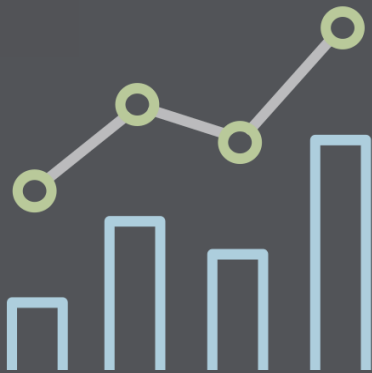




The Little Grey Book of Recruiting Benchmarks 2016

Electronic version



Introduction

Little Grey Book

/ˈlɪdl/ /grā/ /boŋk/

noun phrase

A collection of recruiting benchmarks to help teams make strategic hiring decisions, improve their efficiency, and create a better candidate experience.

origin

From aggregate data across millions of candidates considered by 1,000 Lever customers...and reflecting our obsession with the color grey.

In our first ever Little Grey Book of Recruiting Benchmarks, we've examined a year's worth of data to find out how companies today recruit, and where they can improve.

Inside, you'll find answers to vital questions like: Which sources of hire are the most efficient? How many candidates does it take to make one hire? How does time to hire vary by role? And more.

Key metrics

Hire rate	3
Average number of stages	14
Average number of interviews	16
Average interview time	18
Time to hire	20
Archive reasons	24

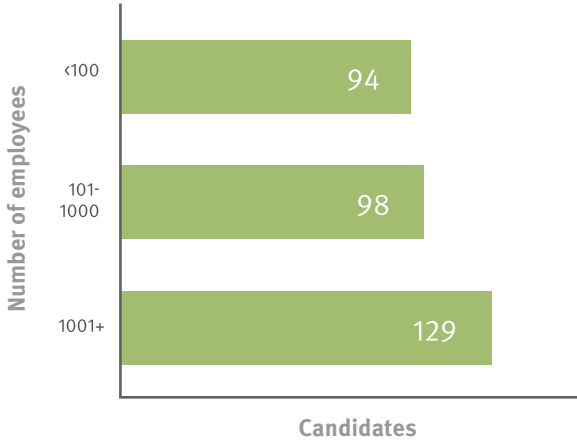
Hire rate

Just how efficient is the
hiring process?

1 in every 100 candidates is hired



Candidates per hire by company size



Larger companies have to sort through more candidates to make a single hire.

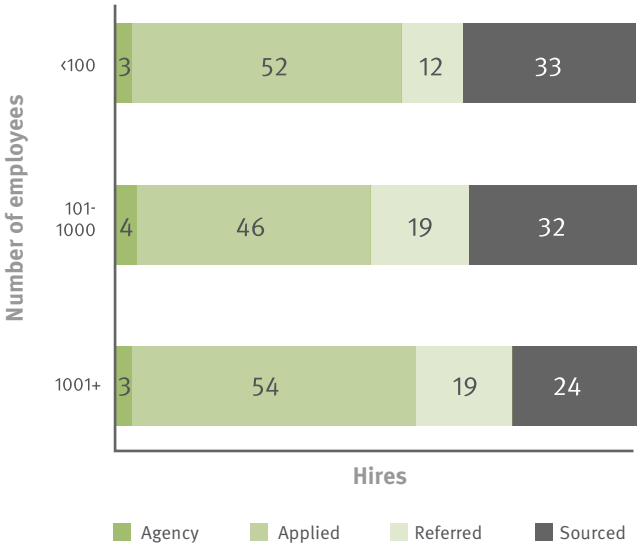


A smaller hire ratio signals greater efficiency; you have fewer candidates to consider for every hire you make.

As companies grow and become better-known, they receive more applicants, and their efficiency decreases; they have to sort through more candidates to make one hire.



Origin of every 100 hires by company size



Note: Not all bars add to 100 percent due to rounding.



Candidate sourcing has become a mainstream strategy for companies everywhere. Sourced candidates make up the second most common origin of hire across every company size.



For companies of all sizes, applicants are the biggest source of hire, followed by sourcing, and then employee referrals.

However, our data suggests that smaller companies focus more heavily on proactive sourcing while seeing fewer referral hires.



