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Private Equity Talent Solutions

Essential Recruitment KPIs for PE-Backed Portfolio Companies

For private equity-backed companies, the pressure to scale efficiently and generate strong returns demands a laser-focused approach to every aspect of the business—particularly talent acquisition. Recruitment Key Performance Indicators (KPIs) serve as critical benchmarks for measuring the effectiveness of hiring efforts.

This guide provides a comprehensive overview of the key metrics you need to measure, analyze, and optimize to ensure your talent acquisition strategies align with your business objectives. Whether you're scaling rapidly or fine-tuning your recruitment process, these KPIs will help you stay ahead in a competitive market.

The Importance of **Recruitment KPIs** in PE-Backed Companies

Recruitment KPIs provide insight into the efficiency, cost-effectiveness, and quality of an organization's hiring process. By systematically tracking metrics, leadership can evaluate whether current recruitment strategies are delivering the talent needed to meet operational and financial goals.

Effective recruitment directly impacts the speed at which a company can scale, the quality of its workforce, and its ability to respond to market demands. For PE investors, hiring the right talent in a timely manner can make the difference between hitting key milestones or facing delays that undermine the company's value.

RECRUITMENT KPIS: Job Numbers

In recruitment, understanding the volume and flow of job openings is crucial for assessing the health of your hiring pipeline and ensuring you have the right resources to meet your talent acquisition needs. Job numbers help you measure demand versus supply and monitor how well your recruitment efforts align with the organization's growth objectives.



JOB NUMBER DATA POINTS YOU SHOULD BE TRACKING:



ESSENTIAL DATA*

New Jobs —

The number of new positions added within a specific period, whether due to growth, restructuring, or market expansion. It offers a view into how fast your company scales and where workforce needs emerge.

Open Positions —

The total number of roles your organization is actively trying to fill at any given time. This number provides insight into the current demand for talent and can signal the strain on your recruitment team.

Filled Jobs —

The number of positions successfully closed, meaning a candidate has been hired. This metric is a core indicator of your recruitment team's efficiency and performance.

*This information can be found within an Applicant Tracking System

Vacancy Rate —

Represents the percentage of open positions compared to the total number of positions in your company. It highlights the proportion of your organization that remains unstaffed, which can impact overall business performance.

Formula: $(\text{Open Positions} \div \text{Total Positions}) \times 100$

A high vacancy rate suggests difficulty in filling critical roles, which can affect productivity, project timelines, and even revenue generation. Monitoring this KPI helps identify recruitment gaps and where to focus your efforts.

Jobs Per Recruiter —

Measures the average number of open positions assigned to each recruiter. It provides insight into the workload distribution across your talent acquisition team and whether your recruiters are being over- or underutilized.

Formula: $\text{Total number of jobs} \div \text{Total Recruiter (FTE)} \times 100$

High numbers of jobs per recruiter can lead to burnout and decreased quality of hires. If this ratio exceeds a sustainable threshold, you may need to hire more recruiters, improve tools or technology, or streamline the hiring process.

RECRUITMENT KPIS:

Speed Metrics

Speed is critical to successful recruitment. The longer it takes to fill positions, the more it can disrupt operations, affect productivity, and increase costs. Speed metrics help you track the efficiency of your recruitment process and identify where delays might be occurring.

SPEED METRICS YOU SHOULD BE TRACKING:

Time to Hire*

Measures the number of days it takes from the moment a candidate enters the recruitment pipeline (e.g., application or sourcing) to the moment they accept the job offer. This metric directly reflects how quickly your team can move a candidate through the hiring process.

Formula: Offer Accepted Date – Candidate Application Date

A shorter time to hire can provide a competitive advantage, allowing you to secure top talent before your competitors do. A prolonged time to hire may suggest inefficiencies, bottlenecks, or a misalignment between candidate expectations and job requirements.

*It's important to note that data varies considerably based on position types and other external factors, including location, shift, and compensation. For example, At Huelman, the average time to hire for a professional role is 39 days.

Candidate Time in Process

Tracks how long a candidate spends at each stage of the recruitment process, from application through screening, interviews, and final offer. It helps you pinpoint specific stages where delays or inefficiencies might be occurring.

