

2017



RECRUITING FUNNEL BENCHMARK REPORT

**Analysis and Actionable Tips to
Improve Recruiting Performance**

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Jobvite’s Job Seeker

Database: The analysis of this report is based on Jobvite’s Job Seeker Database that houses data from over 69 million job seekers. In 2016 alone, thousands of customers of all sizes utilized the Jobvite Platform to post nearly 50,000 positions. These postings attracted over 55 million visitors globally to Jobvite-powered career sites, and resulted in over 15 million applications.

WHAT'S NEW IN 2017

In 2016, we published the first-ever [recruiting funnel benchmark](#) report, with key metrics for the recruiting industry. The inaugural report was met with great feedback and calls for more data. This year, we're going even bigger.

Based on quantitative and qualitative analysis of Jobvite's massive database of more than 69 million job seekers and 15 million applications, we've compiled the most comprehensive recruiting benchmark report in the industry. With this annual report, we have one goal in mind: to make it easier for you, our Jobvite fans, to recruit top talent. The data is free, and it's yours to put to work.

The 2017 report covers even more metrics, offering a combination of data analysis and actionable tips to simplify how you measure—and improve—your recruiting efforts. In addition to **recruiting funnel benchmark data by company size** (which was included in the 2016 report), this year's report also includes recruiting funnel benchmark data by revenue, **by source of applicants and hires**, and **by industry**.

We also looked at the best companies out there—large and small—that are part of rankings like the Inc. 5000 and Fortune 500. This will help you understand not only how companies exactly like yours are performing in the market, but also how the best companies are performing, offering a growth path as you improve your own metrics.

The most important part of the report is that we give **actionable advice to help you raise your recruiting game** and perform above industry benchmarks. So along with results and analysis of the benchmark data, the report also includes practical advice that will empower you to take the appropriate next steps.

We hope you find the results valuable. And as always, we look forward to your feedback and questions.

INTRODUCTION TO THE RECRUITING FUNNEL

Career Website Visitors

The number of unique visitors to your career website.

This is driven by your employer brand which should showcase your culture and why it's great to work at your company. It should inspire both active and passive candidates to learn more about your business.

Applications

The number of applications received for a specific job opening.

To help convert prospective candidates into applicants, it's important to make sure that your apply process is easy to use—on both desktops and mobile devices—and doesn't require an applicant to register.

Interviews

The number of interviews conducted for each requisition.

In this stage of the funnel, candidate experience is important—from the time a candidate gets their first email from a recruiter to the follow-up after the interviews are completed. Above all, make sure that the candidate experience is stress-free and streamlined.

Offers

The number of offers extended to candidates for a particular open position.

In today's hot job market, it's important to deliver fair, competitive offers and—when you have the perfect candidate in the interview process—it's good to have an offer ready to go so that you don't lose him or her to competing offer.

Hires

The candidates who have accepted your offer letter.

All of your efforts have paid off. You have successfully filled the position with a great candidate. Remember that onboarding is still recruiting and you're an integral part to making sure that the new employee feels welcome and gets up to speed and productive quickly.

RECRUITING FUNNEL BENCHMARK RESULTS



Before diving into the new findings, let's take a look at 2016 from a macroeconomics standpoint:

- The U.S. economy keeps recovering from the 2007-08 crisis, with the unemployment rate hovering around 5%—almost as low as it was before the crisis
- In an election year that caused high levels of anxiety and uncertainty, people are less likely to take risks and change jobs
- It was only the second time in a decade that the Federal Reserve decided to increase interest rates, which has decreased how much companies spend on new talent
- [The average salary in the U.S. decreased](#), meaning that compared to previous years, companies were less likely to pay above average salaries for new talent

The benchmark results support this macroeconomic trends, as we see lower average number of candidates per open requisitions and a lower offer acceptance rate, making 2016 a difficult year to hire top talent.

Recruiting Funnel Stages Analyzed Year-Over-Year

In this section, compare your numbers to the blended benchmark results for all companies.

Conversion Rate of Career Website Visitors to Applicants: 8.59% in 2016, down from 11% in 2015



Greater than 8.59%

- You are doing great. You probably have an awesome brand and a killer career website

Less than 8.59%:

- You are below the industry benchmark, so you should prioritize improving your employer brand and optimizing your career website and application process



Pro tip: Partner with your website team to make sure that the path from your website to application provides an excellent candidate experience.