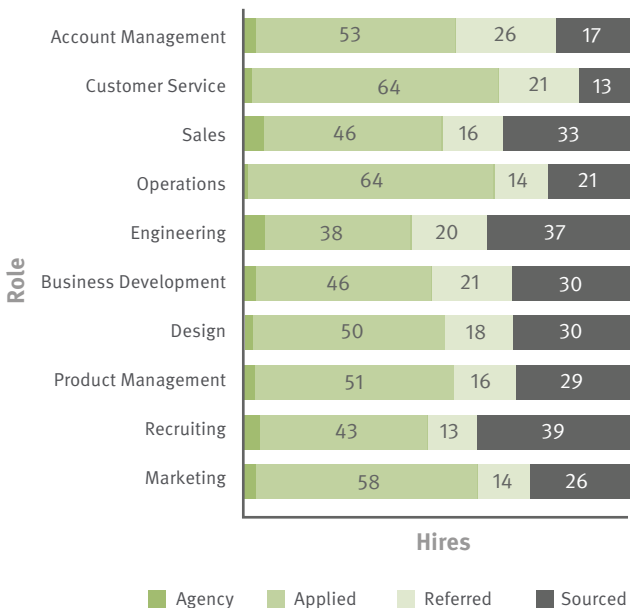
Candidates per hire by role



Candidates for customer facing roles, which are often hired in greater numbers, are also hired at the highest rate.



Origin of every 100 hires by role



It turns out not all candidate pools are created equal. We see significant variation in origin of hire by role – read on for a few observations.



A few observations for...



Engineers

Engineers are the likeliest to come in via agency (5%) and second likeliest to be sourced (37%).

They are the least likely to be applicants – just 38% of hires apply.



Recruiters

Recruiters are the most commonly sourced of any role in our sample (39%).

They are also the least likely to be referred (just 13% of hires).



Customer Service

Customer service hires (along with operations hires) are the most likely to have applied (64%).

They are also the least likely to be sourced (13%).



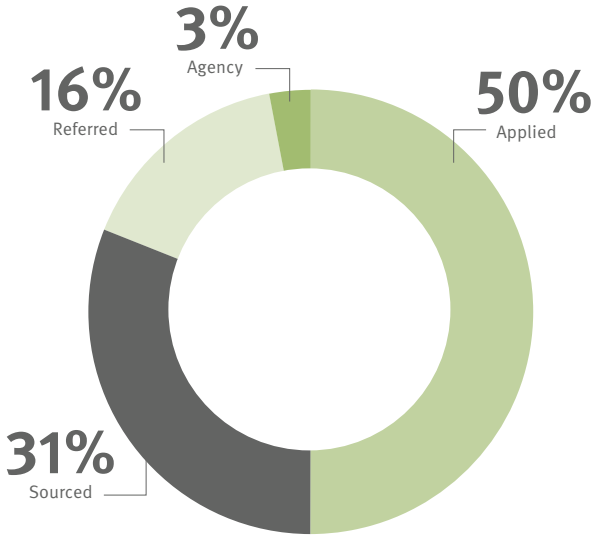
Account Managers

Account managers are the most likely to be referred – like 26% of those in our sample.

They are the second least likely to be sourced (17%).



Hires by origin



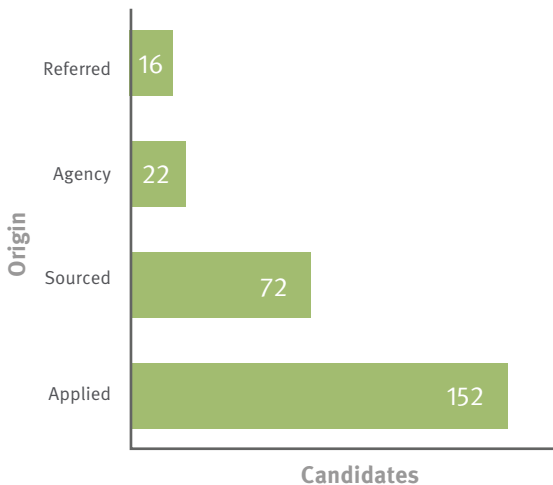
To understand your best origins of hire, it's important to know where you're currently making hires, but also the efficiency of each origin.

For example, referrals only represent 16 percent of hires, while applicants represent half, but referrals are almost **10 times** more efficient than applicants.

1 in every 16
referred candidates is hired



Candidates per hire by origin

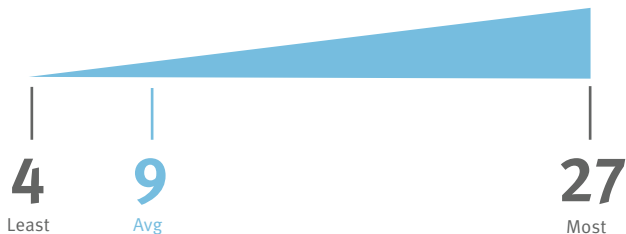


Given the relative efficiency of hiring referred candidates, now's the time to invest in your employee referral program.

Average number of pipeline stages

How are companies organizing
their interview processes?

