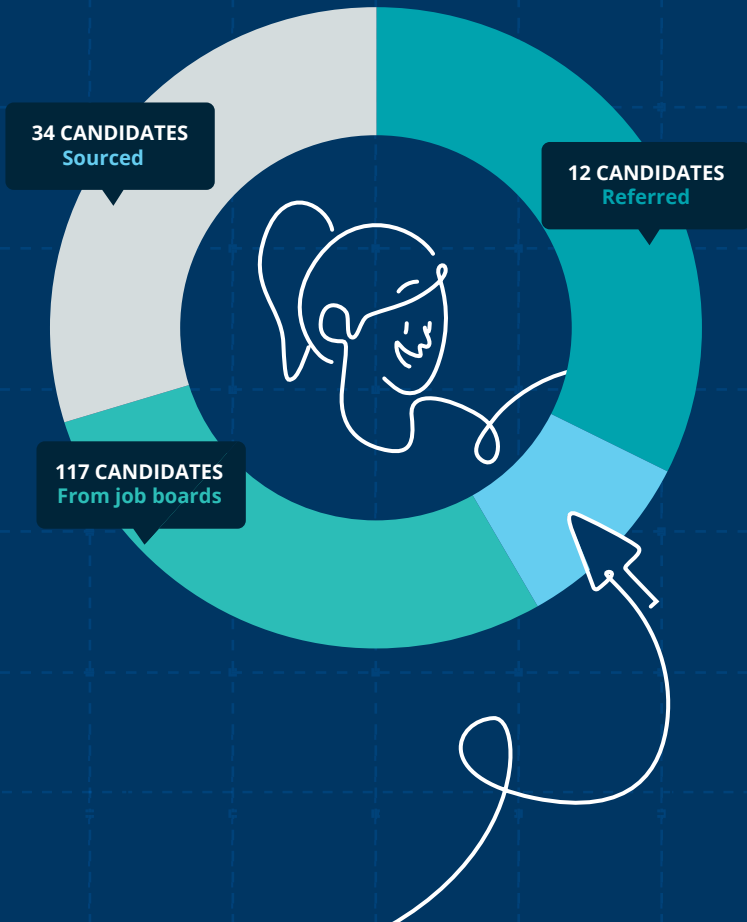


Recruiting metrics



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Recruiting metrics

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INTRO

What are recruiting metrics and why are they important?

In every organization, the recruiting process generates data: how long it took to fill one role, how many candidates progressed to the final hiring stage or how many comments hiring teams exchanged until they made a hire. This data, in the form of recruiting metrics or Key Performance Indicators (KPIs), indicate how effectively and efficiently your organization is hiring.

Through tracking metrics, you can get tangible evidence of how successful your recruiting process is, rather than relying on intuition. For example, hiring teams may believe a particular job board brings them many good candidates, but data might show that this job board is actually underperforming. Metrics can also help you identify problems and provide direction for you to find the right fixes.

In this guide, we put together everything you need to know to start making the most out of your recruiting data.

You'll find:

- ✓ A list of common recruiting metrics to track.
- ✓ A detailed look into five of the most important KPIs.
- ✓ How to collect data and track metrics consistently over time.

A list of common recruiting metrics

Each company has different needs so it makes sense for each to track different metrics. Choose which metrics to track based on the areas you'd like to improve or the information you want to give to senior management. Usually, you'll find it useful to track one or more of these metrics:

- ✓ Cost per hire
- ✓ Time to hire
- ✓ Time to fill
- ✓ Hiring velocity
- ✓ Recruiting yield ratios (including interviews per hire)
- ✓ Qualified candidates per hire
- ✓ Candidate experience
- ✓ Offer acceptance rate
- ✓ Recruiting email open and click-through rates
- ✓ Quality of hire
- ✓ Source of hire
- ✓ Qualified candidate sources
- ✓ Hiring team productivity
- ✓ Hires to goals
- ✓ Diversity ratios

All these metrics give you valuable information on your hiring process. Here's how to get started with five metrics that give you a good idea on how effectively you hire:

- ✓ Candidate experience
- ✓ Time to fill
- ✓ Cost per hire
- ✓ Quality of hire
- ✓ Source of hire

Each one of those metrics may include other metrics that you can combine to create the big picture. Let's delve a bit deeper.

Candidate experience

“Candidate experience” refers to candidates’ overall impression of your recruitment process.

From the moment candidates browse your careers page, until they receive a job offer or rejection email (or not hear back at all), they’re forming an opinion about your company and how you generally treat candidates.

