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Human resource management — Recruitment metrics cluster

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Foreword

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The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

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Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 260, *Human resource management*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

ISO 30414 highlights guidelines on the following core human capital reporting (HCR) areas:

— compliance and ethics;

— costs;

— diversity;

— leadership;

— organizational culture;

— organizational health, safety and well-being;

— productivity;

— recruitment, mobility and turnover;

— skills and capabilities;

— succession planning;

— workforce availability.

ISO 30414:2018, 4.7.9, describes the importance of recruitment metrics associated with workforce in organizations.

The following metrics are recommended for internal reporting by large organizations (unless otherwise stated):

— number of qualified candidates per position;

— quality per hire.

This document describes the following components for each of the above metrics:

— description;

— purpose;

— formula;

— how to use;

— intended user(s);

— contextual factors;

— predictive factors.

Human resource management — Recruitment metrics cluster

1 Scope

This document describes the elements of recruitment in the recruitment, mobility and turnover cluster. This document provides the formulae for comparable measures for internal and external reporting.

This document also highlights issues that need to be considered when interpreting the recruitment data, especially when deciding on the appropriate intervention internally and when reporting these to external stakeholders, such as regulators and investors.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

No terms and definitions are listed in this document.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at https://www.iso.org/obp

— IEC Electropedia: available at http://www.electropedia.org/

4 Number of qualified candidates per position

4.1 General

ISO 30414 defines this metric as the number of applicants that meet the requirements of the job among all persons who applied for the job.

4.2 Purpose

This area describes the long-term ability to maintain or support an activity or process and adequate workforce over the longer term. This area concentrates on the whole process of maintaining a sustainable workforce, from recruitment.

4.3 Formula

For the purposes of this metric it is assumed that the number of qualified candidates refers to the number of qualified candidates applying to the number of vacant, advertised positions through the measurement period. The calculation of the number of qualified candidates per position should be consistent over time and may align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each measurement period, such as the end of month one, the end of quarter two or the end-of-year totals.

Once established, the reporting should include the comparison of previous periods with the current period and past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow for trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison.

If, for any reason, an organization decides on another measurement point, utilization of the preferred measurement point should be consistent and articulated.

Each organization or industry sector should define, document and regularly update the criteria that determines whether a candidate is qualified for each category or type of position.

The number of qualified candidates per position is calculated by adding all the qualified candidates who meet the criteria as defined in 4.1 over the measurement period.

Table 1 — Six-month analysis and comparative of number of qualified candidates per position

Number of qualified candidates per open position	6 months to 30-06-2020	Comparative 2019 as at 30-06-2019	Comparative 2018 as at 30-06-2018	Comparative 2017 as at 30-06-2017
Total open positions (TP)	300	280	400	200
Total candidates (TC)	600	560	600	400
Number of qualified candidates (QC)	420	364	440	300
Average number of qualified candidates per position (AQC)	1,4	1,3	1,1	1,5

The formula for the average number of qualified candidates per open position (AQC) is:

AQC = QC/TP

Table 1 highlights the breakdown of the number of qualified candidates per position and offers a comparison with the three previous years. Depending on the size and complexity of the organization, Table 1 can be further expanded to include subsets of each category, such as sales, marketing, administration or engineering.

Organisations can also find value in the comparison of the total number of qualified candidates with the total number of candidates. A high ratio of unsuitable candidates can indicate a need to review the focus of advertising. A low ratio of suitable candidates can indicate a tightening of the potential talent pool the organization is sourcing from.

4.4 How to use

The number of qualified candidates per position metric may be used to determine the effectiveness of attraction strategies, benefits packages on offer and employer-of-choice positioning. This metric may also be used as an indicator of the varying availability of suitable candidates in the general market. The number of qualified candidates per position metric is a metric that highlights the need for further root cause analysis.

4.5 Intended users

The intended users for this metric are:

— internal users

  — other human resource service lines;

  — executive team;

  — line management;

  — union delegates (if applicable);

  — finance;

— legal;

— external users

— investors;

— financial analysts;

— unions (if applicable);

— media;

— industry groups (benchmarking activities).

4.6 Contextual factors

Many factors can have a significant impact on the measurement outcome. There are instances when results are less than expected or indicate a deteriorating situation; further investigation can find positive indicators of improvement.

When considering the context supporting the metric results, consider:

— FTE and headcount at each measurement point, i.e. has the FTE or headcount grown or shrunk enough to change the perspective and meaning of the metric results?

— current activities the organization is undertaking

— increased production or product expansion;

— reorganizations;

— current activities in educating the workforce;

— cultural shifts, both positive and negative;

— generational perspectives;

— social change or awareness leading to increases in publicity or reporting;

— industry expectation;

— economic factors

— downturns;

— upturns.

The rate of compensation and benefits offered for positions can also have a significant impact. This is particularly relevant in a tightening market where skills and experience are in high demand.

The attraction strategy employed by organizations can also impact the success of the outcome. For example, advertising in only one or multiple channels such as local papers, job boards or internal careers pages.

