Source Effectiveness Guidelines

Version 1, 2020 – White Paper

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Introduction

John Wannamaker, an early 20th century marketing pioneer, is credited with this relevant quote: "Half the money I spend on advertising is wasted; the trouble is I don't know which half." And, like Marketing, Talent Acquisition has always been challenged to define, quantify and optimize the channels to surface and engage the right audience.

Historically, Source of Hire has been the data lens which we relied on as talent acquisition professionals; but, as anyone who has tried to make this interpretation work in practice knows, understanding where to invest and whether it's working or not, is much harder than this simple term implies. This problem statement has led to the formation of an ATAP committee to advance the Talent Acquisition Body of Knowledge.

Our goal:
To collectively build consensus and drive awareness of a standard framework and common understanding of how to approach Source Effectiveness.

A diverse group of 13 talent acquisition veterans was launched July 2019 and for the past 9 months, has almost weekly debated, drafted, discarded, validated and iterated to create an initial version of Source Effectiveness Guidelines.

Source Effectiveness Guidelines Committee Members:

Name (LI)	Role
Kathy Auld*	Director, Strategic Technologies, Pontoon Solutions
Allyn Bailey	Talent Acquisition Transformation Leader, Intel
Martin Burns	Editor in Chief, Recruiting News Network
Ryan Christoi*	EVP Client Strategy, Recruitics
Gerry Crispin*	Founder, CareerXroads
Alan Fluhrer	Director of Talent Acquisition, W.E. O'Neil Construction
Andrew Gadomski*	Managing Director, Aspen Analytics
Glenn Gutmacher	VP, Global Talent Sourcing Strategy, State Street
Mary Grace Hennessy* **	CEO, GraceRock
Heather Moffitt	Candidate Technology Product Manager, GE
Jennifer Tracy*	VP Recruiting Solutions, Spectrum
Debbie Tuel	VP Client and Partner Strategy, Symphony Talent
Tyler Weeks	Analytics and Automation Manager, Intel

Table 1: ATAP Source Effectiveness Guidelines Committee Members

*ATAP Members **Committee Chair

Why we need source effectiveness guidelines

Moving past source of hire to justify talent acquisition budgets

The team at CareerXroads disbanded their annual Source of Hire survey back in 2015 due to "unreliable data." Since this time, although source effectiveness directly impacts spend in talent acquisition, no one has tried to fill the void of recruitment source benchmarking. We conducted a survey on source of hire. The dataset was small, n=21 respondents representing several large employers. While we found overwhelming consensus on the need for reliable data, 66% reported spending extreme effort to understand their data or felt the data they have currently is useless. We were also reminded just how much top sources can vary, with 27 "top 5 sources" named.

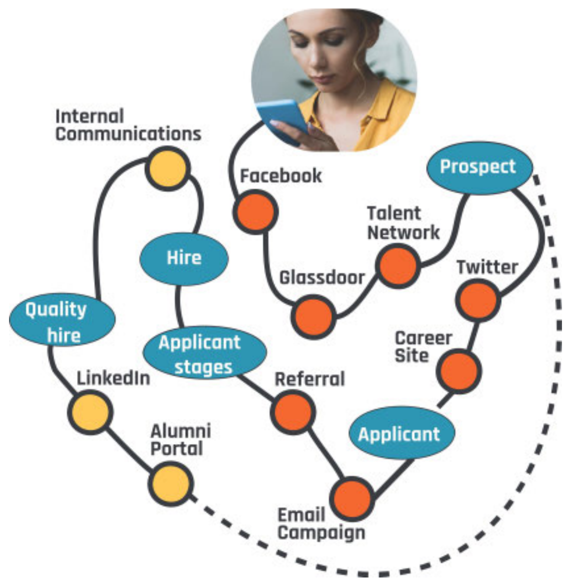

Figure 1: The hiring journey

Let's face it, recruiting is complicated. Without defensible data, it's hard to justify the costs a business must spend to acquire strong talent. Talent acquisition leaders have relied on source of hire, and it has proved too simplistic. Recruiting has evolved away from the funnel and people can engage with a brand in various ways. For this reason, we agreed to start by changing the focus to understanding source effectiveness:

What is it that goes into determining if a source is effective for your organization? And, how can this approach lead to better business outcomes for talent acquisition leaders?

Minimal consensus on top 5 sources beyond referrals, career site and outbound sourcing.

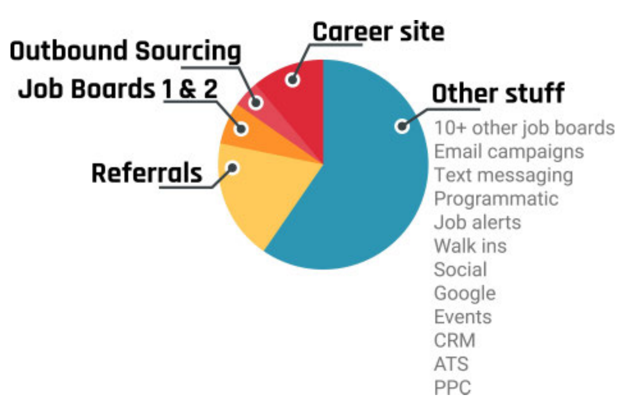

Figure 2: Little consensus of top 5 sources

Source Effectiveness Selection Criteria

Setting our frame of reference

The following definition was created after careful deliberation by the ATAP Source Effectiveness Guidelines Committee with the focus on a solid framework for how talent acquisition professionals can approach evaluating source effectiveness.

A source is one touchpoint along the hiring journey, paid or unpaid, where a person engages with an employer.

There were a few things that arose as we discussed and arrived at consensus on how to define a **source**. We agreed it was important to convey the concept that a candidate is presented with engagement opportunities across various sources. For this reason, the term touchpoint arose as an important concept to convey that a candidate will engage with various sources over time.

We also discussed the fact that the hiring process, while linear from a process perspective for businesses, is anything but linear for candidates. The word **journey** was agreed upon to convey the meandering nature of how a candidate truly engages with an organization when it comes to expressing interest and being considered for open job opportunities. Finally, to ensure a focus on understanding effectiveness, we did agree to call it a **hiring journey** vs. simply a candidate journey.

Figure 3: Source touchpoints

The rest of this paper unpacks the implications and approaches to measurement that are necessary to transition to a touchpoint-based model for understanding source effectiveness.

To be an effective source, an organization needs to understand the impact of that source in the context of being one of many touchpoints along the journey. This basis is the foundation that leads us to the need for attribution models see (Table of Contents below) and how to think about tracking the journey in a way that could lead to understanding source effectiveness. That understanding enables us to continue using relevant source metric outputs in many business contexts.

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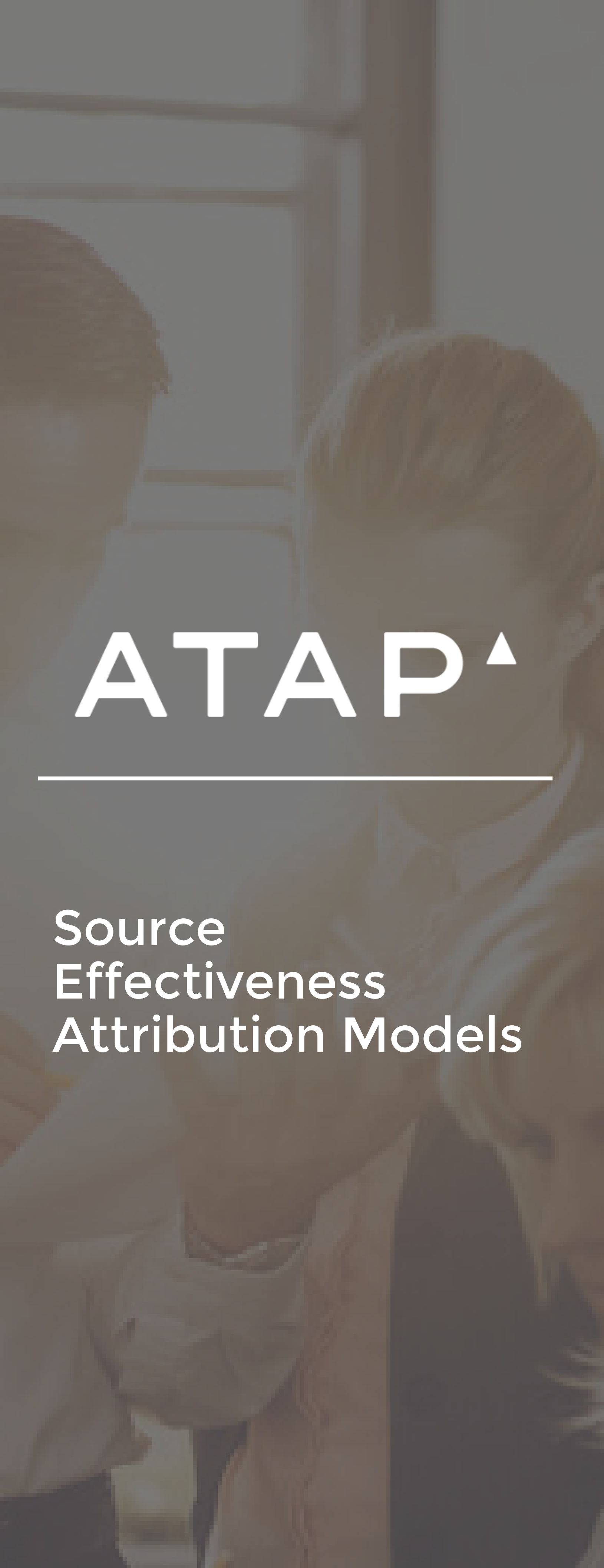


