

What Is Your Most Effective Source of Hire?

According to research performed for Aberdeen's upcoming 2013 talent acquisition report, 62% of organizations identified sourcing as the greatest challenge they face in their talent acquisition efforts. With the decline of job boards and the emergence of a new category of sourcing solutions, making decisions around "what" talent is available and "where" this talent can be found is no small task. Today's leading organizations are looking for ways to provide greater visibility and insight around where key talent can be found. By accurately tracking their sources of hire and linking this with performance data, these organizations can make a dramatic impact on business success. The goal of this report, based on data collected in April and May 2013, is to help organizations understand the evolution of sourcing as well as gain insight into the most effective sources of hire available today.

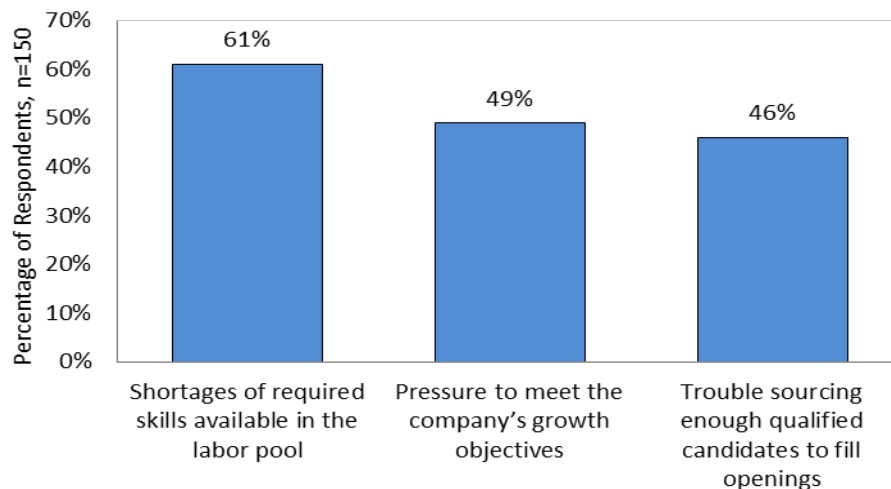
Analyst Insight

Aberdeen's Insights provide the analyst's perspective on the research as drawn from an aggregated view of research surveys, interviews, and data analysis.

The Business Imperative

Sourcing is both an art and a science. Organizations must juggle the "art" of relationship-building with the "science" and data needed to drive business decisions. While many organizations have invested in building a talent pipeline, few have tracked and measured the effectiveness of their sourcing efforts on the business. When asked to identify the top pressures that organizations face, respondents in Aberdeen's 2013 talent acquisition research make it clear that achieving this balance is a daunting challenge. Organizations struggle with not only the shortage of key skills (61%) and identifying top talent (46%), but also with meeting company objectives (49%) as indicated in Figure 1.

