



Mastering Hiring KPIs:

A Guide for Hiring Managers

Hiring KPIs (Key Performance Indicators) are valuable tools for improving the efficiency and effectiveness of your hiring process. By tracking and optimizing KPIs, you can create a smoother, more cost-effective, and candidate-friendly recruitment process.

Here are five essential KPIs all hiring managers should know. Plus, why they're important, how to calculate them, and average benchmarks so you can confidently design a better hiring process.

<p>1 Time-to-Fill</p> <p>Importance: Time-to-fill measures how long it takes to fill a vacant position, from the initial job requisition to the candidate's job acceptance. Reducing this metric is crucial to minimize productivity losses and avoid overworking existing staff.</p>	<p>How to Calculate:</p> <p>Time-to-Fill = (Date of Job Acceptance - Date of Job Requisition)</p> <p>Example: If it takes 50 days to fill a position from the job requisition date to job acceptance, your time-to-fill is 50 days.</p>	<p>Benchmark:</p> <p>The average benchmark is approximately 45-60 days.</p>
<p>2 Time-to-Hire</p> <p>Importance: Time-to-Hire focuses on how efficiently you're processing applicants. A shorter time-to-hire can attract top talent and reduce the risk of losing them to competitors.</p>	<p>How to Calculate:</p> <p>Time-to-Hire = (Date of Employment Offer - Date of Candidate Application)</p> <p>Example: If it takes 20 days from the candidate's application to the employment offer, your time-to-hire is 20 days.</p>	<p>Benchmark:</p> <p>Aim for a time-to-hire of around 25-40 days for most positions.</p>
<p>3 Cost-per-Hire</p> <p>Importance: Cost-per-Hire assesses the total hiring costs helping manage recruitment expenses effectively. Lowering this metric while maintaining quality is a common goal for hiring managers.</p>	<p>How to Calculate:</p> <p>Cost-per-Hire = (Total Recruitment Costs / Number of Hires)</p> <p>Example: If your recruitment costs are \$50,000, and you made 10 hires, your cost-per-hire is \$5,000.</p>	<p>Benchmark:</p> <p>Varies by industry and position, but is typically around \$4,000 to \$7,000.</p>
<p>4 Quality-of-Hire</p> <p>Importance: Quality-of-Hire evaluates a candidate's long-term performance and impact on the organization. It ensures that your hires contribute to the company's growth.</p>	<p>How to Calculate:</p> <p>Quality-of-Hire = (Performance Indicator 1 + Indicator 2 + Indicator 3, etc.) / Total Number of Indicators</p> <p>Example: Using a numerical rating system on a 5-point scale and measuring four indicators.</p> <p>4 + 5 + 4 + 5 = 18 / 4 = 4.5 Quality-of-Hire</p>	<p>Benchmark:</p> <p>Quality-of-Hire is subjective and should align with your organization's specific goals and performance standards.</p>
<p>5 Candidate Satisfaction</p> <p>Importance: Candidate feedback allows you to assess their experience during the hiring process and make adjustments as needed. Positive experiences enhance your employer brand and attract top talent.</p>	<p>How to Calculate:</p> <p>Quality-of-Hire Candidate Satisfaction = (Indicator 1 + Indicator 2 + Indicator 3, etc.) / Total Number of Indicators or NPS = % of Promoters - % of Detractors</p> <p>Example: Using a rating system on a 5-point scale you asked 5 questions and 10 responses were received.</p> <p>(4.3 + 4.5 + 4.2 + 4.6 + 4.4) / 5 = 21 / 5 = 4.2 Overall Candidate Satisfaction</p> <p>Example 2: Using NPS, 50 - 20 = 30 NPS</p>	<p>Benchmark:</p> <p>Aim for a score above 4 (on a 5-point scale) or a NPS higher than 30.</p>



Master Tip

Annually review your hiring process and KPIs and compare them with industry benchmarks, such as [SHRM HR Benchmarking Reports](#). This helps your organization stay competitive, drives process improvements, and ensures that your talent acquisition strategies align with industry standards and best practices.