My Summer People Analytics Challenge Insight

Plan for High Growth

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Our challenge: We need to double our size in a year!

How are we doing in terms of hiring?

We **offer job to 13.9% of our applicants**

76% of job offers are accepted

We actually **hire 10.6% of our applicants**
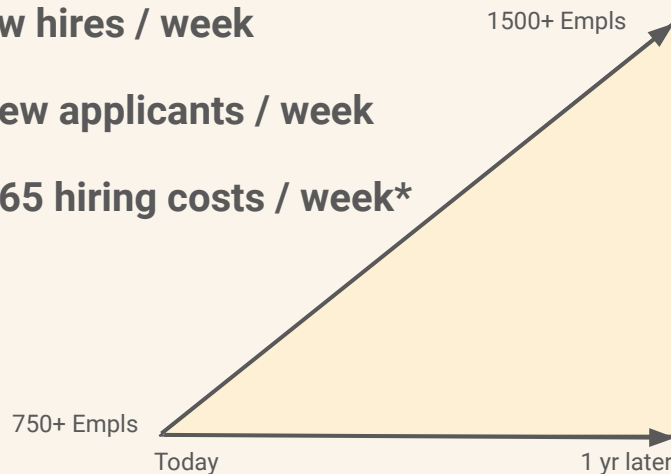
We need **65 days to hire** a new employee

We pay **$3,051 per one new hire***

What happens if nothing changes?

15 new hires / week

142 new applicants / week

$45,765 hiring costs / week*

1500+ Empls

750+ Empls

Today   1 yr later

The estimation of hiring costs is described in more detail in the Appendix.

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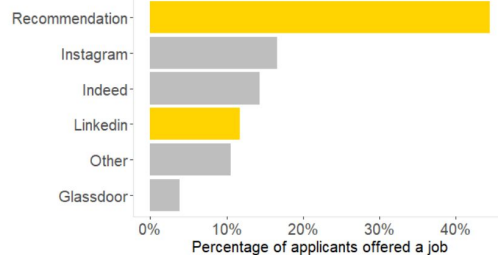
How to achieve our goal more effectively?
Let's focus more on the most effective hiring sources.

There are two hiring sources - **Recommendation** and **LinkedIn** - that perform well on three crucial aspects of hiring source quality - **number of new hires**, **conversion rate**, and **cost-effectiveness**.
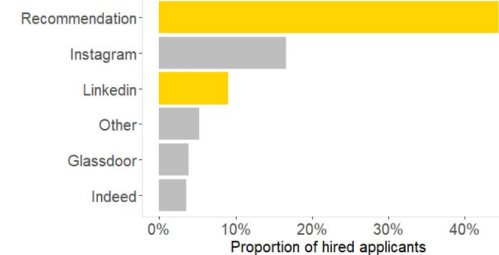

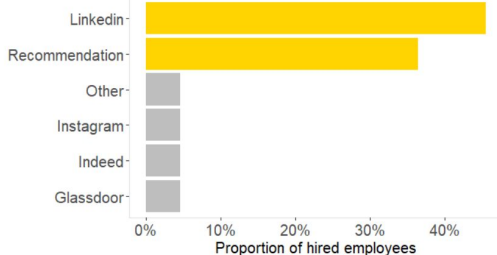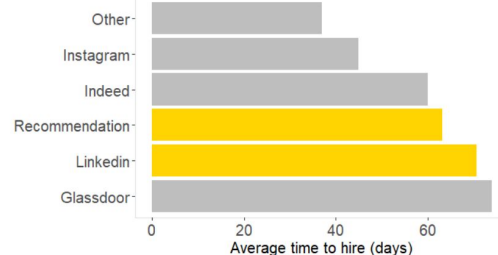WHAT BRINGS IN THE MOST APPLICANTS?
Proportion of applicants
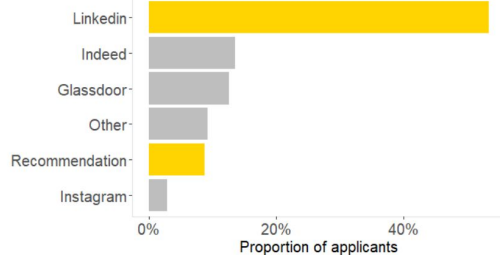
WHAT BRINGS IN THE BEST QUALITY APPLICANTS?
Percentage of applicants offered a job

