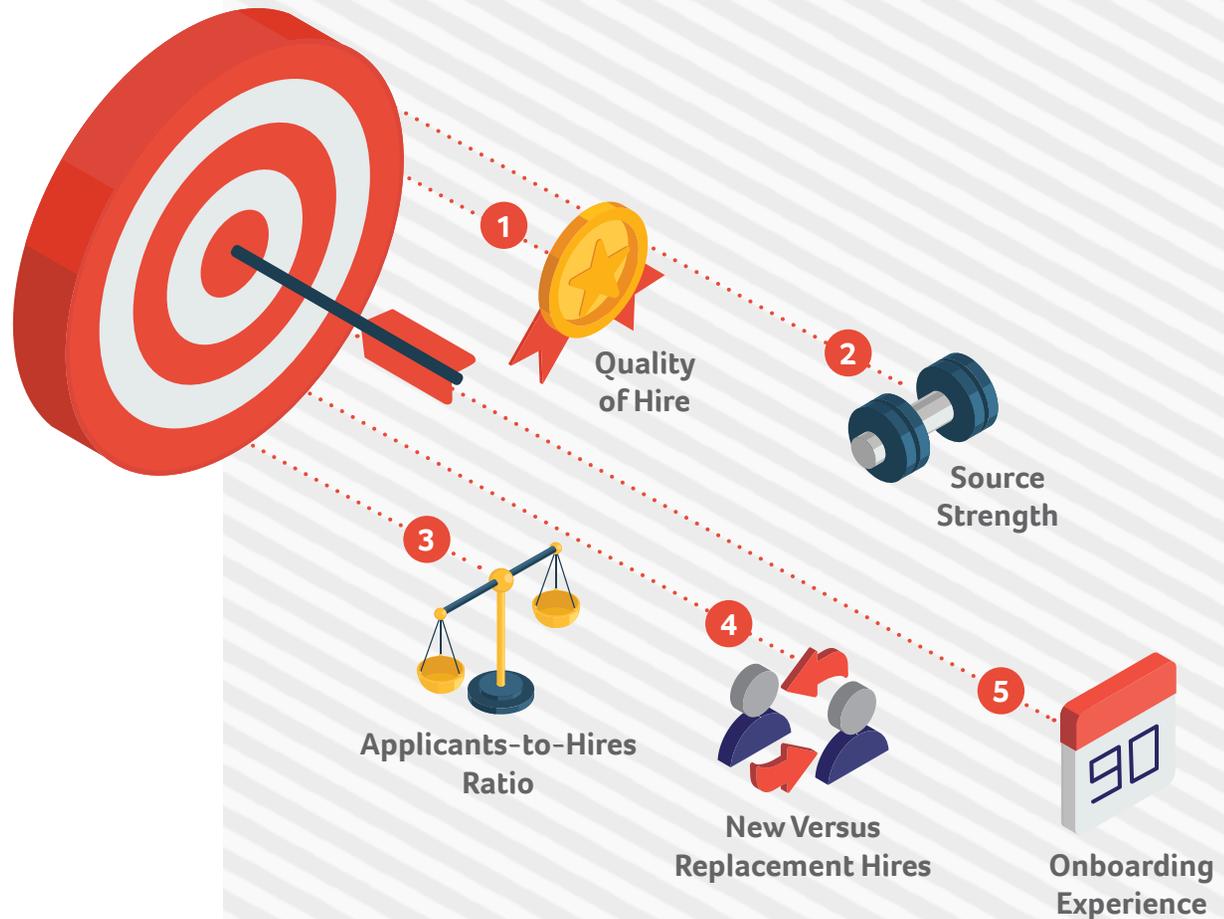# 5 Recruiting Metrics that Drive Business Value

PeopleFluent®

Time-to-Fill and Cost-to-Hire have long been the defining measures of recruiting success—they're straightforward, concrete, and easy to track. However, they don't tell the whole story. While these metrics inform your talent acquisition strategy, they lack insight into whether your recruiting process is furthering your larger organizational goals and business objectives.

These five recruiting metrics will enable you to better assess your internal processes and hiring workflows, helping drive strategic changes and true business value for your organization.

1 Quality of Hire

2 Source Strength

3 Applicants-to-Hires Ratio

4 New Versus Replacement Hires

5 Onboarding Experience

1 Quality of Hire

The cost of recruiting, selecting, and onboarding an unsatisfactory hire can add up to a quarter million dollars.[1] You may be able to fill 20 requisitions in two weeks under budget—but if your new employees don't perform well, you're no closer to realizing your business goals. How exactly do you calculate something as subjective as QOH? The truth is, there isn't a one-size-fits-all formula. Depending on your priorities, you may evaluate one or more combinations of these indicators:

- Employee retention
- Hiring manager satisfaction
- Cultural fit
- Employee engagement
- Job performance (sales quotas, customer satisfaction ratings, etc.)

