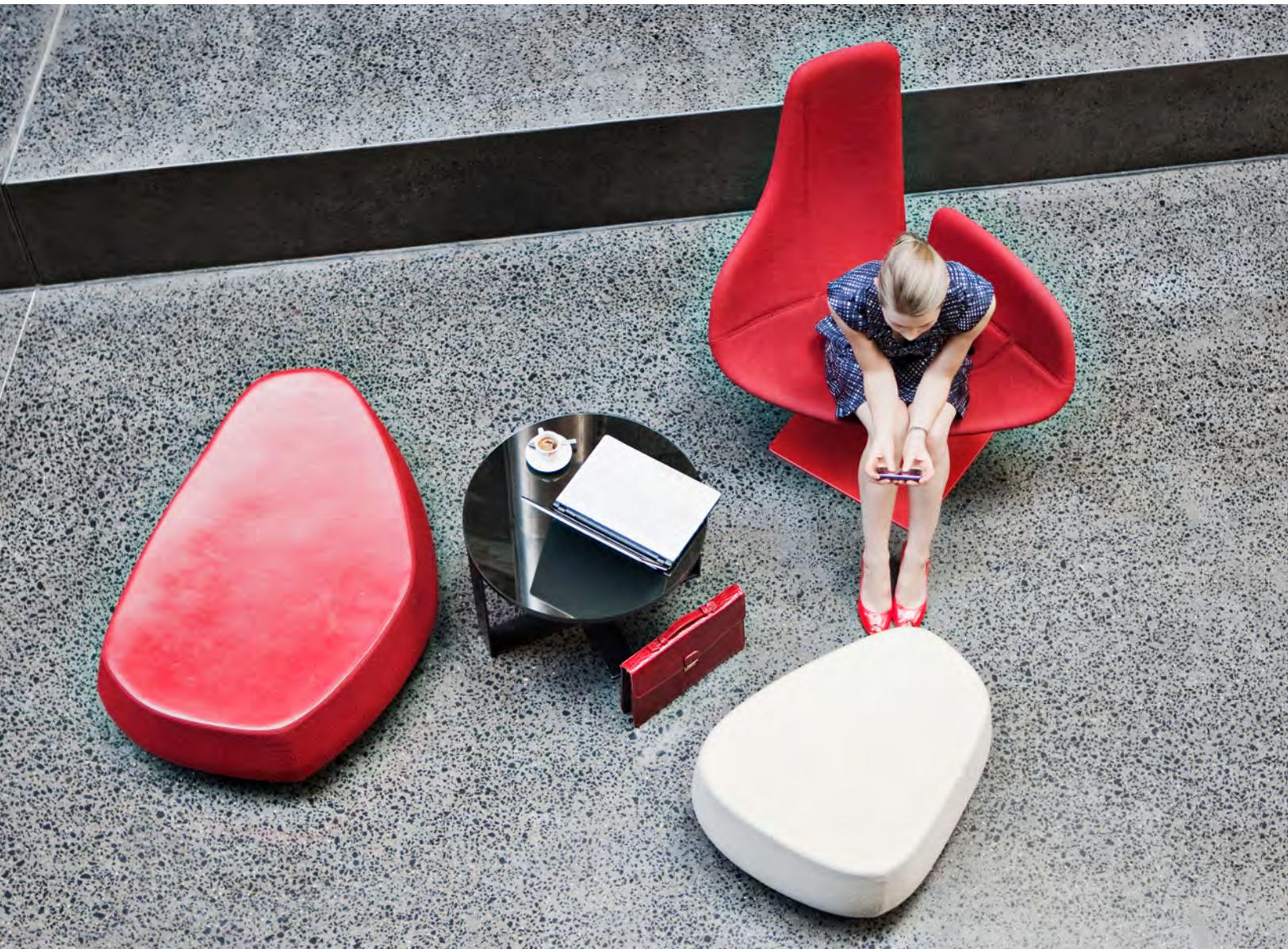


THE ULTIMATE GUIDE TO
FINDING PASSIVE
CANDIDATES



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INTRODUCTION

Passive candidates are key to scaling your employee growth. Hiring passive candidates is time- and cost-efficient and provides excellent ROI on recruiting expenses.

