Axterior

11 KPIs
for Recruitment
GUIDE

BEST WAYS TO MEASURE YOUR RECRUITMENT EFFORTS

Welcome to the Axterior Guide!

You can use this guide provided by Axterior specialists to help you track the performance of your recruitment team and identify the potential growth areas.

Table of Contents:

Bonus!

Printable guide

Find ideal candidates
23% faster
with Axterior

Get the opportunity to focus on building long-term relationships with potential candidates while Axterior automates your daily routine tasks.

MAKE YOUR HIRING BETTER NOW

1. Candidate Pipeline

The candidate pipeline reflects the overall number of candidates in the pipeline. It is a simple but clear indicator for understanding the average number of candidates for each vacancy.

The candidate pipeline measurement will help the HR manager forecast hiring plans and report to the company's management.

How often to calculate: by the duration of the vacancy

Healthy rate: depends significantly on the job position

Formula: The formula is as straightforward as possible. To calculate the candidate pipeline, sum up all the candidates for each position in the pipeline. We recommend calculating the average number of candidates for vacancies of the same level in one department.

Candidate Pipeline

Candidate Pipeline	=	Overall number of candidates for a position

2. Sourcing Channel Efficiency

Recruiters can look for the best-fit candidates by means of various sourcing channels, such as social media, referral programs, networking events, etc. But how to understand whether recruiter's efforts bring results? You can measure sourcing channel efficiency, i.e., the conversion of each source of search.

How often to calculate: quarterly or annually

Healthy rate: depends significantly on the job position

Formula: To calculate the sourcing channel efficiency, divide the total number of hired employees by means of a particular recruitment method by the total number of job applicants from this channel, and multiply the result by 100%.

For example, if you received 200 CVs from the target Instagram ad and they resulted in four hires, your sourcing channel effectiveness would be 2%.

Sourcing Channel Efficiency

$$\text{Sourcing Channel Efficiency} = \frac{\text{Total number of hires from a particular source}}{\text{Total number of job applicants from this source}} \times 100\%$$

3. Interview-to-offer Ratio

Interview-to-offer ratio indicator reflects the number of interviews a recruiter has to conduct before making an offer. Thus, the ratio is defined as the number of job offers extended compared to the number of interviews conducted.

This concept is often confused with the average time per hire, but the difference lies in the omission of the rejected job offers. If your offer acceptance rate is high, these 2 KPIs are almost the same.

How often to calculate: quarterly or annually

Healthy rate: 42,1%

Formula: To calculate the interview-to-offer ratio, take the number of sent offers and divide by the number of conducted interviews, and then multiply the result by 100%.

Interview-to-Offer Ratio

$$\text{Interview-to-Offer ratio} = \frac{\text{Total number of sent offers}}{\text{Total number of conducted interviews}} \times 100\%$$

4. Recruiting Conversion Rate

Recruiting conversion rate means the share of successful candidates employed among all the vacancies opened during a specific period. This KPI for HR department is a perfect way to determine whether the recruitment team copes with its duties. If recruiters cannot fill the majority of the vacancies with qualified candidates, the chosen recruitment strategies are failing, and a company doesn't get a return on investment.

How often to calculate: monthly or quarterly

Healthy rate: above 75%

Formula: To calculate the recruiting conversion rate, divide the number of newly hired employees by the total number of open vacancies and multiply this by 100%.

Recruiting Conversion Rate

$$\text{Recruiting Conversion Rate} = \frac{\text{Number of newly hired employees}}{\text{Total number of open vacancies}} \times 100\%$$

5. Job Offer Acceptance Rate

Accepting a job offer is the most crucial point in the hiring process. It determines the efficiency of the whole recruiter's work. The job offer acceptance rate (JOA) is a helpful recruitment data trick after receiving a candidate's reply to an offer. This is a handy recruitment metric to assess the effectiveness of a recruiter's job.

How often to calculate: annually

Formula: To calculate the job offer acceptance rate, divide the number of offers accepted by the number of offers and multiply the result by 100%.

Healthy rate: above 90%

Job Offer Acceptance Rate

$$\text{Job Offer Acceptance Rate} = \frac{\text{Number of offers accepted}}{\text{Total number of offers}} \times 100\%$$

6. Quantity of Hire

The clearest KPI that HR can give the recruiter is the quantity of hires per quarter. This general number provides the recruiter with an understanding of the company's hiring plans. Of course, it depends on the company size and the number of open vacancies, but it serves as a specific goal that the recruiter aims to pursue.

How often to calculate: quarterly

Healthy rate: depends significantly on the company size

Formula: To calculate the quantity of hire, take the total number of employees engaged to the company by a particular recruiter.

Quantity of Hire

Quantity of Hire   =   Total number of employees engaged by a particular recruiter

7. Quality of Hire

Quality of hire indicates an employee's performance evaluation in the probation period. It is an essential indicator since a failed hire results in additional direct and indirect costs (depending on the employee's rate and bonuses).

Quality of hire metrics is basic and also crucial for understanding the adequacy of your organization's recruiting procedure. There are many variations of the quality of hire formula. The most common is the inclusion of job performance, engagement, and cultural fit. The main challenge of this KPI is that it is difficult to measure, i.e., to place a numeric value on things like employee engagement and cultural fit. We recommend you standardize your company's approach to the measurement to overcome this issue.

How often to calculate: quarterly
Healthy rate: depends on the survey criteria

Formula: To calculate the quality of hires, sum up several indicators, divide them by their number (in our formula - 3), and then multiply the result by 100%.

- Job performance: job-specific KPI including the percentage of clients engaged, number of products sold, etc.
- Engagement: average point of the employee engagement survey collecting valuable information about the company's quality of hire.
- Cultural fit: average point of the hiring manager assessing the candidate's match with the team.