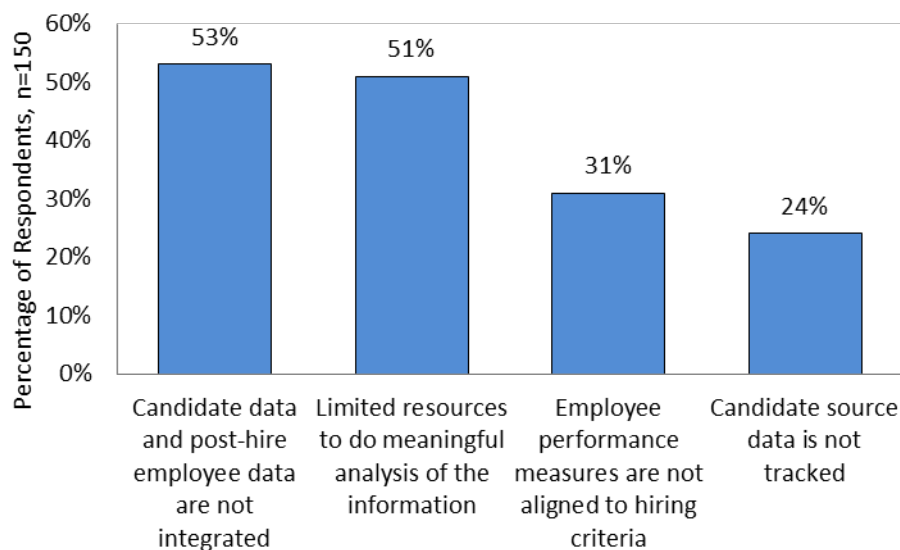
Figure 1: Talent Acquisition Pressures



Source: Aberdeen Group, April 2013

In order to overcome these challenges, organizations need a more systematic approach to sourcing talent — one that can be tracked, measured, and tied to overall business outcomes. A sourcing strategy requires organizations to pay closer attention to the science of sourcing and provide information on what sources have an impact on employee performance. Currently, only 22% of organizations are able to tie the source of a hire with his or her performance as an employee. Many organizations lack the necessary resources and technology to make this correlation, as indicated in Figure 2. Additionally, organizations find it challenging to track the source of hire when candidates are applying for the same position through multiple channels, such as job boards, applicant tracking systems (ATS), and career sites. In fact, nearly 50% of organizations use more than three sourcing tools — making it difficult to pinpoint where candidates are identified.

Figure 2: Barriers to Linking Source of Hire with Performance



Source: Aberdeen Group, April 2013

Traditional ATSs can create additional challenges when tracking source of hire. Although they offer options for candidates to either self-select their source or for recruiters to assign candidate source codes, these capabilities do not guarantee accuracy or consistency. As organizations consider new technology options, the ability to track source of hire in an accurate and meaningful way is an important factor. According to Aberdeen’s 2012 [*Sourcing Gets Smart: Revamping Strategies, Rethinking Technology*](#) report, organizations asked about key criteria for selecting sourcing technology ranked the ability to track source of hire highly as 3.39 on a five-point scale (1 being the “least critical” and 5 being the “most critical”).

Employee Referrals Reign Supreme

Historically, general job boards have served as the backbone of any sourcing function — providing an easy “go-to” site for job seekers and employers alike. Yet, as the cost of these sites increased and their effectiveness diminished, organizations began to look for new options to replace this “post and pray” model of traditional job boards. Although over 80% of organizations still leverage job boards in some capacity, nearly 40% of organizations believe that such places will be obsolete in the next few years. Aberdeen recently conducted an interview with a Fortune 500 company that indicated a scaling back in the number of job boards they use in favor of social media and search engine optimization (SEO) tools, which can capture both active and passive candidates.

As organizations look for alternatives to job boards, they’ve identified employee referral programs, social media sites, corporate career sites, and internal job boards as the most effective sources of hire (see Table I).

Table I: Most Effective Sources of Hire

Source of Hire	Rating (Scale of 1 to 5; 5 is the most effective and 1 is the least effective)
Employee Referral Programs	3.44
Social Networking Sites	2.98
Corporate Career Pages	2.75
Internal Job Boards	2.52

Source: Aberdeen Group, April 2013

Employee Referral Programs

Year-after-year employee referrals remain the most effective source of hire in Aberdeen’s talent acquisition research. Employee referral programs can help organizations identify the right fit since existing employees have a clear understanding of job roles, organizational environment, and cultural fit. In fact, 77% of organizations invest in employee referral tools — a slight increase from 75% in Aberdeen’s 2012 talent acquisition research.

One challenge that companies face with employee referral programs is ensuring that these programs do not destroy any diversity efforts since employees often refer individuals with the same behaviors, backgrounds, and characteristics. Organizations overcome this challenge by broadening these programs to include alumni and key stakeholders. Currently over 50% of organizations in Aberdeen’s upcoming 2013 Strategic Talent Acquisition report leverage or planning to leverage alumni sites.

Fast Facts

√ **77%** of organizations invest in employee referral tools — a slight increase from 75% in Aberdeen’s 2012 talent acquisition research.