Traditionally, these prospects are higher-performing, better skilled, and more loyal than active candidates. While they're generally happy in the job and not actively looking for a new position in the marketplace, they'd be open to hearing about something new that would help develop their career.

Employers who can swoop in and grab one of these top-contributing workers before they even think about switching jobs can save time and money while bringing a tried-and-true performer into the fold. This guide will help you solve your passive- candidate dilemma.

You know you need them, but how in the world do you find them and convince them they'd be better off working for you instead of their current employer?



MARKET REALITIES

Since the peak of the Great Recession, things have slowly improved in the U.S., where the **unemployment rate has dropped from 10 percent to the 5 percent range**. In fact, one report pegged the number of monthly hires the highest in nine years.

The national quit rate, which measures voluntary separations, also **reached a milestone** last winter before leveling off somewhat in the following months.

Overall, it's safe to say workers are feeling more confident and are more willing to consider leaving their current jobs for something better.

Indeed, **one annual job seeker survey** found that 74 percent of workers are open to a new position, despite 51 percent reporting being satisfied with their current job.



PASSIVE CANDIDATE DEFINITION

It's been argued that “passive candidate” is a misnomer, as these individuals are neither passive nor technically job candidates. To be fair, there's a lot of truth to that position.

However, for our purposes, we'll stick to the common meaning of “passive candidates” used by HR:

Passive candidates are qualified, currently employed, and generally contented workers who “aren't really looking” for a job (although they might visit a job board every now and again), but who would be willing to hear about new career opportunities.

These are the coveted employees whom so many recruiters and hiring managers seek. The very best are high-performing, engaged workers who are continually building their skills. Further, they typically require less training.

4 MORE REASONS TO LIKE PASSIVE CANDIDATES

While some say the search for passive candidates is mostly about wanting what we can't have, there are solid reasons to like and understand passive candidates at a deeper level.

Here are four more reasons to help us understand the benefits of passive candidates:

1. Hiring passive candidates is cost-effective.
2. Hiring passive candidates is efficient.
3. Passive candidates have sharper skills than the unemployed.
4. Once hired, passive candidates tend to perform better and stay longer.

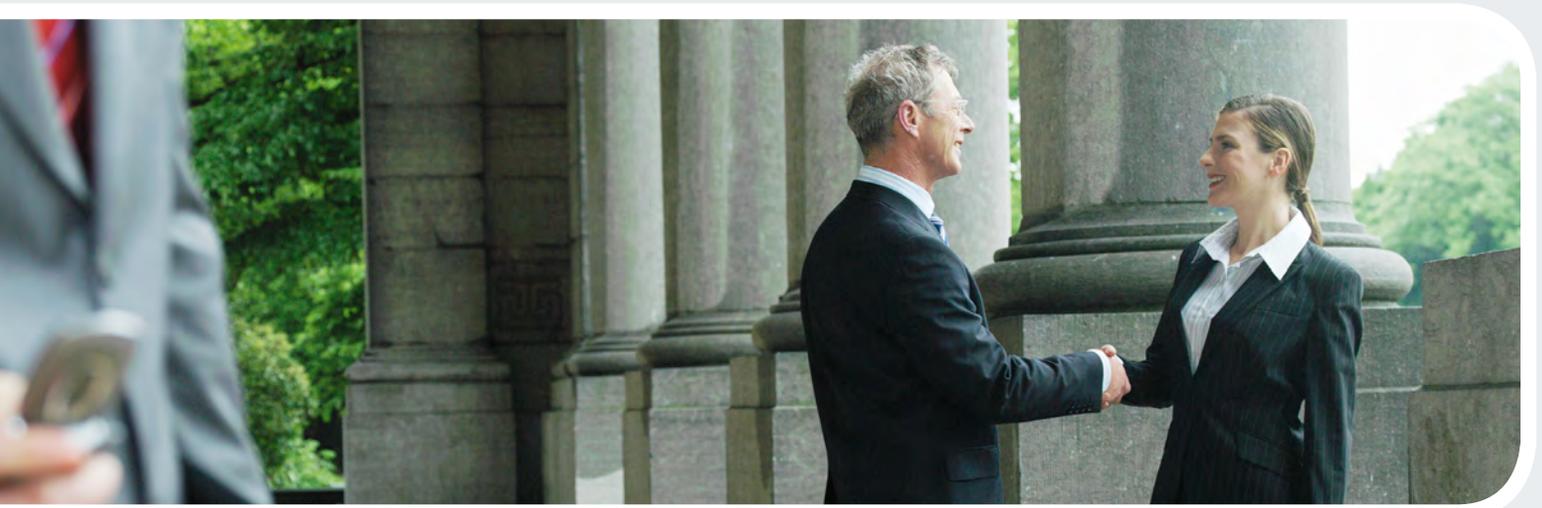
1 Hiring Passive Candidates Is Cost-Effective

