



Case Study

Okta Implements Greenhouse Software to Align Hiring with Business Growth

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Overview

Okta, Inc. is an identity provider based in San Francisco, California. Since its founding in 2009, it has provided its customers with secure access to applications and enabled developers to build identity controls into applications, website web services, and devices. Recent years have seen especially strong growth for Okta as its solutions increasingly resonate with organizations needing to ensure security and user authenticity across hybrid and remote environments. Okta now has more than 5,000 employees and over 15,000 customers on its platform.

BUSINESS VALUE HIGHLIGHTS

Company:

Okta, Inc.

Location:

Headquartered in San Francisco, California

Challenge:

Identify and hire new employees in an efficient manner to match the needs of a rapidly growing business

Solution:

Greenhouse Enterprise License, including Greenhouse Recruiting, Greenhouse Onboarding, and Greenhouse CRM

Financial Benefits:

\$2.27 in benefits per \$1 in cost in 2022

Other Benefits:

- ▶ **Higher productivity** for the recruiting team, i.e., ability to handle more recruits per recruiter
- ▶ **Handle hiring growth** of five to six times over the past five years
- ▶ **Sourcing five times more hires** from an existing candidate pool

Rapid business growth in recent years, with revenue growing by 56% year over year in fiscal year 2022, has increased the need for Okta to provide the highest-quality solutions and support to its growing customer bases. Shane Noe, Senior Director, People Operations & Analytics at Okta, noted that Greenhouse has helped Okta increase its annual hiring by five to six times over the past five years to keep up with business demand.

Noe linked his company's use of Greenhouse to enhanced visibility and efficiencies across the hiring process. Okta uses Greenhouse APIs to build custom dashboards and reporting to provide timely and robust information to both its recruiting team and hiring managers about hiring requisitions (recs) and applicant status. Additionally, it increasingly uses Greenhouse CRM functionality to follow up with previous candidates who match well with new job openings. Across the hiring process, including communication with applicants and new hires, Okta takes advantage of Greenhouse automation to reduce staff time required to handle thousands upon thousands of applicants and new hires, thus increasing the productivity of its recruiting team and ensuring a better applicant and new hire experience.

Noe explained that Okta achieves strong value in recruiting efficiencies and better recruiting results with Greenhouse. For purposes of this study, he focused on the relative value that Okta will achieve through Greenhouse use in 2022, which IDC calculates will come to \$2.27 in benefits in terms of staff efficiencies for every \$1 invested in the Greenhouse platform.

Implementation

When Noe joined Okta in 2019, he had experience with Greenhouse at a previous company. At that time, Okta was a small company that required fewer new hires but was growing quickly and already using Greenhouse. Thus, Noe understood that his role would be to find ways, including through the use of analytics and automation, to enable Okta to ramp up staffing to handle business growth.

Noe reported that he and his team first focused on using Greenhouse to create a more robust and actionable recruiting environment by improving the quality of data and putting in place functionality that would help recruiters and hiring managers. Specifically, Okta put dashboards in place that use Greenhouse data to give managers and recruiters better visibility into where recruiting efforts stood at any given time.

From there, Okta deepened its use of Greenhouse by investing in Greenhouse CRM to better manage passive candidates and maintain a robust talent pipeline. Noe described this as keeping good runner-up candidates connected to Okta so that the company could proactively inquire as new hiring recs arose.



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Utilizing this passive pipeline developed and maintained with Greenhouse has become a priority for Okta, especially because it must compete for the best talent. Noe said that Okta pairs the Greenhouse CRM tool with its Marketo marketing platform to ensure continued outreach and engagement with desirable candidates.

Going forward, Okta continues to look at adding functionality from the Greenhouse platform to support its recruiting activities. Greenhouse's sourcing automation tool is of particular interest to Okta. Noe views this as potentially impactful because it will improve overall functionality of Okta and related recruiting solutions by ensuring integration of solutions that recruiters might otherwise not use. This has the potential to help Okta automate certain types of communications with candidates, which could deliver significant efficiencies given the volume of candidates Okta must communicate with on an ongoing basis.

Benefits

Noe described the benefits of using the Greenhouse platform as evolving from more efficient hiring to hiring better talent. In other words, Greenhouse has been essential to Okta's ability to hire rapidly to facilitate its business growth in the past several years, which continues to be the recruiting team's leading priority, as they also look to ensure the best possible quality of hires.

According to Noe, the primary users of Greenhouse are the recruiting organization, specifically recruiting managers, recruiting coordinators, and recruiters. He noted that recruiters are in charge of the entire process, while recruiting coordinators schedule interviews and carry out quality assurance checks. This team has expanded alongside Okta's growth; the overall team has almost three times as many members as several years ago.

