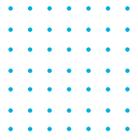# JazzHR SMB Recruiting Report

Optimize your hiring process with data-driven insights.
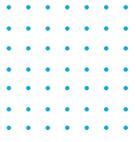
JazzHR

About the Report

The JazzHR SMB Recruiting Report provides data-driven education, insights, and guidance to help you optimize how you attract and retain top talent. Based on data from JazzHR's 5,000 + customers and labor-market leaders, our exclusive report spotlights industry benchmarks and offers actionable takeaways to modernize your recruiting efforts.

Contents

JazzHR

Fresh Insights

1. **Strategic recruiting is necessary to winning top talent in today's challenging hiring environment.**
   With job-creation quickening and unemployment at a half-century low, competition for quality candidates is at a 50-year high. Recruiting strategically is critical, especially for small and mid-sized businesses.

2. **Certain industries are growing quickly, meaning competition for candidates is high.**
   Industries like food services and healthcare are continuing to create more jobs and hire new employees faster. Reaching quality candidates in these sectors, in particular, requires strategic recruiting.

JazzHR
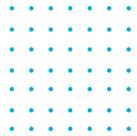
Fresh Insights

3. **Finding the right candidate is more important than ever, but almost half of small businesses aren't measuring quality of hire.**

   As job growth and hires slow, filling your open roles with quality candidates faster is key to attracting and retaining top talent. Still, 36 percent of small and mid-sized businesses aren't measuring this critical recruiting metric.

4. **Measure quality of hire sooner in the recruiting funnel to find and retain top talent over the competition.**

   38 percent of our survey respondents measure the quality of new hires based exclusively on post-hire metrics, like performance, productivity, and cultural fit. The majority only starts to do so after 90 days.