Source Effectiveness Attribution Models

Because there is more than one way to understand if a source is effective, ideally the source receives credit when detected as a touchpoint. How the touchpoint is allocated this credit will depend on the **attribution model** you employ. Depending on the sophistication of your model, it may be possible to understand what and when messages resonate in the candidate journey. It's important to note that your model options are constrained by the technology you use. For this reason, it is important to confirm with your provider(s) what models they support to ensure they can fully enable your strategy.

As a team, we've culled the list of **attribution models** (a common and more expansive concept in the world of marketing) that are relevant and defined them as they apply to talent acquisition. It's worth noting that as of this writing, the most prevalent models in use in talent acquisition from the list below are 2 (legacy) and 3 (emerging in use).

#	Attribution model topics
1	First touch attribution
2	Last touch attribution
3	Linear attribution
4	U-shaped attribution
5	Time decay attribution

Table 2: Attribution models

Single touch Attribution Models

Models that credit only one source touchpoint

Single touch attribution models are very simple and give credit to a only a single touchpoint in the journey. “Source of hire” is an example of a single touch attribution model. In these scenarios, while a candidate may encounter various sources other than the first or last source in their hiring journey, the other sources do not receive any “credit” in terms of understanding source effectiveness.

These approaches have largely been the only technology-supported options available to talent acquisition providers; however, they do not truly account for what is happening throughout the hiring journey. As we continue through this set of guidelines, there is a fundamental premise that tracking needs to occur throughout the hiring journey. This premise also brings to light the need for the ability to leverage **multi-touch attribution models**.

First touch attribution model

In this model, the first touchpoint in the hiring journey receives all the credit.

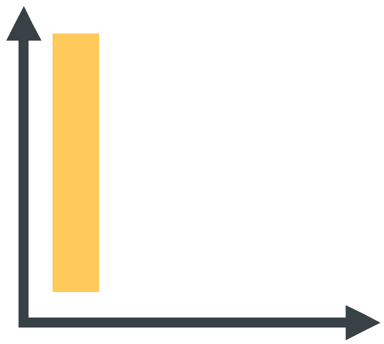


Figure 4: First touch attribution model

Last touch attribution model

In this model the last touchpoint in the hiring journey is given all the credit. (Historically, this is the most common model applied in talent acquisition).

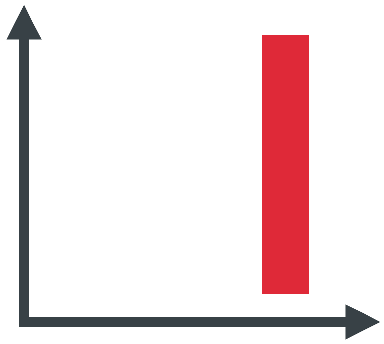


Figure 5: Last touch attribution model

Multi-touch Attribution Models

Models that credit multiple source touchpoints

Multi-touch attribution models give credit to more than just one **touchpoint** in the **hiring journey**. In these scenarios, when a candidate touches various sources, credit is given to them all in terms of understanding source effectiveness. Here are a few sample models:

Linear attribution model

In this model, every touchpoint across the individual's hiring journey receives the same amount of credit.

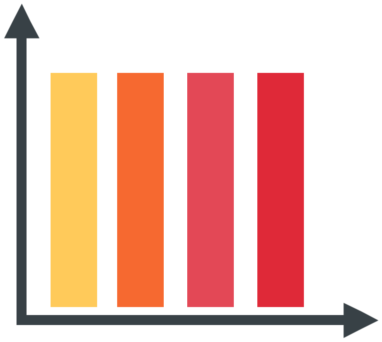


Figure 6: Linear Attribution Model

U-shaped attribution model

In this model, more credit is attributed to the first and last touchpoint than the points in-between.

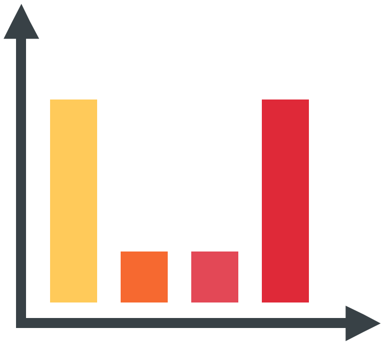


Figure 7: U-Shaped Attribution Model

Time decay attribution model

In this model, more credit is given to the touchpoints a person interacts with closer to point of hire.

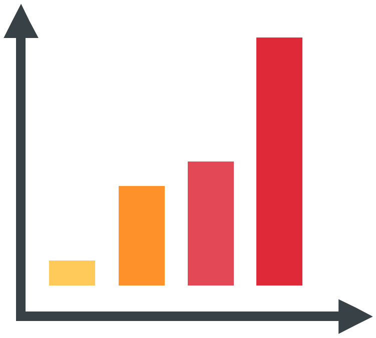


Figure 8: Time Decay Attribution Model

Tracking the Journey

When leveraging a multi-touch attribution model, understanding individual interactions both focused on an employer brand and a general organizational brand is critical.

This section outlines a framework for talent acquisition teams to help *track* these interactions and how they fit together into a candidate's journey with a specific employer/ employer brand.

#	Tracking the Journey Topics
1	The Hiring Journey
2	Audience
3	Medium
4	Tactic

Table 3: Tracking the journey topics

The Hiring Journey

The path is rarely linear and involves many touchpoints

A person's hiring journey with respect to a specific organization can begin at any time and can be initiated either by that individual or by the organization (either passively or proactively). As the individual progresses, touchpoints may occur with multiple sources of influence. Measuring and prioritizing those interactions in the context of the hiring journey creates an understanding of which sources and media are effective in supporting an organization's hiring strategy.

An individual's hiring journey may begin with awareness of the organization as an employer, but it can also be initiated outside of the context of employment through consumer interactions. While important, for the purposes of this document, we define only those touchpoints and initiatives actively pursued by an organization to attract potential hires/job seekers.

Hiring journeys are continuous and may be circuitous – extending beyond the point of disposition/disqualification and beyond the point of successful hire. Those dispositioned remain as perspective hires, even though the relationship is recharacterized as prospect, lead, or potential applicant; a hiring journey deviates from active hiring but does not end there.

Even for current employees, internal career progression can be influenced by employment brand activities & therefore these changes are also a part of the hiring journey.

How an individual interacts with an organization may differ and be measured differently based on the point in the hiring journey:

- How an interaction and engagement is measured may differ as a relationship to the organization shifts (i.e., as member of a different **audience** group).
- What **tactics/media** will influence an individual differ based on the relationship to the organization from an active/passive to future/current/former employee perspective.