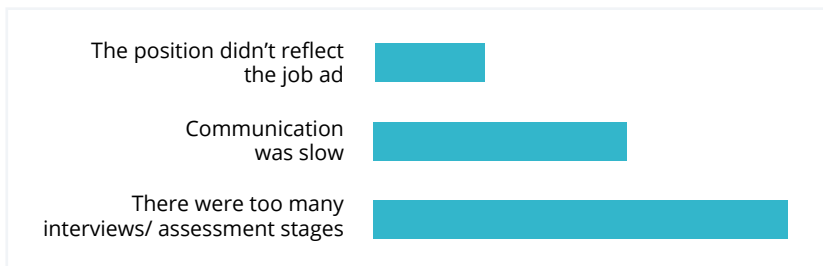
Why is that important? Many candidates share their opinions with friends and colleagues or on sites like Glassdoor, which can impact your reputation among job seekers. Treating people properly throughout the hiring process speaks to the culture of your company and makes you more attractive as an employer to both future applicants and your candidate finalists.

How to measure candidate experience

Candidate experience is a collection of different measures. The most important one is straightforward: candidates’ direct opinions. If possible, send a short, voluntary [survey](#) to every candidate once the hiring process is over to ask them about their impressions. Include questions such as:

- ✓ Did the job description help you understand the role?
- ✓ What did you like/dislike about your interview process?
- ✓ How would you characterize your communication with recruiters/ hiring managers through email or phone?
- ✓ Would you apply for a future opening at our company?
- ✓ Would you encourage a friend to apply to work at our company?

When you get responses from several candidates you can aggregate results and create reports. For example, “70% of our candidates say they’d apply for a future opening at our company.” You could also create bar charts or pie charts indicating all the complaints cited about the hiring process or other factors.



Because not every candidate will complete the survey, think of other ways you can complement your insight. Consider the journey of your candidates during your hiring process and try to identify critical moments in their interactions with your company and the metrics associated with them. For example, one important metric is when candidates apply and don't follow through; this is the “application abandonment rate.”

Application abandonment rate

Your application abandonment rate measures the effectiveness of your job application forms. This metric shows the percentage of candidates who started filling out your forms but never actually applied:

$$\text{Application abandonment rate \%} = \frac{\text{Number of candidates that quit the application process}}{\text{Number of candidates that began filling out an application}} \times 100$$

If this metric is [higher than you'd expect](#), you can apply some fixes. Shortening your application process may help. Use fewer or more relevant questions and measure how those changes affect your application abandonment rate. Also, you could aim to optimize your application forms for mobile since many candidates use their phones to search and apply to jobs. Make sure your application form is easy to navigate and quick to complete. Test the loading times of your application forms and careers page on different devices to make sure they're suitable for various screens.

Pro tip: Candidate experience metrics help you see the hiring process through your candidates' eyes. If you notice problems, make sure to communicate them to your hiring teams and listen to their side of the story. They might have trouble getting back to candidates in time because they don't have a way to quickly see who they haven't contacted yet. Offer to help them with training or implement other solutions including applications, software or new efficient processes.

Time to fill

“Time to fill” is the amount of time you need to fill a position.

This metric helps you plan your hiring better and also helps identify warning signs of an overlong hiring process.

How to measure time to fill

It’s quite straightforward to [calculate time to fill](#): count the calendar days from the start of your hiring process until your company fills a position.

While the start of your hiring process is often ambiguous, many companies start counting from the moment a job ad is published. If you want to compare time to fill internally only, you can define a different time period to frame your measurements. For example, your starting point could be the moment a hiring manager submits a job opening for approval or the moment the finance department approves a job opening.

Choose what makes the most sense for your company, but make sure that you count time to fill consistently for all positions and teams.

How to calculate average time to fill

Calculate your company's average time to fill for a given period (e.g. a year) by adding all time to fill measurements for each position you filled during this period and then divide by the number of roles. For example, if you hired for three roles, with 20, 30 and 40 days time to fill respectively, then your average time to fill is $20+30+40/3 = 30$ days. This calculation should refer to the same time period.

