# Metrics That Matter:
# 4 Ways to Prove
# Your Worth

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# Introduction

Businesses want at least one thing from every employee: a task done well that has a provable contribution toward the company's goals. In recruiting, that means hiring the right people in alignment with business strategies, while operating efficiently and sourcing effectively. Metrics are the numbers that provide proof of a recruiter's accomplishments.

Unfortunately, metrics can often be misleading and confusing. Certain positions will always take longer and cost more to fill, for example—which means basic cost per hire and time to fill data won't always tell you the whole story. Sometimes you need to look at more data, and sometimes you just need to see data in a different way. So begins the eternal quest for the *right* metrics in the *right* combinations, displayed in the *right* formats.

In this second book of our Insight4theEnterprise series, we'll explore four steps recruiters can take that will help them identify critical metrics and then maximize their value:

**1** **Get the big picture.** Which recruiting metrics will provide you with the most complete view of your program? You need numbers that tell you not only how you have performed in the past, but also pinpoint areas for immediate improvement.

**2** **Understand what's changed.** With recruiting technology advances and the current focus on big data, are there new opportunities available for measuring success?

**3** **Generate the right reports.** What role does reporting play—and what types of reports best serve recruiters' needs?

**4** **Apply what you learn.** How can you use the reports you create to foster continued recruiting success?

Let's get started.

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# Getting the big picture

When it comes to recruiting metrics, the "big picture" is one that provides the most comprehensive perspective on overall recruiting effectiveness and efficiency. But the words "effective" and "efficient" will almost certainly mean different things to different people.

To ensure the most universal and high-impact recruiting metrics, start by asking the following questions:

- Which numbers will speak most directly to recruiters', hiring managers' and executive management's objectives?

- Who will be involved in assessing these metrics?

- Does everyone involved understand and agree on what they mean? Does everyone also agree that these metrics are important?

- Have they been compiled cooperatively, based on dialogue between recruiting and internal stakeholders?

- Can they be easily accessed? Can they be compiled consistently and accurately?
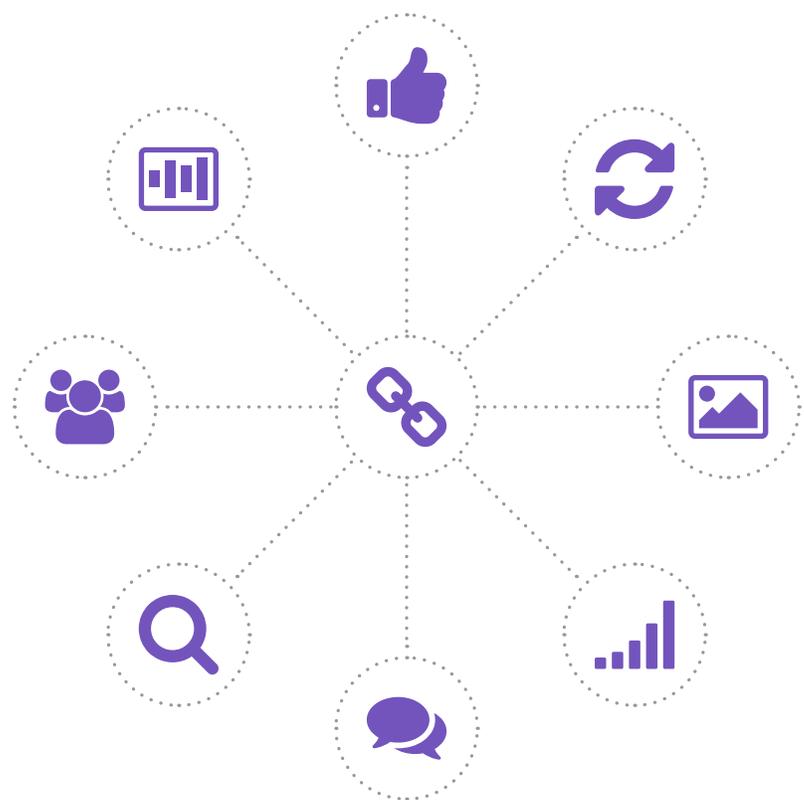
# Measuring a few things well

Below is a table of some of the most common stats that recruiters should obtain and understand today. Of course, not all of these metrics will be relevant to all organizations—but overall, these numbers provide a balanced, big-picture composite of a recruiting organization's efficiency and effectiveness, its sourcing and marketing strategies, and the resulting impact on the business. These metrics also provide a solid launching pad for conversations between recruiters, hiring managers, and senior management. Opening that dialogue is critical to a company's ability to course correct and gain approval for new investments in technology. (See the previous book in this series for more details on getting executive buy-in.)

