

THE METRICS STANDARD

Establishing Standards for Core Human Capital Measures

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HR RECRUITMENT SOURCE RATIO

Application	This measure will be most useful for organizations that frequently use internal candidates to fill positions within HR or that have established strategies around use of internal talent for improving development opportunities.
Description	Ratio of internal hires to external hires into the HR function.
Formula	HR Internal Hires / HR External Hires

Interpretation HR Recruitment Source Ratio compares the number of internal hires to external hires within the Human Resources function. For example, an HR Recruitment Source Ratio of four means that the HR function has made four internal appointments to vacant positions for every external hire.

This measure is similar to Recruitment Source Ratio but relates only to the HR function. This functional view can help Human Resources understand the extent to which it must seek talent externally instead of filling positions using existing HR employees or other employees throughout the organization. A high result for this measure may indicate that there are strong existing organizational skills to meet ongoing HR functional needs to support the achievement of business goals. A low result may indicate that such skills do not tend to exist within the organization or that the HR function simply does not tend to avail itself of those skills by hiring from within the organization.

This measure is also useful in assessing how well the organization leverages internal talent for maximum productivity. Where skills can be found internally to fill positions, internal hires can be a positive contributor to employee development and can improve organizational efficiencies. However, organizations filling positions internally to an excessive degree may in some instances forgo superior external talent, reducing productivity in the long term, to speed ramp-up time. Recruiting personnel and hiring managers must focus on striking a balance between these costs and benefits.

Data Sourcing Organizations sometimes identify HR employees using a functional tag applied to each employee's job within HRIS tables. Less accurately, function can be approximated from employees' assignments in an organizational structure. Organizations typically source data related to both external hires and internal movements from the job table of an HRIS. An alternative method of calculation for this measure is to use only those internal hires that are documented as filling a requisition in a recruitment system.



Volume



Ratio



Bench-M



Data-M

Considerations

Analysis	Limitations
<p>Because this measure relates to the filling of roles within HR, organizations commonly perform analysis by positional or structural dimensions, such as HR function, job family, employment level, pay grade, managerial level, or organizational unit.</p>	<p>HR Recruitment Source Ratio indicates the volume of external and internal hires only relative to one another; it does not indicate the volume of hires relative to the size of the HR workforce. Also, the measure does not indicate the cost of hiring either internally or externally or the quality of any internal or external hires.</p>

Targets

Targets for HR Recruitment Source Ratio will depend in part on the extent to which the HR function is expanding or contracting, i.e., the degree to which hiring represents growth in HR headcount. Organizations may also base targets on their policies and norms around internal movement. HR functions that are not growing rapidly and that wish to make heavy use of internal hires will likely target moving results toward the 75th percentile of a relevant benchmark group. HR functions that commonly hire from external sources to find needed skills are likely to have results between the 25th percentile and the median of the group.

Variations
<ul style="list-style-type: none"> • HR Recruitment Source Ratio—Development • HR Recruitment Source Ratio—Exempt • HR Recruitment Source Ratio—Line Support • HR Recruitment Source Ratio—Management/Administration • HR Recruitment Source Ratio—Managers • HR Recruitment Source Ratio—Non-Exempt • HR Recruitment Source Ratio—Staffing • HR Recruitment Source Ratio—Training

Related Measures
<ul style="list-style-type: none"> • Cross-Function Mobility • Employee Engagement Index • HR Corporate Staffing Ratio • HR Customer Satisfaction • HR Mobility Rate • HR Staffing Breakdown • Internal Hire Rate • Promotion Speed Ratio • Recruitment Source Ratio