

# Case Study

## Metrics in Recruiting: The Real World

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# Metrics in Recruiting: The Real World

*Northwestern Memorial Hospital shares the practicalities of collecting recruiting metrics.*

## INTRODUCTION

There is a lot written about recruiting metrics. It's easy to find articles advising what organizations should do, but harder to find information on what they actually do—and how it is done. This case study looks at how Northwestern Memorial Hospital (NMH) collects recruiting metrics.

Northwestern Memorial is a prestigious acute care facility and teaching hospital. In 2004 they hired about 880 new staff, of these the 25 percent were nurses. The whole industry is facing a staffing shortage; hiring nurses and other health professionals is an on-going challenge.

NMH has three strategic goals:

- . Best Patient Experience
- . Best People
- . Exceptional Financial Performance

HR is the thought leader for the Best People goal. The key dimensions of the Best People goal that are impacted by HR metrics are:

1. Attracting highly qualified and dedicated people
2. Assuring a meaningful work experience
3. Assuring continuous development
4. Utilizing the best HR Practices.

### About Northwestern Memorial

**Location:** Chicago, IL

**History:** Formed in 1972 from the union of Passavant Memorial and Chicago Wesley Hospitals whose history stretches back 139 years.

**Staff:** 5,826 employees

**Practitioners:** 1,375

**Beds:** 720

**Admissions:** 40,000 in-patients/year

**Deliveries:** 10,000 babies delivered

**Services:** Northwestern Memorial is an acute care facility and the main teaching facility for Northwestern University's Feinberg Medical School

This strategic view guides what metrics are gathered and how they are used. The task of gathering metrics falls to Shelly Efrosinis PHR, an HRIS senior software analyst in the human resources department. Shelly's background includes a Bachelors in organization behavior and business from Northwestern University and she will soon complete her MBA from the University of Illinois at Chicago

Shelly has devoted years of effort to managing the reporting of recruitment metrics starting in the days of paper and now using a state-of-the-art applicant tracking system.

### WHAT METRICS ARE COLLECTED

Northwestern maintains a number of "dashboards" reporting on the most important metrics.

The data shown in the dashboards includes:

- . turnover and vacancies
- . number of hires
- . reasons applicants decline an offer or are rejected
- . variances from goals

While in the physical world objects are made of atoms, in the world of math numbers are always made of other numbers. What looks like a very simple list of metrics is in fact broken down by department, month, job category and so on. The best way to appreciate what is collected is to show some of the dashboards themselves.

A glance at this concise executive dashboard serves to remind us that there is a good deal of data that needs to be collected and presented. Given the strategic importance of registered nurses ("RN" in the dashboard), and the fact that

### EXECUTIVE DASHBOARD

	Month		YTD		Goal	Var Goal
	JAN 04	JAN 05	JAN 04	JAN 05		
<b>RECRUITMENT</b>						
Org External Hires	-	-	-	-	-	-
RN External Hires	-	-	-	-	-	-
Internal Transfers	-	-	-	-	-	-
(% of total jobs filled)	-0%	-0%	-0%	-0%	-	-
<b>RETENTION</b>						
Org Vacancy (By Reqs)	-0%	-0%	-0%	-0%	-	-
RN Vacancy (By Reqs)	-0%	-0%	-0%	-0%	-	-
Org Voluntary Turnover	-0%	-0%	-0%	-0%	-0%	-0%
RN Voluntary Turnover	-0%	-0%	-0%	-0%	-0%	-0%
Ontime Performance Mgmt Process	-0% on time (- out of -x reviews late)				-0%	-0%
Emp Survey Participation					-0%	-0%
<b>DEVELOPMENT</b>						
Employee Development					- Activity, every employee	

they make up the largest single job type of the employee population, statistics on that group are presented as a separate item.

The monthly staffing dashboard (next page) contains considerably more detail than the executive report. It is used to track how much hiring is going on by department.

### MONTHLY STAFFING DASHBOARD

FROM: 2005-1-01

STAFFING METRICS - ALL JOBS

DAYS IN PERIOD: 31 TO: 2005-1-31 RUN TIME: FRIDAY 2005-02-04

01:53

Division	#Filled Reqs	Filled Req FTEs	#Filled Reqs Internal	#Filled Reqs External	# Openings	#Open FTEs	#Open New	#Repl Openings	#Repl FT Openings	#Repl PT Openings	FTE occupied as of run date	FTE Budgeted as of 9/1/04	Vacancy
Facilities													
Finance													
Information Services													
Other													
Outpatient Services													
Patient Care													
Patient Support Services													
Professional Services													
Women's Health													
<b>Totals</b>													
Prior Month Totals													
	Sept	Oct	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	August	<b>TOTAL</b>
Cycle time/ Time to fill (avg. days to fill all positions)													

One particularly interesting report is the Registered Nurse Applicant Disposition report which tracks the reasons candidates turn down a job, or are turned down by NMH.