Formula: Candidate start date – Candidate apply date

If candidates are getting stuck in certain stages—such as waiting too long between interviews or background checks—it can negatively affect their experience and increase the likelihood they'll drop out of the process or accept an offer elsewhere.

Time to Fill

While similar to time to hire, time to fill measures the time from when a job requisition is posted to when the position is filled. This gives you a broader view of your recruitment cycle, starting from the employer's decision to fill a role.

Formula: Job Offer Acceptance Date – Job Posting Date

This metric reflects your ability to quickly identify, engage, and secure the right candidates. Long time-to-fill rates could signal inefficiencies in sourcing, screening, or decision-making processes.

Average Age of Open Jobs

This metric measures the average number of days that positions remain open and unfilled. It is an indicator of how efficiently your team can close job openings, and it reflects the urgency of filling roles.

Formula: Total Number of Days All Open Jobs Have Been Active ÷ Number of Open Jobs

A high average age of open jobs suggests delays in your recruitment process or difficulty attracting qualified candidates, both of which can lead to operational gaps or strain on existing staff.

Ideally, the average age of open jobs should be less than the time to hire. At Hueman, a job is considered 'aged' if it has been open for over 45 days, at this point, we create a specific strategy to accelerate hires.

RECRUITMENT KPIS: Performance Ratios

Performance ratios offer a detailed view of how efficiently your recruitment process moves candidates from one stage to the next. These ratios help you assess the quality of candidates entering your pipeline and the effectiveness of your recruitment team at moving those candidates through to successful hires.

We recommend looking at the activity funnel weekly and calculating performance ratios monthly with a 12-month look back.



PERFORMANCE RATIOS YOU SHOULD BE TRACKING:



Submission to Interview Ratio

Measures how many candidate submissions (applications or referrals) result in interviews. This ratio highlights the quality of candidates sourced by your recruiters and the effectiveness of your initial screening processes.

Formula: Number of Candidates Interviewed ÷ Number of Candidates Submitted

A high ratio indicates your recruitment team is sourcing well-aligned candidates, ensuring that only strong applicants progress to the interview stage. Hueman strives for a 1:1 ratio so that each candidate submitted to hiring managers is qualified, interested, and available.

Submission to Hire Ratio

This ratio measures how many candidate submissions result in successful hires. It's one of the most comprehensive performance ratios, providing a high-level view of how efficiently suitable candidates move through your entire recruitment funnel.

Formula: Number of Hires ÷ Number of Candidates Submitted

A high ratio suggests that your recruiters are sourcing quality candidates and that your hiring process is efficient at moving the right candidates toward job offers. A low ratio could indicate problems at various stages, such as sourcing, screening, interviewing, or offer negotiations. It's a red flag for inefficiencies or misalignments that must be addressed.

Interview to Hire Ratio

This ratio evaluates how many interviewed candidates are ultimately hired. It helps you understand how effective your interview process is in selecting candidates for the job.

Formula: Number of Hires ÷ Number of Candidates Interviewed

A high interview to hire ratio indicates that your interview process is successful in identifying qualified candidates who are eventually hired. A low ratio could signal a need to improve interview training or refine your candidate evaluation criteria.

Interview to Offer Extended Ratio

This ratio tracks how many candidates who make it to the interview stage eventually receive an offer. It's a key indicator of how well your interview process is designed and executed.

Formula: Number of Offers Extended ÷ Number of Candidates Interviewed

A high interview to offer ratio demonstrates that your interviewers are effectively selecting qualified candidates who meet job requirements. Conversely, a low ratio could indicate poor alignment between your interview criteria and the actual qualifications needed for the role, or that candidates are underwhelming during interviews despite appearing strong on paper. Hueman aims for a 3:1 ratio.

Offer Acceptance Rate

This measures the percentage of offers extended that are accepted by candidates. It highlights how competitive your offers are and how well your recruitment process matches candidate expectations.

Formula: Number of Offers Accepted ÷ Number of Offers Extended

A high offer acceptance rate indicates that your offers are attractive and well-aligned with candidate expectations, suggesting a positive candidate experience. A low offer acceptance rate may signal issues with compensation, benefits, job role alignment, or your employer brand. Addressing these factors can improve your hiring outcomes and reduce time to fill.