JazzHR
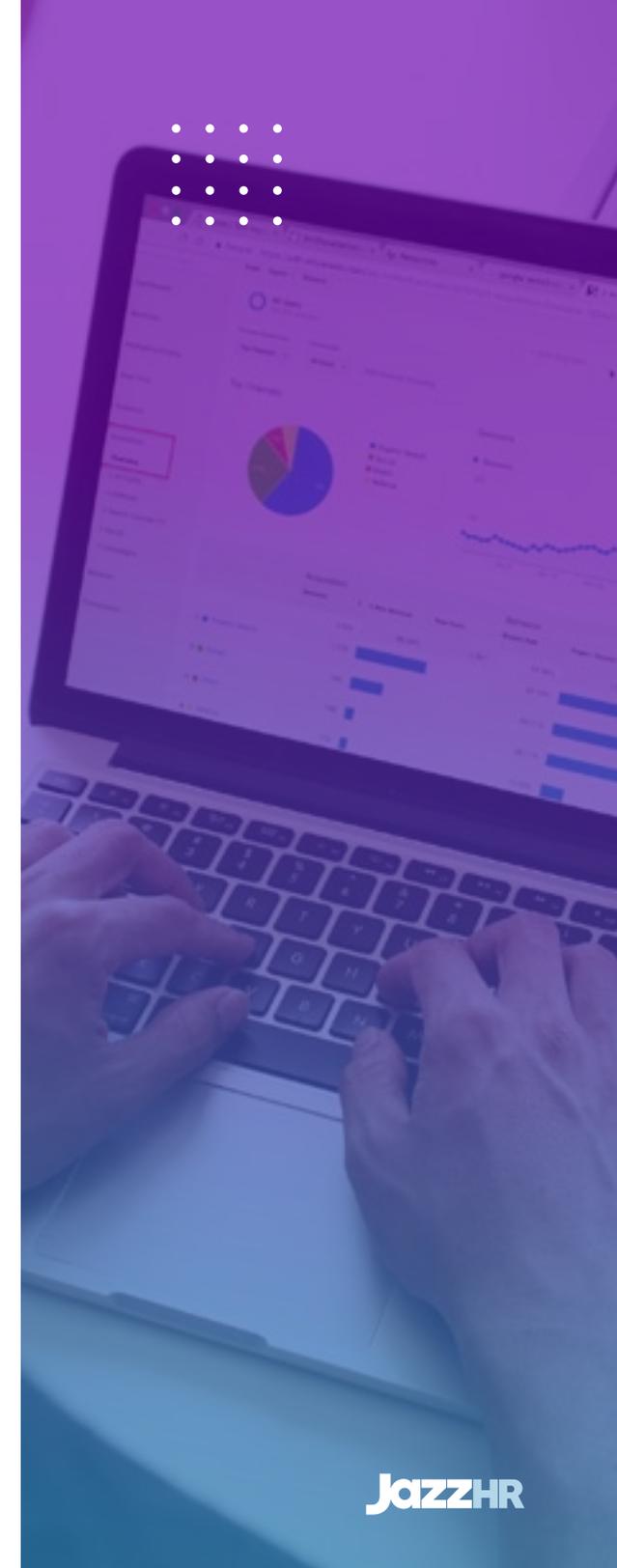
Job-Creation Benchmarks

The economy added 128,000 jobs, according to the U.S.Bureau of Labor Statistics' most recent jobs report. Though still a gain, this is a five percent decrease from last year, meaning jobs are being created more slowly.

Small and mid-sized businesses made up 63 percent of job-creation growth, adding 81,000 jobs, according to the most recent ADP Employment Report.

The Economy

↑ **128,000**

jobs added

Small & Mid-sized Businesses

↑ **81,000**

jobs added

Certain sectors are growing especially rapidly. Competition for open roles in these industries is particularly high, meaning a strategic recruiting strategy is critical to winning top talent.

Food services and drinking places

↑ **48,000**

Professional and business services

↑ **22,000**

Healthcare

↑ **15,000**

Other industries, like manufacturing, saw significant decreases as a result of external economic factors like the General Motors' strike. As the strike comes to an end and companies look to return to business as usual, job-creation opportunities are rising in this sector specifically.

Manufacturing

↓ **30,000**

JazzHR

Hiring Snapshot

US companies made 5.9 million hires, representing a 3.9 percent month-over-month and 4.4 year-over-year growth rate, according to the U.S. Bureau of Labor Statistics' most recent jobs report.

Hires in September 2019

↑ **5.9 Million**

Month-Over-Month Growth

↑ **3.9 Percent**

Year-Over-Year Growth

↑ **4.4 Percent**

Like with job creation, certain sectors are hiring at faster rates than others. Quality candidates in these industries are an especially hot commodity.

Professional & business services

↑ **1,226**

Education

↑ **622,000**

Healthcare

↑ **716,000**

Other industries are experiencing decreases in hires, enhancing the opportunity for engaged, high-quality job seekers in these sectors specifically.

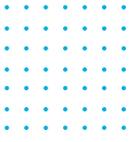**Financial activities**

↓ **22,000**

Finance and insurance

↓ **7,000**

Information

↓ **6,000**

JazzHR

Deep-Dive Insights: Quality of Hire

Both job creation and hiring are gradually slowing down - so what does this mean for you and your recruiting process?

Gone are the days of filling a role with just anyone. Instead, hiring the right candidate and tracking the quality of new hires overall is critical to engaging candidates, retaining top talent, and improving your HR processes as a whole.

Touted as "the holy grail of recruiting," quality of hire (QoH) is defined as the value a new hire can add to your company based on his/her contribution to your organization's long-term success. But measuring this elusive metric can be challenging since it depends on how your organization defines "quality."

We surveyed JazzHR customers from all industries to learn about how small and mid-sized businesses are tracking their own QoH.

See how you stack up, and learn how to start tracking this metric yourself.