## 💡 HELPFUL HINT

**Each of these metrics categories has a number of variations. For example, you can measure time in terms of how quickly candidates start or accept an offer, how long it takes a recruiter to fill a position, the time that elapses between an accepted offer and a start date, and so on.**

**If your metrics program is new, keep things simple. Ultimately, the only important metrics are those that your stakeholders care about and that document business value. You can always expand what you measure down the road.**

| TIME | |
|---|---|
| | • Time to source |
| | • Time to process & select |
| | • Time to interview & assess |
| | • Time to offer |
| | • Time to hire |
| | • Time to start |

| COST | |
|---|---|
| | • Cost per hire (CPH) |
| | • Recruiting cost ratio (RCR) |
| | • Recruiting efficiency ratio |

| SOURCING ANALYSIS (BY SOURCE) | |
|---|---|
| | • Number of submits |
| | • Cost per lead |
| | • Ratio submits to hires |
| | • Number of hires |
| | • Cost per hire |
| | • Diversity contribution |

| PIPELINE QUALITY | |
|---|---|
| | • Ratio: total resumes / candidates |
| | • Ratio: candidates / interviews |
| | • Ratio: interviews / offers |
| | • Ratio: offers / close |

| CANDIDATE QUALITY | |
|---|---|
| | • Resume vs. job requirements |
| | • Pre-hire job performance (desired) vs. actual job performance (3 months, 6 months) |

| SATISFACTION | |
|---|---|
| | • Hiring manager: (a) job performance (b) fit |
| | • Candidate: after onboarding, 3 months, 6 months; first year turnover |

| ROI | |
|---|---|
| | • Lower CPH or recruiting cost ratio |
| | • Savings from reduced time to start |
| | • Contingent staff savings |
| | • Reduced vacancy cost |
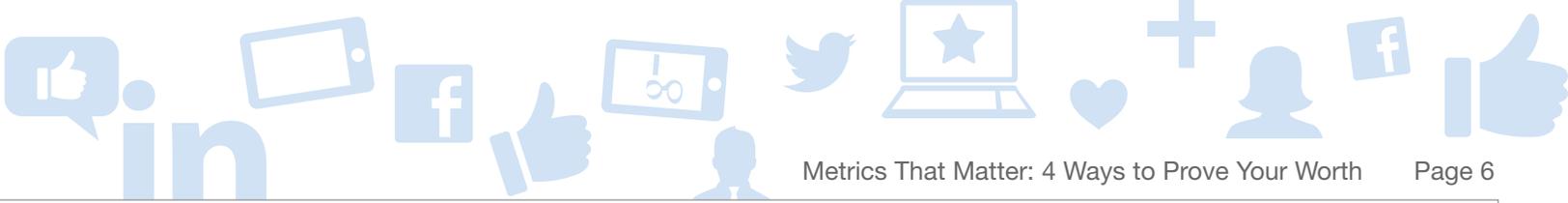
# Measuring different things
# for different reasons

Some measurements are tricky. For example, cost per hire can be measured various ways and can paint a different picture, especially when comparing the performance of recruiters handling different kinds of assignments. Consider the following example:

## Recruiter A

15 engineers, $750k total salaries,
$66k in recruiting costs

CPH = $66k / 15 = **$4,400**

RCR = $66k / $750k = **8.8%**

**8.8%**

## Recruiter B

7 senior managers, $980k total salaries,
$84k in recruiting costs

CPH = $84k / 7 = **$12,000**

RCR = $84k / $980k = **8.6%**

**8.6%**

Traditional cost per hire (CPH) metrics would rate Recruiter B much lower in cost efficiency than Recruiter A. But a recruiting cost ratio (RCR) uses total salary cost (rather than number of hires) to create a fairer comparison—because high-salaried people almost always require more time and money to bring on board. Using this metric, you see the two recruiters are actually performing about equally well.

