

Measure & Optimize

TALENT ACQUISITION

METRICS

— **FOR** —







SUCCESS

Unlocking the Power of Talent Acquisition Metrics:
A Comprehensive Guide for TA Professionals

HRU TECHNICAL RESOURCES




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Introduction

The foundation of great talent acquisition is not process, it's your ability to measure what is actually happening in your process. You see world class talent acquisition is both repeatable and measurable. If you build a process in which you can't measure outcomes accurately, you've built something you will not be able to successfully do time and time again. Data-driven recruiting sets great talent acquisition functions apart from the average.



The biggest problem with measuring outcomes in talent acquisition is that most recruiting departments continue to measure the same things we've been measuring for decades. Most of which has led to frustration by senior executives because there is little correlation to what we've measured in the past to true recruiting success.



Technology has also come a long way in giving us the access and ability to be able to accurately measure the outcomes that do correlate to talent acquisition success and make a process that is both repeatable and reliable to the outcomes.



Introduction

Continued...



Modern TA leaders must be able to communicate through data that speaks to the bottom-line driven nature of the c-suite. This means hard, black and white measures that aren't subjective in nature. This is a difficult transition for many leaders that come from an HR background.



Glassdoor reports that, on average, a corporate job offer attracts 250 resumes. From this pool of candidates, typically 4 to 6 individuals are selected for an interview, and ultimately results in the selection of only one candidate for the job. Understanding the reasons behind such statistics relies on comprehensive metric insights, enabling data-driven decision-making to enhance your organization's talent management strategy.



Chapter I

Recruiting Funnel & Cost Per Hire

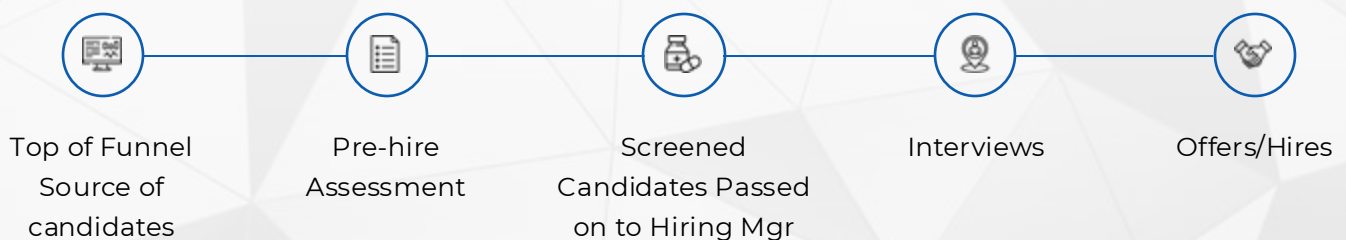
The recruiting funnel is the foundation of all recruiting metrics, as it provides a clear overview of the various stages of the recruitment process. By analyzing this data, recruiters can optimize their sourcing strategy and focus their efforts on the most effective channels, which can result in significant cost savings for the organization.

If you only do one thing as a recruiting leader, you must measure your recruiting funnel. It is, by far, the single most important data source for talent acquisition. Ideally, the funnel will give you a data story to share with executives around the organization's recruiting capacity.

Another important recruiting metric is the cost per hire. By tracking the cost per hire, organizations can determine the total cost of recruiting a new employee, including advertising, recruiting events, recruiter salaries, and more. This metric helps recruiters to justify their budgets and make data-driven decisions about where to allocate resources.



Funnel Diagram Showing Hiring & Selection Process



Chapter I

Continued...

Recruitment Funnel



Insight Into Your Funnel

Measuring your funnel isn't about micromanaging your recruiters. It's about understanding your individual and team recruiting capacity.

Don't use your funnel as a performance hammer. Use it for development. "Oh, I see you are having a low ratio of screen candidates to interviews? Let's dig into why that's happening!"

Recruiting is about activity. You'll have recruiters who will argue it's about quality. It's not one or the other, it's both. I need activity and quality.

If you take every single industry and the millions of jobs and billions of candidates, the funnel will always fall into thirds at that high level. Example: 30 candidates at top of the funnel, screen 10, Interview 3, hire 1. This plays out at a macro level again and again as a basic benchmark.

Your individual funnels, by position, from low volume to high volume, hourly to highly skilled will be different. It's important to measure each to understand individual performance and goals.

The funnel doesn't lie. People do.



Chapter II

What to Stop Measuring

01.

Time To Hire

02.

Quality of Hire

03.

TA System Utilization

What to measure is almost as important as what you need to stop measuring!