WHAT HAS THE BEST CONVERSION RATIO?
Proportion of hired applicants

WHAT BRINGS IN THE MOST HIRES?
Proportion of hired employees
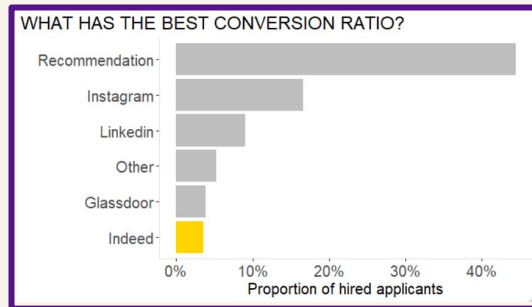
WHAT'S THE FASTEST?
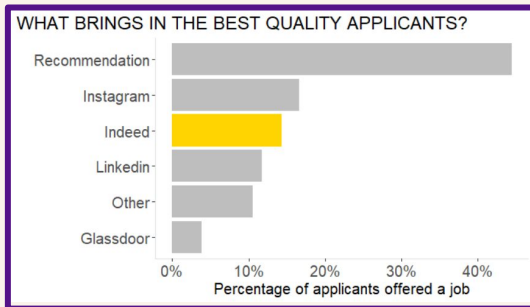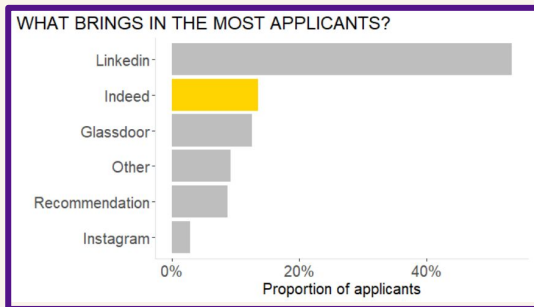Average time to hire (days)