Ask yourself:

- How long does your application take to complete from start to submit?
- Can you eliminate questions you could ask in a phone screen to shorten the application?
- Can applicants search open positions and apply on their phones?

Average Number of Applications Per Open Requisition: 52 in 2016 down from 59 in 2015

- In a span of six years, the average number of applications increased from 32 to 52 today. We think this is positively correlated with the health of the economy
- In 2015, the average number of applications peaked at 59, but amidst the uncertainty of 2016, that number has decreased as fewer people switch jobs

Greater than 52:

- You are getting good quality candidates, and you should be thrilled!

Less than 52:

- It doesn't mean that you are doing something wrong. Overall, most companies are facing a lower average number of candidates
- This might also reflect the fact that you represent a smaller sized company or the specific requisition requires a unique skillset



Pro tip: If you've been seeing a sharp decline in applications, it's worth digging into your application sources and making sure that there aren't any changes your top performers. Check out the table on Page 12 for benchmarks by source.

Conversion Rate from Applications to Interviews: 15.25% in 2016 up from 12% in 2015

- More applicants are being asked to interview in 2016 than in 2009
- In 2015, 1 in 8 applicants were being asked to interview. In 2016, it got a little easier to land an interview as that number decreased to 1 in 6
- Our theory here is simple: the increase in application to interview rate is aligned with the decrease in applicants per open position. With a decreased candidate flow comes higher application to interview rates



Pro tip: Since the overall candidate flow is low and candidates are more picky, efficiency is paramount. Stay focused on creating a recruiting process that is smooth and fast. Stay aligned with your hiring manager and interview team so resume and interview feedback don't slow down the hiring velocity.

Conversion Rate from Interview to Offer: 19.78% in 2016 up from 17% in 2015

- In the last four years, companies have seen this number jumping between 16% to 19%
- In 2016, a 19.78% interview conversion rate would translate to 5 interviews per offer.

Greater than 19.78%

- You're either choosing only the best fitting candidates to interview, or you don't have a lot of candidates to interview
- If you're interviewing fewer but better candidates, you'll spend less time interviewing and speed up the hiring process
- If you don't have enough candidates to interview, go back to your application rates and increase the number of candidates you interview or applications you receive

Lower than 19.78%

- You're interviewing more candidates to get to an offer letter than the average recruiter
- Make sure your hiring team knows the role criteria so they can decide on a final candidate confidently

Conversion Rate of Offers Accepted: 83.1% in 2016 down from 89% in 2015

- In the last eight years, this number stayed relatively steady. The 6% decrease we saw in 2016 simply means that candidates are more likely to reject job offers



Pro tip: In a time of macroeconomic uncertainty, candidates may be more likely to reject offers. So make sure that you understand a candidate's motivations for the job search.

Average Top-to-Bottom Funnel Efficiency: 0.28% in 2016 up from .2% in 2015

- Average Top-to-Bottom Funnel Efficiency: 0.28% in 2016 up from .2% in 2015
- This number measures top-to-bottom funnel efficiency. You need to have around 500 job description impressions on your career website to make one hire

Greater than 0.28%

- Your funnel is extremely efficient across all of the different stages

Less than 0.28%

- Drill down into each funnel stage to identify leaks in your funnel. A small change at the bottom of your funnel can have dramatic effects on your overall efficiency



Average Time-to-Hire: 39 days in 2016 down from 43 Days in 2015

- The overall time-to-hire trend keeps decreasing, especially in large metropolitan areas. With economic uncertainty, fewer qualified applicants in the market, and more candidates rejecting offers, it's likely that this decrease is resulting from more efficient hiring processes
- When recruiters find a good candidate, they try to accelerate the hiring process so they don't lose the candidate



Pro tip: Since candidates are more likely to reject your offer today than ever before, don't stall! By moving quickly, you'll be more successful filling positions with the best people.

RECRUITING FUNNEL BENCHMARKS – BY COMPANY SIZE

In this section, you can compare your numbers to the benchmark numbers of other companies that are similar to to your size.