[1] https://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/cost-of-bad-hires.aspx

Employee retention

Hiring manager satisfaction

Cultural fit

Employee engagement

Job performance (sales quotas, customer satisfaction ratings, etc.)
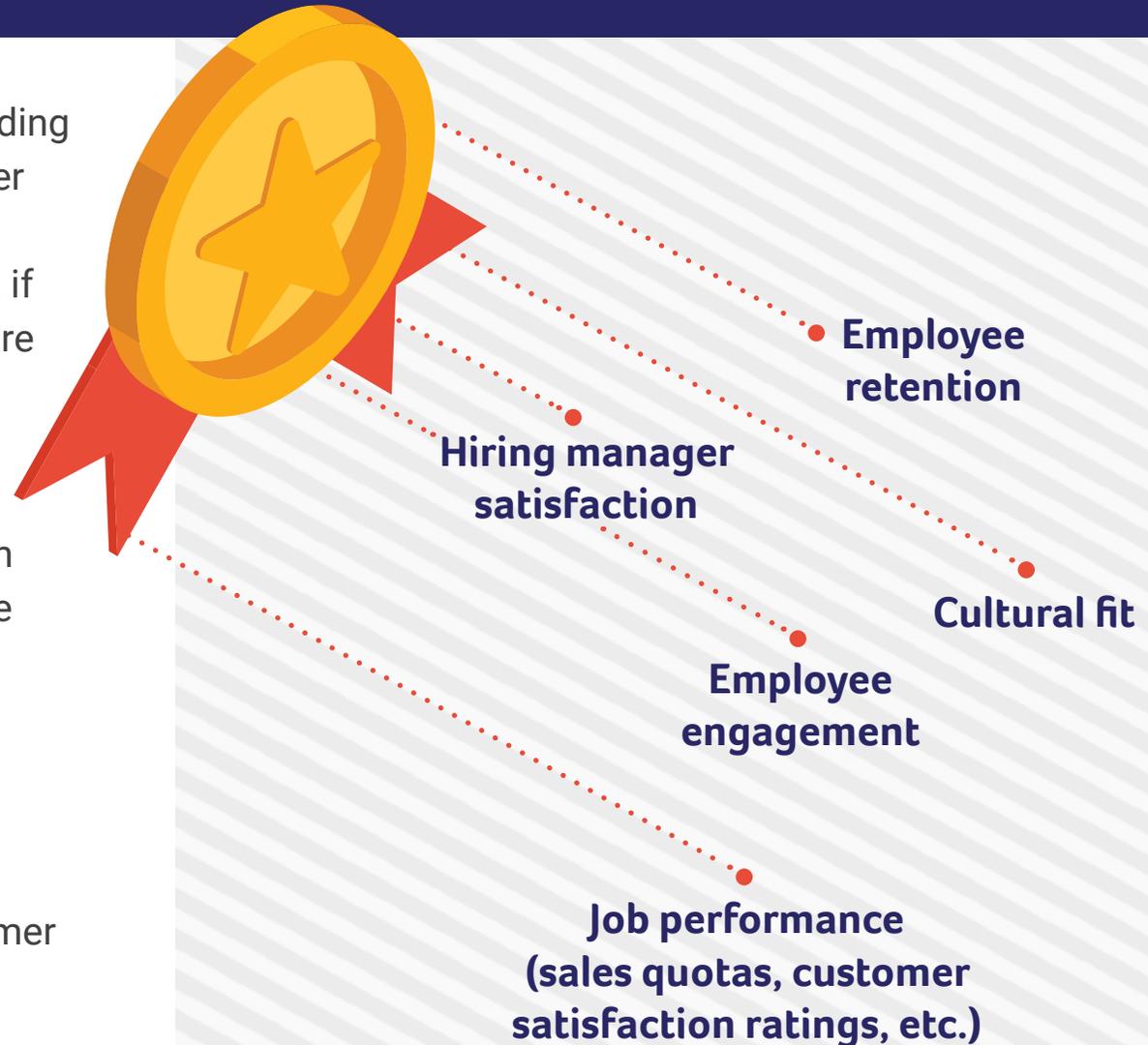
2 Source Strength

The number of recruiting sources is endless—your career website, job boards, search engines, LinkedIn, Twitter, and employee referrals can all contribute to a robust candidate pool. Tracking how many new hires come from each channel in conjunction with average tenure and retention can provide significant insight into the strength of each source. If the majority of new hires from a specific source demonstrate low productivity or leave within a year, then the source is not strong.

