Metrics to Master Your Recruitment Funnel

Whitepaper

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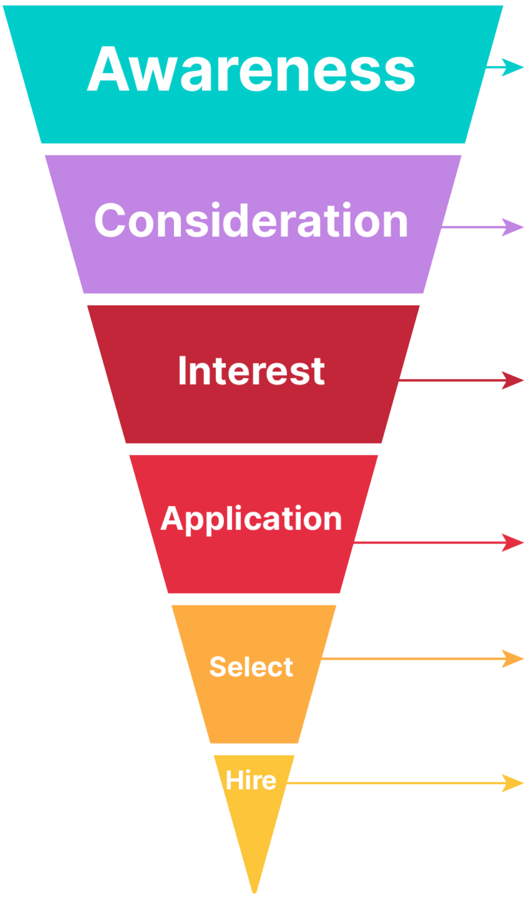
A recruitment funnel is a valuable tool to visualize every step of your organization's talent acquisition process and think holistically about hiring. Once you've created a recruitment funnel, it is crucial to take a step back and ask, is it effective? Can it be measured and improved? If so, which stages of your recruitment funnel may need attention?

Nowadays, recruitment processes have become more automated with the help of tools such as ZenATS and other applicant tracking systems. With that said, the job of HR and talent acquisition professionals will increasingly focus on monitoring and analyzing recruitment metrics and making improvements to stages of the funnel.

In the whitepaper, we'll go over some crucial recruitment metrics and show you how they can be improved with targeted changes to different parts of your hiring funnel.

The Recruitment Funnel Structure



Awareness: the potential candidates become aware of your company through your employer branding.

Consideration: the potential candidates consider your company as a possible future employer (culture, benefits, projects).

Interest: the potential candidates build interest in your company (follow it on social media, view posts, etc.).

Application: the potential candidates apply for a job.

Select: the applicants get through assessment tests and interviews.

Hire: the best candidate gets offered the position and commits to the company.

Five Ways to Assess Your Recruitment Funnel

1. Quality of Hire

Why measure quality of hire?

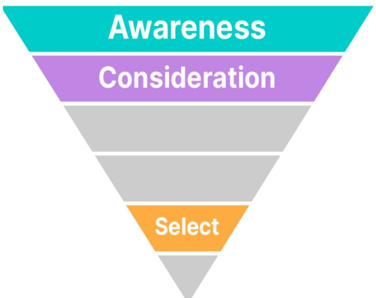
When it comes to recruitment, you're not hiring just to fill seats. Your organization's goal is to find the highest-quality people to join your team and help drive business performance forward.

Tracking recruitment funnel metrics like quality of hire will help you determine if you are consistently hiring top performers or if your recruitment process is only delivering low and average-quality hires. Once this metric is tracked and measured, the next step is to make targeted improvements to your recruitment funnel.

How to measure quality of hire

The quality of an employee depends on how well they do at your organization or how well they do in their position. They may consistently smash their sales targets, create excellent code, or maybe they run an efficient team. High-quality hires help reduce turnover, enhance workplace culture, and boost business performance.

When measuring the quality of hire, it shouldn't be subjective. You should define the factors that drive top performance for a particular role, then measure quality through performance reviews, hiring manager satisfaction surveys, and retention tracking.



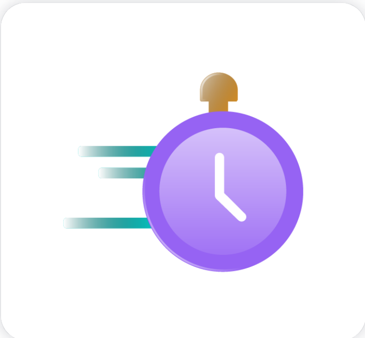
How to improve quality of hire

The key stages in your recruitment funnel for improving your quality of hire are **Awareness, Consideration, and Selection.**

Awareness: The bigger your talent pool, the more high-quality candidates enter the funnel. Boost your awareness efforts and expand your talent pool by building your employer brand.