Number of Employees	Applications per Job	Applicants to Interview	Interviews to Offers	Offers to Hires	Top - Bottom	Time to Fill (Days)
<250	55	15.49%	17.55%	82.35%	2.05%	40
250 - 500	47	16.25%	21.77%	83.10%	2.61%	38
500 - 2,500	46	14.16%	24.84%	85.50%	2.91%	40
2,500 - 5,000	49	13.04%	23.15%	87.27%	2.46%	39
5,000+	42	10.32%	23.41%	79.73%	1.64%	35

What do the Numbers Mean?

Less than 250 employees: Had the highest number of applications on average for each open job, but conduct fewer interviews than companies in other segments

250-500 employees: Had the highest percentage of applicants in for interviews and are above average in every category

500-2,500 employees: Even though they had on average slightly longer time to fill, they have the highest ratios for interviews-to-offers and are the most efficient in terms of getting the right people through the entire funnel

2,500-5,000 employees: Had the highest offer-to-accept ratio

5,000+ employees: Had low top-to-bottom funnel ratio; in other words, the data shows that these companies are less efficient in terms of getting the right people through the funnel

RECRUITING FUNNEL BENCHMARK – BY REVENUE

In this section, you can compare your numbers to the benchmark numbers of other companies that are similar to you in revenue.

Revenue Segment	Applications per Job	Applicants to Interview	Applicants to Interview	Offers to Hires	Top – Bottom	Time to Fill (Days)
<\$1M	54	15.68%	16.41%	81.47%	1.81%	40
\$1M - \$5M	62	16.05%	17.84%	82.08%	1.88%	38
\$5M - \$10M	53	16.61%	16.77%	82.38%	2.46%	42
\$10M - \$25M	51	14.75%	18.97%	83.71%	1.94%	39
\$25M - \$50M	50	13.93%	20.35%	83.37%	2.06%	40
\$50M - \$100M	48	15.77%	21.50%	83.20%	3.19%	38
\$100M - \$250M	41	14.01%	26.01%	87.25%	2.53%	38
\$250M - \$500M	48	14.43%	23.01%	83.51%	3.43%	39
\$500M - \$1B	43	11.00%	30.26%	89.92%	2.58%	39
\$1B+	57	12.60%	21.52%	84.24%	1.93%	39

What do the Numbers Mean?

- Companies with \$50M-\$100M in revenue had on average the lowest number of applicants per requisition, but the most efficient recruiting funnel top-to-bottom
- Companies with less than \$1M in revenue had the least efficient top-to-bottom recruiting funnel
- As was stated earlier, companies in a lower revenue tier, probably have less developed recruiting processes, whereas larger organizations typically have more structured recruiting processes

RECRUITING FUNNEL BENCHMARK – BY SOURCE OF APPLICANTS AND HIRES

This section examines the source of applicants, source of hires, and effectiveness of each.

The most interesting reveal this year is the impact of custom campaigns, such as those created by recruitment marketing and CRM solution, Jobvite Engage. More companies are building personalized email and social campaigns, which the data shows, are extremely effective recruitment tools. If you haven't started creating custom campaigns tailored to your audience, then you might be missing out on top talent.

Source Name	Hire Count	Hire Percentage	Applications	Application Percentage	Effectiveness
Internal Hire	31214	15.25%	306350	2.26%	6.751
Referral	32446	15.83%	416156	3.07%	5.166
Custom Campaign	112	0.05%	1474	0.01%	5.034
Federated Search	183	0.09%	4342	0.03%	2.793
Agency	9252	4.52%	239449	1.76%	2.560
Notifications	151	0.07%	5119	0.04%	1.954
Email Campaign	1002	0.49%	37765	0.28%	1.7758
Career Site	56042	27.35%	4602162	33.90%	0.807
Social Media Shares	33	0.02%	2898	0.02%	0.754
Resume Search	161	0.08%	15322	0.11%	0.696
Job Boards	38445	18.76%	7082789	52.17%	0.360

What do the Numbers Mean?