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# What's changing
# —and what does it mean?

Just about everyone in the recruiting profession will agree that the industry is evolving substantially and at a rapid pace. Jobs are changing, job seekers are changing, and companies are changing in an effort to attract and retain the talent they desperately need. Why? Because they are beginning to realize what an incredible influence strategic recruiting can have on the overall business. In fact, more non-HR managers than ever before are now noting the relationship between superior talent acquisition and superior business performance. Google, for example, "has calculated that recruiting a top technologist (versus recruiting an average one) will result in 300 times more productivity and business impact. And because the average Google employee generates over $1 million in revenue each year, hiring a single 'purple-squirrel' top technologist has the potential for adding $300 million to Google's revenue each and every year that the new hire remains with the firm."[1]

*"… saving $1,000 per hire over 500 hires produces only 'chump-change' savings, at least compared to the multi-million dollar revenue impact resulting from a single great hire in a key position."*[2]     —Dr. John Sullivan

Technology is also playing a major role in this evolution. In particular, three developments have made both performing and measuring recruiting activities increasingly easy and productive:

1 **More sophisticated software.** Recruiters moving away from the limited functionality of first-generation applicant tracking systems (ATS) in favor of more comprehensive recruiting platforms that help tie together and automate every step from source to hire. This in turn opens the door for a more complete metrics picture, as you can seamlessly connect the dots between sourcing, candidate engagement, applications, interviewing, and hiring.

2 **The rise of big data.** As big data continues to prove its business value, more vendors are working to add meaningful analytics functionality to their recruiting offerings. Properly gathered and applied, big data can help companies track hiring and sourcing trends and make smarter, faster decisions.

3 **Cloud computing.** Without a doubt, cloud-based applications help companies add greater efficiency and accessibility to their recruiting systems, making the collection, analysis, reporting, and delivery of key metrics much easier and more affordable. This is particularly important when you need to present reports to execs and managers, who must be able to access data from anywhere—even on mobile devices. Cloud-based platforms help ensure you have a direct line to these important decision-makers.

Overall, these changes and technological developments mean that recruiters now have better opportunities to:

- **Gain greater insight into the success of their tactics and programs**

- **Understand more about candidates' needs and experiences**

- **Find and engage with more qualified candidates**

However, these opportunities only present themselves if you can compile and access metrics in meaningful ways—which means reporting, too, must change.

# Generating the right reports

Reports are your conduit for analyzing key metrics. After all, "…
the trick isn't merely in collecting the data–it's in interpreting it, and
understanding the importance (or lack thereof) of each data point….
Today, recruiters need to be able to understand big data, which boils
down to discovery, visualization and insight."[3]

While some ATS applications provide basic reports, these often fail
across several areas:

- **They don't compile enough data**

- **They don't collect the right data**

- **They aren't timely**

- **They don't offer useful templates**

- **They offer little customization**

Now that technology is advancing and more data is available, however,
recruiters are recognizing a need for more reporting layouts and
functionality in order to best visualize their big-picture metrics.

One way to approach this need is through topic-based reporting,
which enables a user to group data and compile reports by a topic
of interest—such as candidates, requisitions, compliance, and so on.
Unlike reports that simply show a snapshot in time or the progress of a
single recruiter, for example, topic-based reporting allows for maximum
flexibility at the foundation of a report. Recruiters can generate reports
faster with fewer groupings and filters, while gaining a more targeted
viewpoint of specific critical elements.

Fortunately, some vendors are catching on to this need and responding
with fervor. Jobvite has greatly enhanced the reporting module of its
flagship product, Jobvite Hire, in order to provide hiring teams not only
with the topic-based reports they need, but with a host of standard
templates ready for full customization, so customers can easily begin
building new reports that best meet their needs.