“This can’t be true!” you’re thinking. “It costs time and money to woo happy employees from their current employer!”

Well, yes and no.

Wooing does take time and money, but these days, that’s not necessarily as expensive as it sounds. Wooing doesn’t require **fancy dinners**, gratis tickets to Broadway shows, bottles of rare wine, or other costly gifts.

These days, passive candidates can be wooed via your social influence, culture, and brand. Intrigued by company news, surveys, videos, and other information posted on your website or elsewhere on the Web (and beyond), these workers become fans of what you do and how you do it.



Some will even follow you on Twitter, LinkedIn, Facebook, and other social media platforms.

Modern technology allows you to capture these workers’ job titles, years of experience, interests, and email addresses and later engage them through job alerts and company updates. And that’s just the beginning.

Sure, social media management is an investment, but it should already be a vital part of your overall marketing efforts and so provides quite a bit of bang for your buck. Contrast this with, say, the payback on job ads or recruiter fees.

2 Hiring Passive Candidates Is Efficient

Introducing new talent into the organization is one of the most crucial tasks that HR execs and leaders must assume, but so much of traditional hiring feels like a waste of time.

We're looking at the following six challenges of traditional hiring:

1. Plowing through tons of resumes from unqualified applicants
2. Sending responses to unqualified applicants
3. Scheduling and conducting telephone screenings with prospects, many of whom seemed promising, but turned out to be unsuitable
4. Coordinating interviews with multiple participants
5. Interviewing candidates, many of whom seemed promising, but turned out to be unsuitable for one reason or another, such as poor references, salary expectation mismatches, or culture mismatches
6. Following up with unsuitable candidates

We won't lie to you: Some of this activity is a necessary part of the hiring process and can't be avoided. When you're working with active candidates, weeding is a natural function in the cycle. However, passive candidates cut down on weeding time, and that's a very good (and efficient) thing.



3 Passive Candidates Have Sharper Skills Than the Unemployed

OK, this point is a bit controversial. We get that, and we wouldn't for a minute disagree that thousands of qualified and competent workers are out there within various industries. We also know that every active job seeker isn't unemployed and that every employed person isn't a top performer.

However, we stand by our position that employed workers generally have greater opportunities to use and improve their skills than do workers who aren't employed.

Yes, ambitious unemployed workers will find plenty of chances to keep their expertise relevant, but there's nothing like the pressures of daily deadlines, expectations, and responsibilities to keep an employee's abilities in tip-top shape.

Further, part of what makes passive candidates passive is that they're so dang busy that they don't have time to look for a job, and they're engrossed enough in their current positions that another job isn't a priority.