- **Source of Applicants:** Most applicants still come from job boards and career sites. These two sources combined account for almost 90% of all applicants
- **Source of Hires:** Although there is a high percentage of applicants from career sites (33.9%) and job boards (52.17%), the percentage of hires is much less: Career Sites (27.3%), Job Boards (18.7%), indicating those sources are less effective



Pro tip: When allocating budget on various sources, keep in mind that quality is more important than quantity. Yes, there are some sources that drive a high number of candidates, but don't lead to hires. Focus budget dollars on driving quality hires.

What's the Most Effective Source of Hires?

Internal hires, referrals, and custom campaigns have a much higher percentage of hires when compared to the average percentage hired across all sources, indicating they are the most effective sources.



RECRUITING FUNNEL BENCHMARK – BY INDUSTRY

In this section, you can compare your numbers to the benchmark numbers of other companies in your industry.

Industry	Applications per Job	Applicants to Interviews	Interviews to Offers	Offers to Hires	Applications to Hires	Time to Fill (Days)
Manufacturing	49	13.95%	21.69%	86.14%	2.51%	40
Retail	54	15.05%	18.62%	83.52%	2.22%	38
Financial Institutions	44	17.35%	24.09%	82.33%	2.81%	39
Healthcare	37	14.50%	25.20%	83.79%	2.51%	39
Services	54	15.39%	18.39%	82.87%	2.16%	40
Technology	55	14.90%	17.87%	74.27%	1.96%	40

What do the Numbers Mean?

- Technology, retail and services have the highest number of candidates per requisition whereas healthcare, financial services, and manufacturing have the lowest number of candidates per requisition. These findings make sense, as the latter group often requires more specialized skills, creating a more narrow candidate pool and resulting in fewer candidates
- Financial institutions have the highest percentage of applicants to interviews and the most efficient recruiting funnel from top-to-bottom
- Technology has the lowest number of offers to hires and the lowest application-to-hire percentage, or least efficient recruiting funnel from top-to-bottom
- In terms of time-to-fill, all industries were within one or two days of each other, so there isn't a lot of variance

RECRUITING BENCHMARK – BY TOP PERFORMING COMPANIES

Companies like to compare themselves to other companies that are similar to them—and often, to those that they are aspiring to be like— in terms of size, revenue, and industry. With aggregated benchmark numbers for top ranking U.S. companies by Inc., Forbes and Deloitte, this section provides the metrics you’ll need to compare your own numbers to those of the best companies out there.

List	Applications per Job	Applicants to Interviews	Interviews to Offers	Offers to Hires	Applications to Hires	Time to Fill (Days)
Inc. 5000	51	16.60%	13.88%	81.67%	2.35%	39
Deloitte Fast 500	59	12.61%	15.67%	87.14%	1.41%	41
Fortune 500	59	13.85%	17.69%	82.54%	1.69%	37
Forbes	75	9.00%	15.80%	91.60%	1.60%	41
Fortune - Unicorns	63	15.52%	13.88%	85.68%	1.52%	42
Fortune - Best Workplaces for Women	72	11.20%	17.20%	94.60%	2.00%	34

What do the Numbers Mean?

Companies on each of these lists receive more applications per requisition, on average, than the overall benchmark. Consequently, they also have a lower ratio of applicants invited to interview, and of those who interview, a lower percentage receive offers than the benchmark. These findings make sense, likely due to a high number of candidates competing for fewer spots in a highly selective process to work for the most desirable companies.

Highlights From Our Analysis

- Companies on the **Inc. 5000** list have the best top to bottom funnel conversion (2.35%), which means that they have the most efficient recruiting process
- The **Fortune 500** list has the **highest interview to offer percentage**, implying that they are very selective about who they invite in to interview, and therefore conduct fewer interviews before giving an offer. In addition, the short time-to-fill stat reflects an efficient hiring process—not surprising for the larger, successful organizations that have well-oiled recruiting process and technologies in place
- **Fortune's Best Workplaces for Women** list has the highest offer-to-hire ratio and shortest time-to-fill, all of which reflects very efficient recruiting processes. They are very selective about who they invite to the interview stage, but from that point on, they move quickly and when they get to the offer stage. Candidates tend to accept their offers more than other companies on other popular lists
- Companies on the Deloitte **Fast 500** and **Fortune Unicorns** rankings are trying to keep up with their fast growth and need to hire more people, faster. Their top-to-bottom funnel percentages are below the overall average, while their time-to-fill is on the longer end of the spectrum. It is very possible that though they are growing fast and hiring a lot of people, they are still in the process of building—rather than optimizing—the recruiting funnel and are less efficient when compared to other companies

NEXT STEPS? PRIORITIZE DATA MANAGEMENT

Now that you have a good idea about how you stack up across all areas of the recruiting funnel, what's next? Here are some tips to help you bolster your recruiting efforts. Regardless of whether you're ahead or behind these recruiting benchmarks, everyone can benefit from these best practices.

