

Top 5 Recruitment Metrics

How to measure them and why they are important



1

Time to Hire

Time to hire is a way to measure the efficiency of your hiring process and detect any bottlenecks you have.

How to measure it.

Time to hire is the time it takes to find a candidate and fill your open position. Some organizations include the time it takes for a new employee to complete the onboarding and training process as part of this metric.

Why is this important?

Time to hire is a solid indication of your recruitment team's performance.

This is a crucial metric because it directly impacts your ability to acquire the most lucrative and quality talent. If there are bottlenecks in your recruiting process, you can lose out on top talent.

Research shows that the top 10% of talent is off the market within an average of 10 days!

Spending too long in the recruiting phase costs you more time and money as well.



2

Cost of Hire

Cost of hire helps measure the total spend of your recruiting efforts.

Typical sources of cost include: advertising, consulting services, agency fees, contingency fees, costs of recruiting staff, salaries, training, benefits, candidate expenses, new hire training cost, recruiter time, manager time spent interviewing, and lost productivity from open position.

How to measure it.

Cost of hire is based on all costs invested in finding and hiring candidates. This includes costs involved in the hiring, onboarding, and training process. Divide the total costs by the number of hires made from your recruiting efforts to get your cost of hire.

Why is this important?

Understanding cost of hire helps decision makers with budget allocation and also creates benchmarks for proving ROI and future planning.

In large organizations, cost of hire can have a measurable impact on the bottom line. And in small organizations, it can make or break the yearly budget.



3

Source of Hire

One of the most popular metrics, source of hire measures how much each of your sourcing channels (job boards, careers page, ads, professional social networks, employee referrals, etc.) are contributing to your candidate pool.

How to measure it.

To measure source of hire, simply compare the number of candidates that come through each of your recruitment sources. Be sure to keep this metric up-to-date and accurate.

Why is this important?

Understanding where your candidates come from is a crucial part of knowing the value of your recruiting channels.

This insight will help you create an effective recruitment strategy that invests the majority of your budget and time into your best resources.



4

Candidate Experience

Candidate experience is how a candidate perceives your recruitment and onboarding process.

When it comes to candidate experience, every interaction matters. Hiring managers, interviewers, and every employee all influence the candidate experience and impact a candidate's decision to join a company or not.



How to measure it.

There are several ways you can measure candidate experience, including: surveys, emails, and the Net Promoter Score (NPS). To measure NPS, ask your candidates: *“On a scale of 1 to 10, how likely are you to recommend this experience to a friend or colleague?”* Then subtract the percent who answer between 1 and 6 from the percent who answered 9 or 10.

Why is this important?

Research shows 83% of talent say a negative interview experience can change their opinion of a company they liked and 87% say a positive experience can change their mind about a company they once doubted.

Job seekers are 3.5 times more likely to re-apply to a company if they are notified of their application status. Additionally, talent is 4 times more likely to consider your company in the future when you offer constructive feedback.

Negative candidate feedback gives you insight into where your recruitment process needs improvement.

5

Acceptance Rate

Offer acceptance rate is a comparison between the number of candidates offered a position and the number that accept the offer.

When looking at acceptance rate, you should also note if there are certain departments or managers seeing lower acceptance rates.

How to measure it.

Offer acceptance rate is measured by taking the number of offers accepted and dividing it by the total number of offers made. This can be calculated for a specific position or more broadly to get an offer acceptance rate for a recruiter, hiring manager, or department.

Why is this important?

If your acceptance rate is low for your industry, your offers probably aren't competitive enough. There could be an internal problem, indicated by certain managers or departments having lower acceptance rates. If certain demographics aren't accepting your otherwise lucrative offers, there may be a systematic problem in your organization that makes these groups uncomfortable.

Sometimes a low offer acceptance rate is due to external factors, like low labor market supply. Whatever the reason, examining this metric will help you uncover any internal issues you need to address or improvements you can make.



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For more information on how Pinnacle Solutions can help with recruiting, please contact us: thepinnaclesolutions.com/contact or 317-423-9143.