4

Once Hired, Passive Candidates Tend to Perform Better and Stay Longer

A recent study by research and best business practice firm CEB found that employers rated the performance of passive candidates as 9 percent higher than active candidates. Furthermore, passive candidates are 25 percent more likely to stay with the organization long-term.

It could be that passive candidates perform better because they're better qualified in the first place.

Consider this: A CareerBuilder survey found that more than half — 56 percent of employers — have found a lie on a resume.



People lie on their resumes for all kinds of reasons, but mostly they want to increase their chances of getting an interview (and ultimately a job offer) by appearing more skilled than they actually are.

Passive candidates, however, don't have the same incentives to embellish their backgrounds.

You've approached them because you already have a good idea of what they can do. They don't have to sell you on their suitability for the job. What you see, therefore, is much more likely to be what you get.

HOW TO FIND PASSIVE JOB CANDIDATES

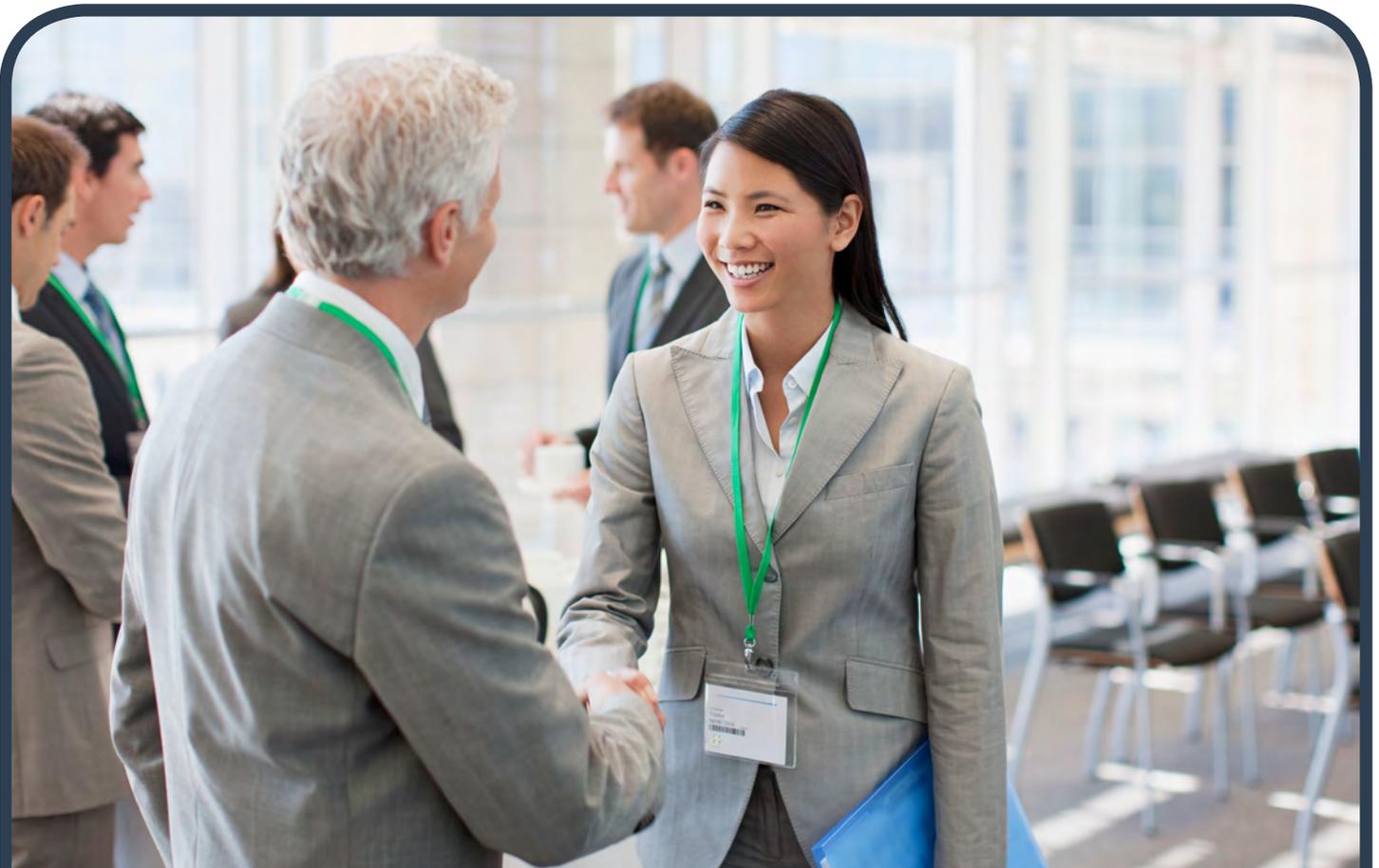
Passive candidates are everywhere; yet they can be amazingly difficult to find. One reason for that, of course, is that these workers aren't necessarily looking to be found. They're happy or mostly happy in their jobs and technically not in the market for a new job.

