

Recruiting Metrics Cheat Sheet

12 ways small to mid-sized businesses (SMBs)
can measure recruiting impact

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Welcome to the Recruiting Metrics

Cheat Sheet for Small to Mid-sized Businesses


Are you looking to optimise your small to mid-sized business's (SMBs) recruiting impact? Look no further! GrowMore Recruitment presents its comprehensive Recruiting Metrics Cheat Sheet, tailored specifically for SMBs like yours. Stay ahead of the competition and make data-driven hiring decisions with these 12 essential metrics.

You can use it to:

- Review a list of 12 top recruiting metrics
- Learn how to calculate each metric
- Pick which metrics best align with your recruitment efforts

Structure

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Application Completion Rate

The application completion rate helps measure the success of your job application platform and process. It is based on the number of candidate interactions with your job applicant process and platform.



How to calculate it?

$$\frac{\text{\# of submitted job applications}}{\text{Total \# of job applications started}} = \text{Application completion rate (\%)}$$



Why is this important?

If you have a low application completion rate, this may mean your candidates are frustrated with your application process/platform resulting in an abandoned job application. By identifying the reason(s) applicants decide not to complete the application, you can work to optimize the process to increase successful application submissions.

Some common reasons for low applicant conversion rates include:

- Too long of an application
- The questions are poorly organized and structured
- There are sensitive or personal questions
- There may be a technical issue with the platform

Candidate Call Back Rate

The candidate call back rate helps measure the success of your recruiting efforts. It is based on the number of return phone calls from the candidates you had reached out to, who specifically asked for a return call/message.

It takes the number of total candidates who replied back from your initial recruitment phone call and divides it by the number of total recruitment outreach calls you've conducted. The result gives you your candidate call back rate.



How to calculate it?

$$\frac{\text{\# of candidate return phone calls}}{\text{Total \# of candidate phone calls where you asked candidates to call you back}} = \text{Call back rate (\%)}$$

Why is this important?

Recruiting is a form of selling. You're reaching out to candidates through phone calls and emails to entice them to consider working for you and your company. If you have a low candidate call back rate, this may mean your recruiting efforts (introduction or recruiting pitch) may not be compelling enough.

Test different recruiting pitches or outreach tools (e.g. email, InMail, phone, social media, etc.) to see if you are able to increase the low candidate call back rate.



Candidates per Hire

The candidates per hire metric helps measure the effectiveness of your recruitment efforts. It is based on the number of candidates the manager interviews before one is hired.



How to calculate it?

of candidates the hiring manager has interviewed before a position is filled = Candidates per hire*

*Some companies use a benchmark of 3-4 interviewed candidates before a candidate is hired.



Why is this important?

Hiring managers need to juggle and balance time spent on their day-to-day job with interviewing candidates for open positions. By implementing a goal around keeping to 3-4 interviews per open requisition, it will help:

- Save your hiring manager's time interviewing
- Ensure the recruiter and hiring manager are aligned on what he/she is looking for
- Gauge the effectiveness of the recruiter and interviewing team (e.g. effective interviewing skills)



Cost per Hire

Cost per hire helps measure the total spend associated with recruiting to fill an open position. It is based on the total recruiting costs invested in finding and hiring candidates.

It takes the total costs spent on recruiting for your open roles (e.g. recruiter fees, advertisements, etc.) and divides the total cost by the number of hires made from those recruitment efforts.



How to calculate it?

$$\frac{\text{Total internal costs} + \text{total external costs}}{\text{Total \# of hires}} = \text{Cost per hire (\$)}$$



Why is this important?

Talent acquisition leaders and company executives face a time (at some point) where they need to measure the return on investment. By calculating all of the costs associated with filling a job, leaders can determine the average amount spent to hire a new employee. This metric can then be used as a benchmark for future hires. This helps guide the amount of investment to recruit for specific jobs and help develop future hiring budgets/plans.