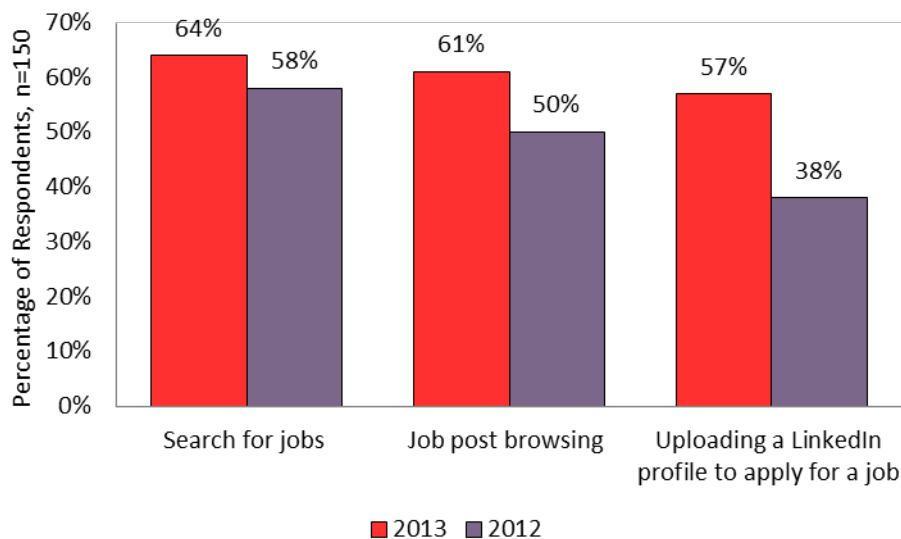
Social Media

Social networking sites have jumped up to the second most effective source of hire from Aberdeen's 2012 talent acquisition data, where they ranked in third place. Given the number of users on sites such as LinkedIn, Facebook, Twitter, and Pinterest, social media has become an effective tool for sourcing talent. Yet, organizations are still maturing in their use of these sites. The most common use of social media for candidates include searching for jobs, job post browsing, and uploading a LinkedIn profile to apply for a job (see Figure 3). In order to effectively source top talent, employers should also use social media should as a way to communicate employee referral programs and accurately reflect employer branding initiatives.

Fast Facts

√ Social networking sites became the second most effective source of hire in 2013, up from third place a year ago.

Figure 3: Use of Social Media in Talent Acquisition



Source: Aberdeen Group, April 2013

Candidate Career Portals

Candidate career portals, more commonly referred to as corporate career sites, are the third most effective source of hire. Organizations are improving their career sites to engage with active and passive candidates and become more interactive and social in nature. They are also beginning to use more tools, such as SEO, to drive traffic to these sites. Twenty-three percent (23%) of Best-in-Class organizations utilize SEO tools compared to 8% of All Others (Industry Average and Laggard) in Aberdeen's 2012 [Sourcing Gets Smart: Revamping Strategies, Rethinking Technology](#) report.

Fast Facts

√ **23%** of Best-in-Class organizations utilize SEO tools compared to 8% of All Others

Internal Job Boards

In any sourcing or recruitment strategy, organizations must consider both internal and external talent. Over the past few years, the concept of talent mobility, or moving talent within an organization, has gained momentum. Organizations looking to improve talent mobility efforts are leveraging internal job boards to help find the right fit within the organization.

Key Takeaways

In order for organizations to overcome their challenges with sourcing talent, they must gain a deeper understanding of their sources of hire. To understand the most effective way to identify, manage, and track source of hire, organizations should consider the following steps:

- **Link Source of Hire with Employee Performance:** In order to make more accurate and consistent decisions around sources of hire, organizations need insight into how employees perform once onboard. In order to make this correlation, organizations need the necessary resources, data, and alignment.
- **Expand Employee Referral Programs:** Unsurprisingly, employee referral programs are the most effective source of hire. Organizations looking to strengthen sourcing efforts should consider expanding these programs to include alumni and contingent workers.
- **Select the Right Technology:** With a myriad number of solutions available in the market, selecting the right sourcing provider can be a daunting challenge. Organizations need to ensure that providers offer insight and accuracy into source of hire data.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[Strategic Onboarding 2013: A New Look at New Hires](#); April 2013

[A Unified Talent Pipeline: Integrating Succession Planning and Talent Acquisition](#); January 2013

[Sourcing Gets Smart: Revamping Strategies, Rethinking Technology](#); April 2012

[Assessments 2013: Finding the Perfect Match](#); April 2013

[The Next Generation of Mobile Recruiting](#); February 2013

[Human Capital Management Trends 2013: It's a Brave New World](#); January 2013

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