Mirror Mirror on the Wall…

Sources of Hire 2013:
Perception is Reality
Gerry Crispin & Mark Mehler

Table of Contents

Foreward: A Look into the Mirror

This Source of Hire (SOH) whitepaper is a critique on how employers define and measure the talent supply chain pre-application.

Let's face it, collecting [good] data about sources has improved little during the last decade. While the bulk of the blame rests squarely on employers – it is the consultant, supplier and vendor communities that have distorted reality with an overreliance on simplistic solutions and bad science. Source of Hire is often an illusion that is increasingly constructed from B2D (Big Bad Data).

15 years ago companies that examined Source of Hire had a simpler time of it. The challenges we face today were barely evident in a world still dominated by land lines. Collection and measurement was handled by attributing hires to a small number of mostly unrelated, independent sources. The only thing they all shared in common is that somewhere a phone call from a landline was probably involved.

STAFFING METRICS SURVEY

The end of the non-internet era

1997 Sources of Hire

28.7% - Newspaper ads
19.7% - Employee Referrals
10.4% - Agency (Contingent)
8.7% - Contract Recruiters
8.3% - Job Fairs
5.0 % - Other advertising
4.6% - Image advertising
4.2% - Trade journals
2.9% - College
2.9% - Resume services
2.1% - Agency (Search)
2.1% - Internet
1.5% - Radio
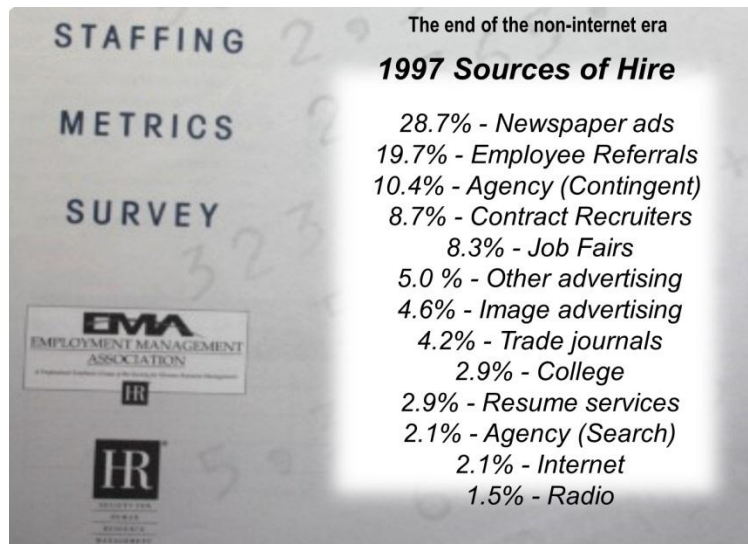
Today, it would be just as hard to imagine a hire that wasn't intertwined with multiple sources located at varying points on a stretched out recruiting supply chain that reaches from early education to talent community.

Today, the medium AND the message are blurred in ways we never imagined when we insisted that each hire be attributed to only one source. Compounding that error are vendors and suppliers of services, some with conflicts of interest, who tout automated methods of assigning even fewer sources from debatable positioning in the supply chain.

Between single-source attribution, missing and interrelated sources, sub-standard taxonomies of what _are_ the sources, sub-optimized collection methods and limited statistics to measure the reliability of the

process, let alone the validity of connection to the function's performance, it is clear the need to take SOH up at a notch is essential.

Mapping how prospects navigate the early stages of the recruiting supply chain IS possible but not without significant changes in what employers currently require…and accept from their technology 'partners.' Every Source of Hire study, including ours, is unequivocally and fatally flawed as incomplete, inaccurate, unreliable and lacking even face validity against almost any hypothesis.

At best, SOH is a weak signal teased from the noise of poorly collected data based on substandard definitions and compromised by vendors who should know better.

In the next few pages we describe the major challenges employers face in collecting SOH data.

(We realized just how divergent perceptions of SOH have become when, at the HRTechnology Conference last November, one panelist (a CTO from a leading HRIS firm) crowed over his employer's 'Big Data' capabilities (from its recently acquired ATS). He claimed that data from tens of millions of hires over the previous 15+ years could be mined to provide insight in hiring future candidates. This fanciful claim, in our humble opinion, could not be massaged into something useful in a million years - GI=GO.)

Complete, Accurate, Reliable and Valid

These four characteristics determine the quality of your (SOH) data: Completeness, Accuracy, Reliability and Validity.

Before we even begin looking at where it is your prospects were sourced in 2012 - the ones who eventually became candidates, then employees and, finally, valued employees (i.e. in hindsight a quality hire) - think about how confident you are about the quality of the data on which you make decisions.
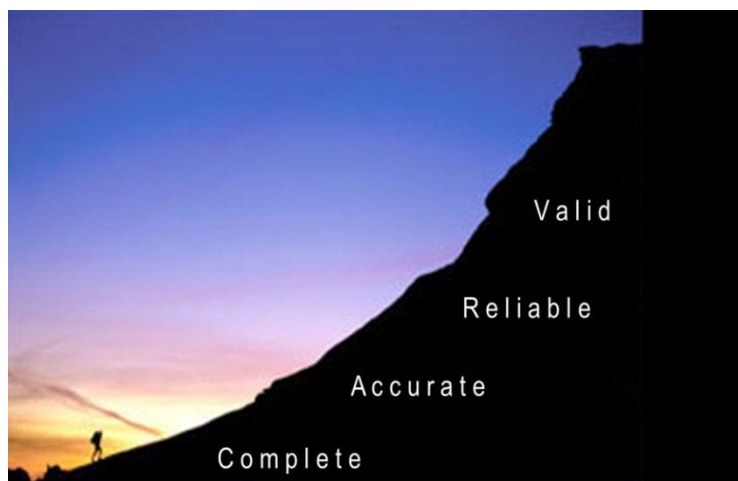
Note your estimate of how good you think your SOH data is for last year (2012):

___% Complete   ___% Accurate   ____% Reliable   ____ % Valid

As a business leader focused on the recruiting function, your success increasingly means you can acquire useful information to make informed decisions. How prospects and candidates become aware of you and are subsequently influenced to act (i.e. to click on a link, join a talent community and, eventually, apply) is at the core of Source of Hire.

Assuming the numbers you filled in above were all 100, you could confidently correlate the relative strength of the relationship between your source(s) of hire to conversion, retention, development, or any other company performance measure! As a result, your 2013 strategy to improve operational recruiting processes for any job or job family based on the relative importance of Quality, Time and Cost by source would be a snap. You would rock and roll.

As you go through this whitepaper we encourage you to consider, whether your data is Complete, Accurate, Reliable and Valid. In Section IV, Final Thoughts, we continue this discussion.

Gerry Crispin and Mark Mehler,
CareerXroads, March 2013

Key Findings

Big Bad Data. Collection methods and the statistics to assess them have not kept up with the sophistication of Sources of Hire as a series of interrelated elements on an increasingly extended supply chain. Most firms have incomplete and inaccurate data. The results are not replicable and seldom validated even internally. Suppliers and vendors compound the employer challenges by poor survey design, limiting what is measured, maintaining single source methodologies and sub-standard definitions.

On-Shoring May be the 2013 Trend of the Year. The respondents claimed that they hired 8.6% fewer F/T employees in the US in 2012 and they believe they will hire 17.5% more US F/T employees in 2013. This is the biggest shift we have seen in ten years. We believe these firms did in fact grow last year… internationally.

The #1 Source of Hire is right under our nose. Not employee referrals but current employees who fill 42% of all the openings.

Employee Referrals are as important as ever. We examined 185,000 2012 hires. Assume that for every ~100,000 external hires nearly 25,000 of these openings were filled (at least in part) through the company 'ERP' (Employee Referral Program). In addition we think it noteworthy that these hires were selected from only ~250,000 total referrals. The ration of approximately 10 to 1 continues year over year. This year it is 9.9. We estimate that a candidate who has acquired a referral is 3-4 times more likely to be hired (and this data is being replicated elsewhere with the same results- see www.thecandes.org).