Employee Referrals

Employee referrals are when your employees refer candidates to be considered for job opportunities at the company.



How to calculate it?

Total # of referrals during a certain time period or per open job requisition

Why is this important?

Research shows getting a referral is a cheaper and faster way to hire, generally produces a better hire, and lowers the turnover rate at your company. This is why many SMBs are implementing employee referral programs to entice employees to refer people in their network. Some impactful benefits for SMBs?

You don't have to pay traditional recruiting costs to source them – such as posting an ad on a job board, agency fees, etc. – and, because they're faster to hire, it also means spending less on your internal labour costs. In terms of saving time, according to a study by JobVite, it takes 29 days on average to hire a referred candidate, compared to 39 days to hire a candidate through a job posting or 55 days to hire a candidate through a career site.

Fill Rate

The fill rate takes the total jobs filled by the person, team, or recruitment channel and divides the number by the total jobs assigned to that person, team, or channel to fill.



How to calculate it?

$$\frac{\text{Total \# of jobs filled}}{\text{Total \# of jobs assigned}} = \text{Fill rate (\%)}$$

Why is this important?

This is an interesting metric to use to decide whether your SMB should recruit internally or use external agencies. For example, if you assign your internal recruitment team to fill five positions and then allocate five to an external staffing agency, you may find that your internal team filled four out of the five positions (80% fill rate) whereas the agency may have filled less. In this case, your internal recruitment team was more effective and has a better fill rate.



Quality of Hire

Measuring quality of hire helps you measure the value employees bring to your company. Quality of hire includes many metrics that can vary for different businesses. In some cases, it includes factors like retention, cultural fit, management abilities, etc.

The first step to measuring quality of hire is aligning with leadership to define the factors that make up a quality hire at your company. When evaluating a hire, their performance in each factor or indicator (e.g. job performance, ramp-up time, cultural fit, etc.) is scored on a scale of 1 (poor) to 100 (excellent).



How to calculate it?

$$\frac{\text{Job Performance score} + \text{Ramp-up Time score} + \text{Engagement score} + \text{Cultural Fit score}}{N^*} = \text{Quality of Hire}$$

* N = number of factors or indicators



Why is this important?

Particularly for SMBs, hiring quality employees means less turnover, more productivity, better culture, and greater overall success for the company. By continuously measuring quality of hire, you can keep a pulse on the health of your employee base and restructure your recruiting process as needed.

Retention Rate

Employee retention rate measures the ability of an organization to retain its employees.

It takes the number of employees who left their job during a certain time period and divides this number by the total number of employees during this same time period.



How to calculate it?

$$\frac{\text{\# of individual employees who remained employed for entire measurement period}}{\text{Total \# of employees at start of measurement period}} = \text{Quality of Hire}$$

Why is this important?

SMBs use retention rate to show the stability of their growing workforce. Combined with turnover rate, you can also track the departures (voluntary or involuntary) of employees who joined and then left during the specific time period.

Satisfaction Rate

Satisfaction rate refers to the hiring manager's satisfaction of candidates interviewed. It can also include the satisfaction of the candidate's interview experience.



How to calculate it?

There are different ways to calculate satisfaction rates. For example, you can:

1. Create a satisfaction survey;
2. Provide a scoring range for each of the survey's questions for the hiring manager or candidate to rate (e.g., 1 (poor) to 100 (excellent));
3. Then, calculate the results to generate a satisfaction rate.

Why is this important?

A simple way of measuring performance is by understanding how satisfied your hiring managers or candidates are with the recruiting experience. By collecting feedback, you'll be able to identify how you improve the process.

Sourcing Channel Effectiveness

Sourcing channel effectiveness measures how much each of your sourcing channels (e.g., job boards, recruitment ads, sourcing tools, professional social networks, etc.) are contributing to your pool of potential candidates.



How to calculate it?

For quantity, count the number of candidates generated from the channel during a given timeframe and compare which channel is producing the most candidates.

