The Four A’s of Recruitment Advertising

How to Track Results and Make the Most of Your Budget
Introduction

Online recruiting contains an embedded challenge – knowing exactly where your candidates and hires are coming from. The situation becomes critical when you consider two factors: although companies are spending billions of dollars on recruitment advertising and related candidate sources, many don’t have reliable data on the results of those investments. It’s a matter of dollars and cents – what job sites, search engines, social networking sites and other advertising sources are providing the best return on investment (ROI)? Top recruiting teams and HR departments understand that if you don’t have accurate candidate source data, you can’t conduct that analysis.

The good news is that this challenge can easily be conquered by asking the proper questions and putting some simple tracking measures in place. One of the advantages of online recruitment advertising versus its traditional counterparts like print is that it’s measurable – but companies need to take advantage of the tracking opportunities. Job sites and search engine marketing (SEM) are two of the growing sources of hire, so it’s imperative that companies act now to really know where those hires are coming from.
The Four A’s of Recruitment Advertising

There are four steps in making the most of your recruitment advertising budget:

**Assign:** Make someone in your company responsible and accountable for tracking and measuring the effectiveness of your recruitment efforts.

**Automate:** Implement automated candidate source tracking with your applicant tracking system (ATS), job distributor or career site vendor.

**Analyze:** Review your cost-per-applicant and cost-per-hire data to determine which sources perform the best, and which are not performing well.

**Adjust:** Optimize your recruitment advertising investments by shifting budget to sites and sources that deliver the best ROI.

For each of The Four A’s, we have provided a checklist of best practices to help you implement a tracking-centric approach within your own organization.
THE FACTS:
Companies spend more than $9 billion per year on recruitment advertising in the US.

More than 80 percent of companies rely on manual reporting of their candidate source data.

Sources: Borrell Associates, CareerXRoads

The most important piece of the candidate source tracking puzzle is not technical at all – it’s human. Companies that do not have someone specifically responsible for measuring the effectiveness and resulting ROI of their recruitment efforts often have no idea what their investments are delivering in terms of candidates and hires.

It’s hard to blame companies with lean staffs and pressure from hiring managers for overlooking this, right? Wrong. As recruiting teams become more accountable for their recruitment advertising decisions and more strategic in their individual roles, this type of analysis is critical for their future success.

The good news is that there is a shift occurring toward adding this responsibility within recruiting teams, especially in larger organizations. Having someone responsible for recruiting operations and the day-to-day analysis of the company’s recruitment advertising performance can reveal budget-saving opportunities.

Some argue that this job is handled by the ATS or HRIS administrator and does not need to be its own position in the organization. Those same arguments contend that the recruiting team can request source of applicant and source of hire reports whenever they want, so why make it someone’s job to look at them? The answer is that candidate source tracking needs to be a priority, and if it’s not assigned to someone as a key job responsibility, it may well be forgotten.

When you consider that some companies’ job site contracts are hundreds of thousands – even millions – of dollars per year, assigning someone this responsibility is critical.

Assign: Checklist for Success

- Think like a CFO – always be thinking about your recruitment ROI.
- Make candidate source tracking a real priority within your organization by becoming accountable for what your investments are delivering.
- Don’t assume that ATS or HRIS administrators will handle ROI measurement.
- Assign someone within your recruiting team to measure ROI as a significant responsibility within his or her job.
Along with having someone responsible for analyzing candidate source data, you also need to be able to rely on that data, especially when you are making business decisions about what recruitment advertising to undertake or to continue, and where to focus your budget. The default behavior of most ATSes and company career sites is to ask job seekers how they found out about a job when applying:

THE FACTS:
Five out of six job seekers – or more than 83 percent – incorrectly cite where they found about a job when asked in the apply process.

Source: ATS Sourcing Data – 83% inaccurate, AllRetailJobs.com

BEST PRACTICE:
If you do include source names in a menu or list on your career site, do so alphabetically and without “www” so it’s easier for job seekers to find the correct choice. Also, be vigilant about removing old sources to help improve the job seeker experience and your source data integrity.

Many companies with this type of tracking think they have reliable candidate source data. However, that is not the case. Any manual candidate source reporting leaves the door open for inaccuracies. In fact, research tells us that the majority of applicant data provided this way is incorrect. Relying on job seekers to accurately choose where they found out about jobs is not realistic because:

Sources and sites often are:
- Omitted
- Too numerous
- Expired

Applicants may:
- Not be careful, as they are going too fast
- Not know, as they came from multiple sites
- Pick the wrong source on purpose

Busy candidates often do not have the patience or time to weed through menus in the apply process that list hundreds – or even thousands – of different sites, most of which are not relevant for them. In developing The Four A’s of Recruitment Advertising, we discovered a large company with more than 3,700 different sources listed for job seekers to choose from, making choosing accurately an almost impossible task.