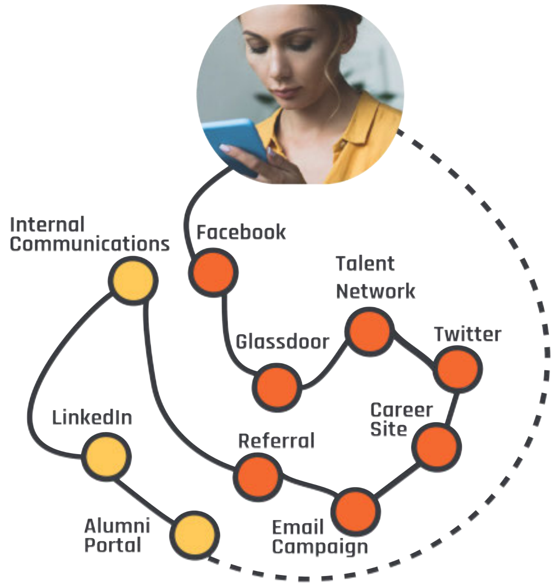


Figure 9: The hiring journey - condensed

Audience

The 4 key recruitment audiences

Audience is defined as the group targeted with a recruitment initiative. When putting together a talent acquisition strategy, there are 4 main audiences to consider.

Audience	Definition	Requires personal information	Examples
Inbound	Individuals actively searching for new job opportunities	No	- Posting a job ad - Employment video on a social channel
Outbound	Known individuals not likely to be actively searching for new opportunities	Yes	- InMails/emails - Text message - Phone call
Internal	Individuals who are employees of the organization	Yes	- Job Alerts to internal employees - Succession planning activity
Referrals	Individuals referred into the organization	Mixed	- Employee referral programs

Table 4: Audiences

An initiative/strategy may target multiple audiences or sub-groups of these main audiences. When measuring source effectiveness, understanding the target audience(s) is important given that the budgets and cost efficiency of engagement between audiences can vary widely.

Given the audience, many elements of a sourcing or marketing strategy can vary:

- Content and Approach
- Target Conversion (e.g., Applicant vs. Lead)
- Appropriate Metrics/Measurement
- Benchmarks
- Budget Source (e.g., Marketing vs. Recruiting)

Recruiting strategies should be structured with target audience(s) explicitly in mind and with understanding of the intended value produced within the context of each targeted audience type.

Medium

What is a medium?

When executing sourcing and recruitment marketing strategies, the **medium** describes the category and/or method of execution for that strategy. When evaluating source effectiveness, these methods or media are critical to ensure reliable comparison across/between multiple sources and/or tactics. This comparative context of one medium across sources (e.g., banner ads on one site vs. another) and comparison of one medium vs another medium (e.g., Organic vs. Paid Job Postings) provides critical information when formulating media and source strategies within budgetary constraints. The media used to engage job seekers for one organization may differ from another.

Note: medium and source are related, but not necessarily hierarchical. A medium may be measured at a higher level than source but may be used to detail within a source as well – depending on how said sources are organized within an organization's approach and technology(ies). This is to say, for example, that the efforts, cost, metrics for all Paid Job Posting media may be combined and compared valuably. Additionally, because a single source may provide multiple media options, there is also value in comparing Paid and Organic Job Postings for an individual source (e.g., Indeed Organic vs. Indeed Pay-per-Click Postings).

Source	Medium	Cost?
LinkedIn	Slot	$$
Linkedin	Limited listing	N/A
LinkedIn	Direct sourcing	$$
LinkedIn	Banner	$$
LinkedIn	Profile page	$$
LinkedIn	Status update	N/A
LinkedIn	Group posting	N/A

Table 5: Source vs. medium

Ensure you can track according to how you spend. This requires planning when you have multiple mediums for the same source. In most ATSs, this involves creating sources that combine the name of the source and the medium.

Example: PPC - Indeed

Tactics

What is a tactic?

Tactics refer to the specific strategic marketing activities executed by an organization. Medium and source typically combine tactics. Tactics should always be related to a trackable source.

Measuring at the tactic level allows an organization to tie metrics to a point in time with relative specificity. While evaluating effectiveness for source and medium allow an organization to understand how and where to spend generally, measuring at the tactic level dives one level deeper enabling potential measurement of direct value for effort/cost and a more detailed understanding of when certain strategies may be most effective.

Measuring the effectiveness of a tactic requires an understanding of its *intent* and *content*. Content specificity/precision should be considered when establishing benchmarks and goals for tactics. At the most general level, a tactic may attempt to attract individuals to an organization (i.e., at the brand-level). A tactic may also be in relation to a specific position. Somewhere between these levels of specificity, tactics may attempt to support hiring across multiple jobs in a location or of a certain type.

At its most basic level the ends of this "specificity continuum" are as follows:

Non-job-specific tactic: Tactics that are not about a specific job requisition but are instead broader brand tactics that provide calls to action for more than one job (e.g., a type of job, jobs at a certain locations, or information about the employer's brand) and could include sharing company news or employee stories.

Job-specific tactic: Tactics that are specific to a single job requisition/opportunity/opening. Content specificity places a tactic on a brand-/job- specific continuum that informs which metrics are valuable when measuring effectiveness for that tactic.

For example, a brand source tactic may be a valuable touchpoint in the hiring journey, but it may be less likely than a job-specific source tactic to yield a directly trackable conversion to applicant. Understanding the context/tactic type, medium, and audience should all play into the assessment of direct and indirect success/effectiveness of any tactic. In general, as illustrated in figure 10 on the next page, the more precise the tactic, the more likely the outcomes can be effectively tracked to applicant conversion.

Tactic Precision Impacts

More precise tactics are easier to track

When considering tactics, some are expected to have a more direct impact than others, making conversion easier to track. As the figure below illustrates, the more precise the tactic, the more likely the outcomes can be effectively tracked to applicant conversion, especially in the ATS (Applicant Tracking System). A company's ability to employ a multi-touch attribution model is largely dependent on their ability to precisely track attribution across tactics consistently whether the tactic is job-specific or not.

Start by at least ensuring you are tracking obvious touchpoints and work to incorporate more. The more tactics that an organization can consistently correlate to a known applicant record in their ATS or CRM, the better equipped that organization is to interpret source effectiveness and find trends across candidate behavior.