This metric goes hand-in-hand with quality of hire. Once you know where your top performers are coming from, you can concentrate your recruiting efforts there to find more high-quality candidates.
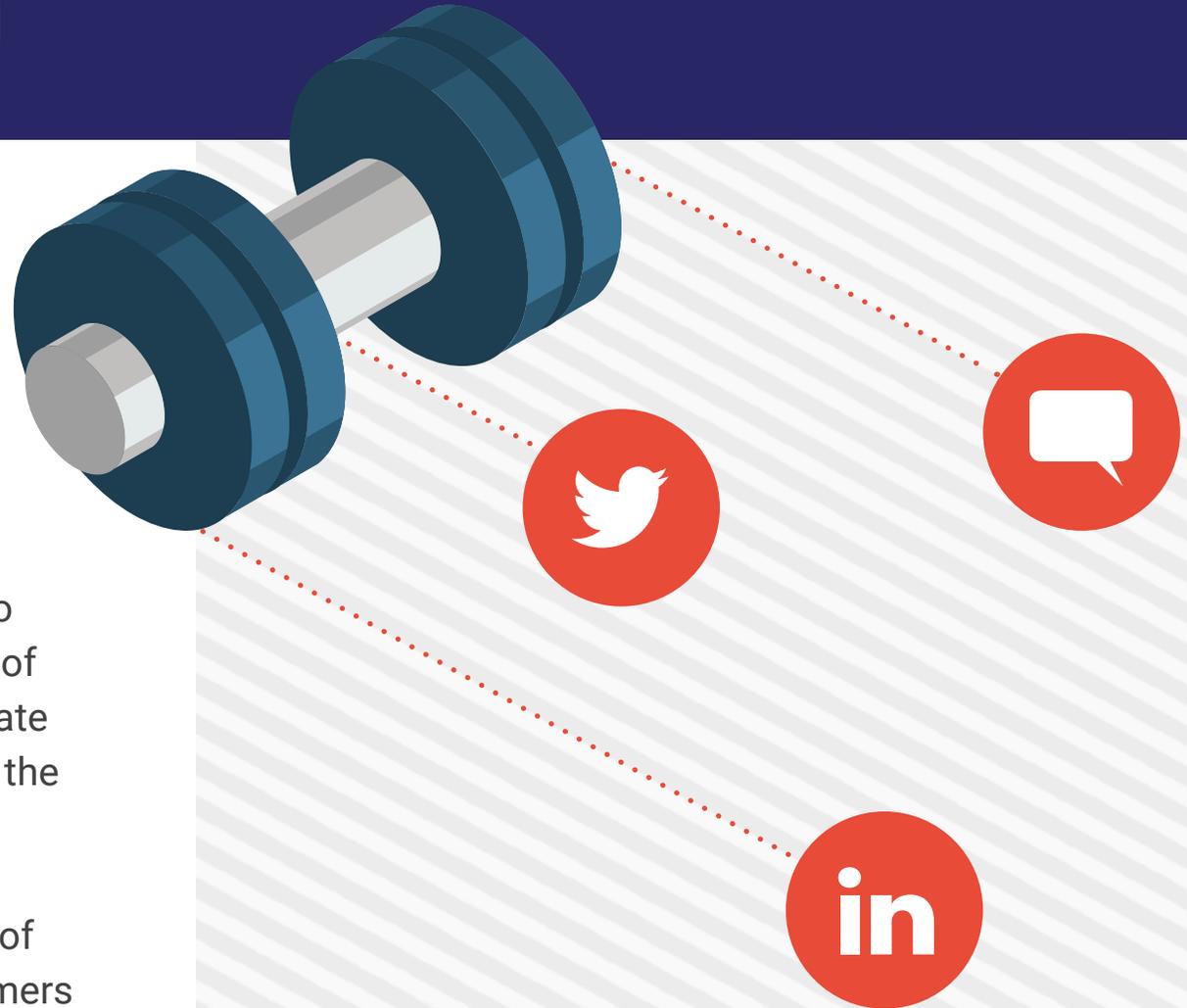
3 Applicants-to-Hires Ratio

You may only need one outstanding candidate to fill a position, but the number of applicants you receive vs. the number of individuals hired for that role can reveal a lot about your recruiting process and employer brand.

Few applicants per hire may indicate that your brand message, compensation level, and overall candidate experience are not clear or attractive to qualified candidates. On the other hand, too many applicants per hire may suggest that your job descriptions and advertising are overly broad.