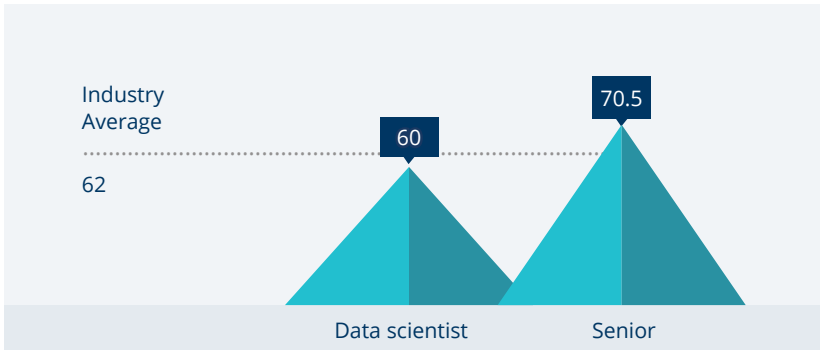
If you have positions that are always open (e.g. for entry-level salespeople), don't include them in your time to fill calculations. This is because these positions would greatly inflate your average time to fill without reflecting the efficiency of your hiring process.

Benchmarks for time to fill

The Society of Human Resource Management (SHRM) [reports](#) an average time to fill of 42 days. [Workable's Benchmark tool](#), which gathers anonymized data from thousands of hiring processes in our system, presents time to fill categorized by industry and location. Here's the average time to fill globally and in North America:

Business function	Global time to fill	US & Canada time to fill
Administrative / HR	40	35
Analyst / Consulting	57	54
Customer Service	40	38
Engineering	62	60
Finance / Accounting	46	45
Information Technology / Design	56	51
Marketing / Advertising / Creative	54	50
Sales / Business Development	52	48

Also, we have collected [data for different positions](#) to show granular variations within the same industry. For example, the global average for hiring a Data Scientist is 60 days (less than the global average in Engineering) while hiring a Senior Data Scientist takes 70.5 days:



How to reduce time to fill

If you want to reduce time to fill, think of using more efficient recruiting strategies. Here are a few ideas:

- ✓ **Build a candidate database.** You don't have to look for candidates from scratch every time a position opens. Your ATS already has many qualified candidates who may have made it to the final stages of a hiring process, or applied after a position was filled. (Make sure that you're GDPR-compliant when keeping EU candidate data).
- ✓ **Source actively.** Reach out to [passive candidates](#) and connect with them. Even if you don't have an immediate opening, lay the foundation for a strong professional relationship with people you meet at events or forums so you can contact them in the future when the right job opens up.

- ✓ **Scrutinize your time to fill.** Your time to fill has many layers: time to begin the interview phase, time from application to phone screen and more. Find which stage takes too long and think about how you can improve it.
- ✓ **Create an effective [referral program](#).** Send your colleagues an email with the job description of your open role and ask them to recommend qualified candidates. This process reduces the time spent on job advertising and [resume screening](#).

Time to hire: a complementary metric

[Time to hire](#) and time to fill are often used interchangeably. But, you can also treat them as separate metrics and gain different insights. The [difference between time to fill and time to hire](#) is the point you start counting. You may start counting time to fill before a job is published. But your time to hire timeline starts when your best candidate applies or gets sourced. So, this metric shows the time between the moment your eventual hire entered your pipeline and the moment they accepted your job offer.

Time to fill tells you how fast your hiring process moves. Time to hire tells you how quickly you were able to identify the best candidate and moved them through the job's pipeline. It's an indication of how effective your hiring team is.

To calculate time to hire, imagine that the day you opened a specific position is Day 1. Then, if your best candidate applied on Day 10 and accepted your job offer on Day 25, your time to hire is $25 - 10 = 15$ days.

Time to Hire = Day candidate accepted offer - Day candidate entered the pipeline

Benchmark for time to hire

If your evaluation processes are effective, you'll be able to identify the best candidate. Considering that the most talented people are [off the market in 10 days](#), it's best to aim for the shortest time to hire possible.

How to improve time to hire

The more efficient your hiring process is, the shorter your time to hire will be. To reduce your time to hire, start by identifying what caused it to be higher than you'd expect.

- ✓ **Break down your hiring process.** Measure how much time it took to move candidates from one stage to another. That way, you can discover whether your hiring team spends too much time on a particular phase.
- ✓ **Calculate time to hire per team.** If there's one particular team that inflated your average time to hire, talk to the hiring manager to discover the cause.
- ✓ **Train hiring teams.** Both recruiters and hiring managers benefit from [interview training](#), which can help them spot the best candidates for a role more quickly.
- ✓ **Use templates.** [Templates](#) can help you craft [effective emails](#) to candidates more quickly. This can shorten the time you spend on communicating with candidates (like when scheduling interviews) and will also reduce your time to fill.