Social Media and other Source of Hire Categories are <u>NOT independent of each other</u>. On the contrary they are interdependent and drive, combine with or influence most other source of hire categories. Survey respondents only attributed a paltry 2.9% of their hires directly to Social Media for example. However, respondents also believe that Social Media influences, drives or combines with 7 out of 11 other sources: Referrals, Company Career Site, Job Boards, Direct Source, College, Temp-to-Hire and Career Fairs. If we understood just how interdependent these sources are we might credit Social Media with a much higher impact for those openings.

Job Boards are not dead; they are evolving. Approximately 1 in every 6 external hires is attributed to a JobBoard (18.1%) with the aggregators, Indeed and Simply Hired, representing more than 35% of the total category (Indeed is by far the most visible in the category). The category itself however is trending down…slowly. We think it is evolving as other sources like social media, referrals etc. are incorporated in Job Boards and as job posting capabilities in social media and other sites become part of the service offering.

Respondent Demographics: Fatal Flaws and Related Measures

Figure 1 – Respondent Demographics
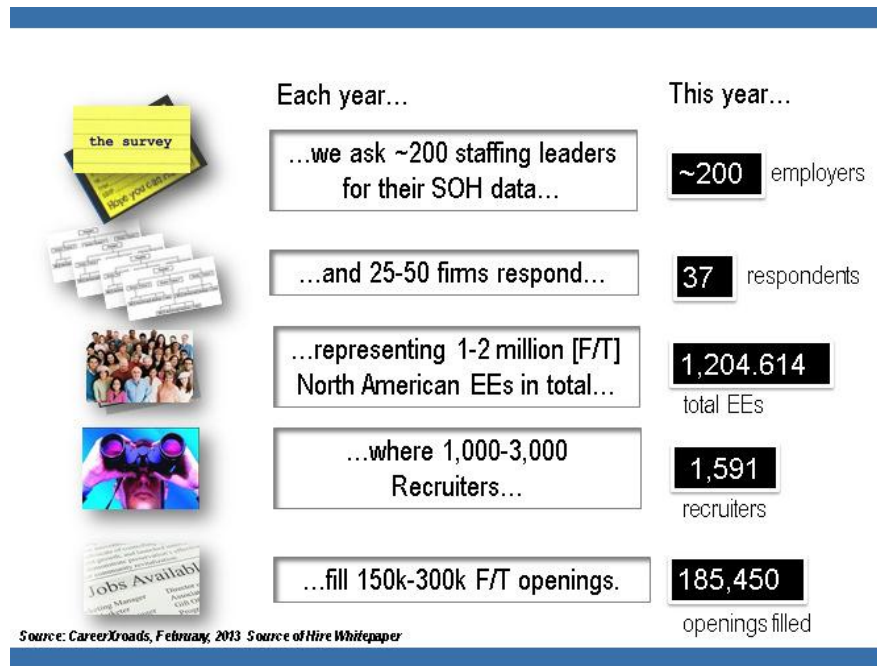
On Defining the Pool and Ensuring the Response Rate
The Source of Hire Survey gets a ~20% response rate year over year which is statistically significant. The reason is two-fold: we limit our invitations to participate to a biased but pre-defined sample – 200-400 large, highly competitive US-based firms whose staffing leaders are personally known to the authors. No more than 2-3 respondents are from any industry although each one would be considered an 'Industry Leader.' The responding firms appreciate that they can share the data and answer the survey questions without fear of their specific names being published.

Size is the major bias of our sample. Each responding firm filled thousands of openings last year. Having **185,000+** total filled positions to work with is a valuable asset regardless of the fact that only 37 firms are involved. However, no assumptions should be made from our SOH results about firms that fill only a few openings in a year. Equally assured is that slicing and dicing by industry, region of the country, etc. is neither statistically significant nor practicable. Certainly the distribution of sources would be very different for firms that hired 50-500 employees a year based on the efforts of a single HR Generalist or Recruiter under the stress of multiple functions than those that hire 10,000. The relative strength of sources would also be very different between NY Financial Services firms and West Coast retail chains.

(It would be inappropriate in ANY SOH sample to mix staffing firms or firms whose products or services require the hiring from a single attributed source. Imagine including a firm like H&R Block who hires tens of thousands of people each year…back from the previous year.)

The ideal SOH study would design, invite and ensure that the resulting mix was a truly representative sample of each major industry, region and size in the same proportion as the US where a pool of respondents is large enough to slice and dice statistically. The worst case would be samples of unknown clients of mixed sizes, concentrated in a few industries or regions or, even worse - the random results generated from firms responding to a game incentive from a shotgun campaign.

SHRM (Society for Human Resource Management) would be one of the few organizations capable of constructing in advance a truly representative study of SOH. The rest of us are reading ghost signals amid the noise. We look in the mirror and attempt to infer the reality. An additional bias in our sample noted earlier is that ALL of our responding firms are all well-known industry leaders - if not to consumers in general then within their respective industries. The consistency of having a positive or at least well-known brand may have an impact on some of the sources chosen and yields reported here. One could speculate, for example that third party agencies as a SOH would be greater for smaller and less well-known firms.

Additional characteristics of the respondent population that may bias the results:

- US versus international employees

Respondent results were limited to US employees despite the fact that all but four respondents were multi-national firms. An increasing number of respondents claim that global data is (or could be) made available (See Appendix, Figure A.1). The US employee portion of the survey [~1,200,000] is 40% of their global total.

We suspect that global SOH data is seriously compromised by differences in definitions about class of employee and by a lack of standards defining recruiting methods. Try comparing the definition of an employee referral country by country and you will quickly see what we mean. Two country studies on SOH (Australia and the Netherlands) in the last 10 years offered insights but were difficult to compare because of these two issues.

- Class of Employee

Full/Time: The Exempt/Non-Exempt (professional/hourly) ratio is **53%/47%** for the openings filled by Internal Movement and Promotion and **54%/46%** for openings filled from External Hires. This isn't representative of the US proportion of professional versus hourly workers by a long shot but it is understandable when considering the areas of hires that most firms track. (As noted later, many of the largest firms are not even aware of ALL the hires that take place.)

Contract & Contingent: Few firms' staffing leaders have a solid handle on how many non-F/T workers are employed by their firm at any given time…let alone how they got there. We specifically requested that this category of employee be eliminated from the results supplied by the respondents. The weighted average reported is that 14.6% of the respondents' total workforce is made up of contract and contingent workers. We would suggest that as the proportion of contingent workers increase, 'Temp-to-Perm' as a source of hire would logically increase. However, we have not seen much variation over the last decade. The reason staffing leaders are seldom fully acquainted with these numbers is that the majority of respondents have outsourced this area of hiring… usually under a Master Contract. **Only 20% of the respondents attempt to manage contingent workers themselves**. As a result, the numbers are typically (but not always) in another firm's ATS and not easily accessed…or simply ignored (See Appendix, Figure A.2)

- RPO

F/T hires via Recruitment Process Outsourcing firms are included in this study where sources are known and integrated (only three responding firms were fully outsourced and their staffing leaders oversee the collection of SOH). **51.4% of our respondents do not use RPO for US or Global recruiting** and most firms that indicated they have 'Some' RPO did not always track their RPO's SOH. (See Appendix, Figure A.3)

- Missing Hires

Approximately 60% of the respondents claim that they touch or track every F/T US hire – whether via internal movement or sourced externally. That leaves 40% of the respondents who have the title and responsibility for all hires but, admittedly do not touch or track some or all of their union hires, sales territory hires, store level hires, remote manufacturing site workers, etc., etc. This is probably the main reason that the distribution of hourly and professional hires is relatively equal. You might expect these numbers would show up in their ATS and would be accessible in today's trend toward central technology integration. Nope. We would speculate that if the missing hires from EVERY ATS were known, the firm's SOH would be vastly different. (See Appendix, Figure A.4)

Structure and tools

- CRM

36.8% of the respondents do NOT have Candidate Relationship Management software (All had an ATS of course). The remainder was evenly split in asserting that their CRM was integrated with their ATS or separate from it.