This metric also provides insight into the effort level needed to fill certain roles, reducing the likelihood of a shortage of qualified candidates when you need them most.
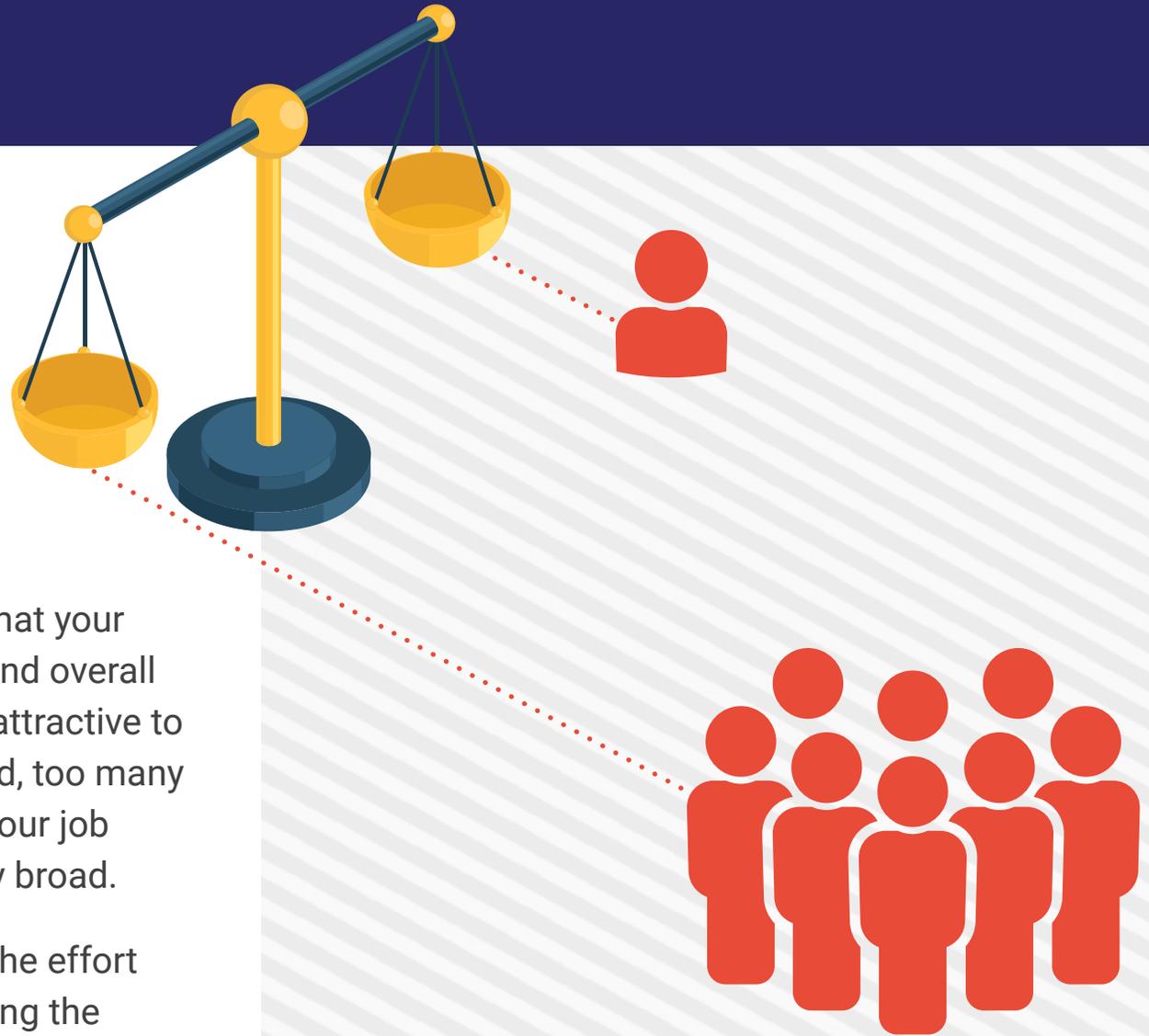
4 New Versus Replacement Hires

Are your new hires a consequence of true company growth or employee turnover? Newly created positions due to expansion can be considered positive growth, while frequent hiring caused by attrition may be a sign of a larger internal issue.

According to the U.S. Bureau of Labor Statistics, employees stay in a job for an average of 1.5 years.[2] Factors such as poor compensation, negative company culture, minimal internal mobility, and burnout can contribute to high turnover rates.

With this metric, you can track these indicators across specific departments and managers to highlight where changes can be made—helping you better understand the underlying factors behind your opened requisitions.

