



Advertising on Job Boards? Here Are a Few Terms You Need to Know (And Calculate)

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Acronyms and jargon sound really cool and impressive, but they are even better when we understand what the heck they stand for. When it comes to job board and recruitment advertising, understanding those common acronyms and terms helps maximize your recruiting success and ROI.

What terms should you know?

Cost Per Applicant (CPA)

This term is one of the most important phrases in the job board industry because it comes down to the bottom line. How much money did it cost for your staffing agency to acquire an application? Within the employment industry, this will vary greatly by industry (manufacturing vs. healthcare vs. IT) and geography.

It's important to know your cost per application, as this helps make better performance-based decisions. Let's say you know it costs \$15 for your recruiters to acquire an accounting resume. With that data, the team can now evaluate its recruitment spend and try to improve that number. Would moving job board spend to a different board bring a lower number than \$15/application? Would it increase your spend? We'll never know without some testing. These are the types of decisions that need to be made to improve ROI.

Cost Per Hire (CPH)

This number is harder to quantify, because it requires tracking the information throughout the entire process. Taking that CPA data, can the team determine how much it truly costs to hire a candidate?

This number can vary greatly when considering a variety of information. We must examine your internal costs and external costs.

External costs include everything you spend on job board advertising, background checks, any recruitment marketing expenses, etc.

For internal costs, how much gets allocated to specific recruiters? How much time are other employees spending on the hiring process? The hiring manager is meeting with HR. The hiring manager is spending time in interviews. Are other employees spending time on interviews? (We also have to think about the lost revenue because of the open position.)

Conversion Percentage

This is the percentage of candidates who apply for the job. It's similar to (but not the same thing as) the click-thru rate mentioned in this earlier post about [common terms from the pay-per-click and online advertising](#) world.

There are also at least two methods we can use to compute conversion percentage:

- **More Common Method:** We could look at the number of impressions on the job and the number of resulting applications. For example, let's say the job had 500 impressions and 50 applications, that leads to a 10 percent conversion percentage.
- **Alternate Method:** We could look at the number of clicks on the job posting and look at applications to get our percentage. For example, let's say the job had 100 clicks and 50 resulting applications, the conversion percentage would be 50 percent.

An industry benchmark of 11 percent is suggested (that's for the first method mentioned), but there are a variety of factors with that number. Recruiting nurse practitioners will be much different than recruiting machine operators.

Knowing the benchmarks for your staffing agency will help make better recruitment marketing decisions. It's easier to evaluate your job board spend and your recruitment spend with these metrics in place. If the cost per application is rising, your tactics and strategies might need adjustment.

With candidate recruitment not getting any easier, it's important to understand your terminology, calculate your benchmarks, and then know when to adjust.

And we're here to make it easier! From comprehensive [digital marketing packages](#) to [responsive web design services](#), Haley Marketing Group offers a full complement of solutions to make recruiting great candidates simpler and more cost-effective.