Not everyone measures quality of hire.
Almost half of respondents report not measuring the quality of new hires at all. See how you stack up, and learn how to start tracking this metric yourself.
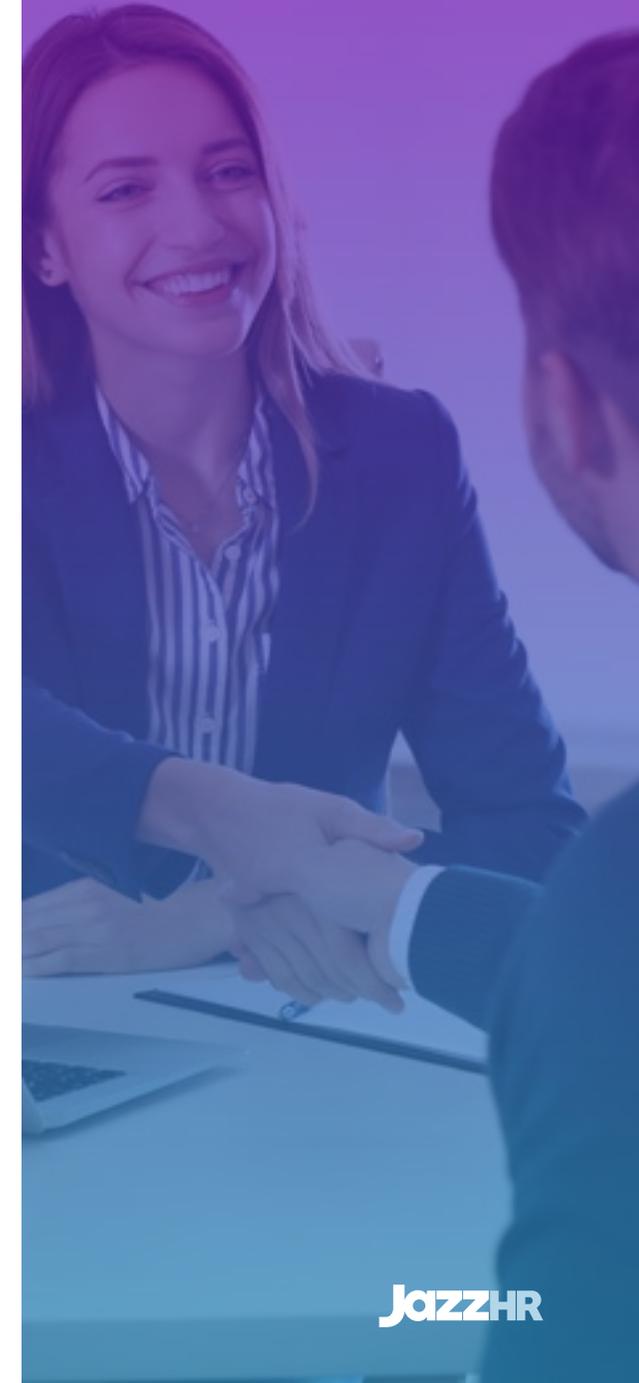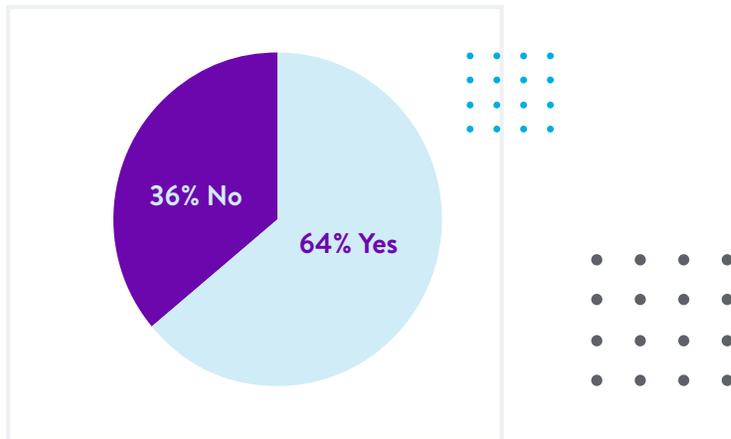
Deep-Dive Insights: Quality of Hire

Those who do track QoH look mostly at post-hire metrics.

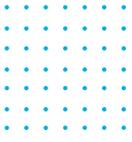## Do you measure quality of hire?