Step 2: Automate

Along with having someone responsible for analyzing candidate source data, you also need to be able to rely on that data, especially when you are making business decisions about what recruitment advertising to undertake or to continue, and where to focus your budget. The default behavior of most ATSes and company career sites is to ask job seekers how they found out about a job when applying:

Many companies with this type of tracking think they have reliable candidate source data. However, that is not the case. Any manual candidate source reporting leaves the door open for inaccuracies. In fact, research tells us that the majority of applicant data provided this way is incorrect. Relying on job seekers to accurately choose where they found out about jobs is not realistic because:

Sources and sites often are:
- Omitted
- Too numerous
- Expired

Applicants may:
- Not be careful, as they are going too fast
- Not know, as they came from multiple sites
- Pick the wrong source on purpose

Busy candidates often do not have the patience or time to weed through menus in the apply process that list hundreds – or even thousands – of different sites, most of which are not relevant for them. In developing The Four A’s of Recruitment Advertising, we discovered a large company with more than 3,700 different sources listed for job seekers to choose from, making choosing accurately an almost impossible task.
The result of this manual reporting is inaccurate data in companies’ ATSes, which lead to confusion and ill-informed decisions about which sites and sources are delivering candidates and hires. An example of an expired source causing havoc with candidate source data is America’s Job Bank (AJB), a job board previously subsidized by the U.S. Department of Labor that many employers who also are government contractors used to meet their Office of Federal Contract Compliance Programs (OFCCP) posting requirements. Because of its popularity with both companies and job seekers, it was listed in every ATS as an option when job seekers applied online. That was fine until July 2007, when AJB lost government funding and was shut down. What happened in those companies’ ATSes? Often, nothing at all:

Even today, years after AJB went away, some companies continue to think it is providing applicants and hires because of bad candidate source data. Speaking to our first of The Four A’s – “Assign” – whose job is it to remove these sources as they expire? And speaking to our current step – “Automate” – how can you prevent this bad candidate source data from continuing to pollute your bigger-picture analysis of what job sites are working best?

The best way to acquire accurate candidate source data is with automated source tracking. The benefits are two-fold:

1. Better experience and faster apply process for your candidates
2. Reliable candidate source data for your organization

BEST PRACTICE:
If your ATS does not support automated candidate source tracking, keep asking! As an alternative, the job sites you use may have their own tracking products that will at least allow you to measure individual site performance.
THE FACTS:
The following is a selection of ATSes that support automated candidate source tracking – is yours included?

- Bullhorn
- CATS
- Hodes iQ
- HRsmart
- iCIMS
- JobScience
- JobScore
- Jobvite
- Kenexa 2X
- Kenexa BrassRing
- MaxHire
- Newton Software
- OpenHire
- Peoplefluent
- ResumeWare
- Sendouts
- SmartSearch
- Taleo Business Edition
- Taleo Enterprise Edition
- The Resumator
- VirtualEdge
- ZipRecruiter
- Zoho Recruit

Many of the popular ATSes support automated candidate source tracking in their “off the shelf” configurations, and that makes it very easy to implement and administer. However, sometimes employers have no idea it’s possible because they never asked, or the topic wasn’t covered as part of the ATS training process.

Systems that support automated tracking do so via an additional piece of information that’s added to the end of the job URL to record the source of candidates when they apply. This is an example of a typical individual job URL, in this case from the Taleo Enterprise Edition ATS:

```
https://ey.taleo.net/careersection/gexp01/jobdetail.ftl?lang=en &job=625531
```

To implement automated candidate source tracking for Taleo Enterprise, it’s as easy as adding another piece of information to the end of the job URL that specifies the source site:

```
https://ey.taleo.net/careersection/gexp01/jobdetail.ftl?lang=en &job=625531&src=JB-14721
```

This code is generated by the Taleo system, which is common practice for enterprise-level ATSes. Other systems, such as iCIMS and Jobvite, use simpler, plain-text values for URL tracking parameters (such as “s=Indeed” in Jobvite). By using the URL format above for its jobs on Indeed, Ernst & Young is able to track applications and hires delivered by Indeed (and other sources, if configured properly there) without burdening job seekers with drop-down menus.
If this seems easy, that’s because it is – by researching if your ATS supports this tracking and providing the job sites you use with the proper information, automated candidate source tracking is well within your reach. So what are the challenges?

