Top Recruiting Metrics You Should Start Tracking

Measuring outcomes, not actions.

Linkedin **Talent Solutions**

# Moving to strategic metrics

Tracking actions is easier, but fails to capture the business impact.

If your recruiting team is like most, you already track time to hire. It's the most commonly used recruiting metric for good reason—it's easy to measure and can set expectations— but it's not the most strategic.

It tells you how fast your team hires, but not how well. A slow recruiter who hires 10 high performers is far more valuable than one who efficiently hires 25 poor performers.

Tactical metrics—like time to hire, candidates per hire, or offer acceptance rate—track the immediate actions of your recruiters. That's a good starting point, but the future of recruiting will revolve around strategic metrics: those that measure the business outcomes of your team's efforts—not just the actions they take.

The role of recruiting is rising. Shaping your business's talent strategy will be just as important as executing it. To do that well, you'll need to track the metrics that really matter.
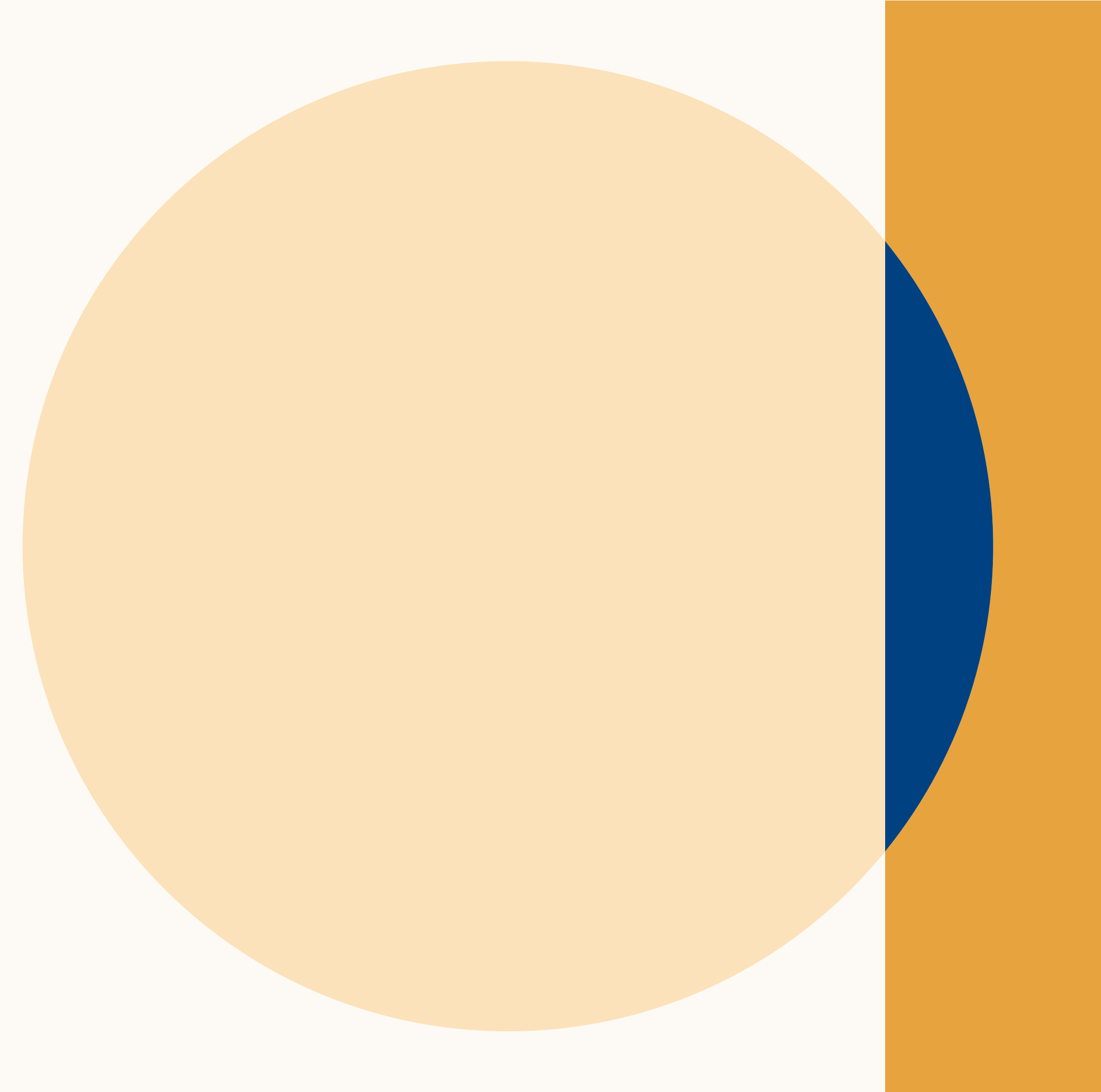
"The fastest hire isn't the best hire, and the cheapest hire isn't the best hire. It's all about the result — the business impact."