RECRUITMENT ACTIVITY FUNNEL

The activity funnel is a great way to anticipate near-future hires, measure recruiter performance, and determine performance ratios. The recruitment activity funnel can include:

- # of Applications
- # of Candidates Screened by Recruiters
- # of Candidates Sent to Managers
- # of Candidates Interviewed
- # of Candidates Offered
- # of Offers Accepted
- # of Candidates who Started

RECRUITMENT KPIS:

Turnover Data

Turnover is a critical metric for assessing the overall health of your workforce and the effectiveness of your recruitment and retention strategies.

According to SHRM, the average cost of replacing an employee is approximately 6 – 9 months of their salary. For an employee making \$60,000 per year, that comes out to \$30,000 – \$45,000 in recruiting and training costs.



For PE-backed portfolio companies, managing turnover is essential to maintaining operational stability, minimizing hiring costs, and maximizing employee productivity.

TURNOVER METRICS YOU SHOULD BE TRACKING:



Turnover Rate

Turnover rate measures the percentage of employees who leave an organization within a specific period, providing insight into overall workforce stability.

Formula: (Number of Employee Departures ÷ Average Number of Employees) × 100

Tracking this metric helps identify trends, allowing you to implement strategies that improve retention and create a more stable, productive workforce.

Voluntary Turnover Rate

Tracks the employees who leave the organization by choice, whether for another job, personal reasons, or retirement. This metric provides insight into employee satisfaction, engagement, and the competitiveness of your compensation and benefits.

Formula: (Number of Voluntary Departures ÷ Average Number of Employees) × 100

High voluntary turnover can signal dissatisfaction with workplace culture, compensation, or career growth opportunities. High voluntary turnover can disrupt continuity, cause knowledge loss, and increase recruitment costs. Reducing voluntary turnover by improving employee engagement and providing competitive benefits can lead to greater organizational stability and improved long-term performance.

New Hire Turnover Rate

This metric measures the percentage of employees who leave the organization within a specific period after being hired, typically within the first year. It is an important indicator of how well new hires are integrating into the company and whether the recruitment process is successfully identifying the right candidates.

Formula: (# of New Hires Who Leave Within a Specific Period ÷ # of New Hires) × 100

High new hire turnover suggests problems with onboarding, job expectation misalignment, or cultural fit. For PE-backed companies where rapid growth or transformation is common, ensuring new hires quickly adapt to the company's pace and expectations is crucial.

Involuntary Turnover Rate —

This measures the percentage of employees who are terminated or laid off. While some involuntary turnover is inevitable, high rates could indicate issues with your hiring process, poor role alignment, or changing business needs.

Formula: (Number of Involuntary Departures ÷ Average Number of Employees) × 100

Elevated involuntary turnover can highlight problems with talent acquisition, such as hiring candidates who are not a good fit for the role or company culture. It can also reflect broader business challenges, such as restructuring or downsizing. Tracking this metric helps identify whether changes are needed in the recruitment, onboarding, or performance management processes to better align talent with business goals.

Turnover Costs —

Beyond the rate of employee turnover, it's crucial to understand the financial implications of losing and replacing staff. Turnover costs include recruiting, training, and lost productivity, can add up significantly over time, especially for specialized or senior roles.

KEY COMPONENTS OF TURNOVER COSTS:

- Recruitment Costs: Advertising, sourcing, and hiring new employees.
- Training Costs: Onboarding and training new hires to achieve full productivity.
- Lost Productivity: The time it takes for new employees to acclimate and achieve optimal performance levels.
- Impact on Team Morale: The effect turnover has on remaining employees, which can affect their engagement and productivity.

Reducing turnover costs can have a direct impact on your bottom line. By improving retention strategies, particularly among high performers and new hires, you can minimize these costs and create a more engaged, stable workforce that supports long-term business growth.

*Hueman measures turnover data over a rolling 12-month period; however, if the methodology is consistent, any time frame can be used.