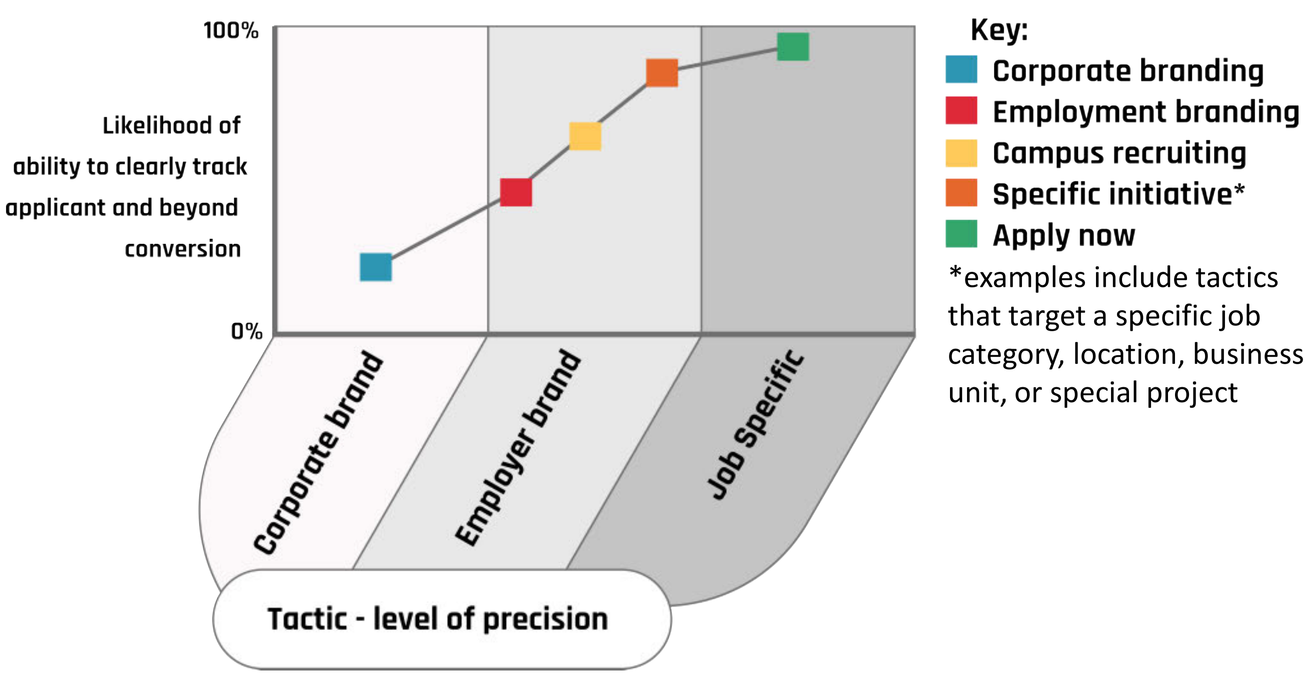
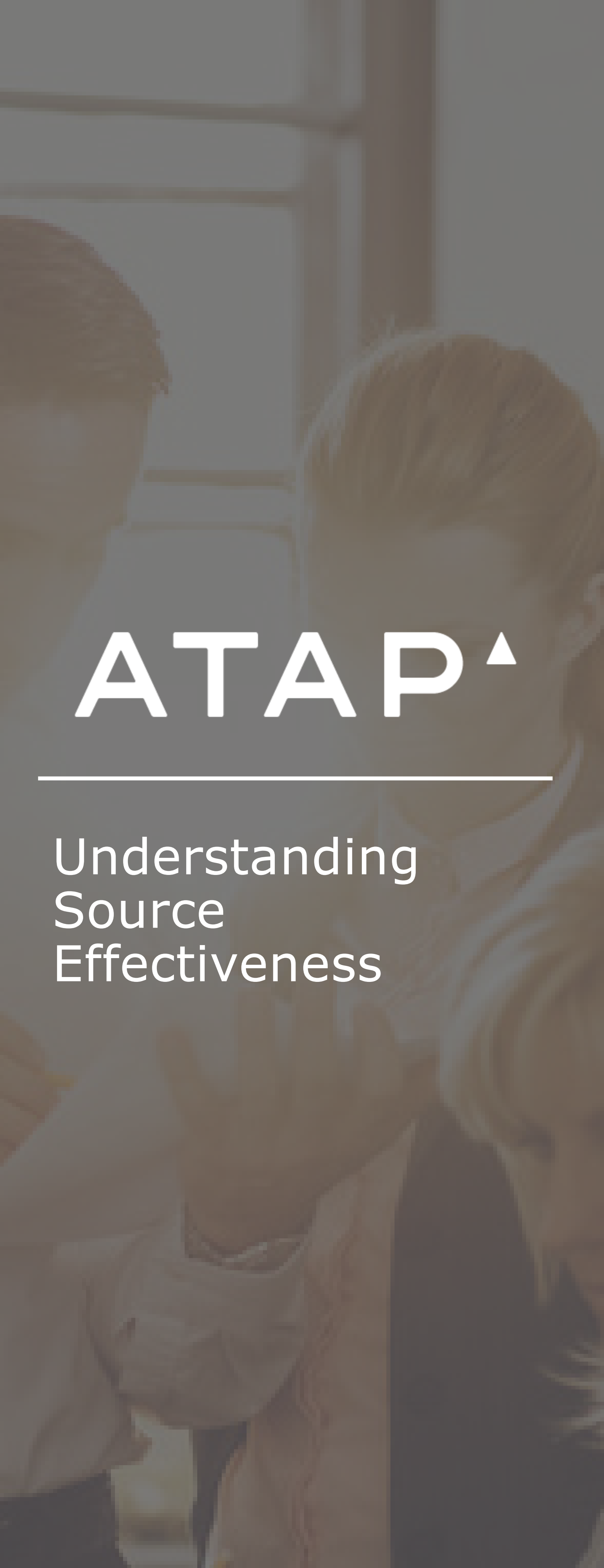


Figure 10: Tactics fall on a continuum and this impacts precision



Understanding Source Effectiveness

Understanding the key stages in the hiring process and conversion ratios.

#	Understanding Effectiveness Topics
1	Conversion stages
2	Conversion ratio
3	Views
4	Clicks
5	Leads
6	Prospects
7	Applicants
8	Applicant Stages
9	Hires
10	Quality Hires

Table 6: Understanding effectiveness topics

Understanding Source Effectiveness

The key conversion stages

To help standardize how talent acquisition teams relate and discuss conversion, the committee identified 8 **conversion stages** (y and z options) where effectiveness can be measured. These stages represent the thresholds in the process that, by virtue of individuals progressing, demonstrate source effectiveness.

When it comes to understanding **source effectiveness,** one powerhouse utility math equation is **conversion ratio:** the % of traffic that transitions from one stage (Y) to another stage (Z) in the hiring journey.

It's important when talking about conversion ratio to explicitly define Y and Z. Just saying – we saw a 50% conversion rate is not sufficient. Examples in action:

- *We saw a 50% lead to applicant conversion ratio from our monthly newsletter brand campaign tactic.*
- *We sent the email campaign to 7000 prospects and with a 50% click conversion ratio.)*
- *We have a 50% conversion ratio of prospects to hires in cases where those prospects had interviewed previously for other positions (in this case, prospects are segmented to have also passed through stage #6 too).*

Conversion Stages
(Y and Z options for conversion ratio)

01	VIEWS	A person's screen was recorded as displaying the content of a given source tactic. This is also known as impressions or email opens.
02	CLICKS	A person responds digitally to the call to action of a given source tactic.
03	LEADS	Employer-affirmed individuals with valid contact information who have not yet expressed any interest in your organization.
04	PROSPECTS	Self-affirmed individuals with an interest in your organization. A prospect may or may not have applied to a job in the past but is not currently being actively considered for an open position.
05	APPLICANTS	Individuals who have expressed interest in employment for a particular open position, and an application exists for the individual.
06	APPLICANT STAGES	The key thresholds in the hiring process that, by virtue of individuals progressing through recruitment process steps, demonstrate source effectiveness.
07	HIRES	Individuals who were selected for employment and have accepted terms of employment for an open position.
08	QUALITY HIRES	Individuals who are selected and hired that meet or surpass functional performance standards and whose tenures are longer than baseline standards.

Table 7: Conversion ratio stages

Understanding Source Effectiveness

Conversion ratio helps to understand both quantity and quality

Rather than breaking down specific hiring cycle stages of applicants, we defined the 6th stage as **applicant stages** noting that each organization may have a variety of HR Statuses that are self-defined such as review, screen, interview, offer, offer accept. Use the applicant stages that apply best to your business, ensure they can be tracked, and from there you can calculate conversion ratios.

Use conversion ratios to understand both quantitative as well as qualitative aspects of your sources. Early stages give visibility into the effectiveness of your ads and the volume they can produce. Later stage ratios give you visibility into quality.

Conversion ratio is also versatile in terms of scope. Use it to measure the effect of a specific call to action such as *join our talent network*, or *apply now*. At the same time, broader collection and aggregation of data can tell you the ratio % of hires among the population of people interviewed from a given source across a variety of jobs.

This process is not linear. Just as individuals can journey across multiple source touchpoints, they can traverse various stages in a circuitous fashion.

For example, a person may convert from a lead to an applicant and then fall back to the prospect stage after not being hired. As a prospect, they might receive an email campaign and click on a link in the email. The prospect in this case is already known, so they did not "convert" into a prospect because of the email campaign. However, the campaign still has a conversion ratio of prospects who receive and click to engage with the employer. The touchpoint is still relevant as a factor of engagement even if it is not producing newly converted prospects. Additionally, not every stage is hit by every individual. Some individuals may start as cold unknown leads manually added to your CRM, others may start as a prospect who converted to applicant while engaging with a job ad.