- Sourcing

58.3% of the respondents have a F/T sourcing group that separately identifies, works with and at some point hands off to recruiters. We did not elect in this study to identify group size or differentiate and standardize responsibilities. 30.6% of the respondents have no Sourcers and the remainder 11.1% contract or outsource sourcing as needed.

- Workload

It would be easy to divide the number of recruiters (1591) by the positions filled (185,450) and estimate that an annual workload per recruiter is to fill 115 positions. The reality is much different and this number is just as specious as the calculations that almost always suggest the average recruiter's workload of open requisitions is 25-30. Once you insert considerations like position level, internal movement versus externally sourced, difficulty of hire, diversity of positions handled, number of clients managed, location of clients and more, a recruiter's open requisitions is likely to range from 5 to 50. We'll leave it to Saratoga Institute, Corporate Leadership Council, Conference Board and others to fine tune these metrics.

- Applications per opening

Respondents received [weighted average] 74 applications per hire. (See Appendix Figure A.5)

- Unqualified Applications

Respondents estimated that half of all applications [weighted average = 51.1%] were unqualified (see Appendix Figure A.6). Since the distribution is broad, it would be an interesting study to assess the differences between firms with the highest and qualified yields.

(Note: The whitepaper published in February 2013 by TalentBoard on the results of the 2012 Candidate Experience Awards asked 90 firms about *Applications Per Opening* and *Percentage of Unqualified Applications.* Their data is similar: 85 applications per hire with 60% estimated as unqualified.)
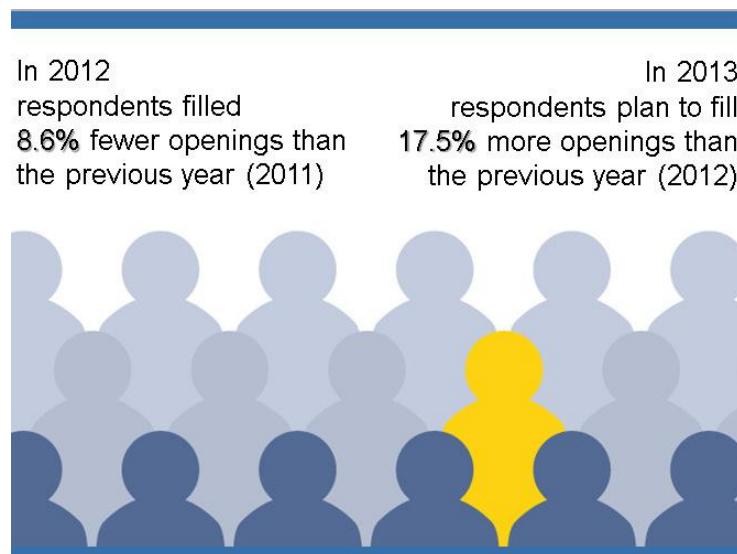
- Mobile Recruiting

While mobile is not identified as a source per se, firms are increasingly attempting to evaluate what percentage of hires used mobile tools as a part of their prospects becoming aware of the (branding) or researching them on their career site or applying. A separate survey conducted by CareerXroads in early 2013 on the same employer base as the SOH survey found that 60-70% of large firms were not tracking the use of mobile in the hiring process. For the firms who were tracking this data, most estimated the hires contributed by mobile activity to be 5% or less. Only a very small group claimed mobile was a part of the hiring process for 20% of their hires. (See CareerXroads Survey: Mobile Enabled)

- Hiring trends

Growth in 2012 was, in all likelihood, outside the US if it occurred at all. **Respondents stated they filled 8.6% fewer openings in 2012 than in 2011**. In stark contrast, if respondent's predictions for 2013 are realized this will be a banner year for US hires - **staffing leaders are predicting F/T hiring will increase by 17.5% in in the US in 2013**!

Figure 2 – Year over Year Trends: Total hires

In 2012 respondents filled 8.6% fewer openings than the previous year (2011)

In 2013 respondents plan to fill 17.5% more openings than the previous year (2012)

2013 Source of Hire Survey: 2012 Results

Internal Movement & Promotion

77,200 positions out of 185,450 positions were filled in the US by the responding firms through internal movement and promotion. This is ~42% [41.5%] of all the openings filled and reminds us that the largest source of hire by far is our own employees. Over a decade of tracking this source, shows it to be influenced most by the economy, rising during bad times when perhaps firms are more willing to give their own employees a chance to fill an opening (even if not the perfect fit) rather than cutting them and hiring to exact specs.
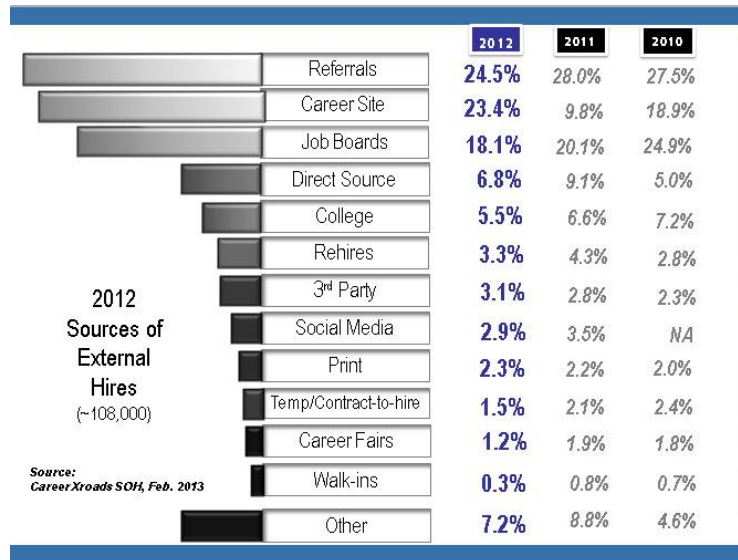
Figure 3 – Internal Movement

Source of External Hires

No surprise here. Nor should there be with only a few differences in the categories we tracked. As we approach the collection period each year we ask staffing leaders what they are measuring and attempt to ensure the full range of sources is covered. The problem is that today's definitions - especially sources like Referrals, Social Media and Job Boards - are defined differently in different firms and what might be attributed in one to a Direct Sourcing effort of the Sourcing team is attributed to social media or the resume search in a Job Board for another respondent. Consider that a staffing leader under pressure to validate the costs of his/her sourcing team will want to attribute the most hires that they can to Direct Sourcing efforts…not the tools or [social] media that the recruiter used. In the figure below, **LinkedIn is categorized under Social Media** to conform to how many firms attribute LinkedIn hires.

Figure 4 – Sources of External Hires

2012 Sources of External Hires (~108,000)		2012	2011	2010
	Referrals	24.5%	28.0%	27.5%
	Career Site	23.4%	9.8%	18.9%
	Job Boards	18.1%	20.1%	24.9%
	Direct Source	6.8%	9.1%	5.0%
	College	5.5%	6.6%	7.2%
	Rehires	3.3%	4.3%	2.8%
	3rd Party	3.1%	2.8%	2.3%
	Social Media	2.9%	3.5%	NA
	Print	2.3%	2.2%	2.0%
	Temp/Contract-to-hire	1.5%	2.1%	2.4%
	Career Fairs	1.2%	1.9%	1.8%
	Walk-ins	0.3%	0.8%	0.7%
	Other	7.2%	8.8%	4.6%

Source: CareerXroads SOH, Feb. 2013

Referrals
Respondents were asked to include more than hires generated by referrals from employees i.e. alumni referrals and other types of referrals. No distinction was made between referrals that were initiated by job seekers as long as the data was compliant with the respondents' respective programs. 90% of the hires attributed to referrals were Employee Referrals. Weighted averages over the last decade have ranged from 23% to 30%. We believe the distribution is bimodal with two peaks centering around 20% and 40%

Career Site
Respondents tend to attribute their Career Site as a primary source despite our best efforts to define it as a destination. We also believe that when the last IP address cannot track a candidate clicking through to the Company Career Site from a known source that it defaults to attributing the Career Site as the primary influencer rather than DNK or "Other".