WHAT IS THE MOST COST-EFFECTIVE?
Cost per hire
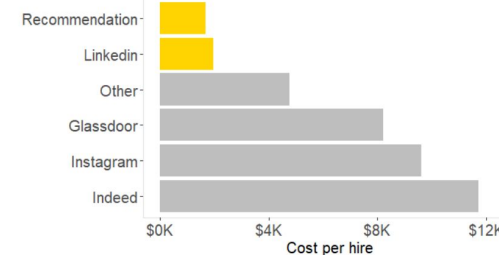
Let's improve also hiring sources that are currently struggling but show promising potential.
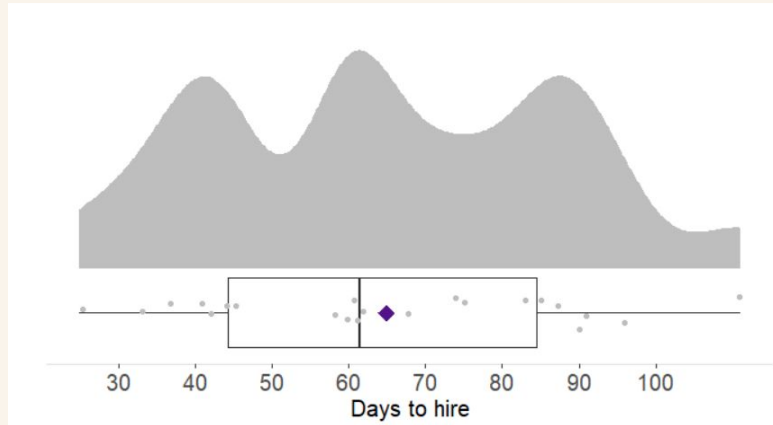
Indeed source brings in **quite a lot of applicants** and **high quality applicants** but we have difficulty **converting them into actual hires**.
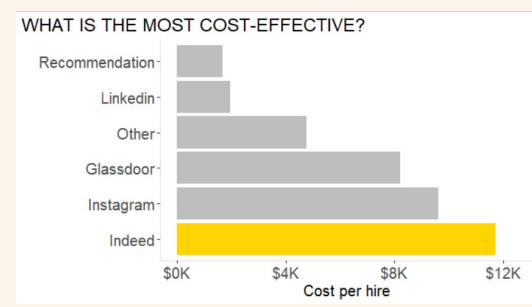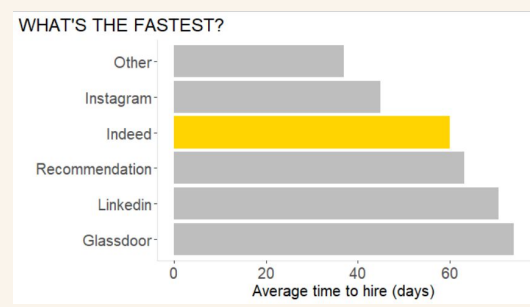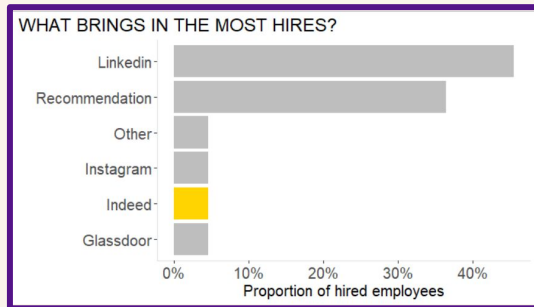
There is also much room for improvement in some aspects of our hiring process in general.

We are slow in hiring new people

In **75%** of cases, we need **between 44 and 111 days days** to hire a new employee.

Our job offers are quite often rejected

24% of our job offers are rejected.

What should be our next steps?

1 **Focusing** existing free resources (time, money, people, and effort) **on Linkedin and Recommendation sources**, our most effective hiring sources.

2 **Transferring some of the resources** (time, money, people, and effort) **from Glassdoor and Instagram**, our least effective hiring sources, **to Linkedin and Recommendation sources.**

3 **Closer examination of the reasons for rejection of job offers,** especially at **Indeed source** where we should try to **improve the acceptance ratio** (possible causes to investigate: non-competitive salary, too long hiring process, poor candidate experience, etc.)

4 **Reducing time to hire**, especially at Linkedin and Recommendation sources (possible measures: better pre-employment screening, fast-tracking highly qualified applicants and employee referrals, better communication with hiring managers, automation of some operations, etc.).
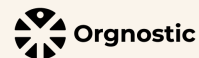
5 **Enriching the future analysis** of hiring resource efficiency **by role and department** information, as our planned growth is not evenly distributed across roles and departments.

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Thank you!

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Appendix

Estimation of hiring costs*

Estimated "selection costs"
- All the costs associated with the selection process - from CV screening to interview with hiring managers.
- $200 per candidate offered the job (must go through the entire selection process); $80 for a candidate who has not been offered a job (may go through the entire selection process, but may also end up in the screening phase).

Estimated "reward costs"
- Costs applying only to candidates successfully hired on the recommendation of existing employees ($1,000 per new hire).

Estimated "sourcing costs"
- Costs of managing individual hiring channels for the last seven months covered in the dummy dataset provided.
- Recommendation: $3,000, Linkedin: $9,000, Indeed: $9,000, Instagram: $9,000, Glassdoor: $6,000, Other: $3,000.

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* For more information on implementing hiring cost estimation, go to the available analysis script in R (see also the following slide).

Analysis reproducibility

The R script and dummy data used for the analysis can be found on [GitHub](#).

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