- Many companies don’t know what their ATSes are capable of – some have automated tracking available to them, but they have not fully implemented it.
- Not every applicant tracking system supports such automation – you will need to ask your ATS contact for the details.
- Not every company knows its ATS contact – if you don’t have the contact information of your client services or support representative, it’s important to find out. The best way to get started is to input a service ticket with your ATS vendor.
- There is no industry standard for this URL information, yet – almost every ATS uses a different URL parameter and code format.

What if your company doesn’t have an ATS? Don’t worry. These same automation steps can be applied to your career site – and sometimes it’s actually easier! Ask your IT team or the company that built your career site how you can implement automated tracking using the URL parameter method described above.

**Automate: Checklist for Success**

- If you don’t already know, ask your ATS administrator or provider representative if your system supports automated candidate source tracking. If the answer is no, find out when it will be added (customer demand goes a long way!).
- Once you have the proper tracking codes for the job sites you use, provide the information and verify that it has been added to all your jobs.
- Test! Submit some sample applications from your job postings or ads to make sure that the proper source information is being provided.
- If you’re considering changing ATSes, or purchasing an ATS for the first time, include automated candidate source tracking as a key purchase criterion.
Once you have automated, reliable candidate source data in your ATS, it’s important to review and analyze it on a regular basis and not be afraid of what you might find. Often, a company’s perception of what sites are delivering quality candidates and hires shifts considerably when real data illustrates exactly what’s working and what’s not.

Many recruiters and hiring managers are driven by contract history, brand recognition and “needing to” have their jobs on certain sites; however, if you follow the The Four A’s process, you will have accurate, quantitative data for use in evaluating recruitment ROI and supporting your spend.

So what are the metrics? The most common metrics for measuring recruitment advertising are cost per applicant (CPA) and cost per hire (CPH), although different organizations often have variations in the specific reports they look at on a regular basis. CPA and CPH are easy to measure:

Cost per applicant (CPA)
Total media outside cost / number of applicants

**Example:** $5,000 / 750 applicants = $6.67 CPA

Cost per hire (CPH)
Total media outside cost / number of hires

**Example:** $5,000 / 6 hires = $833 CPH

While some secondary factors are excluded from these calculations, such as recruiting staff time and effort and, for some companies, external costs such as background checks and drug tests, they provide a good overview of how a site or source is performing as compared to others.
Analyze: Checklist for Success

- Run source of candidate and source of hire reports on a scheduled basis. If this is the first time your company is doing this analysis, start with reviewing it every three months.

- Integrate your outside media costs with the raw applicant and hire data that comes from your ATS to determine cost per applicant and cost per hire.

- Compare all recruitment advertising media being used to calculate your ROI from each site. Determine the top performers and underperformers.

While some companies take the Analyze step to the next level by looking at more micro steps in the recruiting lifecycle, such as cost per interview, cost per offer and cost per qualified candidate – we recommend CPA and CPH as a starting point for every company interested in measuring its recruitment ROI.

In your ATS, look for reports called “applicants by source” and “hires by source” to review this data. Every ATS is a little different, and you may have to ask your representative for an export of the data, rather than being able to run a report yourself. Most systems won’t know your outside media costs, so it’s important to have those available to combine with the raw applicant and hire volume.

BEST PRACTICE:
Schedule a recurring time to review ROI for your company with the recruiting team and other stakeholders – this could be weekly or monthly. Some companies also do a quarterly and annual review of their advertising performance. Consider what metrics and data you are willing to share with the job sites you use so they can better understand how your ads are performing versus other sources.
Step 4: Adjust

It’s important to measure recruitment ROI, but it’s this final step of The Four A’s that will help you maximize that ROI by adjusting your recruitment advertising strategy and budget based on the candidate source data you have collected. This is where many companies stall – they identify a job site or source that is outperforming others, but are unable to make the budgetary shift to take advantage of that disparity.

This happens most often because of brand awareness or perceived brand loyalty – that the company’s recruiters or hiring managers “have to have” their jobs on certain sites despite the disappointing ROI. It’s hard to stop using a service that you’ve trusted in the past, but it’s essential if the data telling you to do so is compelling.