Ross Baron
Head of Recruiting for Western Europe at TikTok

Most companies today don't track the most useful metrics

Percent of recruiting pros whose companies currently use these metrics and who say these metrics would be very useful over the next 5 years.

■ Very useful in future   ■ Currently use

Quality of hire
- 88%
- 48%

Sourcing channel effectiveness
- 82%
- 47%

Time to hire
- 74%
- 69%

Hiring manager satisfaction after 6–12 months
- 70%
- 41%

Candidate experience rating
- 70%
- 27%

> Largest gap between what's used and what's useful

Cost per hire
- 68%
- 44%

Hiring funnel conversion rates
- 66%
- 44%

Diversity of candidates
- 56%
- 34%

Results-based metrics will rule the future

Many teams aren't there yet, but could be soon.

The two most impactful metrics of the future are both strategic, results-based measures. Quality of hire and sourcing channel effectiveness—a measure of which sources produce quality hires—both account for the business impact of the people your team is bringing in.

Most recruiting teams still aren't tracking either, but the metric with biggest gap between usefulness and actual use is candidate experience, a measure that we expect will become more commonplace in the near future.

Quality of hire is the holy grail

But capturing this metric often feels out of reach.

The reason quality of hire is so valuable is the same reason why it's notoriously difficult to measure: it speaks to the long-term business impact of new employees—and your recruiters.

You can't calculate this strategic metric until several months after the role is filled. But the bigger blocker is the fact that most aren't sure how to measure or define "quality."

There's no single calculation, but most businesses define quality of hire as some combination of three core metrics: retention, engagement, and performance ratings.

The most effective metrics to calculate quality of hire

Percent of recruiting pros who say these metrics would be very effective at measuring quality of hire.

Employee tenure

60%

Employee engagement at 6–12 months

56%

Performance ratings

52%

Diversity data doesn't get the spotlight it deserves

Only one in three teams currently track the diversity of candidates.

Diversity metrics—such as the gender or ethnicity of candidates sourced, interviewed, or hired—are rarely used today. While most recruiting professionals believe these metrics would be very useful, just one in three says their company currently uses them.

That needs to change. While some recruiting leaders cite legal concerns around how to measure diversity, companies will need to solve those challenges if they want to see a meaningful difference in the diversity of their workforce. As Peter Drucker famously said, "what gets measured, gets managed," and **that's particularly true for diversity**.

Diversity metrics don't stop at the end of your hiring funnel. To focus on outcomes, track the tenure of hires from underrepresented groups and monitor the overall makeup of your workforce.

"For diversity recruiting, we need to think about metrics differently. We're focused on outcomes over activity, but we also care about arriving at them in an inclusive way. The right metrics can illuminate the path forward."

Chris Louie
Senior Director of Talent Acquisition at LinkedIn

Metrics that will matter more

Quality of hire

Sourcing channel effectiveness

Assessment effectiveness

Metrics that will matter less

Application to hire ratio

Time to hire

Hiring manager satisfaction

Quality of hire

Once you've cracked quality of hire, you can calculate all sorts of strategic, outcome-based metrics. While the exact definition will differ depending on the company, role, and available metrics, it will be the premier metric of the future.