Common methods for finding passive candidates include tapping into personal networks, attending professional networking events, and sending generic email blasts.

There's nothing wrong with doing what's common, of course, but sometimes doing what's less common will yield great results.

Here are five underused ways to find passive candidates:

1. Reference checking
2. Company alumni outreach
3. Company past-applicant database
4. Formal employee referral programs
5. Social network cold emails



1. Reference Checking

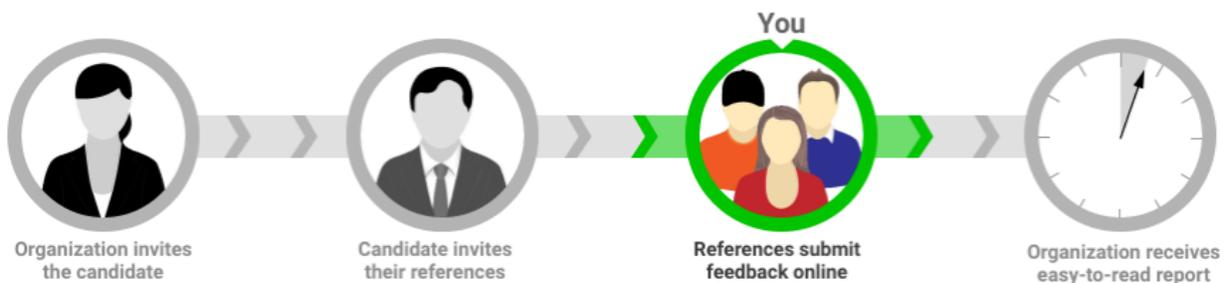
Too many hiring managers, HR professionals, and recruiters dread calling references because they view the task as boring, perfunctory, and largely useless.

Former employers will be neutral, and colleagues and other business associates will only say nice things, right?

Not exactly. Putting aside the alarmingly high percentage of references who say bad things about a candidate, reference checking is an underrated yet key factor to the hiring process. If done properly, references can provide information you wouldn't get elsewhere. (See Automated Reference Checking Process: A Complete Walkthrough.)

What's more, checking references puts you in contact with other working professionals who might be a great fit for current or future openings within your organization.

What is the Checkster Reference Check Process?



2. Company Alumni Outreach

There are several ways to tap into passive prospects with a college connection, including LinkedIn college groups, alumni events, college career centers, and college magazines and newsletters.

Keep in mind that even if the prospect you contact isn't interested in exploring other job opportunities right now, (a) he or she may be interested in the future, and (b) he or she might be able to recommend someone who has similar skills and abilities.

3. Company Past-Applicant Database

How many companies notify an applicant that “we’ll keep your resume on file and contact you about future openings that appear to be a match for your skills and talent” and then do exactly no such thing but instead begin every new search from scratch?