Pro tip: It's useful to track time to fill and find ways to optimize it. But, optimizing doesn't always mean shortening it as much as possible. Quality of hire matters, and often, you need to spend a healthy amount of time evaluating and selecting candidates - especially when it comes to high-impact roles where making a bad hire incurs serious costs. Don't rush into hiring; take as much time as you need to make a good decision.

CHAPTER 3

Cost per hire

“Cost per hire (CPH)” is the average amount of money your company spends to make one hire.

This is one of the most intriguing recruiting metrics. It’s simple to understand, but can be time-consuming to calculate. It’s clear to some, but opaque to others.

The way companies calculated cost per hire varied until HR leaders created a standard formula in 2012. The Society of Human Resource Management (SHRM) and the American National Standards Institute (ANSI) were [both involved](#).

Their cost per hire formula is quite simple:

$$\text{CPH} = \frac{\text{Internal Recruiting Costs} + \text{External Recruiting Costs}}{\text{Total number of hires}}$$

Costs and number of hires both refer to a certain measurement period (e.g. on a month or a year).

Internal vs. external costs

Internal costs refer to “internal staff, capital and organizational costs of the recruitment function.” For example, these costs include in-house [talent acquisition team salaries](#). Internal costs can include resource allocation from one team to another for recruitment purposes, even if money stays in the company.

External costs refer to any “expense that is incurred to external vendors or individuals during the course of recruiting.” For example, these costs include [external agency fees](#) and [job board posting](#).

Here’s a list of common external and internal recruiting costs. You’ll notice some of the costs have asterisks. See the next section to learn their meaning.

External recruiting costs

- Cost of Recruiting Staff (Salary and benefits for full-time and contract recruiters)
- Cost of Sourcing Staff (Salary and benefits for full-time and contract sourcers)
- Internal Overhead for Government Compliance*
- Non-labor Office Costs
- Recruiting Learning and Development Expenses
- Hiring Manager Cost of Time for Events*
- Hiring Manager Cost of Time for Recruiting*

Internal recruiting costs

- Advertising and Marketing
- Background Checks and Eligibility to Work
- Campus Recruiting
- Consulting Services*
- Contingency Fees*
- Drug Testing
- Employee Referral Awards/ Payments
- Immigration*
- Job Fair/Recruiting Event
- Pre-hire Health Screens*
- Assessment Fees*
- Recruitment Process Outsourcing (RPO)
- Relocation Fees*
- Sign-on Bonuses*
- Sourcing Costs
- Travel and Expenses, Candidate
- Travel and Expenses, Recruiter
- Technology Costs
- Third-party Agency Fees
- Internal recruiting costs

Cost per hire comparable (CPHC) VS Cost per hire Internal

Notice that some costs in the previous table have asterisks; these are costs that you shouldn't include in your calculations when comparing your cost per hire to other organizations'. These costs aren't commonly used in calculations, so they might inflate your cost per hire and give you inaccurate indications on where you stand compared with others.

When you want to make internal comparisons, calculate 'cost per hire internal' by including any costs that make sense to your company. Conversely, when you want to make comparisons within your industry, calculate cost per hire comparable (CPHC) by including any cost except the ones with the asterisks. For example, CPHC includes job board fees but excludes immigration expenses.

How do you determine total number of hires?

Total number of hires might be measured differently across companies. But, generally, companies could include all internal or external hires, both full-time and part-time, who:

- ✓ Went through a hiring process led by a hiring manager
- ✓ Were on payroll as temporary staff and promoted into a full-time position
- ✓ Have fixed term contracts of more than a year and are on the company's payroll

Calculations could exclude:

- ✓ External workers (consultants, contractors etc.)
- ✓ Internal transfers
- ✓ New employees from mergers or acquisitions
- ✓ Employees who are on a third party's payroll

Recruiting cost rate (RCR)

SHRM and ANSI define this additional cost per hire metric. It can be [more useful than CPH](#) because it takes into account market conditions and other external factors that can impact compensation levels. The RCR formula is:

$$\text{RCR} = \frac{\text{Total internal and external costs}}{\text{Total annual compensation of new hire in their first year}} \%$$

You may include total annual compensation before new hires complete their first year. In this case, total annual compensation will be the amount agreed on through the employee's employment contract.

For example, imagine you spent \$10,000 while recruiting for a position. If the new hire's compensation is \$60,000 then $\text{RCR} = (10,000/60,000) * 100\% = 16\%$. This means that for every dollar your new hire makes, you've spent 16 cents to secure them for your team. Obviously the lower the ratio, the better it is for your company. Any HR team would be happy to secure higher-paid, senior-level employees with lower recruitment costs.