Sourcing channel effectiveness

Once you have quality of hire defined, you can look back to see which sourcing channels have yielded the best hires. Armed with these insights, you can reinvest in your productive sources or identify problem areas.

Assessment effectiveness

By analyzing different evaluation methods against the actual quality of hire, you can see which assessments are most predictive. **LinkedIn's recruiting team is even taking this approach to interviewers** to see who is best at spotting great talent.

Application to hire ratio

As the internet makes it easier for candidates to apply, this metric has become far less meaningful. This is particularly true for the most in-demand roles, where the focus is on passive candidates rather than active applicants.

Time to hire

Time to hire alone is more administrative than strategic. "The fastest hire isn't the best hire, and the cheapest hire isn't best hire," says Ross Baron, TikTok's Head of Recruiting for Western Europe. "It's all about the result—the business impact."

Hiring manager satisfaction

While helpful if done months after the hire is made, instant reaction ratings can send the wrong message. "They're often written in a way that reinforces the role of recruiter as an order-taker," says John Vlastelica, Managing Director of Recruiting Toolbox.

Funnel metrics: tactical stats, strategic analysis

With the right perspective, action-based metrics can reveal impactful insights.

When analyzing your hiring funnel, you'll be looking at tactical, action-based metrics—e.g., interview to offer rates—the exact kind of stat that we've said will matter less.

While these metrics seem basic individually, the sum is greater than the parts. In funnel analytics, you lay out a series of these conversion rates in order—applied to screened, screened to interviewed, and so on—to create a holistic view of your entire hiring process.

That strategic vantage point makes it easier to spot and solve problems. You can calculate your funnel manually, though an applicant tracking system (ATS) like **LinkedIn Talent Hub** will generate it for you automatically.

Leads

Applications

Screens

Interviews

Offers

Hires

3 strategic tips for funnel analytics

By analyzing how certain candidates flow through your funnel, you can see your hiring process from multiple angles. Filtering your candidate data in different ways can reveal new insights.

1. **Filter by recruiter.**

   Benchmark the funnel analytics of recruiting teams or individual recruiters against each other to spot abnormal bottlenecks or leaks.

2. **Filter by job types.**

   Isolate job types and seniorities to compare apples to apples. Senior engineers will have a different funnel than entry-level admins.

3. **Filter by demographics.**

   Analyze your diversity efforts; e.g., if women pass assessments at high rates but drop off between interviews, that's a place to look for bias.

> "Recruiters need to analyze their funnel as rigorously as marketing and sales teams do."
>
> **Martin Beischl**
> Global Director of HR, Talent & Culture at riskmethods

"We're making sure our recruiters know the fundamentals of data entry and data management—it sounds so basic, but it's essential to getting real insights. At our scale, the little details matter so much."

Chuck Edward
Head of Recruiting at Microsoft

3 steps Microsoft takes to ensure accurate metrics

1. Focus on one or two metrics at a time.

   At Microsoft, recruiting leadership selects just a few data fields to focus on every month or so. Recruiting managers communicate clear expectations to their teams so everyone's aligned on the proper way to record those metrics.

2. Track how well they're recording that data.

   Next, leaders will see which manager teams are doing the best job of tracking that month's metrics. Since they're only looking at a few data fields, it's relatively easy to audit accuracy and completion.