There are some talent acquisition measures that most organizations measure, as their primary TA measures, that have very little correlation to recruiting success. They are:

- Time to Hire
- Quality of Hire
- Recruiting System Utilization

Time to Hire (TTH)

"But wait! If we hire faster, we must be better?!" Actually, that's a false statement. Speed doesn't correlate to recruiting success. Time to Hire is a TA health metric, not a success metric. If your industry Time to Hire is 37 days and you're TTH is at 57 days, you've got cancer and need help! If your industry is at 37 days and you're at 35.5 days, it doesn't mean you're world-class. It just means you're in the ballpark and should worry about higher level strategies within the function.

Quality of Hire (QoH)

Quality of Hire is not a recruiting measure. Do you select, onboard, and train your new hires? No? Who does? Oh, you're hiring managers do!! Guess who owns QoH? Yes, it's your hiring managers.

TA System Utilization

If your team isn't using your ATS you've got a major problem and it's not a technology problem, it's a leadership problem. We purchase and implement tools in TA to benefit our recruiters and our organization. Using those tools are a condition of employment, not a measure of recruiting success.



Chapter III

What Are Some Other Measures

01.

Source of Hire

02.

Quality of Applicant

03.

Conversion Rate

04.

Diversity, Equity, Inclusion & Belonging (DEIB) Metrics

- **Source of Hire** is a critical measure to TA success. To actually know where you're getting your best candidates and how much those candidates are costing you per source is another metric TA leaders must have their arms around. The big question is how will you gather. Often we use our application process and have candidates self-identify where they came from. This is often unreliable. Try and use your system to track where candidates come from as much as possible. Your ATS provider should be able to assist you with this.
- **Quality of Applicant** is the TA metric that you should hold your recruiters to over Quality of Hire. Quality of Applicant is simply measured by calculating the screened candidates sent to a hiring manager by the number of those candidates selected for an interview. Unlike baseball where .300 gets you in the Hall of Fame, organizations should be shooting for .800 to .1000 for Quality of Applicant. Great recruiters with great relationships with hiring managers should shoot for 1 to 1 send to interview ratio. If I know your opening, and I know what a great candidate is, every candidate I send you is someone you should interview. Or we've got a communication problem!
- **Conversion Rate** is how many people come to your career site job opening and convert into an applicant. Most of us have no idea what this is, but our recruiting technology provider and our career site provider can work together to show us this data. Many of us believe we need to spend more money advertising our jobs, when in reality we just need to convert more people coming to our career site. The average career site has conversion between 10-25%. Great ones are over 50%. I constantly see organizations under 10%.
- **Diversity, equity, inclusion, and belonging metrics (DEIB)** are essential KPIs across every recruiting team and should be broken down to ensure equity across all employees. Every organization should identify where the drop-off in diversity occurs in their hiring funnel. Matching personal values with organizational culture is crucial for creating a sense of belonging, which is even more potent than engagement.



Chapter IV

Talent Acquisition Metrics – Master’s Level

Hiring Manager Batting Average

In a 12 month rolling calendar, or longer if the data is available, how many employees are still working that each hiring manager selected? This should be very high. Some HM’s are just awful at selection and we need to help them.

Candidate Experience

A positive candidate experience can help a company attract and retain top talent, while a negative candidate experience can hurt the company's reputation. Here's [6 Things Your Candidates Want You to Know](#).

Employment Brand Reputation

50% of candidates say they wouldn't work for a company with a bad reputation - even for a pay increase.
(Betterteam Blog 2017)

Revenue Per Employee

Your CFO will love that you're tracking this!
Simple measure which is total revenue divided by total employees. Get a benchmark for your industry and work towards being better than your benchmark.

Cost of Source Per Hire

Too often we are paying for sources that aren't producing. We need to keep a keen eye to this measure to ensure we are funding the right sources that produce great hires, and defund the sources that aren't producing.

Others

- Hiring Velocity
- Employee Leadership Love
- Referrals by Team, Manager, Location



Conclusion

The Last Word on TA Measures of Success



You and some on your team will feel like some of this is micromanaging. Eliminate that thought as a leader immediately. This isn't micromanaging, this is effectively managing a critical function.



As a leader in TA your goal should be to truly know your team's recruiting capacity. You only do that by measuring your funnel. When the CEO comes to you and says we need 25% more hires in the next quarter, you should be able to tell them specifically why or why not you can't make that happen, based on data.



However, not all metrics are created equal. Some are more important than others, and it is crucial to understand which ones matter the most for you.



If you are interested in building a more engaged, diverse, and successful workforce that drives business growth and success the time to start is now. [Reach out to HRU Technical Resources](#) today for insights on effective TA procedures, measurements, and recruiting strategies that can revolutionize your organization.



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