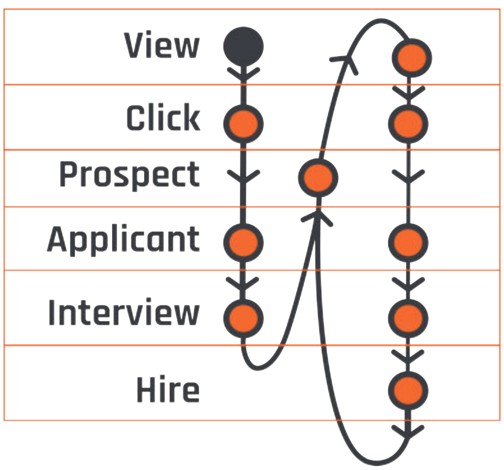
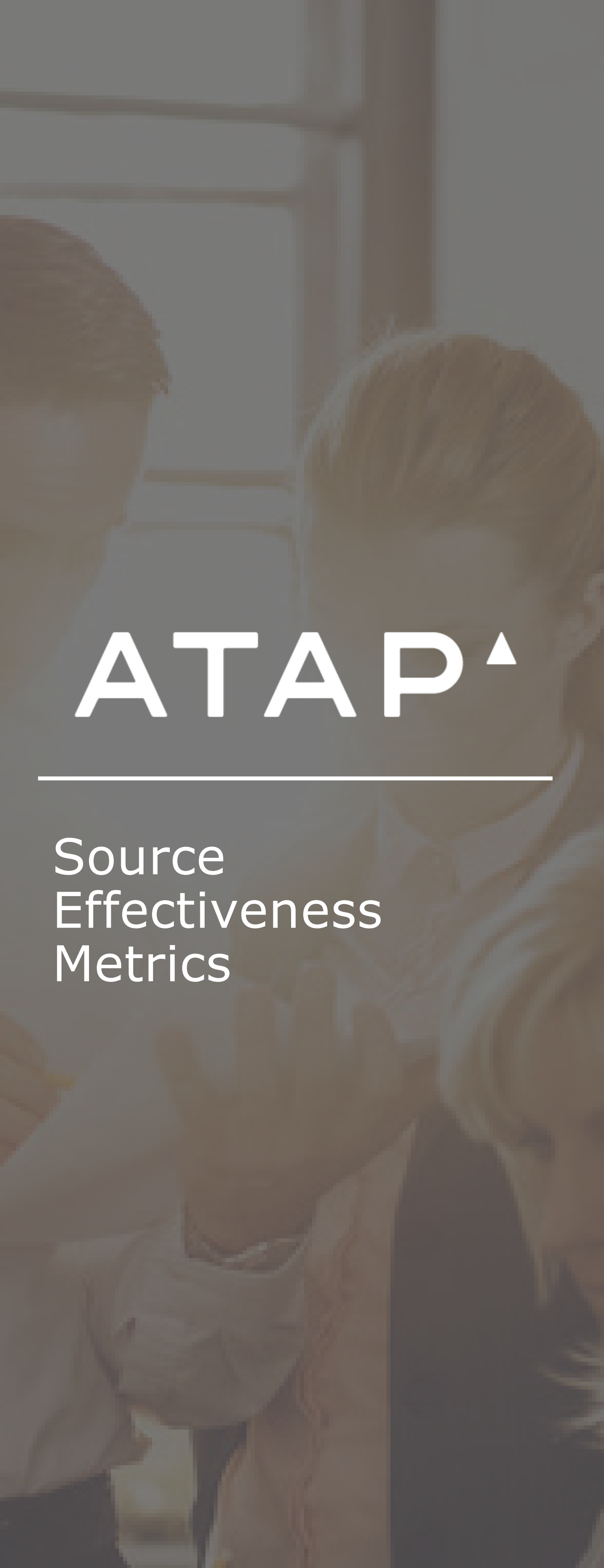


Figure 11: The non-linear reality of conversion stages



Source Effectiveness Metrics

Applying spend and exploring effectiveness metrics with some examples.

#	Source effectiveness metrics topics
1	Marketing Spend and Sourcing Spend
2	Source Effectiveness Metrics
3	Example in Action
4	Decision Time

Table 8: Source Effectiveness Metrics Topics

Source Effectiveness Metrics: Spend

Understanding marketing vs. sourcing spend

In addition to understanding conversion ratios, of the metrics that really shed light on source effectiveness, we ultimately come back to how much we spend on those sources. There are two key audiences for spend where source effectiveness metrics play an important role:

Inbound

Marketing spend is the direct recruitment advertising spend to obtain brand awareness as well as inbound traffic/applications. The m**arketing cost per …** is the **spend** divided by the resulting from the number of records that pass through the stage of interest. Example: Marketing cost per hire = Marketing spend/hires

Examples of marketing spend include your Career site hosting/design fees, Programmatic marketing spend, Job board spend and any spend on marketing technology to measure and/or manage ongoing engagement of your inbound prospects.

Outbound

Sourcing spend is the direct spend on outbound recruiting efforts to enable sourcers and recruiters to proactively source talent. The **sourcing cost per…** is the **spend** divided by the resulting from the number of records that pass through the stage of interest. Example: Sourcing cost per hire = Sourcing spend/hires

Examples of sourcing spend include recruiter seats on sourcing technology, outsourced sourcing and/or name generation services and any technology is leveraged to manage ongoing engagement of outbound leads.

Notes:
If you are leveraging the same technology, such as a CRM, to manage and nurture both inbound prospects and outbound sourced leads, the cost of the technology can be either split or a single bucket selected based on the weight of focus for that area for your organization.

Marketing and Sourcing spend are examples of **external costs** that feed the ISO standard’s Cost per Hire definition.

Source Effectiveness Metrics

Examples of conversion and cost related metrics

Many metrics can be derived by directly looking at conversion numbers and ratios. A few additional core metrics are derived by marrying spend with the same raw numbers used for conversion ratio. Mixing and matching these allow you to come up with any number of metrics that all sound like "Cost per X" (where X is a conversion stage), where you divide the number of X's received by the cost spent on the specific source or tactic to generate that volume. Examples of possible metrics you can generate with these basic foundations:

Examples of conversion related metrics

- Applicants per hire
- Clicks per applicant
- Interviews per offer
- Sourced leads per interview
- Sourced leads per prospect

Examples of cost related metrics

- Marketing cost per applicant
- Marketing cost per hire
- Marketing cost per quality hire
- Sourcing cost per lead
- Sourcing cost per applicant
- Sourcing cost per quality hire

Conversion Ratio X% =
Stage Y / Stage Z x 100

Cost related metrics $X =
Count of Stage Y / Spend

Examples in action

Applicants per hire and Marketing cost per hire

To provide an example, we will use a linear multi-touch attribution model. Let's say that you have a hiring initiative to staff a new restaurant. You promote the jobs for the new opening via various channels including iHeartRadio, Facebook PPC and programmatic advertising. Each tactic has a clear call to action and tracking associated to ensure these touchpoints for new and returning applicants are identified. Everyone who applies to a job in the new restaurant is designated as an applicant for this specific restaurant. In the end 50 hires were made from a pool of 1000 applicants.

It's been 90 days and per the restaurant company's benchmark this constitutes a dependable and high-quality employee. Of the original 50 hires, 30 remain. They represent our quality hires. We can go back and look at our marketing cost per hire for these individuals. For my three tactics I spent $10,000: 2K on iHeartRadio, 3K on Facebook and 5K on Programmatic.

Applicant per hire: Conversion Ratio

Hires/ Applicants = X%

Full initiative: 50/1000 = **5%**

- **iHeartRadio**: 14/150 = **9.3%**
- **Facebook PPC**: 30/400 = **7.5%**
- **Programmatic:** 25/800 = **3%**
- **Website:** 50/1000 **= 5%**

Note: The sum of hires as well as applicants per source touchpoint is greater than the number of hires and applicants. This is because these applicants experienced multiple touchpoints. And, since everyone ultimately had to hit the website to apply, every applicant is also counted here.

Marketing cost per quality employee: Cost

Marketing spend/quality employee = $X

Full initiative: $10,000 / 30 **= $333.33**

- **iHeartRadio:** $2000/2 = **$1,000**
- **Facebook PPC:** $3000/18 = **$166.66**
- **Programmatic:** $5000/20 **= $250**

Note: Careers Website is a general cost that that would not go to factoring for this specific scenario. If we were measuring the results of all inbound traffic for the year, website costs can apply, but are not generally helpful to incorporate when measuring a specific campaign's effectiveness.

Examples in action

Applicants per Interview and Interviews per Hire

To hire, companies need a diverse slate of applicants. Even for professional positions, at least 4-6 interviews are needed for any given hire. It stands to reason, if you can't hire without interviews, how you produce those interviews becomes a critical factor. Let's say you need to hire a team of designers, developers and product managers for a new product initiative. You leverage both inbound and outbound tactics: internal sourcer, Facebook PPC, programmatic and your corporate website. Of the 400 applicants, you've interviewed 40 and made 7 hires.

The diagrams to the right show the metrics calculation for applicants per interview and applicants per hire.