The problem isn’t that all those prior applicants are unacceptable for future work of any kind with the employer (and the automated message was simply a nicety to cover that fact).

The problem is a broken hiring system that makes it difficult to organize and manage data.

Automating the hiring process is one way to stop the madness. Developing a system of identifying and tracking strong talent is another. You may only need one or two people in this particular role right now, but that could change over time, or it could be that someone who isn’t a 100 percent fit for this job would be great in another position.

However, none of that matters if you don’t have a way of readily tapping into your data, following up, and engaging these folks.

4. Formal Employee Referral Programs

A personal referral to a passive candidate is like hitting the lottery. What could be better than exclusive access to a star employee who might be looking to make a move but has barely begun thinking about it? For a hiring manager or recruiter, maybe nothing.

According to a CareerXRoads Source of Hire survey, 74.7 percent of new hires represented were a known entity to the employer:

- 37.1 percent were sourced from current employee ranks.
- 8.9 percent were contingent or part-time workers already with the company.
- 6.5 percent were former employees.
- 22.2 percent were referrals.

Only 27 percent of new hires were sourced through job boards or “job aggregator” sites like Indeed and Simply Hired.

In **The Truth about Employee Referrals**, HR pro and **Human Workplace** CEO Liz Ryan writes: “Employee referral is the best recruiting channel I know. It is certainly not the only one, but it’s the only one that reinforces and celebrates your employees in a tangible way for contributing to your company’s success.”

Sadly, however, formal employee referral programs are often underused. HR puts the plan in place and then fails to communicate it to employees or consistently follow up with employees who make inquiries or submit resumes.

Regrettably, it only takes one time for the company to not respond for an employee (who’s already put him- or herself on the line by telling a friend about the job opening) to decide the referral program isn’t worth his or her further investment.

Small Business Trends offers these tips for improving your employee referral program:

- Offer attractive incentives. Your employees are recruiting for you; reward their efforts well. Cash is always good, but paid leave, gift cards, and other company perks may work just as well.
- Create a sense of urgency. Let your employees know the program is important and that finding good staff is always top of mind.
- Make the program easy to follow. If the program is too complicated, no one will want to participate. Streamline steps for maximum interest and follow through.
- Take all referrals seriously. Don’t let resumes fall into a black hole. Let your employees know the status of their referrals regardless of your enthusiasm about a particular recommendation.
- Promote the plan. If your employees don’t know you have a referral program, they can’t possibly make it a success. Market the plan often, and even before new positions open, you’ll have talent in your pipeline.

5. Social Network Cold Emails

Social media is a great place to meet and connect with passive candidates. Links to articles or comments posted on LinkedIn or Twitter, for instance, can spur conversation that puts a top performer squarely in your path. When that happens, you have nothing to lose by emailing that person and expressing interest in his or her background as a precursor to discussing an opening in your organization.

Searching through online profiles is also a way to discover “hidden” talent.

Top performers don't have the time or interest to follow up on a generic inquiry that reads something like: “Dear Candidate, I saw your profile on X. My client has an opening I think you'd be perfect for. If you're interested, please send me an updated resume...”, but a personal inquiry from a recruiter or hiring manager that demonstrates some actual knowledge of the individual and the kind of job he or she is likely to want has a feel that the recruiter or hiring manager has done the due diligence to research the individual.



HOW TO USE TECHNOLOGY TO FIND PASSIVE JOB CANDIDATES

As technology improves and more products hit the market, employers will become increasingly comfortable with its use in the hiring process. Indeed, even the least sophisticated employer has relied on job boards to post vacancies for years now.

However, recruiting software has come a long way since Monster.com launched in the 1990s. These days, employers have their choice of applicant tracking systems, automated email response software, scheduling software, candidate management relationship software, **automated reference checking tools**, and online behavioral and skills assessments.