Poor Compensation

Negative Company Culture

Minimal Internal Mobility

Burnout

[2] https://www.cnbc.com/2017/02/27/why-great-employees-quit.html
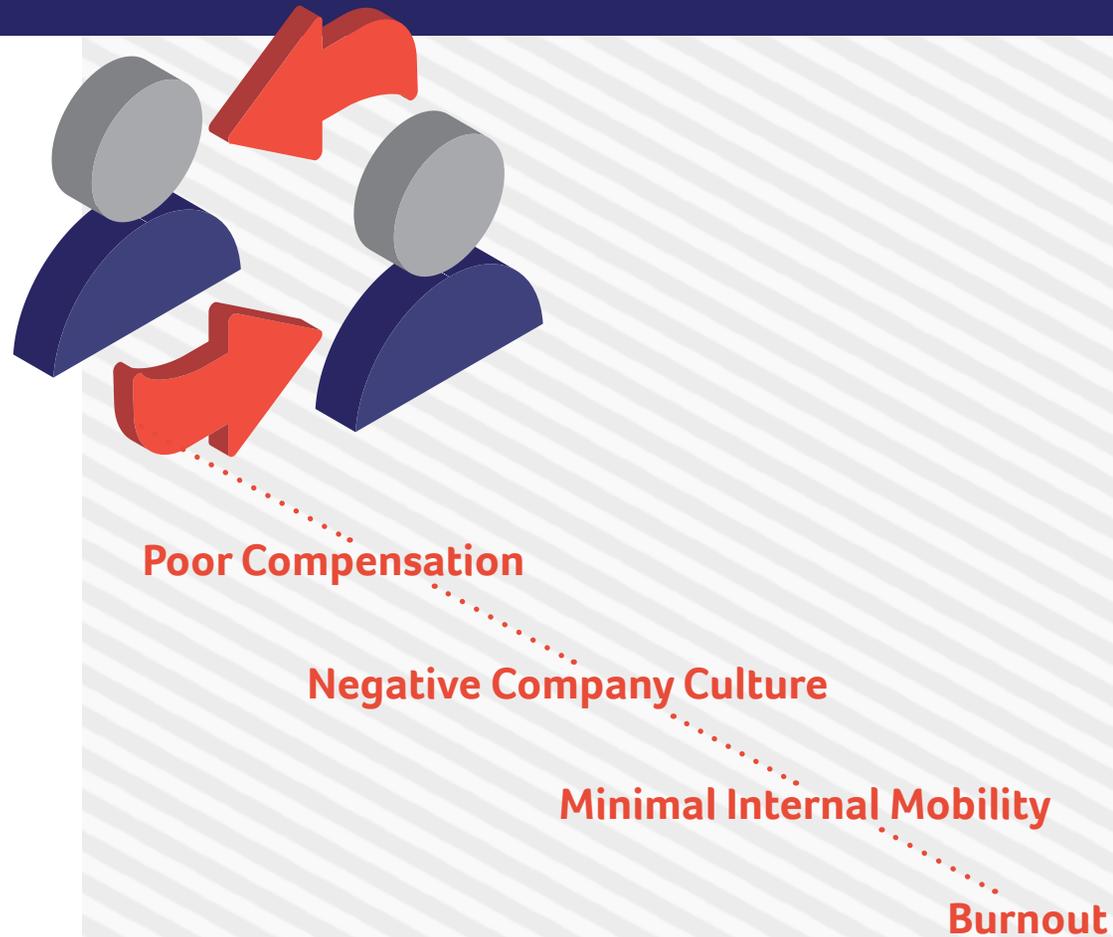
5 Onboarding Experience

The first 90 days of employment are crucial in turning a new hire into a productive team member. A positive or negative onboarding experience sets the tone for an employee's role and view of the company, and can be one of the biggest indicators of a new hire's success.

Strong onboarding programs have been shown to improve new hire retention by 82% and productivity by over 70%.[3] Surveying new employees as well as key stakeholders impacted by their hire (particularly the hiring manager) can yield data to inform future adjustments to your onboarding structure.

Strong onboarding programs improve new hire retention by 82%

3 https://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/cost-of-bad-hires.aspx

Recruiting Metrics Drive Business Value

Recruiting metrics are the building blocks of your talent analytics and overall company performance. Understanding and utilizing them can help you strengthen your recruiting practices, increase productivity, and raise retention rates—ultimately advancing your business objectives.

Visit our **website** to learn more about how PeopleFluent Recruiting can help you build a stronger workforce.

To find out more about how we can help you achieve your recruiting goals, email us at **tellmemore@peoplefluent.com**.