Multiple data points give a richer picture. While the sourcer's efforts only netted one hire, their work was instrumental in producing the required diverse slate of qualified applicants to interview for the position.

It's important to measure multiple data points and look for patterns and or anomalies. Several measures together create an insight. A single measure is rarely insightful, even though it tends to answer a very pointed question (when did it happen? how much did it happen? etc.).

Applicants per Interview: Conversion Ratio

Interviews / Applicants = X%

Full initiative: 40/400 = **5%**

- Internal Sourcer: 20/30 = **66%**
- Facebook PPC: 15/100 = **15%**
- Programmatic: 10/100 = **10%**
- Website: 35/400 **= 9%**

Interviews per Hire: Conversion

Ratio Hires / Interviews = X%

Full initiative: 7/40 **= 18%**

- Internal Sourcer: 1/20 = **5%**
- Facebook PPC: 2/15 = **13%**
- Programmatic: 3/10 **= 30%**
- Website: 6/35 = **17%**

Decision Time

What metrics should you use when?

Now that we can generate some metrics, remember that they can be calculated per source for an individual tactic or in aggregate for a business unit, functional area, and/or geography. This lets you rank sources and compare variations of conversion ratios and cost metrics. The next step is to know *which metrics* to use and *under what circumstances*. For this we'll review briefly a matrix of the key stakeholders and their level of involvement when it comes to interpreting source effectiveness metrics. While every organization is different, the figure below is a general guidepost of key activities by stakeholder inside an organization.

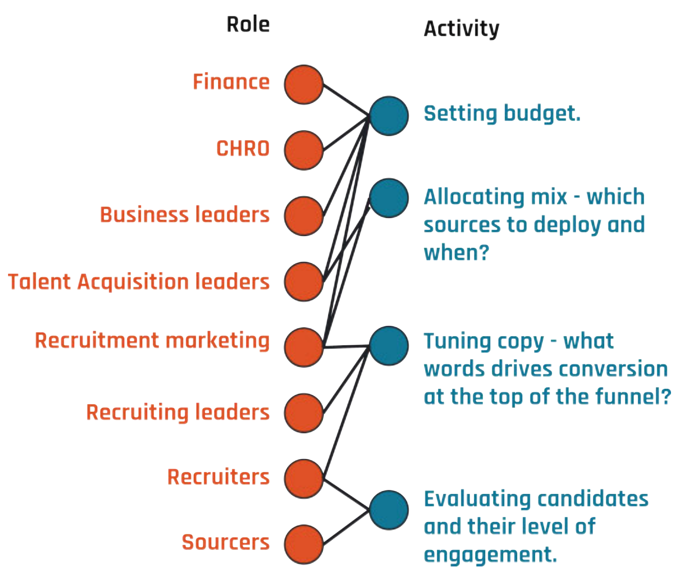


Figure 12: Roles and activities for key stakeholders

Stakeholder needs drive the metrics that will be of most interest. Below is a table that begins to align metrics to stakeholder need. Use this as a guidepost for how to select the right metrics to support the right activity.

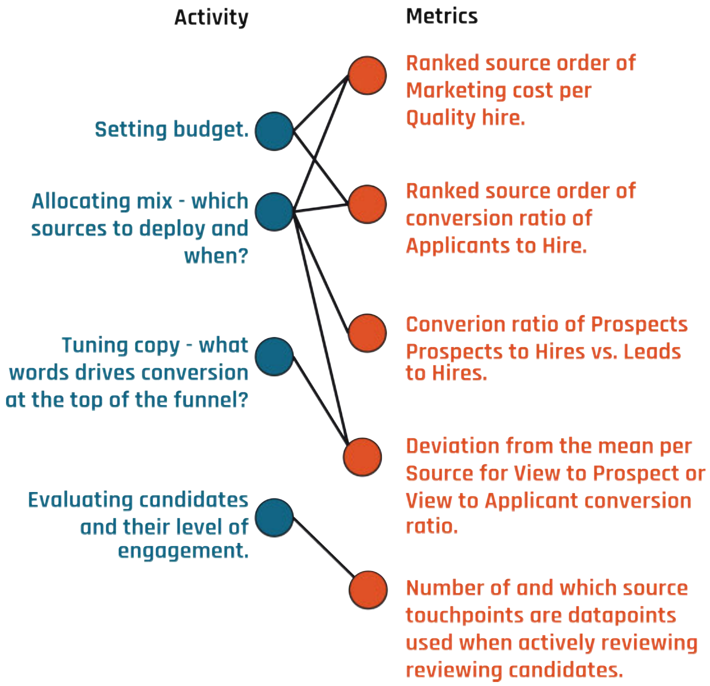
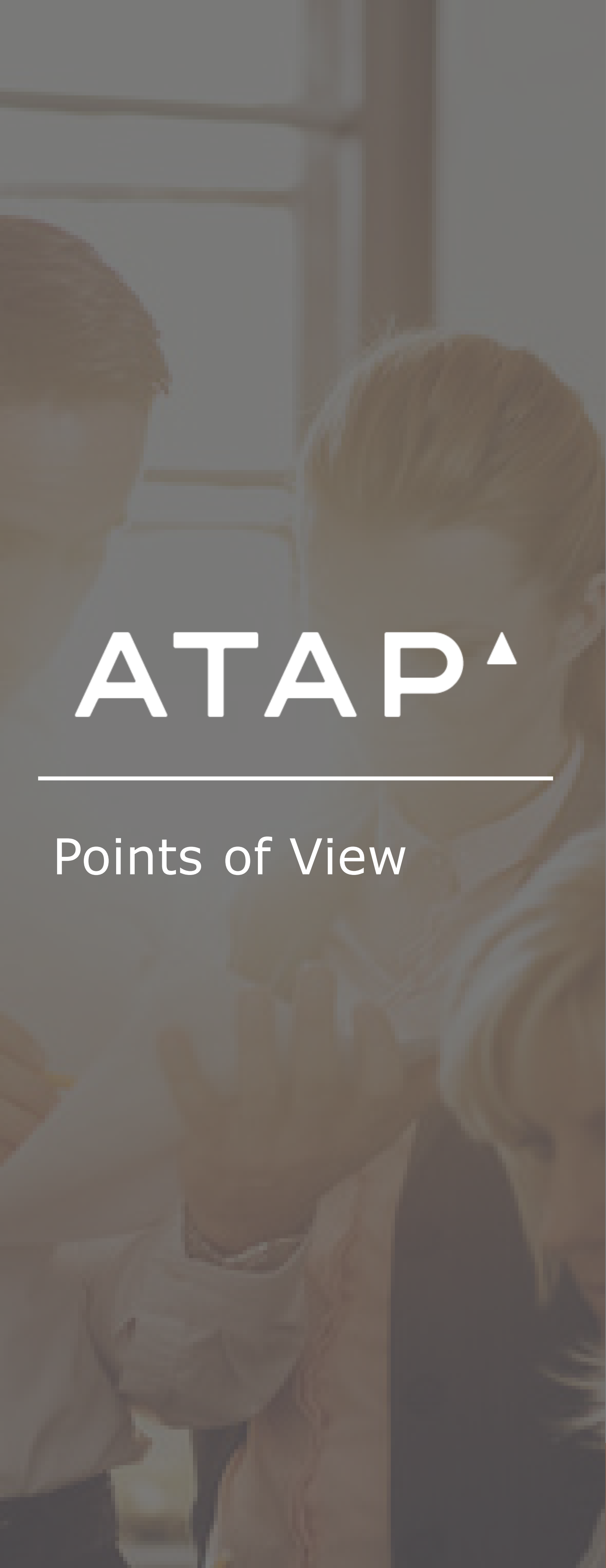


Figure 13: Aligning source metrics to activities

While budget needs to be based on numbers. There is some danger in strict numeric correlations when it comes to talent acquisition, which we explore in the next section. Assessing quality of the pipeline is likely your most important factor to driving a healthy conversion ratio in your business decision process.



Points of View

#	Points of View
1	Know Your Audience
2	Technology Considerations
3	Beyond Applicant Tracking
4	Do This Next

Table 9: Points of View

Point of View: Know Your Audience

Position your metrics with care, some marketing analogies can hurt you

The focus on source effectiveness has been advanced by the rise of Recruitment Marketing in recent years. This model largely borrows tools and tactics from marketing disciplines that work in both product and brand marketing. However, it is important to recognize that Recruitment Marketing is unique in at least one very important way - successful marketing does not mean more hires.

