

# Calculate Your Recruitment ROI: A Strategic Guide for HR Leaders



## Why Measure Recruitment ROI?

The average organization spends \$4,425 per hire — with costs reaching up to \$5,000 depending on role, company size, and industry. Understanding your recruitment return on investment helps you:

- Optimize your recruiting budget
- Identify inefficiencies in your hiring process
- Make data-driven decisions about talent acquisition
- Justify HR technology investments to leadership

## **Step 1:** Calculate Your Total Recruitment Investment

### Internal Costs

- Recruitment team salaries and benefits
- Staff training expenses
- Employee referral bonuses
- Internal mobility program costs
- In-house recruitment technology:
  - Applicant Tracking System (ATS)
  - Human Resource Information System (HRIS)

### External Costs

- Staffing agency and contractor fees
- Job board subscriptions and postings
- Social media and digital advertising
- Candidate assessments and screenings
- Sign-on bonuses and relocation packages

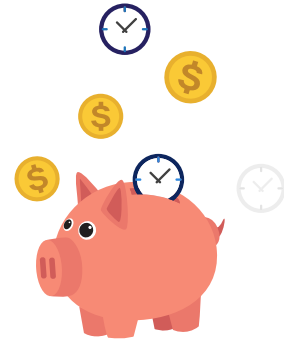
## Step 2: Calculate Your Cost-Per-Hire

**Formula:**  $\text{Cost-Per-Hire} = (\text{Internal Costs} + \text{External Costs}) \div \text{Total Number of Hires}$

### Example:

- Time period: **Q1 2023**
- Internal costs: **\$5,000**
- External costs: **\$10,000**
- New hires: **5 employees**

**$\$5,000 + \$10,000 = \$15,000 \div 5 = \$3,000$  cost-per-hire**



## Step 3: Measure the Value of Your Hires

To calculate true ROI, you need to measure the value new employees bring to your organization:

### Quality Metrics

- Performance ratings after 90/180/365 days
- Time to full productivity
- Retention rate after first year
- Internal promotion rate
- Hiring manager satisfaction scores

### Revenue Impact

- Average revenue per employee
- Contribution to business objectives
- Cost savings from reduced turnover
- Improved team performance metrics

## Step 4: Calculate Your Recruitment ROI

**Formula:**  $\text{Recruitment ROI} = [(\text{Value of New Hire} - \text{Cost of Recruitment}) \div \text{Cost of Recruitment}] \times 100$

### Example:

- Average value generated per employee in the first year: **\$75,000**
- Average cost-per-hire: **\$3,000**

**$[(\$75,000 - \$3,000) \div \$3,000] \times 100 = 2,400\%$  ROI**

# Strategies to Improve Your Recruitment ROI

The shift to digital job applications has revolutionized the recruitment process, offering numerous advantages for both employers and job seekers:

## 1 Optimize Your Sourcing Channels

Track which sources yield your best hires and reallocate budget accordingly

## 2 Streamline Your Hiring Process

Reduce time-to-hire without sacrificing quality

## 3 Leverage Technology

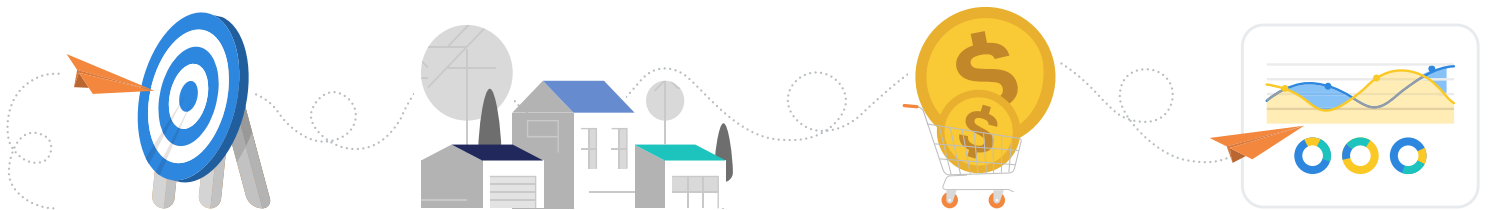
Implement AI-powered screening and matching tools

## 4 Develop Internal Talent

Create career paths that reduce external hiring needs

## 5 Build Your Employer Brand

Attract better candidates who stay longer and perform better



## Ready to Transform Your Recruitment Strategy?

Stop guessing about your recruitment costs and start making data-driven decisions with confidence. Our free ROI calculator provides instant insights into your hiring efficiency and identifies opportunities to maximize your talent acquisition investment.

[Calculate Your Exact Recruitment ROI Now](#)