36% No

64% Yes

64% of respondents say they're measuring quality of hire, but only 20% are looking beyond post-hire metrics. Tracking pre-hire metrics, like time-to-hire and assessment scores, provides a fuller picture of each new employee. You can then use this data to adjust how you source and engage top talent starting at the top of the recruiting funnel.

How do you measure quality of hire?

- 38% Post-hire metrics (i.e. performance, productivity, cultural fit)

- 33% don't assess it

- 20% Pre-hire metrics (i.e. assessment scores, time-to-fill, engagement)

- 9% We assess the quality of hire in a way not outlined here.

Percent

40
35
30
25
20
15
10
5
0

Post-Hire Metrics | Don't Assess It | Pre-Hire Metrics | Other

JazzHR
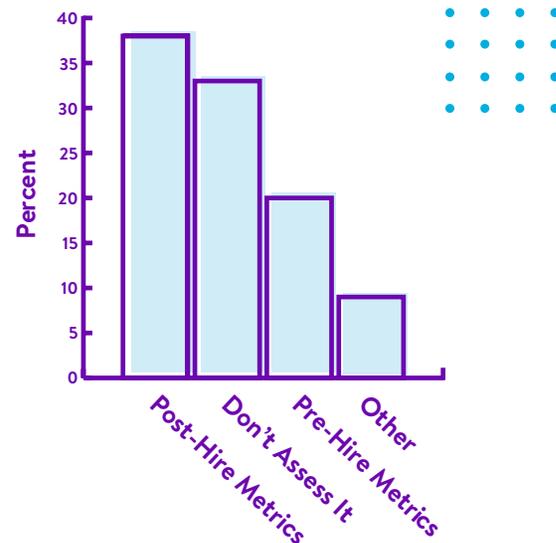
Deep-Dive Insights: Quality of Hire

Quality of hire assessments take place throughout the employee lifecycle, but mostly after 90 days.

When do you start to assess the quality of hire?

- ◢ 90 days 58%

- ◢ 1 year + 3%

- ◢ 6 months 8%

Over half of respondents only start measuring quality of hire at the 90-day mark. Start tracking quality of hire as soon as the candidate enters your recruiting funnel (using pre-hire metrics) and throughout their employee lifecycle for a comprehensive assessment

When do you start to assess the quality of hire?

JazzHR
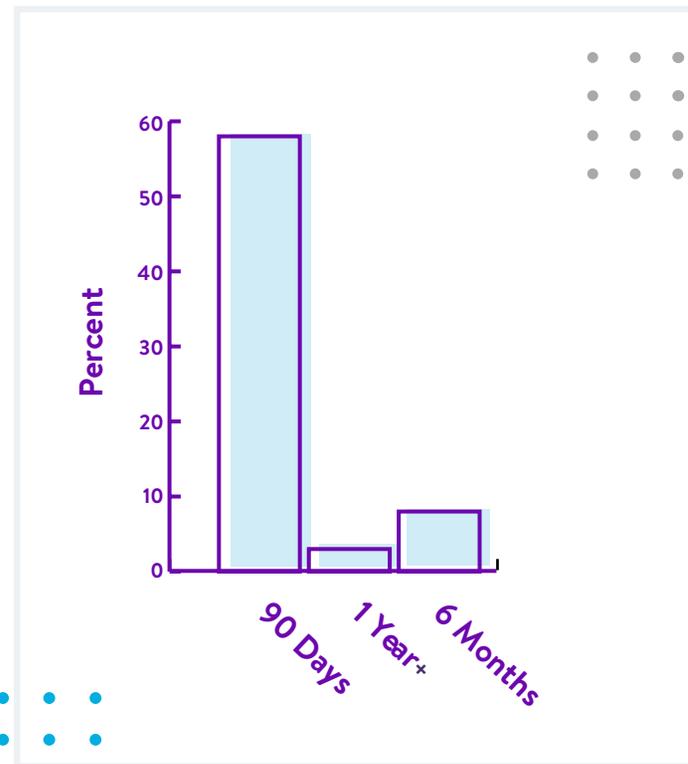
Quality of Hire Checklist

Use the following checklist to start measuring your own QoH. Strengthen your recruiting process and find the right candidate today with these steps:

☐ **Define what quality means to you**

Talk to leaders at your company to define what employee success means to your organization. Which values and competencies does your leadership and team as a whole prioritize?