3. Source best practices across teams.

   Top performing manager teams will share what they're doing differently to help everyone improve. "The individual acts aren't that hard," says Chuck Edward, Microsoft's Head of Recruiting. "It's more about building the habits and not skipping steps."
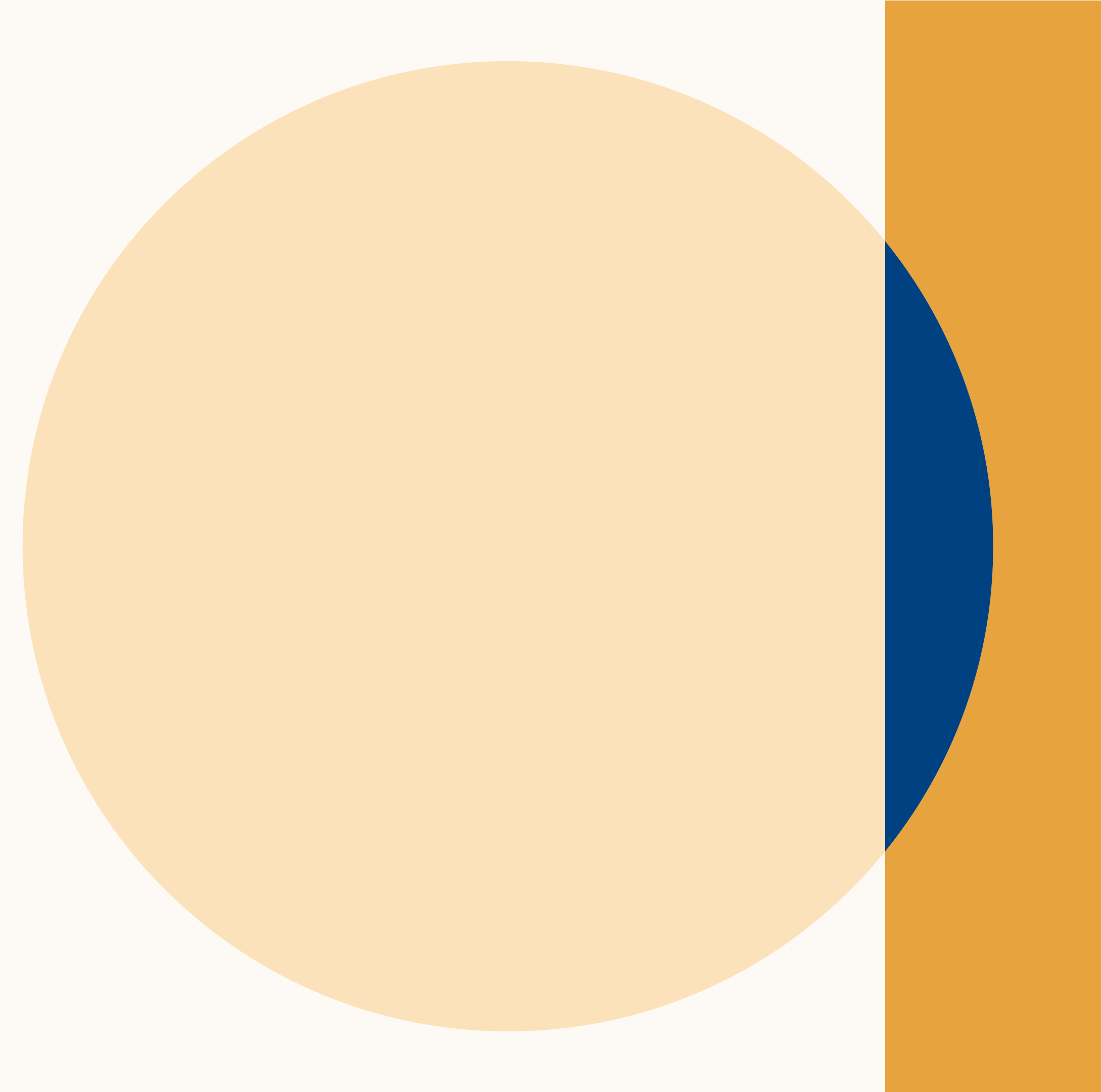
Survey methodology

We surveyed 2,848 recruiting professionals who self-identified as working either in HR/TA with a focus on recruiting or at a search and staffing agency. Most respondents manage a team of recruiters, and an additional one in four contribute as recruiters themselves. The survey was conducted in English, with respondents from over 80 countries. These survey respondents are LinkedIn members who were selected based on information in their LinkedIn profile and contacted via email between June 13 and July 8, 2019.

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