Job Boards
Definitely are not dead but trending down. The real question may be in consistently defining what a Job Board is. For example, the last two years we have categorized LinkedIn under Social Media and most respondents either were already doing that or could do it. However, hires attributed to LinkedIn posts outweigh hires attributed through recruiters' proactive searches and this would have added to the Job Board category. Some firms would prefer to attribute LinkedIn hires to Direct Sourcing efforts rather than Social Media. And, while most hires attributed to Job Boards are a result of posting, some are the result of Sourcers searching and Direct Sourcing via the Job Boards' resume databases. In this latter case, the attribution may very well be under Direct Sourcing. We may re-define Job Boards, Social Media and Direct sourcing differently next year to better examine where the credit lies and then examine the impact of mobile, social media and other methods as influencing the hire.

Direct Source
Respondents were asked to identify the prospects they sourced, identified and directly contacted that eventually became hires.

College
Respondents attribute hires from college or within 0-2 years of graduation. As a means of determining the extent to which college graduates are also drawn from the firms' Intern program, additional questions were asked.

Rehires
Defined as company alumni returning to the fold. Not every firm tracks this source and few firms develop separate protocols for mining it as a source. This is an underserved area of hiring that fails to get traction because of outmoded values of loyalty.

Third Party
Hires attributed to 'Contingency' or 'Search' Agencies. These figures are consistently low for the last decade compared to any other country in the world (not that there is any world data available). We believe the Agency numbers for specific levels (Executive) and specialties (hard core IT) as well as smaller firms would be significantly different.

Social Media
It is what everyone wants to talk about but since there is typically room for only one Source, should a hire be attributed to Social Media…or Referral…or Direct Source…etc. We believe a means to establish it as a critical part of EVERY attributed source will eventually be the way to go.

Print
Last chance. Hires attributed to Print seem to have little connection to any other source despite the fact that every print medium is connected to an online job board. Little effort is made to examine the value of leveraging the two. We expect print to remain pretty much at this level for the foreseeable future.

Temp/Contact-to-Hire
We believe this is another underserved Source that is often not tracked as a result of an outmoded understanding of compliance issues requiring that contract and contingent workers not be treated as employees… so no real data exists. With 14% of an employer's workforce designated as Contingent it would seem to us to be full of opportunity.

Career Fairs
A highly focused and targeted tool or a shotgun approach? Probably both. Limited upside unless something happens to open up this source as an online tool.

Walk-ins
We believe the low numbers here are reflective of just how limited our respondent population is in tracking manufacturing and store level service positions within their respective companies.

Other
Catch all. Unfortunately most firms do not require an explanation of "other" in their methods of collection. This data category conveniently disappears in a number of other SOH surveys. The elimination of 5-10% of the hires of a firm for any reason statistically and significantly changes the calculated percentages of the remaining sources and corrupts the results. We believe this is a problem that every firm needs to clean up.

Reading between the Lines: Additional Questions & Answers

Referrals ~ 27,000 hires or 24.5%

*Q: Are referrals the best source of hire?*
A: It depends.

Referrals are surely the most important Source of Hire for the candidate to game. But, whether they are the least expensive, best quality etc., etc. still needs to be determined case-by-case by assessing your company's individual numbers and results. We believe knowing the quality of the referral (i.e. whether the referral involved an employee who had prior knowledge of the referring candidates work in a previous firm) would certainly be a help, for example.

In this study our interest is in knowing the % a firm attributed to referrals of any kind. We also wanted and managed to get from about half the respondents, the total number of referrals in order to determine the yield or, "How many referrals does it take to make one hire?" As shown below ~10/1 is a ratio important to a candidate whose probability of getting a job without a referral would be about 72/1 (average of 74 applications per hire minus the two that are likely referrals). Which lottery would you want to be in if you were a candidate?

Independently, similar data was obtained during last year's Candidate Experience Awards (http://www.thecandes.org). Examining the outcomes of more than 17,000 candidates of which only 15% were hired, it was calculated that you would be four times more likely to be hired if you had a referral. Interestingly, in that study, only half of the candidates were even aware that the firm they were applying to had an ERP (Employee Referral Program). And, only half of those candidates, who were aware of the program, made use of it. Would referrals initiated by job seekers increase if more were aware? Would that increase be of equal quality?

Figure 5 – Referral Yield
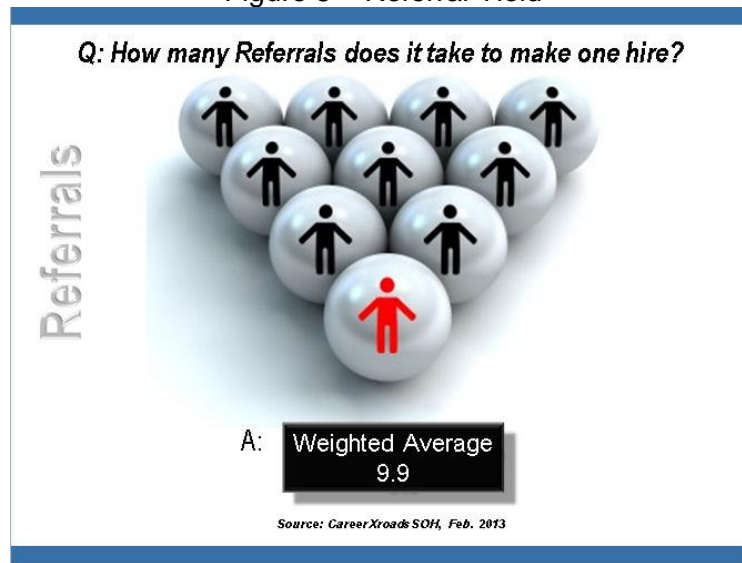
Job Boards – 18.1 % or ~20,000 attributed hires

Q: What is the 'Breakdown' by specific Job Board?
A: Indeed is attributed as a SOH as often as the next three Job Boards (Monster, CareerBuilder and Simply Hired) combined.

We asked respondents to break down the hires they could attribute to specific Job Boards and calculated weighted averages. In the case of a niche Job Board like DICE, for example one might expect to find (and we did) a large number of respondents filling small percentages of hires. With more general job boards large percentages of the hires were attributed to individual job boards while other respondents attributed few if any to the same Job Board. As a reminder, LinkedIn was not included in this category.

Figure 6 – Source of Job Board Hires
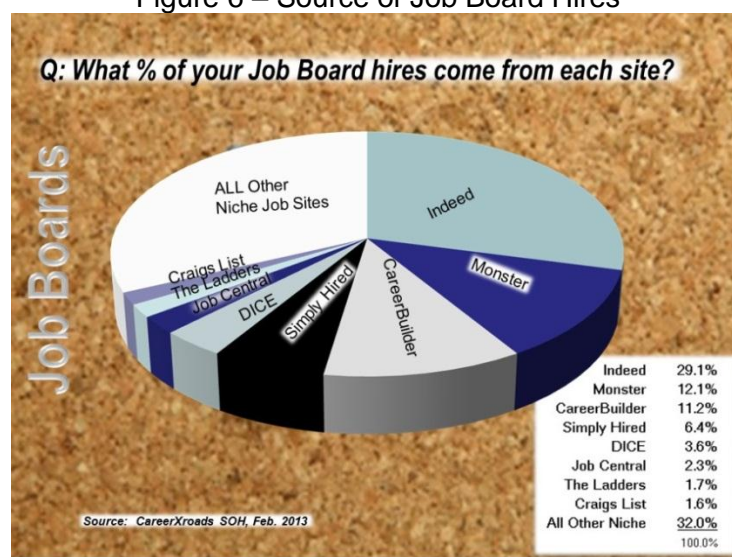
Q: What part of the Job Board's two major services did you use: Post & Pray or Resume Search?
A. Post and Pray

But, obviously all of the hires attributed to Job Boards are not entirely 'Post and Pray.' Some firms are attributing hires to Job Boards that involve recruiters searching resume databases and then calling the best prospects. Many firms do NOT see this as a role for a Sourcer…but, some still do. We think this gray area is a matter of training and accountability since most recruiters are reluctant to cold-call someone who is not familiar with their firm or not clearly interested in their job even though they are obviously in the market. Where do <u>you</u> categorize these hires?