Make a comprehensive list of employee success criteria, aiming to select four or five resulting data points. Examples of these can include both pre-hire and post-hire metrics like pre-employment assessments scores, time-to-hire, ramp-up time, and productivity.

☐ **Quantify each criteria**
Assign a value to each chosen criteria based on its importance to your organization. Select point values and weights for each item in order to ultimately calculate a QoH score.

Criteria   **Score**

_____   _____

_____   _____

_____   _____

JazzHR

Quality of Hire Checklist

☐ **Establish a timeline and collect feedback**

Once an employee has been on the job for anywhere between two and six months, send managers a survey to measure their impression of the new hire thus far.

Have them rate each new hire based on your chosen criteria and point values.

Pair these surveys with regular performance reviews where these same criteria should be assessed and rated.
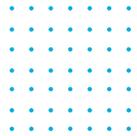
Manager Feedback

30 _____

60 _____

90 _____

180 _____

Annual _____

Quality of Hire Checklist

☐ **Track results to prove recruiting ROI**

Track QoH scores as you go throughout the employee lifecycle. Review them monthly to start, using the individual scores to calculate an overall score.

This calculation should be an average of your success criteria. For example, our QoH calculation may look like this:

(Pre-Employment Assessment Scores + Time-to-Hire + Ramp-Up Time + Productivity) / 4

Success Criteria 1 + Success Criteria 2 + Success Criteria 3 + Success Criteria 4) /4

☐ Track scores for each metric, employee, and the organization as a whole. Use the metrics to identify trends in your recruiting process and to prove the ROI of your recruiting process to leadership.
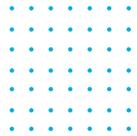
Quality of Hire Checklist

Here are some questions you may ask when assessing these scores to glean the most actionable takeaways:

☐ **Individual criteria:**

    ☐ Are there individual criteria where we're consistently scoring low?

    ☐ If so, are these pre or post-hire?

   ☐ Are there ways we can adjust our process to target higher-scoring candidates in this area?

☐ **Individual employee:**

    ☐ Is this certain employee consistently missing the mark on certain criteria?

    ☐ Is this person's collectie score trending significantly up or down?

    ☐ Can we provide this team member with resources to improve their score in certain areas?

☐ **Organization as a whole:**

    ☐ How has our QoH score changed over time, and what external factors may be affecting this?

    ☐ Are certain departments/teams scoring higher or lower than others?

    ☐ If so, how can we adjust the way we recruit to standardize QoH overall?