Technology & Tools for Tracking KPIs

Leveraging technology is essential for tracking recruitment KPIs accurately and efficiently. Recruitment technologies not only streamline the hiring process but also provide real-time data to measure performance, identify bottlenecks, and make data-driven decisions.

Applicant Tracking Systems (ATS)

An ATS is the cornerstone of modern recruitment operations. It automates and manages the end-to-end hiring process, from posting jobs to tracking candidates through various stages.

By centralizing all candidate information, an ATS enables easy tracking of metrics like time-to-hire, candidate sourcing, and offer acceptance rates. The reporting features in an ATS help recruitment teams monitor KPIs in real-time, making it an invaluable tool for optimizing hiring workflows.

Recruitment CRMs

A Recruitment Customer Relationship Management (CRM) system is designed to help recruiters manage candidate relationships more effectively. Recruitment CRMs allow teams to nurture passive candidates, manage talent pipelines, and engage candidates with personalized communication.

CRMs track sourcing channels, candidate responses, and conversion rates, which can be valuable for assessing performance metrics like source of hire and submission-to-interview ratios.

Analytics and Reporting Platforms

Analytics platforms take raw data from an ATS, CRM, and other recruitment tools and transform it into actionable insights. These platforms provide advanced data visualization and predictive analytics, helping companies track and benchmark their performance against industry standards.

They also help monitor KPIs like time-to-hire, diversity metrics, and cost-per-hire in real-time, allowing recruitment teams to adjust strategies on the fly.

Automated KPI Tracking & Reporting

Manually tracking recruitment KPIs can be time-consuming and prone to errors. Fortunately, recruitment technology has evolved to provide automated solutions for KPI tracking and reporting. With tools like applicant tracking systems and recruitment analytics platforms, organizations can automate the collection and analysis of data to measure performance in real time.

- Automated Reporting: Many recruitment systems offer built-in reporting features that automatically generate reports on key metrics. For example, an ATS can track and report on time-to-fill, candidate drop-off rates, and job vacancy duration without manual reporting.
- Custom Dashboards: Recruitment analytics tools allow teams to create customized dashboards tailored to specific KPIs. These dashboards provide an at-a-glance view of the most important recruitment metrics, helping leaders quickly assess performance and adjust strategies as needed.
- Alerts and Notifications: Some systems offer automated alerts and notifications that inform recruiters or managers when certain KPIs deviate from set targets. For instance, if the average time-to-hire exceeds the desired threshold, the system can trigger an alert for immediate attention.

Interested in Learning More about Hueman Private Equity Talent Solutions?

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PARTNER SUCCESS STORY

Talent Acquisition Program

OUR PARTNER

US-based PE firm, with ~30 portfolio companies, and a focus on controlled buyouts in the lower/middle market and middle market.

THE CHALLENGE

The firm had a robust portfolio support function, however, talent acquisition across the portfolio companies was a consistent issue. Like many lower to middle-market organizations, the portfolio companies lacked effective talent acquisition processes and resources. This resulted in overspending on contingent firms, C-players remaining in place, and key positions unfilled. While our PE partner had trusted resources for recruiting C-Suite roles, they did not have resources for key staff and middle management positions.

OUR SOLUTION

Hueman became the primary recruitment partner for the firm's portfolio companies with a focus on accelerating value creation through upgrading talent, adding key talent, and reducing agency spend. Hueman filled pivotal positions ranging from staff to VPs, through our innovative pricing. As a result, we saved our partner over \$1 million in a year's time.



300+

hires across the
portfolio companies



42

days for average
time-to-fill



\$1.8M

in savings compared
to agency



64%

candidates sourced



80%

portfolio adoption



93%

search success rate

[Watch the Case Study](#)

Recruitment KPIs are more than just a set of metrics; they are essential drivers of growth, operational efficiency, and long-term success for private equity-backed companies.

As you implement and refine your recruitment strategies, continuously monitor the KPIs that matter most to your organization's goals. With a data-driven, technology-supported approach, you'll position your company for faster growth, better hires, and long-term operational excellence.

The right talent is the foundation of success, and with robust KPI tracking in place, you can ensure your business is always ready to meet the demands of tomorrow.