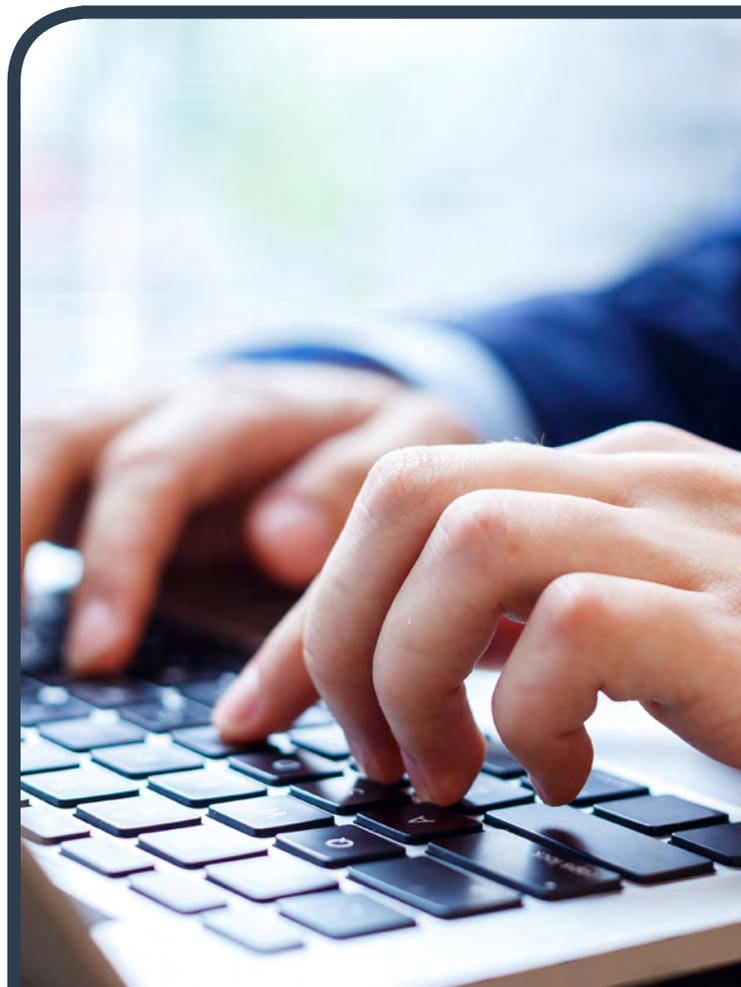
These products are all helpful when hiring active job seekers, but some can be used to find and engage passive candidates as well.

For example, employers can use a candidate management relationship tool **to create an email campaign that targets passive candidates** and encourages them to apply for open positions or to sign up for networking events.

Applicant tracking systems can house applicant data indefinitely, allowing employers to stay in touch with a passive candidate who was once an active job seeker, and social media platforms can be used to find passive candidates who meet the criteria you seek.

Whatever technology you use, make sure it's user-friendly and non-invasive. For example, too many email messages will turn prospects off, as will multiple and repeated queries about unsuitable positions. Also, expecting prospects to work hard to meet your agenda is probably not a good idea.

Contacting employees and then expecting them to supply references and/or salary history—before you'll review any details about your job opportunity—falls squarely in this category.



CONCLUSION

Companies that want to stay ahead of the war for talent need to develop solid hiring strategies that include the pursuit of passive candidates. Focusing on passive candidates exclusively is too limited of an approach, but ignoring them altogether is definitely a mistake.

Unfortunately, while many employers recognize the value that passive candidates can bring to their organizations, leadership lacks real strategy for finding and securing members of this in-demand talent pool.

Happily, there's no shortage of information or tools to aid non-passive employers in their goal to find, engage, nurture, and ultimately hire passive candidates.

About Checkster

Checkster enables organizations to make better talent decisions. Using the new science of collective intelligence and the ubiquity of social networks to deliver fast, accurate social ratings, Checkster gives organizations certainty in new-hire decisions and employee promotions.