Figure 7 – Job Boards: Posting versus Resume service offerings

College

Q: To what extent are Interns the 'Source' of this 'Source' [College]?
A: ~50%

On average, a company that wanted to fill 200 entry level openings with their own Interns would need to make offers to 400 Interns in their final year to convert 50%. Add in another 1/3 to cover the interns who will not receive an offer and we are now at 600 interns to yield 200 hires. We think there should be an ROI program for improving the Intern conversion rate.

Figure 8 – Intern Conversion Rate
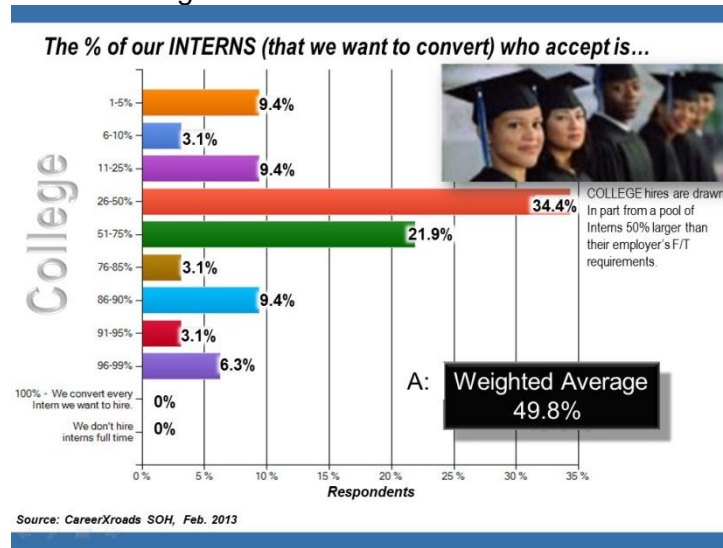
**Social Media 2.9%, ~ 3200 Hires**

Q: In general, how do different social media applications impact your hiring process?
A: A lot more than the hires we attribute to them.

For Social Media sites like Linkedin, firms are both aware and use them extensively even though the hires they influence might be actually attributed elsewhere. For many areas of social media, firms are still in the exploratory phase.

(Note: In *Channels of Influence,* it becomes clearer how embedded Social Media is as an underlying influence where hires have been attributed to other sources)

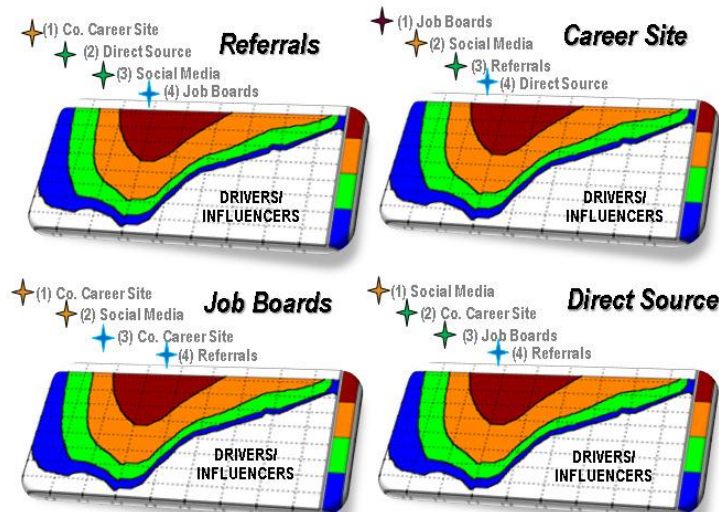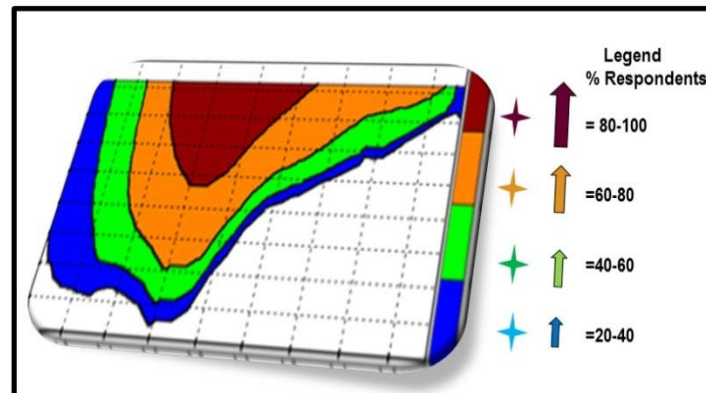Figure 9 – Social Media Usage Comparison
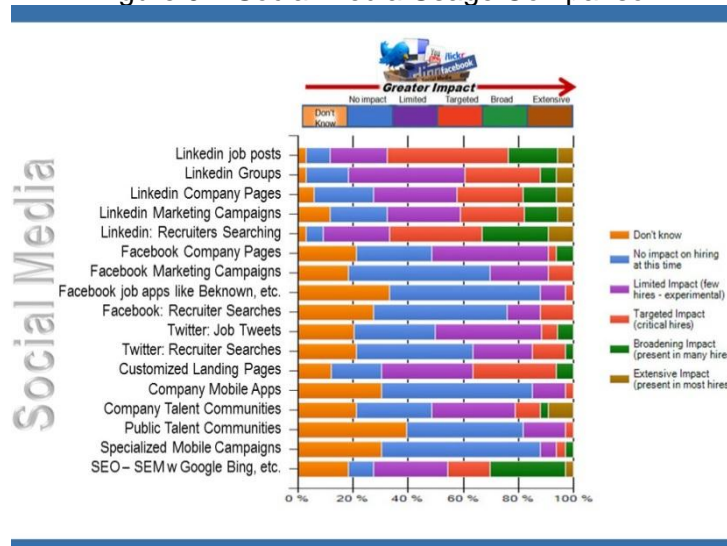
Channels of Influence

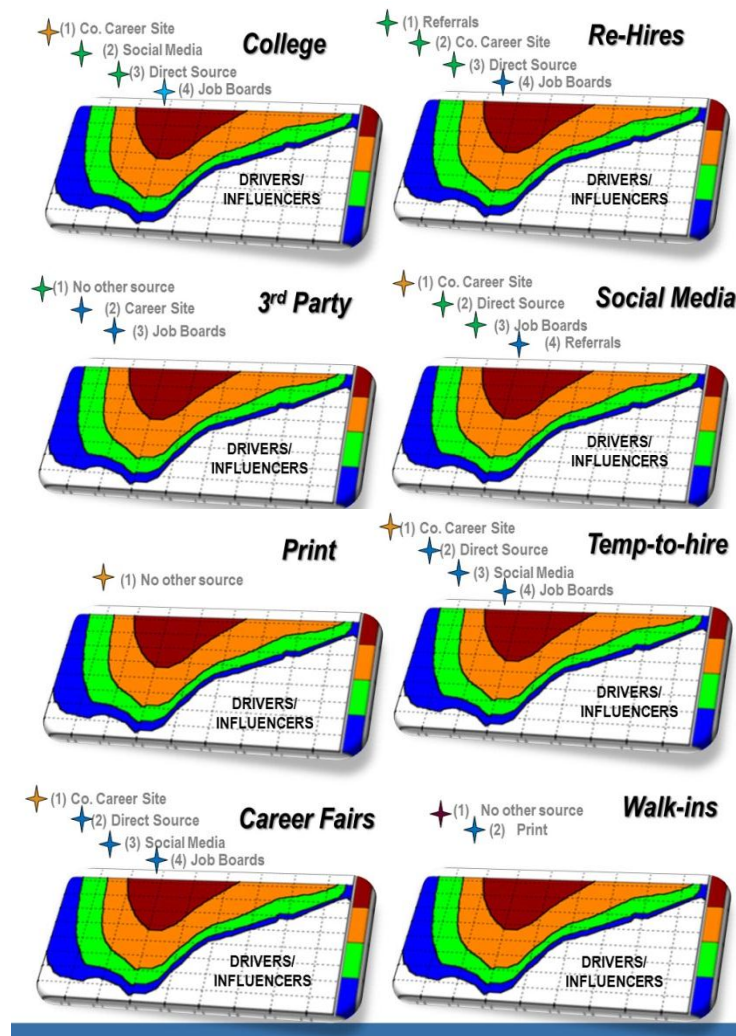*Q: What 'Sources' interact with each other the most?*
A: This is where the 'Channels of Influence' offer a deeper dive into how Sources combine.