*"…the trick isn't merely in collecting the data–it's in interpreting it, and understanding the importance (or lack thereof) of each data point….Today, recruiters need to be able to understand big data, which boils down to discovery, visualization and insight."*

# Examples of Jobvite's New Standard Templates

**CANDIDATE**

✓  Candidate
✓  Candidate Per Requisition
✓  Candidate Activity
✓  Candidate Disposition
✓  Candidate Evaluation Summary
✓  Hire Summary
✓  Candidate Referrals
✓  Candidate Offers
✓  Interview
✓  Candidate Status
✓  Offer Approvals

**REQUISITION**

✓  Requisition
✓  Hiring Activity
✓  Requisition by Owner
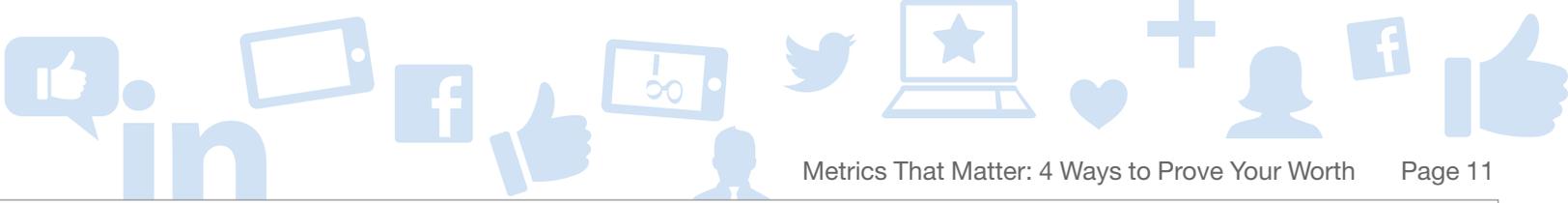✓  Requisition Approvals
✓  Time to Hire
✓  Pipeline
✓  History

**USER**

✓  Hire User Activity
✓  Engage User Activity
✓  Refer User Activity
✓  Actions Report

**COMPLIANCE**

✓  EEO Report
✓  AAP - Applicants
✓  OFCCP - Applicants
✓  OFCCP - Search

**CONTACT**

✓  Contact
✓  Engage Seatholder
✓  Campaigns

# Applying what you learn

So you have the data, and you've run the reports. Now what?

Remember that you are compiling metrics because they provide proof that you are contributing to the company's goals. Your next step, then, is to share this information with key team members and stakeholders, so you can collectively assess the results and make strategic decisions. You'll also want to present reports to executives in order to gain approval for ongoing investments in hiring programs and technology.

This sounds simple, but one of the biggest dilemmas recruiters have faced is how to improve collaboration around reports and analytics. When people are busy, in different time zones, on different platforms, or on the move, collaboration can be tricky. Yet you need the ability to share your reports to any relevant individual, regardless of job role, intuitively and conveniently—so that everyone can access information on their own devices. This is the only way to lay the foundation for a productive running dialogue about recruiting.

You'll also find that the ability to schedule reports helps keep that dialogue going. Not only can you generate reports with greater frequency, but you'll free up considerable time by automating the task.

As part of its reporting module enhancement, Jobvite now allows you to share reports in several widely-used formats, including XLS, CSV, and PDF. Jobvite also enables you to create multiple reporting schedules, so you can easily build one report and schedule it to be shared with different parties according to different parameters.

As more companies work on improving their metrics programs, expect to see an increased focus on areas such as real-time analytics and dashboard views—which will further help businesses reap the benefits of big data.

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# Conclusion

While companies will certainly vary on which metrics have the greatest power and provide the best insight, most organizations will agree that they benefit tremendously from having tangible proof of their recruiting victories. Even if you aren't ready to implement a recruiting platform like Jobvite to automate and ease your reporting functions, we hope this eBook has demonstrated the importance of  capturing and presenting key metrics—and continuing to iterate them over time.

As you continue to build the conversation about recruiting metrics between your team and the business at large, you'll see additional ways in which you can apply your newfound insight for the good of the company. For example, as you learn more about the ways in which you are reaching (or not reaching) qualified candidates, you'll be better positioned to craft a career site that provides a stellar candidate experience. We'll talk more about killer career sites in the next book of this series.

[1] http://www.ere.net/2012/07/30/show-me-the-money-the-top-10-revenue-impacts-of-a-great-hiring-process/

[2] Ibid.

[3] http://www.wired.com/insights/2014/01/big-data-brings-big-changes-recruiting/

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