Quality of Hire

$$\text{Quality of Hire} = \frac{\text{Job Performance} + \text{Engagement} + \text{Cultural Fit}}{3} \times 100\%$$

8. Time per Hire

Time per hire is a standard recruiting factor. It measures the number of days between the date a candidate responds to a job (or a recruiter's response to a job seeker's CV in a self-search) and the date that candidate accepts the job offer. Thanks to this indicator, you can identify gaps in the recruitment process or set up a recruiter's KPI for different vacancies.

How often to calculate: monthly or quarterly

Healthy rate: 20 days

Formula: To calculate the average time per hire, take the total number of hours or days needed to fill vacancies throughout a certain period (f.e. month) and divide by the total number of vacancies.

Average Time per Hire

$$\text{Average Time per Hire} = \frac{\text{Time-to-hire of Vacancy 1} + \text{Time-to-hire of Vacancy 2}}{\text{Total number of vacancies}}$$

9. Cost per Hire

Cost per hire is a metric that shows a company's costs to hire one employee. Tracking this KPI helps HR managers create budgets and stick to them. Considering the average cost of hiring, you can allocate the budget efficiently.

To track the cost of hiring, you need to assess the internal and external costs of hiring staff and the total number of employees hired over a certain period.

Internal recruiting costs are the internal costs of filling a specific position: in-house talent acquisition staff salaries, recruiter salaries, talent acquisition program costs (such as an employee referral program), etc.

External recruiting costs are any costs to external vendors during the recruitment process: external recruiting agency fees, job postings on job boards, candidate background checks, employer branding events (such as job fairs), employee relocation costs, etc.

How often to calculate: monthly or annually

Healthy rate: depends on the corporate management

Formula: To calculate the cost per hire, take the sum of the internal and external recruiting costs and divide it by the total number of employees hired within a specified period (f.e. a month).

Cost per Hire

$$\text{Cost per Hire} = \frac{\text{Internal recruiting costs} + \text{External recruiting costs}}{\text{Total number of employees hired}}$$

10. Hiring Manager Satisfaction

Hiring manager satisfaction measures the share of managers satisfied with the hiring process and the quality of candidates. Hiring manager satisfaction measurement requires preliminary preparation. It would be best if you determined the preferences of hiring managers before recruiting (like language proficiency, ability to work in a team, leadership, creativity, etc.).

Then make a survey for hiring managers after the candidate's probation period using these points. For example, use such evaluation criteria: E = Exceeds expectations; M = Meets expectations; B = Below expectations. With this survey, you will be able to determine the satisfaction of each manager.

How often to calculate: quarterly or annually

Healthy rate: 80%

Formula: To calculate average hiring manager satisfaction, divide the number of satisfied hiring managers in a certain period (those having mostly E and M survey responses) by the total number of hiring managers and multiply the result by 100%.

Hiring Manager Satisfaction

$$\text{Hiring Manager Satisfaction} = \frac{\text{Number of satisfied hiring managers}}{\text{Total number of hiring managers}} \times 100\%$$

11.   Trial Conversion Rate

The trial conversion rate shows how many employees stay in the company after the trial period. This indicator is an excellent chance to evaluate the quality of the recruiter's work. Of course, a candidate may have internal incentives not to continue work in the company. However, usually, it depends on improper communication during the interviews.

How often to calculate: quarterly or annually

Healthy rate: above 90%

Formula: To calculate the trial conversion rate, divide the number of trial-to-employed staff by the total number of trial staff and multiply this by 100%.

Trial Conversion Rate

$$\text{Trial Conversion Rate} = \frac{\text{Number of trial-to-employed staff}}{\text{Total number of trial staff}} \times 100\%$$

Printable Guide

Print the following table

to keep all 11 KPIs on 1 page!

Candidate Pipeline

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Sourcing Channel Efficiency

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Interview-to-Offer Ratio

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Recruiting Conversion Rate

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Job Offer Acceptance Rate

$$\text{Job Offer Acceptance Rate} = \frac{\text{Number of offers accepted}}{\text{Total number of offers}} \times 100\%$$

Quantity of Hire

$$\text{Quantity of Hire} = \text{Total number of employees engaged by a particular recruiter}$$

Quality of Hire

$$\text{Quality of Hire} = \frac{\text{Job Performance} + \text{Engagement} + \text{Cultural Fit}}{3} \times 100\%$$

Average Time per Hire

$$\text{Average Time per Hire} = \frac{\text{Time-to-hire of Vacancy 1} + \text{Time-to-hire of Vacancy 2}}{\text{Total number of vacancies}}$$

Cost per Hire

$$\text{Cost per Hire} = \frac{\text{Internal recruiting costs} + \text{External recruiting costs}}{\text{Total number of employees hired}}$$

Hiring Manager Satisfaction

$$\text{Hiring Manager Satisfaction} = \frac{\text{Number of satisfied hiring managers}}{\text{Total number of hiring managers}} \times 100\%$$

Trial Conversion Rate

$$\text{Trial Conversion Rate} = \frac{\text{Number of trial-to-employed staff}}{\text{Total number of trial staff}} \times 100\%$$

Prepared by the Axterior team

Axterior is a professional recruitment platform that allows companies and recruitment teams to source, manage, and hire the best talents with less time and effort, grow their talent pools, and improve their ROI on recruitment.

Main features of Axterior recruitment platform:

- All-in-one talent pools
- Email & messenger integration
- Candidates sourcing through the Chrome Extension
- Automated follow-ups
- Tracking the health of candidates' database
- Team performance tracking

SOURCE SMARTER. HIRE FASTER.

Request a demo
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