We asked respondents to identify how one source might actually combine with, drive or influence another. The figures below represent the top 'influencers' in priority order and these are color coded by the % of respondents indicating its importance. This is what they told us.

Figure 10 – Source Interdependence

College
- (1) Co. Career Site
- (2) Social Media
- (3) Direct Source
- (4) Job Boards

DRIVERS/INFLUENCERS

Re-Hires
- (1) Referrals
- (2) Co. Career Site
- (3) Direct Source
- (4) Job Boards

DRIVERS/INFLUENCERS

3rd Party
- (1) No other source
- (2) Career Site
- (3) Job Boards

DRIVERS/INFLUENCERS

Social Media
- (1) Co. Career Site
- (2) Direct Source
- (3) Job Boards
- (4) Referrals

DRIVERS/INFLUENCERS

Print
- (1) No other source

DRIVERS/INFLUENCERS

Temp-to-hire
- (1) Co. Career Site
- (2) Direct Source
- (3) Social Media
- (4) Job Boards

DRIVERS/INFLUENCERS

Career Fairs
- (1) Co. Career Site
- (2) Direct Source
- (3) Social Media
- (4) Job Boards

DRIVERS/INFLUENCERS

Walk-ins
- (1) No other source
- (2) Print

DRIVERS/INFLUENCERS

Job Boards and Career Sites are noted among the most important four Sources as influencing other sources of hire in 9 out of 11 possible categories. Social Media is noted as impacting seven other sources of hire. Direct Source is listed as a top influence for six sources and Referrals for five. We would love to see a systematic method of measuring the interdependency of SOH categories. It is clear they are connected.

Collection Methods

Q: How do you collect Source of Hire?
A: Multiple Methods

While self-report is still dominant (and continues to need improvement), it is no longer used alone. The good news is that firms are now integrating multiple methods, typically two different methods, to cross-check SOH data. More work needs to be done as we have discussed earlier in this paper.

Figure 11 – Collection Methods
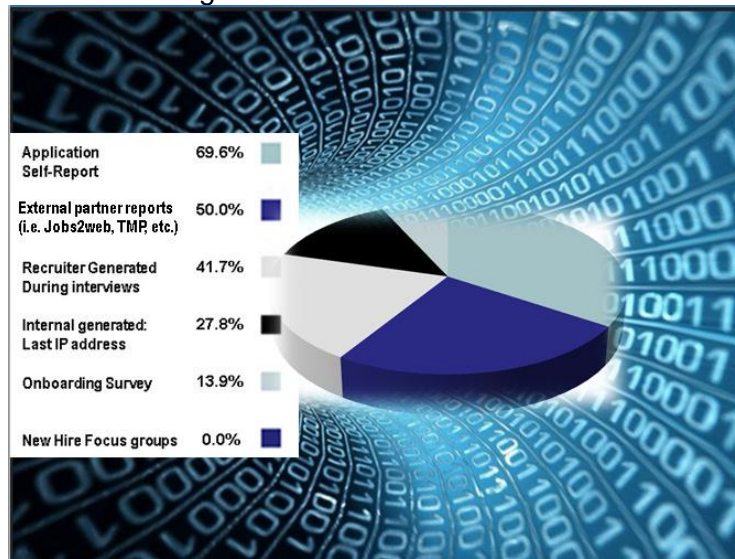
Plans for 2013

Q: How will your plans for 2013 change based on your SOH analysis from this year?
A: Considerably.

Number of times respondents mentioned "More": Analytics[8], Social Media[8], Mobile[6], Branding & Marketing[6], Referrals[5], Sourcing[5], Centralization[4], Process Improvements[4], CRM[3], College[3], Linkedin[3], Niche job boards[2], Globalization Integration[2], SEO[1] video interviewing[1] More internal sources[1], Pre-hire Assessments[1] RPO [1]

Number of times respondents mentioned "Less": Job Boards[5], Agencies[2]

Examples: *"We plan to…*
…shift to a more centralized shared service recruitment model."
…add competitive intelligence research."
…invest in global insourcing."
…optimize social and mobile."
…add a feedback tab to our website to allow applicants to more easily engage if they are having issues with the website."
…implement a shared social event calendar to be able to promote where we will be."
…participate in Facebook and LinkedIn chats."
…create a Careers Google+ account to further engage with candidates on the social sites."
…change to a center led model and will be adjusting our talent acquisition team structure to better handle the needs of the business."
…rebrand our social sites and creating new strategies to engage with talent."
…promote internal movement."
…improve market data and analytics to help drive decisions."
…improve recruiter consultation capability."
…implement mandatory process step to confirm source when the recruiter speaks to the applicants."
…build our employer branding and marketing to draw more people to our career site."
…implement mobile apply process to help increase the number of candidates to our site."

Final Thoughts

Here's our short-take on what a Complete, Accurate, Reliable and Valid Source of Hire initiative would look like.

100% Complete. <u>Everyone</u> Who Now Works for Your Company is Tagged with a Source.

You know something about where every person was before they began working for your firm in at least their current or last assignment. It may not be accurate, reliable of valid data but it IS complete.

You can access a filled "Source" field for everybody – current and past as well as every candidate and prospect and produce a report. That includes:
- Every internal move, inside a division and between divisions.
- Every intern and college hire's school and program.
- Every contract and contingent worker even if hired by an Agency to whom you have given a Master Contract.
- Every person hired by your RPO (We'll excuse PEO for the moment).
- Every person in every sales territory.
- Every person in every facility, region and country.

Note: It is still Complete if you have occasionally filled that source field with "other" (and not explained what "other" is), or simply defined the field as "unknown" rather than leave it incomplete. At least then you will know the extent of what you don't know. We could spend a good deal of time talking about restriction of range but let's move on.

100% Accurate. All the Data You Have is Correct.

And you know this because….
…the candidate told you having completed your application after picking blindly from a long alphabetical list of sources configured by your implementation team when you first turned your ATS on.
…you were more concerned with the source that most influences the prospect's action to apply and become a candidate – say your Career Site.
…the recruiter said so, having input or written over the field.
…it was an item on the survey sent to new hires during onboarding.
…it is the last site on the web the prospect visited before linking to your Career Site.
…it was teased from data captured over time via the cookie placed by your partner during the campaign which offered another an easy and automated means of linking an application and a source while ignoring other job related stops before and in between.

- Which method(s) do you use?
- Are you familiar with the pros and cons of each?
- Does your reporting automatically integrate more than one method and handle discrepancies to increase reliability?
- Can you capture more than one source such as the Job Board where the lead was found for what was eventually attributed as an Employee Referral? Why not?

It would be hard to imagine a world rapidly moving toward big data where you rely SOLEY on a self-report 'Source' field even one vastly improved by having an I/O consultant reconfigure it to minimize its error.

Equally onerous is assuming that automated systems that capture the linkage between two online locations are not eliminating important locations that have influenced the prospect as much or more and infer that all sources are online.

Does the taxonomy you use for "Sources" cover ALL the possibilities? One recent study we read detailed the percentages for each Source but, conveniently left out Walk-ins, Temp-to-Perm, Print and more because (and here we infer nothing sinister and only assume ignorance) they could not be tracked (according to them) "automatically" so, they ceased to exist – sort of like the sound of trees falling in the woods that no one walks in. These authors also managed to redefine the term "Internal" hires as Employee Referrals rather than openings filled by employee movement and promotion – a convenient way to eliminate 1/4 to 1/3 of all external hires. It wouldn't bother us so much if they cared to point out the dilution effect but, they didn't. It's no wonder their results tend to prove their hypotheses. We call it 'cooking the books.'