    ☐ Are certain stages in our process prompting lower scores?
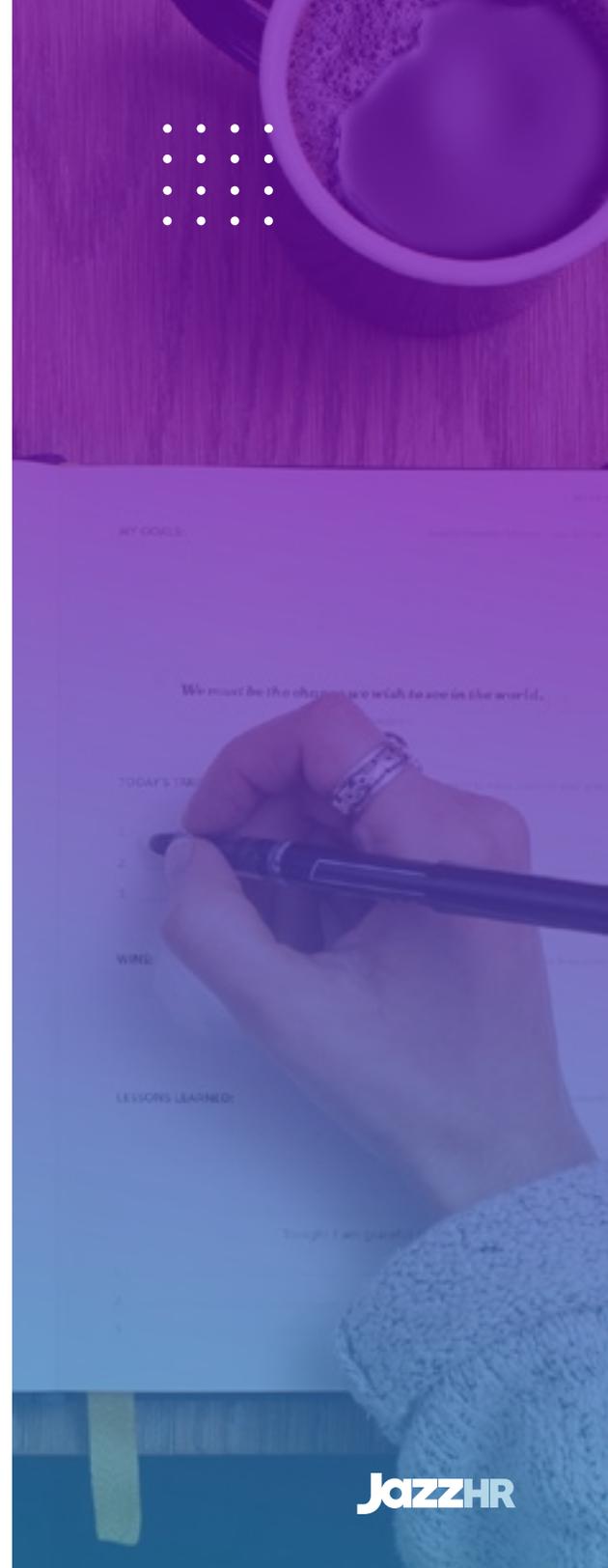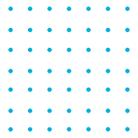
JazzHR

About JazzHR

JazzHR is powerful, user-friendly and affordable recruiting software built to help small and mid-sized businesses exceed their recruiting goals. JazzHR's best-in-class solution replaces manual, time-consuming hiring tasks with intuitive tools and automation, empowering hiring managers to recruit and hire the right talent faster. To learn more about JazzHR, visit jazzhr.com.
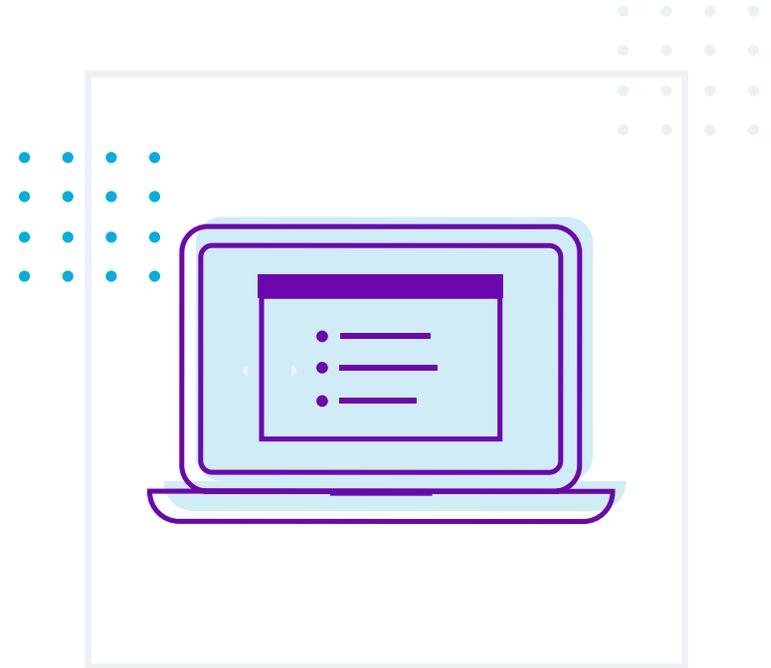
Sign up for a free demo of JazzHR to modernize your recruiting process today.

JazzHR™