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## WHY COMPANIES ARE TAKING LONGER TO HIRE

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It's getting tougher for companies to say "You're hired."

U.S. employers are taking longer — 25 working days, on average — to fill vacant positions. That is a 13-year high, according to the Dice-DFH Vacancy Duration Measure, an index created by University of Chicago economist Steven Davis. At companies with 5,000 or more workers, the time to hire is even longer, at 58.1 working days. The index defines working days as Monday through Saturday.

Economists and employers say there is no single cause for the slow hiring pace, but the lag time can be read as a proxy for corporate confidence in the economy. On one hand, companies are feeling sunny enough to post jobs — openings reached 4.7 million in June, the highest number since 2001 — but, fearful the economy could falter, they are finding it hard to commit to hires.

Typically, a longer time between employers advertising a job and having an offer accepted is a sign of a thriving economy, suggesting there are more openings than job seekers to fill them. But with nearly 10 million Americans currently unemployed, that doesn't describe today's labor market.

Employers have become "extremely picky," which also partially accounts for stagnant wage growth, says Mr. Davis. "If employers were more confident, they'd bid up wages, and that hasn't happened."

Employers have raised the credentials required for jobs, according to recent studies, and some have intensified pre-hire screenings. As a result, bosses are having trouble finding candidates who not only possess the skills for the job but also clear those higher hurdles.

Also potentially slowing the process are social networks like LinkedIn, where employers court so-called passive candidates who are already employed at competitors and not officially on the job market. While such networks expand the pool of potential hires, wooing those candidates takes longer than plucking someone actively searching for work, says Mr. Davis, who uses Labor Department data for the time-to-hire index.

Thinner staffing in HR and recruiting departments may be another factor, since recruiters are taking on a larger workload as employers post jobs. "Depending on how many hiring managers [company recruiters are] dealing with, it's impossible" to fill jobs quickly, says Mark Mehler, co-founder of staffing strategy consulting firm CareerXroads.

Bridgestone Retail Operations LLC, a division of tire maker Bridgestone Corp., takes 21 to 30 days to hire an experienced mechanic or salesperson. In 2008, Bridgestone Retail made those hires in about half that time.

Like many other employers, the Bloomingdale, Ill.-based Bridgestone Retail is conducting more background, drug and physical screenings for candidates and has a more rigorous interview process for white-collar hires.

That comes with a business cost. Bridgestone Retail Chairman and President Stu Crum says desirable candidates sometimes go elsewhere rather than wait, and in the meantime, short-staffed stores may have to turn customers away, or incur overtime costs for mechanics.

The company is trying out an outside firm to conduct background checks and sift applications, in an effort to speed hiring. Mr. Crum has set a target of 10 to 14 days for store staff and around 30 days for corporate positions.

Other companies are taking different tacks. OpenText Corp., a software company based in Ontario, reduced its time to hire by about 30% over the past two or three years by bringing recruiting in-house for most positions and cutting the number of approvals needed to lock down a new hire. An expanded social media presence helped, too, according to Chief Executive Mark Barrenechea.

Even as he looks to speed up hiring, Mr. Crum wants to make sure the process doesn't get too easy. Getting the right people into the company is the most important thing, he says, and the added rigor in hiring helps.

"When there's a larger pool out there you can make mistakes and there's another one standing in the queue," he says. Now, "when you hire someone you want to make sure they're the right one."