An Accurate world-class solution would
- Define sources clearly.
- Identify ALL relevant sources.
- Identify when sources are independent or interrelated
- Consolidate ATS, Recruiter, IP measurement AND Self-Reports (that were developed with I/O expertise)
- Correct discrepancies
- Reduce the "Other" category to "Unknown".
- Validate the influence of multiple sources.

(Quality Control and Supply Chain functions in most firms have both the competency and the tools to accomplish this)

100% Reliable. Measures the Same Results Over Time or Repeated Trials.

A recruiter asking the same question of every candidate in the same way during the same point of each interview and always recording the result according to a specific set of rules is reliable not necessarily complete, accurate or valid.

A candidate consistently responding with the same choice from a randomly ordered set of sources at several different phases of the recruiting process is reliable not necessarily complete, accurate or valid.

An automated software tool that senses the presence of a visitor at a specific IP address, and can link that address to movement into another IP address especially over extended time frames is very reliable not necessarily complete, accurate or valid.

One example to illustrate the importance of reliable methods of collection:
When you posted a job to Linkedin, was the resultant hire categorized under "Job Board" (subset: LinkedIn)? Is/should that be different from when your Sourcers use Linkedin to search, track, build relationships and eventually hire someone? In this latter case would you have categorized that as a "Direct Source" (subset: LinkedIn) or, perhaps it is a "Social Media" (subset: LinkedIn) hire rather than a Job Board? Is that different from a prospect that joined one

of your specialty groups on Linkedin, and then used the site to track down one of your firm's employees that he worked with in another firm before linking to your ATS to apply? Was that likely a referral?

Question: What is the most likely source reported from the method(s) you are using?
For each scenario, be sure that the data collected can be replicated

100% Valid. It Measures What You Claim to Measure.

Nothing is valid without a claim, a hypothesis that has been tested. Validity comes in flavors: Face, Content, Concurrent and Predictive to name just four and, while this isn't the place to define them, if you haven't performed a correlation - or at least a calculation - the validity for a claim that Referrals are best or Job Boards are trending down or that Social Media is the new silver bullet are all only anecdotal evidence, untested hypotheses that might actually have other explanations.

Validity cannot be higher than the lowest number you assign to reliability and if the specificity of your hypothesis is compromised by the accuracy and completeness of your data, what you claim to measure is not being measured. It's as simple as that.

So, let's ask again. Given the opportunity to re-evaluate the quality of your data, what percentages would you assign to each of the characteristics below?

___% Complete   ___% Accurate   ____% Reliable ____ % Valid

How comfortable are you defending your 2013 plan for your budget, recruiters, technology tools, partners, vendors, training and your sources to your peers and colleagues?
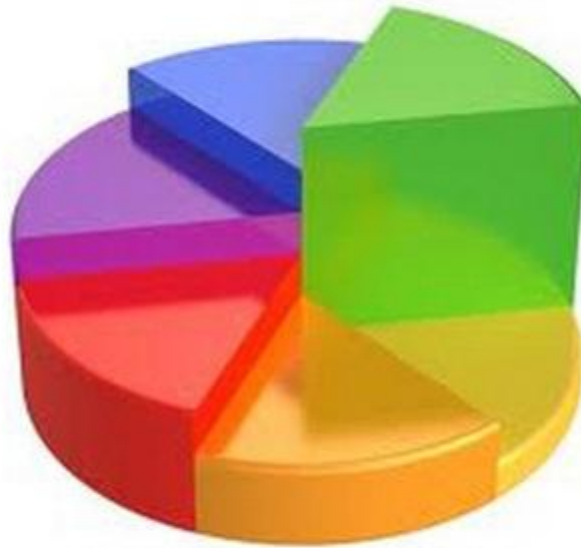
How much should your 2013 recruiting strategy include improving your collection and analysis methods?

A critical look in the mirror, knowing the data is flawed and still moving forward to make the best choices you can while taking steps to improve for your next planning cycle is far better than seeing solutions that repeatedly fail to optimize your sourcing strategies and assuming they will be more effective this time around.

We strongly recommend you have a lengthy discussion about the quality of your data internally and then challenge each of your partners and vendors. Don't let them off the hook with simplistic solutions.

That is what got you here in the first place.

APPENDIX

Additional details of our
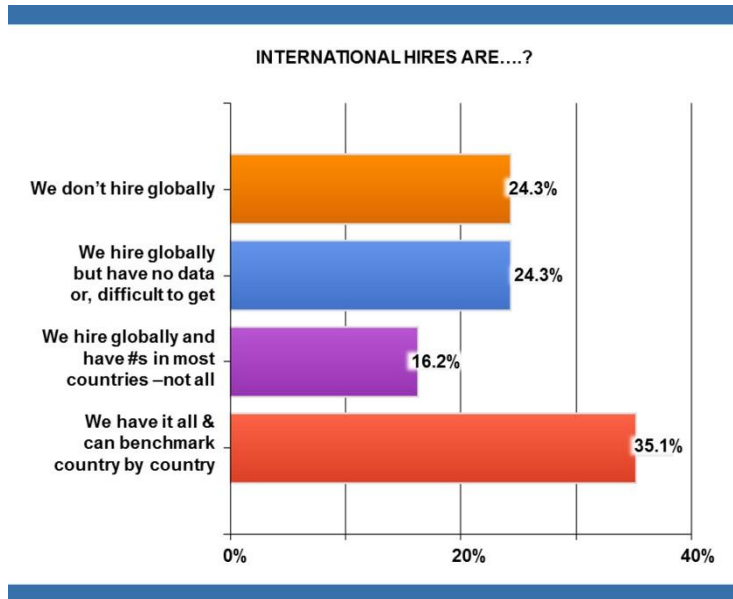## Respondent Profile

Figure A.1 – Access to Global SOH Data

INTERNATIONAL HIRES ARE....?

We don't hire globally — 24.3%

We hire globally but have no data or, difficult to get — 24.3%

We hire globally and have #s in most countries –not all — 16.2%

We have it all & can benchmark country by country — 35.1%

Figure A.2 – Contract/Contingent Work

How Respondents Handle Contract/Contingent/PT Workers

We have a master contract with a vendor to supply contingent labor with professional skills in areas such as Engineering, IT, etc. — 41.7%

We have a master contract with a vendor for all hourly- P/T labor. — 41.7%

We have dedicated recruiters and sourcers for these areas. — 19.4%

We have bolted on vendor management modules to our ATS in order to better manage contingent labor. — 8.3%

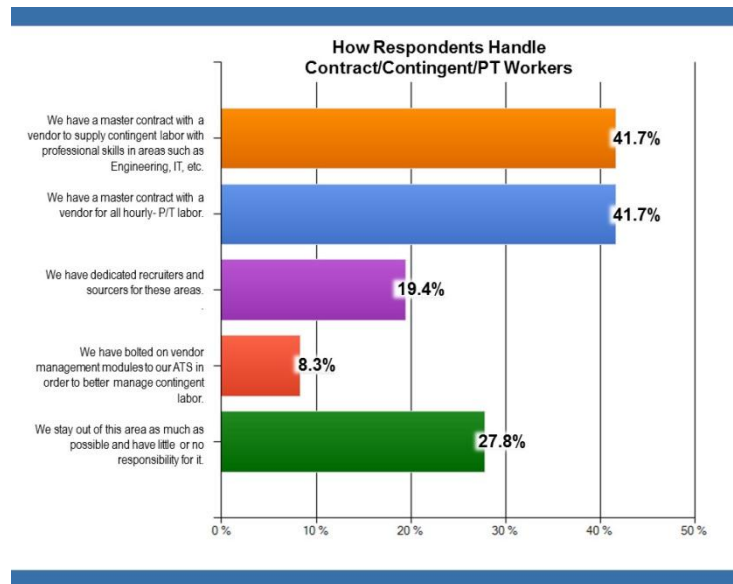We stay out of this area as much as possible and have little or no responsibility for it. — 27.8%

