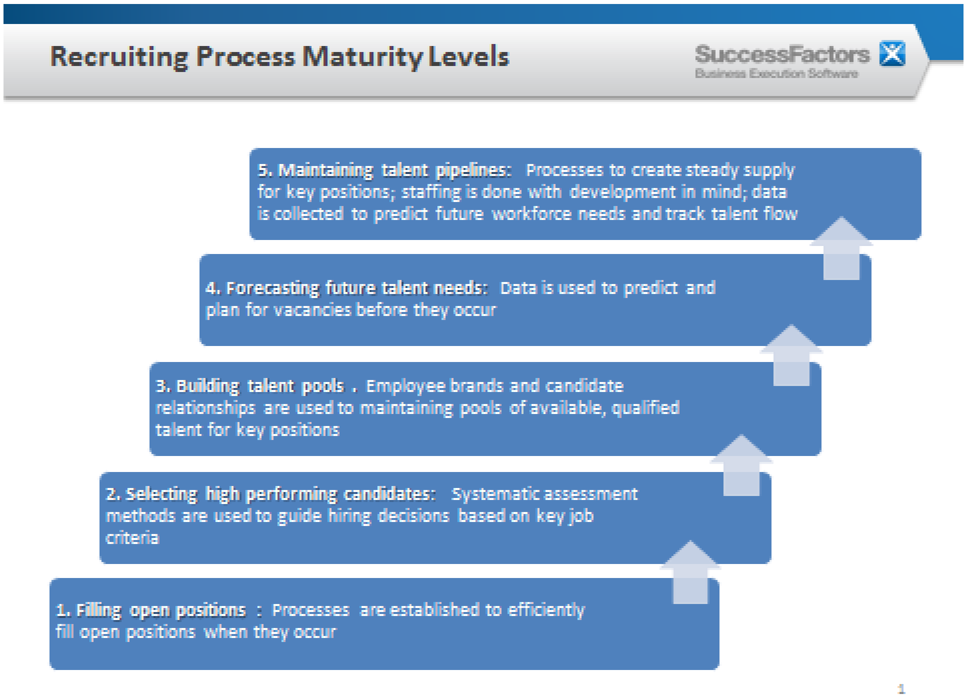
**Filling open positions.** Level 1 in recruiting maturity is about establishing efficient methods for filling open positions. These are methods that allow companies to effectively create and track job requisitions and efficiently process candidates as they move through the hiring process.

**Selecting high performing candidates.** Level 2 focuses on implementing tools to improve the accuracy of hiring decisions. This may include integrating more sophisticated selection tools, but at a minimum should emphasise more effective interview processes. Level 2 forces you to define what kind of candidates you wish to hire, which is a necessary requirement Level 3.

**Building talent pools.** Level 3 focuses on creating internal and external pools of candidates to fill future positions. A key part of achieving Level 3 is creating tools that provide your staffing organisation with clear visibility into talent found internally as well as externally.

**Forecasting future talent needs.** Level 3 will give you a general sense of the amount of talent available to fill different types of jobs. Level 4 focuses on defining the gap between the talent you have and the talent you will need in the future. This is where workforce planning becomes critical.

**Maintaining talent pipelines.** Level 5 is the pinnacle of business execution oriented staffing. You are able to focus on providing "just in time" staffing where positions are filled within days due to active forecasting of talent needs and pre-identification of qualified candidates. This is where staffing becomes a major competitive differentiator for driving strategic success.

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