Companies study the effectiveness of their marketing and its correlation to sales to determine how much they ought to spend on marketing. That correlation between marketing-spend and sales is an important strategy driver for the company. If a campaign is more effective than expected, the company will beat its sales forecast. If the campaign is ineffective, they will go back to the drawing board to figure out how to engage customers.

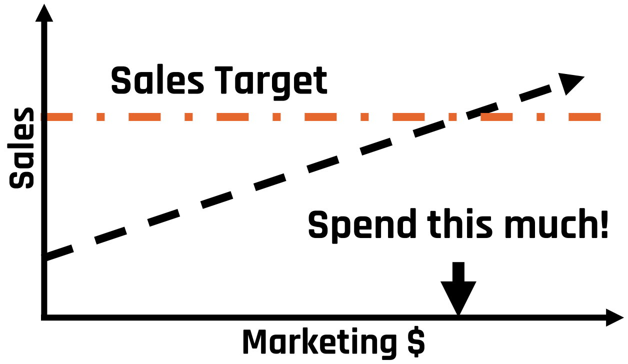


Figure 14: Achieving sales targets

Talent acquisition hires against a set number of jobs it must fill. If a campaign is wildly successful, you won't hire more people. If a campaign is unsuccessful, you won't hire fewer people. Companies that determine their recruitment marketing spend strictly based on product marketing tactics will draw one conclusion from the data: *they should spend less.* Why? Because spending more didn't yield more hires.

Figure 15: Achieving talent acquisition targets

In general if a KPI has no correlation to your outcome **it's probably not the right KPI. Successful recruitment marketing isn't about volume; it's about attracting candidates with the right interests and abilities - it's about quality.** To do this right, you must break down your company's talent needs into skillsets. The cost of attracting the right talent in each of those segments, even if they are not hired, is the real KPI. That correlation will help your leadership make smart decisions about their investment in recruitment marketing.

Point of View: Technology Considerations

Understanding the apples and oranges

A key decision in your organization's ability to track and understand your source effectiveness is the technology selected to support your efforts. It's enticing to hear about the power of a platform's tracking capabilities or the strength of a programmatic advertising solution. This may lead to an assumption that you will have visibility to all the analytics needed per hire or per job. It's likely you will maximize candidate flow with these methods, but will you really know which sources influenced more qualified talent? More volume per source does not always equate to success. It can come at the cost of candidate sentiment & disappointment. So how can you be sure your technology is meeting your needs?

Ideally your software is not only tracking various hiring journey tactics (email campaign, social posts, advertised jobs), but doing so in a consistent manner so that you can easily understand how talent discovered a role, and what pushed them to take that action to apply. There are various technologies available for tracking effectiveness and explaining them are beyond the scope of this white paper (but possibly the subject of a future one). To establish a good understanding of source effectiveness across all your sources, you should aim for the most holistic and consistent approach to tracking possible.

To be holistic, you will want to aim for solutions that let your team define the sources you need for your business. To support consistency, aim for automation wherever possible (vs. relying on self-reported information). With this information you'll be able to follow the recommendations in this ATAP report and have a sense for where your candidates are coming from and where you may need to invest in fresh content, or new tactics to attract the right talent. In the end, there may still be cases of apples and oranges when it comes to data interpretation. Acknowledge that your data will not be perfect, but it can be understood. Understand the nuances so you can logically explain how this factors into how you interpret your data.

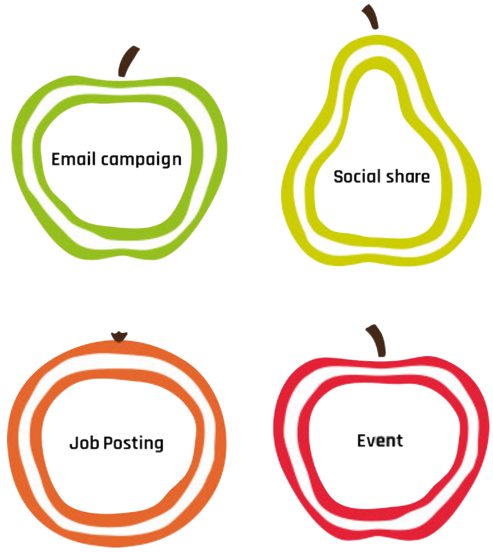


Figure 16: Understand the nuances of how your sources are tracked

Point of View: Beyond Applicant Tracking

Consider a shift to pipeline quality

Another point the committee wanted to share for consideration relates to evaluating pipeline quality vs. applicant quality. If your branding efforts, marketing tactics and ultimately your requisitions are attracting people that are not qualified for that position but are excellent candidates for other positions at your company, your macro strategy is working. A pipeline-centric view, as opposed to a requisition-centric view on conversion ratios can help you see if your sources are providing you the right candidates as opposed to the most candidates.

In order to do that they will need a refined attribution capability and an ability to assess a candidate's potential value to your company. It means adding a new **conversion ratio stage** that tracks **Lead** and **Prospect <u>quality</u>**. With an approach that focuses on **Leads** and **Prospects** vs. just active **Applicants** companies can unlock a true opportunity for competitive distinction in their talent acquisition strategies.

Quality leads and prospects fill your CRM pipelines (that originated as job applicants and other traffic from a variety of tactics and audiences). In the end, the goal is to focus on the tactics that fill your pipelines with quality talent.

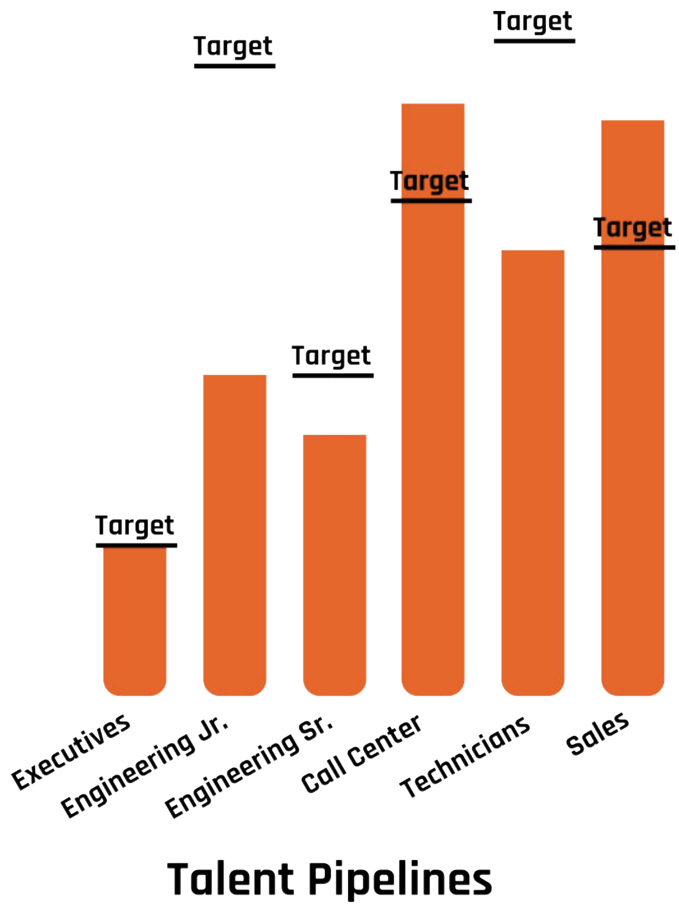


Figure 17: Pipeline approach to source effectiveness

Point of View: Do This Next

Evolving your strategy for measuring source effectiveness

Putting concepts into action is where the rubber hits the road. Sometimes that's harder than it sounds. To that end, if you are a talent acquisition leader with budget to allocate, we've put together some steps to consider to help you get started in evolving your strategy for measuring source effectiveness.

Roadmap to action

01	Understand your current budget by audience	Research your current state budget; evaluate how money is being allocated today by audience.
02	Formulate a strategy by audience	Decide on your objective by audience. How will you know if you've achieved success in terms of quality talent in terms of hires as well as and in your pipelines?
03	Evaluate your attribution model and pipeline approaches	Evaluate your current attribution model and pipelining approach. Is it sufficient and technically aligned to your strategy?
04	Make a plan	Agree on plan forward and secure buy-in across key stakeholders. (This may or may not involve amending sourcing spend/technology budget plans for one or more audiences).
05	Implement, monitor and tune	Implement changes, then continuously monitor to ensure alignment with your strategy.