If you need information about data collection and segmentation, you can take a look at the [SHRM/ANSI standard guide](#).

Is cost per hire really an important metric?

Companies that use this metric consistently have one great advantage in mind. Tracking internal and external costs helps talent acquisition teams [create budgets](#) and adhere to them. It's easy to spend where you don't need to, if you don't consistently quantify your recruiting expenses. So in that sense, it's vital to have an indication of cost per hire every year.

But, there are disadvantages to this metric. HR thought leader and author [Dr. John Sullivan](#), who specializes in strategic talent management, has long opposed use of cost per hire, [calling it an "evil" metric](#). He cites many reasonable arguments like the fact that it distracts from strategic recruiting and quality of hire.

Spending with quality in mind, instead of costs, makes sense. The best people might be expensive or [take longer](#) to acquire, but they're a guarantee for long-term success. For example, if this year's cost per hire has tripled from last year, that doesn't necessarily mean a bad thing. You might have hired better (and more highly-paid) recruiters, advertised in paid (in addition to free) job boards, or invested in a good [Applicant Tracking System \(ATS\)](#) - all of which can result in better hires, despite their cost.

Another problem with the cost per hire metric is that you have to take into account [complementary metrics](#). For example, there's some value in knowing that, in 2015, the [average cost per hire was \\$4,000](#). But, is that a little or a lot? Should companies try to reduce their spend? To draw an actionable conclusion, you need to have other information too, like [time](#)

[to fill](#) or industry benchmark data. Cost per hire is a start, but you need much more to gain insight on efficiency.

Pro tip: It's important to remember that cost per hire is only one piece in a [puzzle of metrics](#). It's useful, but not on its own. Companies should choose a number of metrics that work best for them, trying to see the big picture and avoid obsessing over a single metric. Don't let high cost per hire scare you. Dig deeper and you may find that costs are high because your recruitment process is sophisticated and effective.

Quality of hire

“Quality of hire (QoH)” measures the value new hires bring to a company.

In this context, “value” usually means how much a new hire contributes to their company’s long-term success by completing tasks, improving their work and helping others.

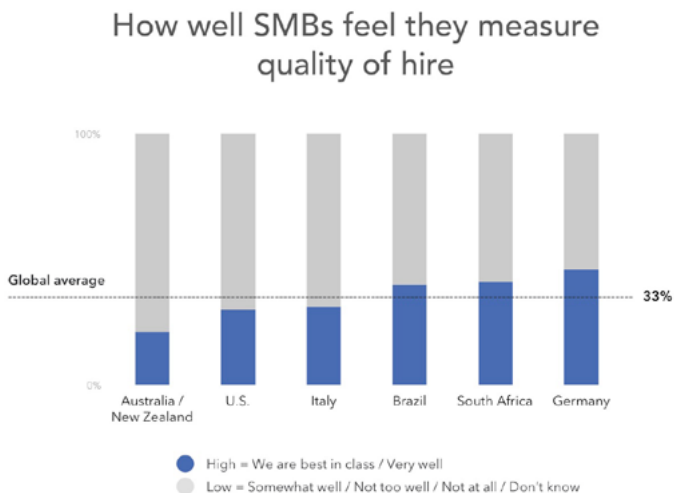
Unsurprisingly, quality of hire is at the top of the list of useful performance KPIs. According to [LinkedIn’s 2016 global trends report](#), it’s a priority for 40% of big companies worldwide (and 45% of small businesses). Efficiency recruiting metrics, like time to fill, are trending up, but there are obvious reasons for why quality of hire is still so important.

Quality is what makes the recruiting process worthwhile. Many companies focus on building a fast and [cost-effective recruiting process](#), but hiring for efficiency doesn’t necessarily translate into good hires and business success.

Measuring QoH

QoH is a difficult metric. It has a long-term horizon and you can only measure it many months after you’ve made a hire. Also, reliable measurements need standardized formulas. Quality, in contrast, is often

vague and subjective. In fact, most companies that LinkedIn surveyed for its recent global trends report, don't really feel confident about the way they measure QoH:



*In general how well does your organization measure quality of hire?
Source: LinkedIn Talent Solutions Global Small Business Recruiting Trends 2016

A good way to measure QoH is by proxy. There are [quantifiable recruitment metrics](#) that indicate quality. Let's call those metrics 'indicators.'

According to LinkedIn's report, these are the three most common indicators that companies use:

✓ **New hire performance metrics are used by 51% of companies.**

They are the most popular way of measuring quality of hire. Performance metrics include any kind of measurements that indicate a new hire adds value, like meeting X sales quota, delivering Y number of product units or achieving Z customer satisfaction ratings.