1

Differentiate Between 'Must-Have' and 'Nice-to-Have' Data: It may sound cool to be able to track every single touchpoint between a candidate and a recruiter, but is it necessary? Typically not. Focus on must-have data, or data that that will help you make better decisions, cut costs, and improve efficiency.

Once you have the basic metrics in place, then you can start comparing yourself to others and identify problem areas, make adjustments within your recruiting funnel, and ultimately create a continuous improvement process that will get you closer to best-in-class.

2

Create Standard Processes for Data Capture: How you capture your company data—and its usefulness—depends on you, not on the recruiting software you purchase. You need to have processes in place to ensure that data is updated frequently, easy to access, and simple to report on. Make sure to define standard fields clearly so that your data is easier to capture. For example, do you use California or CA? Do you use Sr. Director or Senior Director? Make a call on which you will use and stick with it.

The age old truth, "Garbage in, garbage out," holds true now more than ever before as datasets continue to get more and more complex. Avoid duplicates, try to keep manual entry to a minimum and practice clean data hygiene.

3

Identify One Owner of Recruiting Benchmark Data: If possible, designate one person who will own the benchmarking process, from capturing the right data and making sure nobody muddies it, to performing the analysis. That doesn't mean that there's not a team under that individual, but having one point of contact can simplify the process.

4

Benchmark Regularly: Depending on the size of your company and resources available, benchmarking should happen anywhere from once a quarter to be truly effective and allow you to course correct and optimize throughout the year.

THEN, FOCUS ON OPTIMIZING YOUR RECRUITING FUNNEL

In addition to the above best practices, following are specific next steps—depending on how you measure up—to incorporate into your ongoing recruiting strategy.

- 1 Determine the Health of Your Recruiting Funnel:** Determine the conversion rates for your company at each stage of the recruiting funnel, then compare your numbers to the benchmarks based on companies of similar size. Are you doing better or worse than benchmark numbers? Identify which stages need the most attention. This will be your compass guiding you to next steps and where to focus resources.
- 2 Work Backwards to Quantify Your Candidate Pipeline Requirements:** Look at how many hires you need to make this quarter, or this year, then calculate how many applicants and site visitors you need, based on your conversion rates. It's also wise to attach resource and budget needs to the steps needed to achieve these goals.
- 3 Partner with Marketing:** To improve your employment brand and create an excellent candidate experience, be sure to make the marketing team your ally. After all, they are experts when it comes to creating branded experiences that inspire engagement and conversion.
- 4 Personalize Your Messages to Your Target Audience:** Custom campaigns tailored to your audience are absolutely critical in building relationships with and ultimately attracting the top talent you seek. For example, campaigns to attract college graduates are very different than those that seek to recruit military veterans, but many of the same principles apply. Marketing can help show you the way.

Jobvite is the industry leader in recruiting software that helps emerging, mid-market, and enterprise companies hire top talent easily, efficiently, and effectively. Our comprehensive and analytics-driven recruiting platform accelerates recruiting with an easy-to-use Applicant Tracking System (ATS), social recruiting capabilities, mobile-optimized branded career sites, a recruiting branding solution, on-demand video screening, advanced analytics, onboarding, and seamless integration with other HR systems. Focused exclusively on recruiting software since 2006, with offices in San Mateo and London, Jobvite has thousands of customers including LinkedIn, Schneider Electric, Amway, Zappos, and GoDaddy. To learn more & request a free demo, visit www.jobvite.com or follow us @Jobvite.

Join the Discussion

How do the metrics from the report compare with yours? How will you use this new source of benchmark data? What advice would you give to those who are significantly behind? What advice would you like to hear from those who are significantly ahead? Share your comments on Twitter: @jobvite #recruitingfunnel.

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