For quality, take the same steps but focus counting the number of "quality" candidates that were generated from the channel during a given timeframe.

Why is this important?

For SMBs, wasting time is a huge pitfall. By measuring sourcing channel effectiveness, you can see the channels that are producing candidates and hires (quantity and/or quality) vs. those that aren't. This data helps inform your decision to invest less in poor producing channels that may be wasting your time and money.

Time to Hire

Time to hire (or otherwise known as “time to fill”) is the amount of time it takes to hire a candidate for a role.



How to calculate it?

Measure the time to hire from start to end of the recruiting to hire process.

NOTE: The start time to measure time to hire begins the day the job requisition is opened (or the day approval is given to start filling a position).

The end time can be any of the following:

- When an offer is made
- When an offer is accepted
- The first day the new employee starts the job

Why is this important?

Time to hire gives the recruiting team and company insight into whether they are spending too much time in recruiting which can equate to higher cost per hire figures. It helps reveal time consuming and the most costly variables associated with filling a position. For example, higher time to hire may be the result of inefficient and ineffective recruitment practices. This would be an area where optimized strategies can be introduced to improve time to hire.

Turnover Rate

Turnover is a result of employees leaving their job from things like termination, resignation, job abandonment, etc.



How to calculate it?

$$\frac{\text{\# of employees who turned over during the measurement period}}{\text{Total \# of employees during the same measurement period}} = \text{Turnover rate (\%)}$$

Why is this important?

Studies show that refilling open positions due to turnover can be much more expensive than focusing on filling new roles for a company.

High turnover rates can prompt you to dig deeper to understand:

- Does a department or manager experience higher turnover than others?
- Is the high turnover due to voluntary or involuntary departures?
- Is turnover high at certain times of the year?

12 Recruiting Metrics

Application Completion Rate (%) =
$$\frac{\text{\# of submitted job applications}}{\text{Total \# of job applications started}}$$

Candidate Call Back Rate (%) =
$$\frac{\text{\# of candidate return phone calls}}{\text{Total \# of phone calls you made to candidates requesting a call back}}$$

Candidates per Hire =
$$\frac{\text{\# of candidates the hiring manager has interviewed before a position is filled}}$$

Cost per Hire (\$) =
$$\frac{\text{Total internal costs + total external costs (\$)}}{\text{Total \# of hires}}$$

Employee Referrals = Track number of referrals during a certain time period or per open job requisition

Fill Rate (%) =
$$\frac{\text{Total \# of jobs filled}}{\text{Total \# of jobs assigned}}$$

12 Recruiting Metrics

Quality of Hire

=

$$\frac{\text{Job Performance score} + \text{Ramp-up Time score} + \text{Engagement score} + \text{Cultural Fit score}}{N \text{ (\# of indicators)}}$$

Retention Rate (%)

=

$$\frac{\text{\# of individual employees who remained employed for entire measurement period}}{\text{Total \# of employees at start of measurement period}}$$

Satisfaction Rate (%)

=

- Create a satisfaction survey
- Provide a scale for each of the survey's questions for candidates to rate.
- Calculate the results to generate a satisfaction rate.

Sourcing Channel Effectiveness

=

Count the number of candidates from the channel during a given timeframe and compare which channel is producing the most (quality / quantity) candidates.

Time to Hire

=

Measure the time to hire from start to end of recruiting and hiring process.

Turnover Rate

=

$$\frac{\text{\# of employees who turned over during the measurement time period}}{\text{Total \# of employees at start of measurement period}}$$

Measure Your Recruitment Efforts with GrowMore Recruitment

At GrowMore Recruitment, we understand the value of data-driven hiring decisions. Our Recruiting Metrics Cheat Sheet equips your SMB with the tools to measure, analyse, and optimise your recruiting efforts effectively. Say goodbye to guesswork and hello to a streamlined, successful hiring process!



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