- ✓ **Turnover and retention metrics are used by 48% of companies.** They give an indication of whether new hires are good fits. They're risky metrics though, because attrition might have other causes like a subpar [onboarding process](#) or ineffective management practices.
- ✓ **Hiring manager satisfaction ratings are used by 41% of companies.** They show how impressed hiring managers are with the quality of their company's hiring process and their eventual hires.

Some companies use other indicators like percentage of new hires who were promoted (within a certain time period) or ramp up time (the time it takes for a new hire to reach full productivity compared with the average time).

With your chosen indicators in mind, you could [calculate QoH](#) for a new hire through a formula that produces the average of a number of indicators:

$$\text{QoH} = \frac{(\text{Indicator 1\%} + \dots + \text{Indicator N\%})}{N}$$

For example:

$$\text{QoH} = (\text{New hire performance} + \text{new hire engagement} + \text{culture fit})/3$$

$$\text{QoH} = (80\% + 85\% + 90\%)/3$$

$$\text{QoH} = 85\%$$

Note that, turnover and retention rates refer to the entire organization, so they aren't used to measure individual quality of hire.

You can also measure overall QoH, through the QoH index. This index will reflect overall quality of hires within your company in the past year. It's a good way to discover whether your general recruiting and onboarding processes work well. The following formula calculates an average. It takes into account the average QoH of all new hires and the new hire [retention rate](#):

$$\text{QoH index} = \frac{(\text{Average QoH} + \text{new hire retention rate}) \%}{2}$$

Retention rate can be easily calculated on its own or as a function of [turnover rate](#):

$$\text{Retention rate (\%)} = 100 - \text{turnover rate}$$

A common variation of the QoH index is:

$$\text{QoH} = \frac{(\text{PR} + \text{HP} + \text{HR})}{N} \%$$

Captions: Variation of the formula for average quality of hire

Where:

- **PR:** Average job performance of new hires (e.g. 80 out of 100 based on quantifiable targets or hiring managers' feedback)
- **HP:** percentage of new hires reaching acceptable productivity within a determined period
- **HR:** retention rate after a year
- **N:** number of indicators (in this case, N=3)

An example QoH index could be calculated like this:

$$\text{QoH index} = \frac{(70 + 80 + 90)}{3} \%$$

where PR=70, HP=80, HR=90

This indicates the average quality of all new hires in a given period (usually a year).

Note that retention and turnover rates can be deceptive. They might not indicate quality of hire, but rather the [quality of workplace](#), manager or onboarding process.

Pre-hire quality

So far we've looked into how to measure post-hire quality of hire. It's essential to measure this in the long term, so that you learn how successful your new hires are.

But, QoH has another dimension: pre-hire quality. Pre-hire quality assessments are short-term and are meant to predict quality of hire. They are the basis of an effective interview process and reflect everything companies can do to select the best candidates. Lou Adler, author and founder of The [Lou Adler Group](#), a consultancy firm that helps companies use performance-based hiring, says that [all factors of QoH can be assessed before companies make a hire](#). He has developed a talent scorecard that helps companies predict QoH.

Other factors help predict QoH too. For example, candidates who score well on [tests and assessments](#) are more likely to be successful hires. Also, optimizing recruiting metrics, like [cost per hire](#) and [candidate per hire](#), can make the process more efficient and help recruiters and hiring managers focus on quality.

How to collect data

Collecting data on [turnover](#) and [retention rates](#) is relatively easy. So is quantifying concrete performance goals, like "this new hire generated X sales leads in a year."

But, other calculations can be less transparent. For example, hiring manager satisfaction surveys aren't normally recorded as part of everyday operations. And calculating time to full productivity (which companies can use in quality of hire calculations) requires companies to clearly define what 'time to full productivity' means and consistently keep track of new hires' work from the start.

Surveys can be a good solution to gather necessary data. They come in various forms:

- ✓ Hiring manager satisfaction surveys (focusing on the recruitment process)
- ✓ Surveys asking managers to rate a new hire's performance (e.g. 6- and 9-month performance surveys)
- ✓ [Employee engagement surveys](#) for new hires
- ✓ Surveys asking managers, peers and team members about a new hire's [culture fit](#) and performance
- ✓ [Candidate experience surveys](#) from new hires and rejected candidates

As expected, there's a great deal of subjectivity in all of these surveys. But, quality is often subjective by default.