Table 10: Roadmap to action

You will want to verify you have justifiable data to drive your key spend decisions. Acknowledge that your understanding will shift as you learn more; be ready to adapt based on those shifts. Finally, while much can be tracked, there will always be untracked and intangible touchpoints: the people who just say great stuff on social about your company, the amazing philanthropic campaign executed by your company (unrelated to talent acquisition). Just because there are some intangibles doesn't mean you can't strive to understand what is possible for you to track. Still, acknowledge the impacts of the intangibles and **say thanks**. It pays dividends to recognize and reward, even when it's just praise. You may find golden-nuggets, or people, or singular touchpoints, that have a tremendous impact on a positive hiring journey.

ATAP

Glossary of Terms

Glossary of Terms

Term	Definition
A	
Applicant stages	**Conversion ration stage** representing the key thresholds in the hiring process that, by virtue of individuals progressing through recruitment process steps, demonstrate source effectiveness.
Applicants	**Conversion ratio stage for** individuals who have expressed interest in employment for a particular open position, and an application exists for the individual.
Applicants per hire	A **source effectiveness metric** representing the number of successfully executed hires divided by total number of applicants in each context such as job, department, location or initiative. When represented as a %, this metric is an example of a **conversion ratio**.
ATS (Applicant tracking system)	Source of record for all **applicants** managed through the hiring process for an organization.
Attribution models	The measurement approach which determines how a source will be assigned "credit" in any source effectiveness measurements. The five attribution models discussed in these guidelines are: **first touch**, **last touch**, **linear**, **U-shaped** and **time decay**.
Audience	The target group that a recruitment initiative is focused upon. There are 4 primary audiences. 1) **Internal**: individuals who are employees of the organization 2) **Referrals**: individuals referred into the organization 3) **Inbound**: individuals actively searching for new job opportunities 4) **Outbound**: individuals not actively searching for new opportunities
B	
Brand source tactic	Tactics that are not about a specific job but are instead broader brand tactics that cross job types/categories. These could be focused on a specific location, initiative or generally for an employer's brand.
C	
Click	A person responds digitally to the "call to action" (CTA) of a given source tactic.
Conversion ratio	The % that converts from one **conversion stage** to another **conversion stage**.
Conversion stages	The stages where throughput can be measured in the talent acquisition process to measure **conversion ratio**.

Glossary of Terms

Term	Definition
C	
CRM (Candidate Relationship Management System)	Pipeline vs. requisition focused system that nurtures **leads** and **prospect** for an organization**.**
E	
External cost	Per the ISO standard on Cost per Hire: All of the spending outside the organization on recruiting efforts during a given time period. Both **sourcing spend** and **marketing spend** are encompassed in this cost as well as any other costs such as agency fees or travel costs.
F	
First-touch attribution model	**Touchpoint attribution model** where the first identified **source touchpoint** in the hiring journey is assigned all credit.
H	
Hires	**Conversation ratio stage** for individuals who were selected for employment and have accepted terms of employment for an open position.
Hiring journey	The series of interactions a person has that may or may not lead to employment with an organization.
I	
Inbound	**Recruitment audience** actively searching for new job opportunities.
Internal	**Recruitment audience** for employees of the organization.
J	
Job specific source tactic	**Tactics** that are related to a specific job requisition.
L	
Last touch attribution model	Type of **touchpoint attribution model** where the last identified **source touchpoint** in the **hiring journey** is assigned all credit.
Leads	**Conversion ratio stage** for employer-affirmed individuals with valid contact information who have not yet expressed any interest in your organization.
Linear attribution model	**Multi-touch attribution model** where, every **touchpoint** across the **hiring journey** is assigned the same amount of credit.

Glossary of Terms

Term	Definition
M	
Marketing cost per …	Ratio of **inbound marketing spend/conversion ratio stage** in a given context such as job, department, location or initiative. Marketing costs can be derived for any **conversion ratio stage**. (eg: Marketing cost per lead)
Marketing spend	Direct spend on recruitment advertising to obtain brand awareness as well as inbound traffic/applications.
Medium	The category of the **source** e.g.: organic, paid listing, resume database, email campaign. It is relevant to note that a source can be used across multiple mediums. Example: Indeed Organic vs. Indeed Sponsored are two different mediums for the same source. One medium is free, the other is paid in this example.
Multi-touch attribution	Type of **touchpoint attribution model** where every source with a touchpoint is assigned some type of attribution credit. There are various types of multi-touch attribution include Linear Attribution, U-Shaped attribution and Time decay attribution.
O	
Outbound	**Recruitment audience** for known individuals not likely to be actively searching for new opportunities.
P	
Prospects	**Conversion ratio stage** for self-affirmed individuals with an interest in your organization at any level, whether for a job or not. A prospect may or may not have applied to a job in the past but is not currently being actively considered for an open position.
Q	
Quality hires	**Conversion ratio stage** for individuals who are selected and hired that meet or surpass functional performance standards and whose tenures are longer than baseline standards.
R	
Referrals	**Recruitment audience** for individuals referred into the organization.
Recruitment marketing	The strategies and actions an organization uses to find, attract, engage and nurture talent.

Glossary of Terms

Term	Definition
S	
Single touch attribution model	**Touchpoint attribution model** where only one touchpoint is assigned credit. Single touch attribution models include **first touch** and **last touch attribution models**.
Source	One touchpoint along the **hiring journey**, paid or unpaid, where a person engages with an employer.
Source effectiveness metrics	The specific qualitative and quantitative measurements used to evaluate the return on investment from different **sources**.
Sourcing cost per…	Ratio of **outbound sourcing spend** / **conversion ratio stage** in a specific context such as job, department, location or initiative. Sourcing costs can be derived for any **conversion ratio stage.** (eg: Sourcing cost per interview)
Sourcing spend	Direct spend on **outbound** recruiting efforts to enable sourcers and/or recruiters to proactively source talent.
T	
Touchpoint	The concept used to convey that a candidate engages with various points along their **hiring journey**. Each one of these points represents a source that should be tracked to support measuring source effectiveness.
Tactic	The specific instance of marketing activity to generate **source** touchpoints (e.g., a Pay Per Click Facebook ad placed on a certain date).
Time decay attribution model	Type of **touchpoint attribution model** where more credit is given to the touchpoints a person interacts with closer to point of hire.
Touchpoint attribution model	The approach used to give "credit" (aka attribution) to a **source** touchpoint which occurs in the hiring journey.
U	
U-Shaped attribution model	Type of **touchpoint attribution model** where 40% each is given to the first and last touchpoint before hire. The other 20% is divided between the additional touchpoints encountered in between.
V	
Views	**Conversion ration stage** for when an individual's screen was recorded as displaying the content of a given **source tactic** - it does not necessarily mean the content was read or truly seen. This is also known as impressions or email opens (in the case of email campaigns).

Table 10: Glossary of Terms

Resources

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12. Sullivan, J., PhD. via ERE, Article (2009): Determining the Correct Source of Hire: the First Step in Recruiting Excellence https://www.ere.net/determining-the-correct-source-of-hire-the-first-step-in-recruiting-excellence/

13. ISO Human Resources Committee (2017): ISO/TS 30407:2017 Human resource management — Cost-Per-Hire https://www.iso.org/standard/62975.html

Disclaimer: The committee attempted to select resources that provide the most insightful additional reading; some of the recommend articles were published by ATAP members.

Founded in 2016, the Association of Talent Acquisition Professionals (ATAP) is the only global, member-driven non-profit representing all of talent acquisition. ATAP established the Professional Code of Recruiting Integrity, builds a common body of knowledge for and advocates on behalf of the profession, and fosters an inclusive community of all professionals who have talent acquisition responsibilities

For more information, please visit us at atapglobal.org.

Symphony Talent is a global leader in transforming employer brand experiences through talent marketing software and services. Its talent marketing platform, SmashFlyX, unifies CRM, career site, talent mobility and programmatic advertising to help talent acquisition automate tasks for efficiency and empower teams for interaction. Symphony Talent has won major awards in creative and employer brand services for EVP strategy, employer brand campaigns, career site design, and more. The company supports more than 600 customers across the globe, with headquarters in New York, Atlanta, London, Bangalore, and Belfast.