Consideration: Are you attracting the right quality of candidates? Improve this by optimizing job ads, ensuring you post ads where your target audiences are, making sure salaries are competitive, and highlighting the benefits that make your company stand out for quality candidates to consider you as an employer.

Selection: The key to improving quality of hire is to see people do the job before they get it. Use a skills assessment during your selection process and interviews to explore areas not covered by the test or dig deeper into a candidate's skills.



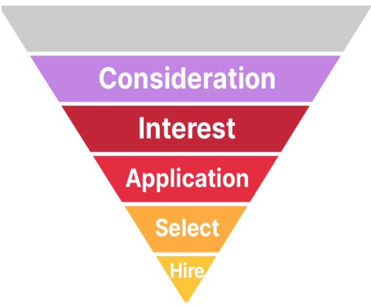
2. Time to Hire

Why measure time to hire?

Measuring time to hire gives you a better picture of how long it takes to fill specific positions, from when the job is open to when an ideal candidate gets hired. A long time to hire can result in an increased cost per hire, and roles remaining unfilled can lead to additional costs.

How to measure time to hire

Measuring time to hire usually begins at the application stage from when contact is first made. Time to hire is measured by counting the days between the application and the moment a candidate accepts the job. Your time-to-hire averages should vary according to the requirements of every position. While some positions can be filled in under 30 days, high-demand roles such as data engineers can take over a few months.



How to improve time to hire

Time-to-hire can be reduced by streamlining and automating some stages of your recruiting funnel from the Condisderation stage onwards.

Consideration: Consider saving time with the help of an automated job ad placement to help you attract candidates.

Interest: If answering questions from potential candidates is slowing down the recruitment process, make information available through a FAQ page, insctional videos, or a chatbot.

Application: Streamlining a lengthy application process is a great way to reduce time to hire and improve candidate experience. Ensure communication or send notifications to acknowledge receipt of an application.

Selection: Skills testing is great for quality of hire but can increase your time to hire if tests are evaluated manually. Save time by using an automated skills testing solution and meeting scheduling software for structured interviews. Skill tests can eliminate the need to quiz candidates about their skill sets, and software to schedule meetings can save you back and forths with candidates.

Hiring: While you automate job offer letters, it is preferable to maintain a human touch by sending a personalized email or calling a candidate. But you can save time at the hiring stage by going paperless, such as using digital signatures and creating a seamless, automated onboarding process.

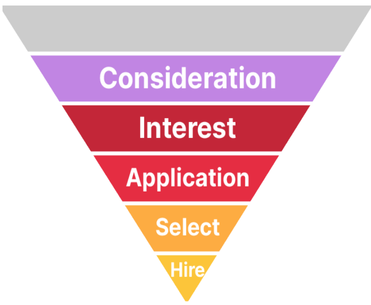
3. Cost per Hire

Why measure cost per hire?

Measuring cost per hire provides a benchmark for driving recruitment costs down, allows you to keep an eye out for rising recruitment costs, and helps inform future recruitment budgets.

How to measure cost per hire

Cost per hire is calculated by dividing the internal and external recruitment costs by the total number of hires in a set period of time. Internal costs include your talent acquisition team's salaries, any employee referral bonuses, and the hourly salary of the people conducting interviews. External costs include job advertising, recruitment agency fees, and recruitment software subscription costs.



How to reduce cost per hire

You can reduce your cost per hire by looking for cost savings in nearly every stage of your recruitment funnel.

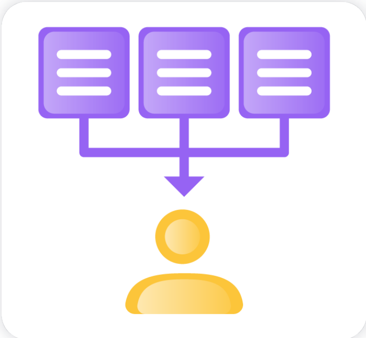
Consideration: Review the cost of job ad placements. Are you posting in too many places? Are some more expensive than others? Are they providing ROI as an effective source of hire?

Interest: Answer questions from potential candidates can get expensive in high-volume hiring. Consider automation or outsourcing your call center to a low-cost option.