4.7 Predictive factors

When forecasting potential improvements or deterioration in the current situation, organizations can look to the future known and anticipated events and consider:

— planned organization, structural or workforce changes;

— upcoming work, function or product changes;

— acquisitions;

— economic factors

    — downturns;

    — upturns;

— workforce awareness and education;

— political, social, environmental and legislative dynamics;

— industry sector impacts.

5 Average length of time to fill a vacancy

5.1 General

ISO 30414:2018, 4.7.9.3 a) defines the average length of time to fill a vacancy.

ISO 30414 further segments the metric into the following categories:

a) time to fill vacant positions;

b) time to fill vacant critical positions.

Time to fill measures for every critical position: the total number of days between the delivery of an approved requisition to staffing and the date on which an applicant accepts the job offer. For a given time period, the average number of days for all filled critical positions is calculated.

Critical positions are defined as positions or job roles that have a direct and significant impact on organizational outcomes. They are identified by organizations as part of their organizational strategy as those positions that have a high impact on creating or adding value.

5.2 Purpose

This area describes the ability to maintain or support an activity or process and adequate workforce over the longer term. This area concentrates on the whole process of maintaining a sustainable workforce, from recruitment.

5.3 Formula

The following formula is applicable for both time to fill vacant positions and time to fill vacant critical positions.

The reporting of the time to fill vacant positions and vacant critical positions should align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each measurement period, such as the end of month one, the end of quarter two or end-of-year totals.

Once established, the reporting should include the comparison of previous periods with the current period and past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow for trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison.

If, for any reason, an organization decides on another measurement point, utilization of the preferred measurement point should be consistent and articulated.

To achieve an accurate measurement, the total time taken to fill all positions in the measurement period between the date a staffing requisition is raised and approved (D1) to the date an applicant accepts a job offer should be recorded (D2). The total number of positions (TP) should also be recorded for

the measurement period. (TD) represents the sum days to fill all positions through the measurement period.

The reporting of time to fill vacant positions and vacant critical positions will be, in part, historical reporting, as in some instances approved staffing requisitions are filled at the time of reporting.

The total number of unfilled, approved staffing requisitions for the measurement period should also be included as a separate line item at the time of reporting.

Table 2 shows data for six vacant positions (V1 to V6) filled during the measurement period.

Table 2 — Time to fill vacant position data

Position	Approved requisition date (D1)	Date applicant accepts role (D2)	Days to fill position (D2–D1)
V1	20/01/2019	28/02/2019	39
V2	20/01/2019	21/02/2019	32
V3	20/01/2019	21/02/2019	32
V4	20/01/2019	27/02/2019	38
V5	20/01/2019	27/02/2019	38
V6	20/01/2019	6/03/2019	46

TP = six approved requisitions.

TD = 225 total days to fill positions.

The formula for time to fill vacant positions is TD/TP: 225/6 = 37,5 days.

Table 3 highlights the breakdown of time to fill vacant positions for a six-month period and offers a comparison with the three previous years. Depending on the size and complexity of the organization, Table 3 may be further expanded to include subsets of each category.

Table 3 — Six-month analysis and comparative of time to fill vacant positions

Position type (PT)	6 months to 30−06−2020	Comparative 2019 as at 30−06−2019	Comparative 2018 as at 30−06−2018	Comparative 2017 as at 30−06−2017
	Days	Days	Days	Days
Finance	35	38,5	37,5	35
Manufacturing	27,5	22,5	26,5	30
Sales	10	15	15	20

5.4   How to use

The time to fill vacant positions and time to fill vacant critical positions metrics may be used to determine the effectiveness of the human resource recruitment processes. This metric should also be used in conjunction with the number of qualified candidates per position metric and associated indicators as described in 4.4.

5.5   Intended users

The intended internal users for all the metrics are:

— human resource service lines;

— executive team;

— line management;

— finance.

5.6 Contextual factors

Many factors can have a significant impact on the measurement outcome. There are instances when results are less than expected or indicate deteriorating situation; further investigation can find positive indicators of improvement.

When considering the context supporting the metric results, consider:

— FTE and headcount at each measurement point, i.e. has the FTE or headcount grown or shrunk enough to change the perspective and meaning of the metric results?

— current activities the organization is undertaking

— increased production or product expansion;

— reorganizations;

— current activities in educating the workforce;

— cultural shifts, both positive and negative;

— generational perspectives;

— social change or awareness leading to increases in reporting;

— industry expectation;

— economic factors

— downturns;

— upturns.

Time to fill can also be significantly impacted by the recruitment systems or processes used by the organization.

5.7 Predictive factors

When forecasting potential improvements or deterioration in the current situation, organizations can look to the future known and anticipated events and consider:

— planned organization structural or workforce changes;

— upcoming work, function or product changes;

— acquisitions;

— economic factors

— downturns;

— upturns;

— workforce awareness and education;

— political, social, environmental and legislative dynamics;

— industry sector impacts.