Use QoH to make comparisons

QoH can be useful on its own. For example, if your QoH was 65% last year and it jumped up to 90% this year, you have grounds for celebration.

But, you can use QoH to make even more useful comparisons. For example, if you connect QoH with other metrics like [source of hire](#) you could adjust recruiting strategies to get more return on investment (ROI) from different sources. If the hires with the highest QoH come from X job board or Y recruiting agency, you'll be able to make a sound business case for investing more in those [recruiting channels](#). Conversely, you could also justify a decision to stop collaborating with an agency that consistently sends you lower quality hires.

You can also use QoH to determine the strategic impact of the recruiting

process. For example, you can determine whether QoH translates into increased revenue or higher overall productivity. And HR metrics like [revenue per employee](#) can help you get more granular.

Industry comparisons aren't likely to work for this metric, though. There's too much inconsistency in how each company measures QoH. Also, it wouldn't really matter if your company had the highest QoH in your sector, if the overall quality level in the sector was low.

Pro tip: Quality of hire is the most important outcome of the hiring process. To promote higher quality of hire, you should:

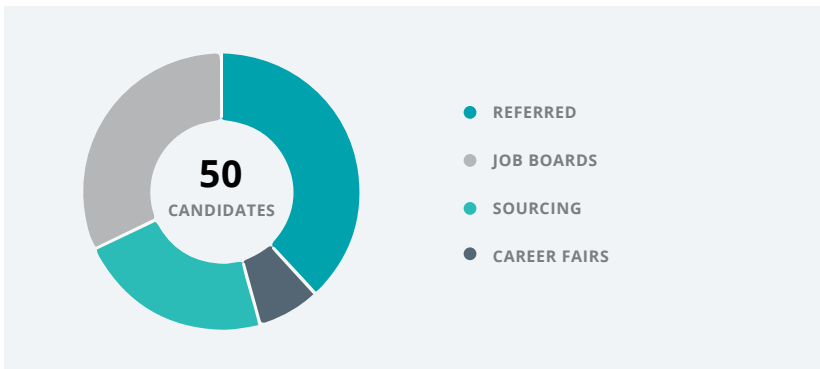
- Define objectives for each position and communicate them clearly to candidates and new hires, through a well-written [job description](#).
- Build an effective onboarding process.
- Train managers to coach and [motivate new hires](#).
- Decide which indicators you'll use to measure QoH so you can more easily spot trends.
- Choose, craft and administer effective surveys.
- Make a commitment to [communicate metrics](#) to your entire company.

Source of hire

“Source of hire (SoH)” shows what percentage of your overall hires entered your pipeline from each recruiting channel or source (e.g. job boards, referrals, direct sourcing.)

Tracking source of hire (SoH) helps you distribute your hiring resources to the most effective recruiting channels.

For example, imagine you’ve hired 50 people in the past six months from external sources. [Data from your Applicant Tracking System \(ATS\)](#) shows that 20 of them were referred (40%), 15 applied through job boards (30%), 12 were contacted through direct sourcing efforts (24%) and three came from career fairs (6%.) This distribution can be presented in a pie chart:



Companies may use this information to allocate their [recruiting budget](#) more effectively and refine their processes. At a minimum, tracking source of hire helps recruiters:

- ✓ **Direct more resources to the most valuable channels.** For example, based on the previous report, referrals represent a significant percentage of hires. If you don't have a formal [referral program](#), it may be time to create one. Or, if you already have a program, you could justify purchasing a dedicated tool to make the process more efficient and help drive more referrals.
- ✓ **Drop or adjust consistently lagging sources.** In our current example, career fairs seem to be the least fruitful source of hire. If they remain at the bottom of the distribution for a long time, experiment with other sources or rethink the way you [engage with candidates during career fairs](#).

How to measure SoH

First determine what a “source” is. You could track individual sources (job board 1, job board 2 etc.) and/or their overall categories (e.g. job boards, referrals, agencies.) [A broader taxonomy \(like inbound, outbound and familiar\)](#) is useful to separate internal and external hiring. Also, decide whether you will only track hires or gather data on candidate sources too. Define what you will measure and measure it consistently.

To gather data:

- ✓ **Use surveys.** A common method is to ask a relevant question (e.g. “How did you find out about this position?”) on job applications. Also, companies often administer a short questionnaire to new hires (through a tool like [Typeform](#) or an in-person discussion.) For best results, [compare candidate data \(pre-hire\) to new hire data \(post-hire\)](#) to spot discrepancies. Standardize the questions you

ask in surveys and account for all possible channels (even [print advertising](#).)