***RN Applicant Disposition***

Disposition Reason	Total
Candidate Not Interested: Benefits Candidate Not Interested: Compensation Candidate Not Interested: Location/Parking Candidate Not Interested: Schedule/Shift/On-call Candidate Not Interested: Withdrawl/Refuse to give Reason  NMH Not Interested: Doesn't Fit Core Values NMH Not Interested: Lack of Skills/qualifications NMH Not Interested: References/Background Checks NMH Not Interested: Referred for Another Position NMH Not Interested: Work History Referred for another position for immediate hire	
Grand Total	

The RN Applicant Disposition allows NMH to track trends in job seeker preferences and get a rough idea of what competitors are offering in terms of compensation and benefits. This provides useful guidance for decisions for staffing and compensation strategy.

One final example is this analysis of nurse hires and turnover to track the total number of FTEs.

***Net RN Hires-Turnover Analysis***

FY 2005 All Divisions				
	External Hires (FTEs)	Terminations (FTEs)	Net Change in FTEs due to Changes in Scheduled Hours	Total Net Gain (FTEs)
Sept.				
Oct.				
Nov.				
<b>Q1</b>				
Dec.				
Jan				
Feb				
<b>similarly for Q3 &amp; Q4</b>				
<b>Final Total</b>				

This report helps NMH keep their finger on which areas of the organization may have retention issues. It is also a good temperature check when the staffing department says they feel like they are spinning their wheels.

In addition to data collected internally Northwestern gets benchmark data by participating in various surveys such as those run by the Chicago Metropolitan Health Care Council.

These dashboards vividly illustrate the kinds of data that organizations can use to guide HR decision making.

## PROCESS FOR CREATING METRICS REPORTS

Preparing the dashboards is a major activity. The raw data about candidates is kept in the applicant tracking system (BrassRing) and the raw data about employees (e.g. turnover and vacancy) is in the HRIS (PeopleSoft). The collection of data is automated, but not the extraction. Producing the dashboards and other reports in most cases requires creating reports and pulling the data into a spreadsheet for manipulation.

Extracting the data—and making sense of it—requires expertise. Efrosinis says, “We have one of the absolutely best systems, but ATS is still an emerging technology and there are still challenges in exporting the data and cleaning it up.” For example, a report may spit out five rows of data on a person and the analyst needs to understand the database well enough that they know why there are five rows and what those five rows mean. This requires experience and training.

One of the biggest challenges in the classic IT problem of garbage in/garbage out. Self-service functionality means that managers now handle a lot of HR data on their own, such as entering termination information. This needs to be done in a timely way if the reports are to be accurate. Efrosinis typically waits a few days after month end to give managers a chance to enter their data, but each month it is still necessary to go back and do a “true up” to correct for any late data.

Other challenges include getting data that sounds straightforward, but is difficult to get in practice. For example, Efrosinis notes that trying to get numbers like *interviews per hire* and *applicants per hire* takes hours of data manipulation.

Managing the recruiting metrics is not cheap; it takes essentially one full-time person to do the job.

The challenges of producing recruiting metrics perhaps obscure the great progress that has been made. Just four or five years ago we were sitting on the floor counting paper resumes and now many numbers can be generated with the push of a button. Standardized formats for reporting EEO and other data would go a long way to making things easier in the future. We can expect progress on this and many other fronts as companies and vendors work to create efficiencies.

## CONCLUSION

In the past HR has struggled to produce metrics due to the limitations of paper based systems. Now HRIS and applicant tracking systems have made reporting much more practical. However, it is easier to talk about metrics than to actually generate useful data and we should not underestimate the investment of time involved and the need for skilled staff to manage the process.



## ABOUT THE AUTHOR

David Creelman is CEO of Creelman Research, providing research, writing, analysis and commentary of issues of human capital management. He has a variety of clients in the US, Canada, Japan and China.

David has served as a management consultant in Canada and Malaysia, most notably with the Hay Group; and has taught at the University of Malaya. Before venturing into human resources consulting, David worked in finance for Gulf Canada and IT for Wood Gundy in the UK. He has a MBA from Western and an Hons. B.Sc. in Chemistry and Biochemistry from McMaster.

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# Acknowledgements:



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