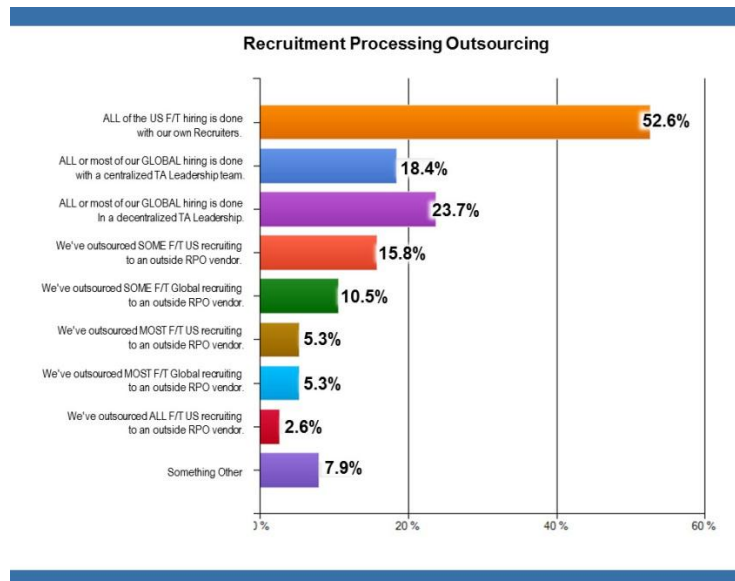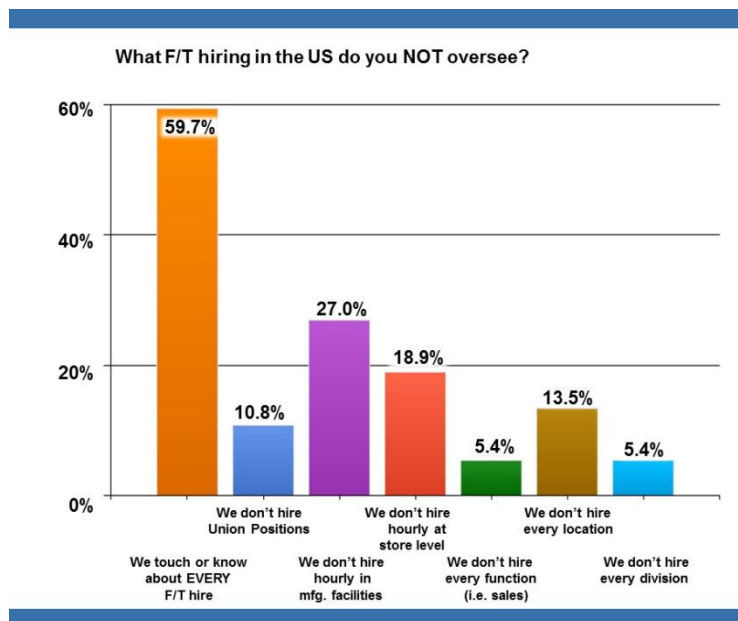Figure A.3 – Recruitment Processing Outsourcing

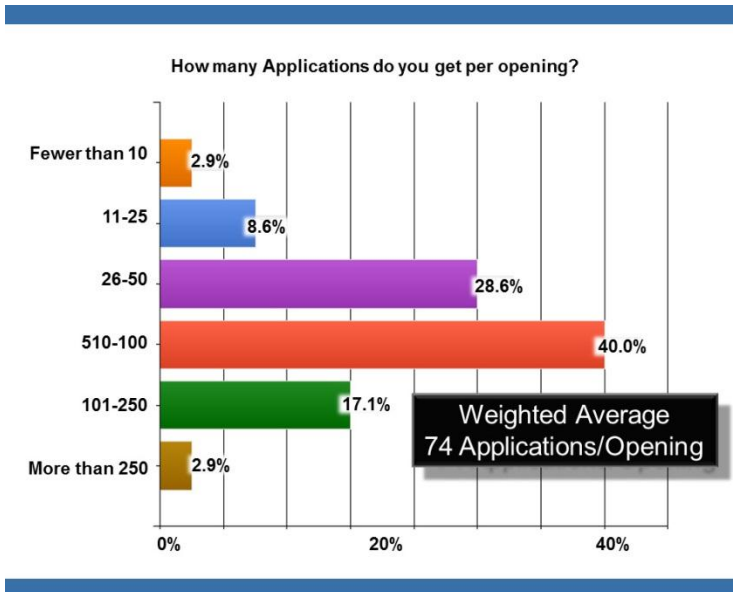Figure A.4 – Missing Hires
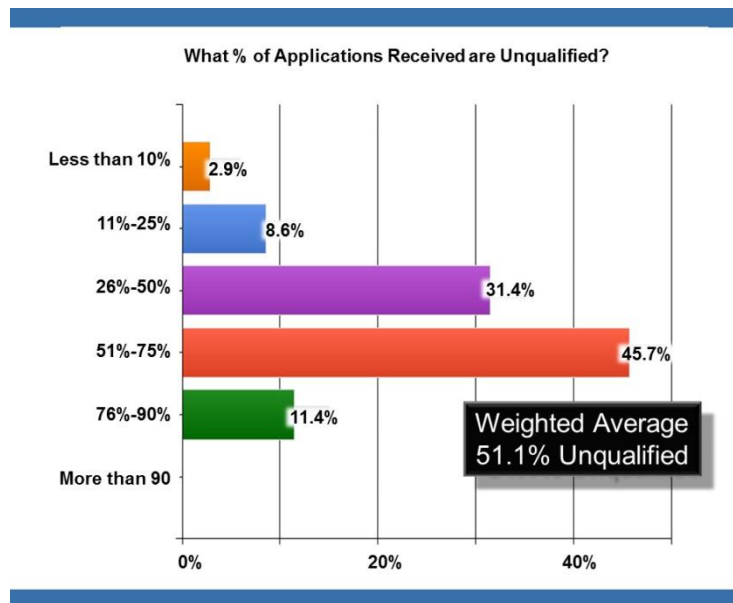
Figure A.5 – Applications/Opening

Figure A.6 – % Unqualified Applications

About CareerXroads: The Staffing Strategy Connection

Gerry Crispin and Mark Mehler are the personalities behind CareerXroads® and the CareerXroads® Colloquium. Mark and Gerry have worked for and with corporations of all sizes in career planning and placement, contract recruiting, executive search, recruitment advertising and human resource management. After years working on the front lines of recruiting, these two saw a new potential in the Internet and in 1994 came together to create CareerXroads®

These Internet Recruiting Pioneers have formed a thriving international consulting practice that works with many of the world's most competitive corporations to better understand and adopt cutting-edge, recruiting technology solutions to their staffing strategy and process.

Gerry and Mark do not sit on "for-profit" boards, advisory or otherwise, and have no stock in any of the firms in the industry. Nor do they represent any firms in the industry but their own. Gerry does lead a standards task force as part of his volunteer activities with SHRM.

You can reach Gerry and Mark at 732-821-6652 or mmc@careerXroads.com

You can also find them participating at conferences, or catch their comments on Linkedin, Twitter, ERE, RecruitingBlogs…for starters.

More about the CareerXroads Colloquium

The CareerXroads® Colloquium was created in 2002 to bring together corporate staffing professionals who share a passion for critical analysis and sharing what really works (and what really doesn't) in their firms. The group has evolved into a forum for some of America's top staffing leaders and meets eight times a year across the country, hosted by members. Regularly scheduled webinars on hot topics, monthly commentary on breaking trends and a variety of research and networking activities ensure that members are armed with information and connections.

For more on CareerXroads and the CareerXroads Colloquium go to
http://www.careerxroads.com or
http://www.careerxroads.com/colloquium/colloquium.asp