- ✓ **Use your Applicant Tracking System's reporting features.** Your ATS automatically records the source a candidate entered your pipeline from. Extract a report to view the distribution of candidates and hires among different sources.
- ✓ **Examine web analytics.** Recruiting marketing platforms (e.g. [SmashFly](#), [Symphony Talent](#)) can help you track candidate engagement across channels. You could also assign [UTM codes](#) to your job ads when you post them on job boards or social media. Then, track with Google Analytics how much traffic each posting brings in.
- ✓ **Ask for data from all members of your [recruiting team](#).** Recruiters and sourcers may document the candidates they sourced, or engaged with, via social media. Hiring managers may also have recommended a source that could yield good hires for a role (e.g. a company that employs [great developers](#).) Compile these different data points to paint a clearer picture of your sources of hire.

These methods aren't mutually exclusive. Collect and combine data using various methods to increase SoH's accuracy.

The limitations of SoH

SoH is more complicated than it seems, because:

Candidates pass through multiple sources

Sources are interdependent. The source from which candidates entered the hiring pipeline may not be the one where they initially found the job ad or even the one that persuaded them to apply. Social media networks are

particularly important [sources of influence](#) that help attract candidates and get them to apply through other sources.

A POSSIBLE FIX

A recruitment marketing platform can give you insight into candidates' interaction with your brand before they apply. Another idea is to complement the reports from your ATS by sending a survey to new hires. Ask various questions like:

- ✓ Which source did you apply from?
- ✓ How were you made aware of this job opportunity?
- ✓ What most influenced your decision to consider the role?

Ask the same questions each time and cross-validate data from your collection methods for more accurate reporting.

SoH focuses on hires and overlooks finalists

If your [screening processes](#) are effective, the eventual hire will emerge from a group of stellar candidates. Paying attention only to the source the hire came from diminishes other sources that were equally effective in attracting good candidates.

A POSSIBLE FIX

Track candidate sources along with sources of hire. Break down your SoH by hiring stage. For example, look into the sources of qualified candidates who [advanced to a first interview](#) and the sources of qualified candidates who advanced to the final round.

SoH may not always justify reallocation of resources

For example, referrals are often seen as the [top source of hire](#). But, investing too much in them may [negatively affect diversity](#). Similarly, your sourcing efforts may bring a lower percentage of hires, but these hires

may be the highest quality or highest revenue-generating ones, who are well worth the investment.

A POSSIBLE FIX

Segment your data to distinguish what kind of candidate each source brings in. For example, you may find that your best engineers come from referrals, while your best marketing people come from job boards. Always track [quality of hire](#) and source of hire [jointly](#). Also, connect recruiting metrics to other results (e.g. diversity) and experiment frequently with how you allocate resources.

SoH may encourage bias and bias influences SoH

Imagine your hiring managers have hired a few good employees through a particular external recruiter. The recruiter's previous success may prejudice hiring teams to always turn to them. SoH will be influenced in favor of that recruiter, but your company may be missing out on talent from other sources.

A POSSIBLE FIX

Aim for a diverse mix of sources when opening a requisition. Invest in [training](#) to help hiring teams combat their biases and make better hiring decisions.

Pro tip: Collect data carefully and always pair SoH with other metrics, like quality of hire and [time to fill](#). That way, you will be able to extract valuable insights to help you enhance your recruiting efforts.

Flesh out your plan

A common theme across all recruiting metrics

What we've seen by exploring these five recruiting metrics is that drawing definite conclusions from absolute numbers or percentages is risky. Comparisons matter more and, often, you may also need to segment data or look for factors that may be skewing results.

So when examining each metric, consider:

- ✓ Whether this metric is trending up or down across time.
- ✓ Whether a complementary metric is changing in the same direction.
- ✓ Whether you need to calculate this metric per team or department to better understand problems that may arise.

When you decide which metrics to track, think of a structured, strategic way to do it. You might need to track some metrics jointly (like cost per hire and quality of hire) or find sources of reliable industry benchmarks to make comparisons. But most importantly, you'll need to make sure your

company collects data consistently. Write down:

- ✓ The formula and method you use for data collection.
- ✓ The period you decided on to report on each metric (e.g. quarterly offer acceptance rate.)
- ✓ The time range you use to calculate each metric (e.g. the day a job is advertised as the day that time to fill starts counting.)

Once you have that information put on paper, you can use these insights to identify areas in the recruitment pipeline that can be either fine-tuned or improved. This will help you build a recruiting strategy that will ultimately lead to a powerful and long-lasting employee base in your company.



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