It’s important to communicate disappointment with the performance of a particular site by speaking with the vendor and finding opportunities to optimize your campaigns. If you have a goal CPA or CPH, don’t hesitate to communicate it – that will only help the job site determine ways to make your recruitment advertising perform better. Being shy is not helpful when you are trying to get the most for your money.

Also, try new sites and recruitment approaches to see how they compare with your historical data. Options like search engine marketing (SEM), which is pay-per-click (PPC) advertising rather than pay-per-post advertising, can provide a lower cost per applicant and cost per hire than those traditional sources. SEM also is a low-risk option that is easy to test, without any long-term obligations.

**BEST PRACTICE:**
When trying new advertising options, consider your average time to fill. One or two months often isn’t enough time to see accurate hire data.
Once you have made adjustments to your recruitment advertising budget, or if you have pursued a pilot SEM or social networking campaign, it’s important to continue analyzing the results. Maximizing your recruitment ROI is not a one-time event – it’s an ongoing process. Your jobs change, sites’ audiences change and grow, and new options in recruitment advertising emerge (while others fade) every day.

Trust your recruitment advertising strategy, measure everything and don’t be afraid to make adjustments if one of your media options is not performing well.

Adjust: Checklist for Success

• Use your candidate source data, analysis and comparisons to shift recruitment advertising budget to sites and sources that are performing best.

• If you have underperforming media, communicate with those sites to identify optimizations and ways to improve your ROI.

• Test new options in your recruitment strategy that have the potential to provide a lower CPA and CPH.

• Always track results in an automated way, and measure any adjustments you make in your strategy and the complexion of your recruitment investments.

THE FACTS:
If you work with a recruitment advertising agency, discuss The Four A’s to see how the process can help. Most ad agencies specializing in recruitment have their own tracking and measurement products, and can assist you in adjusting your budget toward the sites and sources that are performing best.
Conclusion

Every company advertising open jobs should know what it’s getting for its investment. How many clicks, how many applications, how many hires? The technical aspects of candidate source tracking are in most cases easy to implement, but companies need the personnel, initiative and information to pursue automated tracking and to conduct the ongoing analysis necessary to truly understand how sites are performing.

You also need to be willing to adjust your strategy and budget to truly maximize your recruitment advertising investments. In many cases, it may require pushing back and not taking no for an answer, either from an ATS or a job site, and that’s OK. Remember, you’re the client, and not knowing the return on your advertising is not OK.

To read success stories from companies that have automated their candidate source tracking and are taking a close look at their recruitment advertising ROI, visit http://go.indeed.com/CaseStudies.

About Indeed

More people find jobs on Indeed than anywhere else. Job seekers can search millions of jobs on the web or mobile in over 50 countries. More than 80 million people each month search for jobs, post resumes, and research companies on Indeed, and Indeed is the #1 source of external hires for thousands of companies. Founded by Paul Forster and Rony Kahan, Indeed is a subsidiary of Recruit Holdings Co., Ltd. Indeed has offices in Austin, Mountain View, New York and Stamford in the US, as well as offices in Dublin and London. For more information, visit indeed.com.

Connect with us:
   Indeed Company Page
   Blog
   Twitter
   Facebook
About the Second Edition

After we first published The Four A’s of Recruitment Advertising in 2009, we took it on the road and shared the content through workshops, conferences, webinars and conversations. Many employers have since made significant progress by focusing on accurate candidate source tracking. We regularly hear from employers that this methodology for tracking and measuring return on investment (ROI) has helped them increase the impact of recruitment spend.

We have also seen exciting progress in the recruitment technology industry since we released the first edition of The Four A’s. Most importantly, a number of applicant tracking system (ATS) vendors added automated candidate source tracking to their products, empowering their clients with more reliable candidate source data. These included Taleo, which added automated tracking to its Business Edition product, and Kenexa, which included automated tracking in its new 2X platform. This innovation was not isolated to enterprise products, as ATSes targeted to small businesses, such as CATS, Newton Software, SmartRecruiters, The Resumator, ZipRecruiter and Zoho Recruit also added or launched with automated candidate source tracking.

While we are encouraged by this progress, there still is work to do. For example, there remains no industry standard for candidate source tracking. While the Society for Human Resource Management (SHRM) has tackled important standards like cost per hire, a technical standard for automated candidate source tracking still needs attention. We are hopeful that as more employers and staffing companies read and apply The Four A’s, they will put the pressure on ATS providers to adopt a real standard.

Thanks for your interest in The Four A’s – we hope you’ve enjoyed this updated edition.

Jason Whitman
jason@indeed.com