Application: Automate your application process. Capture candidate data automatically with an ATS, the candidate should receive an acknowledgment of receipt, and the next stage should be launched automatically.

Selection: Manual evaluation, like cv reviewing or skills testing, can be time-consuming, inefficient, and expensive. Reduce costs by using a fully automated solution for this stage. Also, keep interviews to a set length, usually between 45 minutes and one hour.

Hiring: Costs can be reduced by shifting to a remote hiring model, cutting the need for relocation costs, office space, and services such as office cleaning.



4. Source of Hire

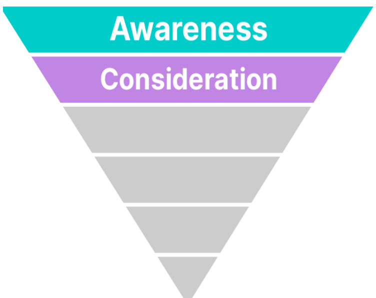
Why track source of hire?

Keeping track of where new employees are coming from can help refine your talent attraction efforts. It can show whether your careers page generates any clicks or whether candidates are coming from job boards, social media, referral programs, or external recruitment agencies. You can use this data to inform decisions such as ramping up social media, investing in a premium ad on job boards, or switching recruitment agencies.

How to track source of hire

Tracking source of hire is more effective than tracking source of candidate because you want to know where the best performers are coming from. Many talent acquisition professionals want to know where the best hires in the organization have come from so they can put more resources into these sources.

Source of hire can be tracked through traceable links, which allow you to analyze where a candidate got to your job application. Candidate surveys also will enable you to ask the candidate where they saw your job posting. This can be asked either within the application questionnaire or via a survey at the end of the recruitment funnel.



How to improve sourcing channel effectiveness

Funnel analysis in recruitment is about sourcing channel effectiveness and getting more return on your investment. You can also improve channel effectiveness by tailoring your content and message to different audiences, don't stick to a one-size-fits-all approach.

Awareness and **Consideration:** Use the source of hire metric to redistribute your marketing efforts in the awareness and attraction stages. It'll give you clarity on which channels to double down on and which ones to invest less in.

5. Candidate Experience

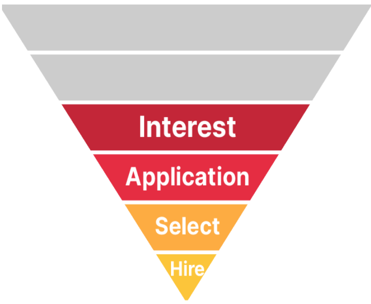
Why measure candidate experience?

A positive candidate experience is essential for an effective recruitment funnel. A poor experience could cause a top candidate to drop out of the process along the way. Poor candidate experiences have been linked to retention issues and whether offers are accepted. Unsuccessful applicants are 80% more likely to apply again if they had a positive experience and linked candidate experience to higher job acceptance rates and increased employee advocacy. And remember, candidates can become customers or advocates that may walk away from your product or service if they had a poor hiring experience.

How to measure candidate experience

Utilizing surveys can help capture candidate experience. Not every candidate will answer, but any information you receive can be essential for improving the effectiveness of your recruitment funnel.

You can send surveys when a successful candidate has accepted a job offer, candidates exit the funnel, or you can send micro-surveys at key points throughout the process. Micro surveys are effective as they're quick and easy and usually only consist of only one or two questions. Surveying candidates while they are still in the running for the role makes them more motivated to reply.



How to improve candidate experience

The best way to improve candidate experience is to communicate. Never ignore candidates; keep them informed of the following steps, and let them know if there are any delays. Candidate communication can always be automated, but maintaining a personal or human touch can do wonders.

Interest: Candidates want fast and helpful responses if they reach out about the role. Failing to answer questions could lead to candidates developing a negative impression of your organization early on.

Application: The job application stage is a critical point that determines candidate experience. Ensure it is user-friendly, not too long, not too complex, and optimized for mobile phones. Keep track of how many candidates fail to complete the application.

Selection: Ensure skills tests are not too long or too complex and use assessment insights to discover where candidates are dropping out. 65% of candidates say a bad interview experience led them to lose interest in a job. Improve the interview experience by engaging with them and having an organized, structured interview.

Hiring: Successful candidates may likely be considering offers from other companies. Entice them by tailoring the job offer to include benefits that are important to them, and don't send a boring, automated email. Invest in an efficient onboarding tool that keeps the candidate fully engaged and enthusiastic from the moment they accept the job.

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