Noe also manages a People Analytics team that uses Greenhouse APIs to deliver a suite of dashboards that monitor all aspects of the recruiting process.

Among those metrics are three key performance indicators (KPIs) they pay particular attention to, which Greenhouse helps monitor and improve:

- 1. Offer acceptance rate:** the number of hires versus the number of candidates who receive an offer
- 2. Onsite to offer:** the percentage of candidates who come on site for interviews/discussions who receive an offer
- 3. Apply-to-offer days:** the time it takes from the day of application to the day an offer is signed

Noe reported that Greenhouse fundamentally helps his team improve these KPIs through visibility and access to data through dashboards. Using Greenhouse data, recruiters can see the hiring recs open, how long they have been open, and the candidates for positions by stage of the recruiting process.

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They can also access a search progress dashboard that shows candidate volumes and flows and use that data to make decisions about whether to double down on recruiting efforts or try to speed up certain hires. Noe explained that this dashboard essentially shows all KPIs by recruiter. For example, recruiting can see how long it takes to move from offer to acceptance and what their offer acceptance rates are. Noe also noted that the recruiter dashboard generally *“is very impactful for recruiting performance because recruiters can see how they’re doing, which takes the guesswork out of their jobs.”*

Noe also linked Greenhouse reporting, which has helped with data integrity audits and standardization, to efficiencies for the recruiting organization. He noted: *“Using built-in Greenhouse reports, we’ve been able to pull a lot of data and see where stages were misaligned. We’ve used the information to shape training and change the behavior of the recruiting team.”* He described this analytics-driven approach as important to establishing best practices and noted that Greenhouse helps the team *“quickly identify the things that need to be fixed.”*

Noe explained that Greenhouse has helped Okta closely monitor candidate pass through rates from onsite to offer, which are important metrics because they are *“a good measure of how well our recruiters are calibrating to the needs of the business.”* He also noted that through integration of Greenhouse and another tool, Okta’s recruiting team can now coordinate scheduling more efficiently. This limits going back and forth with hiring managers and reduces the time that recruiting coordinators must spend on scheduling.

More recently, Okta has begun to focus on ensuring a more consistent and higher-quality pipeline to ensure that it has candidates to meet its hiring needs. The first step in this is visibility into hiring recs, which Okta is providing through Greenhouse data that *“show the rec loads across teams, including status, which helps distribute recs as they come up.”* He commented that this alone can help speed up hiring through active flagging of recs.

Additionally, with Okta increasingly using Greenhouse’s CRM functionality, the company is able to maintain a robust pipeline of potentially interested candidates. Noe reported that before Greenhouse, Okta was basically losing access to candidates who did not receive offers, which limited the talent pool and necessitated starting from scratch to fill more hiring recs. By making greater use of this talent pool through Greenhouse CRM, Noe explained that Okta has reduced the time to hire for essential teams, including the sales team.

Noe also reported that Greenhouse helped Okta onboard an acquired company’s recruiting processes in far less time than it otherwise would have taken. He estimated that Okta completed the process in six weeks, which represents an important gain in Okta’s ability to fully integrate the acquired company, from an operational perspective.

Finally, Noe praised the support that Greenhouse provides. He commented: *“The Greenhouse team knows their product extremely well. This really shows when we interact with their product support and implementation teams.”*

Quantifying Benefits

Noe connected Okta's use of the Greenhouse platform to specific time savings across the recruiting process.

These efficiencies include:

- ▶ Making greater use of a talent pool that includes already-interviewed candidates maintained with Greenhouse CRM
- ▶ No longer needing to manually send out surveys to interviewees
- ▶ Automated creation of offer letters
- ▶ Automated data entry as candidates onboard
- ▶ Automated reporting for the recruiting organization, saving time on a quarterly and weekly basis
- ▶ Faster completion of the recruiting activities to integrate acquired companies

Overall, these time savings and efficiencies equal about 25 hours per year per member of Okta's recruiting organization.

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ROI Analysis and Methodology

IDC conducted several interviews with Noe to understand the impact of using Greenhouse software on Okta's recruiting team and on broader hiring activities. IDC quantified the benefits and investment associated with the company's use of Greenhouse software, including staff time savings and efficiencies, and compared benefits for 2022 with costs of using Greenhouse. IDC calculates that Okta will realize benefits worth 2.27 times the investment costs for 2022, reflecting the value it achieves from the Greenhouse platform.

IDC calculates the ROI and payback period in a three-step process:

1. Measure the financial benefits directly resulting from use of Greenhouse software, including higher staff productivity levels and staff time savings
2. Ascertain the total investment
3. Compare the financial benefits with total investment for 2022

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