The average company has 9 pipeline stages



Every company in Lever manages their recruiting process via a pipeline which can be fully customized to support the way they source, evaluate, and hire talent.

In addition to the three built-in stages (new sourced lead, new applicant, and offer), the average company adds six extra stages, which commonly represent interviews, like “intro call,” “phone interview,” and “onsite interview.” Another common addition is “reference call.”

Other companies get more granular and add stages for the exact status of a candidate or next step that needs to be taken, like “onsite needed,” “onsite requested,” and “onsite.”

In our sample set, we see massive variation across companies, with the most complex pipelines including upwards of twenty stages!

Average number of interviews

How many interviews does the
average hired candidate
go through?

Successful candidates go through an average of **4** interviews on their way to being hired



Average number of interviews by role



Roles with the lowest candidate to hire ratio (Account Management, Customer Service, Operations, and Sales) put successful hires through fewer interviews, while roles with the highest candidate to hire ratio (like Marketing and Product) interview successful hires more times on average.

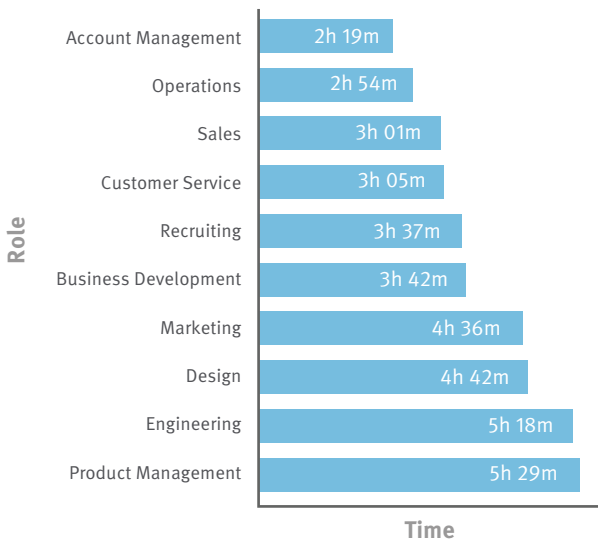
Average interview time

How much time do teams invest
in the candidates they hire?

The average successful candidate spends **3** hours and **44** minutes in interviews prior to being hired



Average time spent in interviews by role



Candidates for technical roles spend the longest amount of time interviewing.

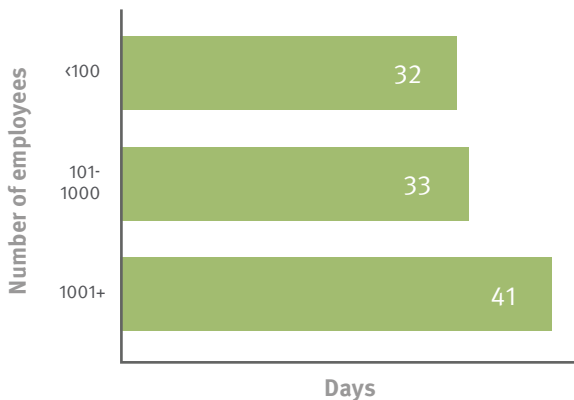
Time to hire

How long does the hiring
process take for a candidate?

The median time from the moment a candidate enters your pipeline to when they're hired is **34** days



Median time to hire by company size



Larger companies take longer to hire, which gives smaller companies a distinct advantage in creating a positive candidate experience.



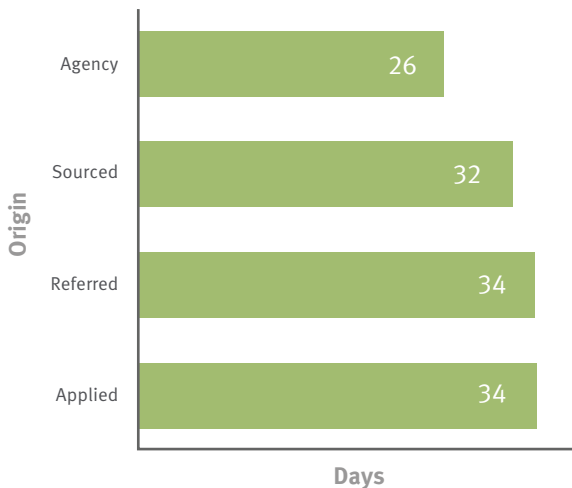
Median time to hire by role



Product Management is starting to gain a reputation for being as hard to hire for as Engineering – and that's reflected in the lengthy time to hire.



Median time to hire by origin



While they do not account for a large percentage of the hires in our sample, candidates who are hired via agencies tend to have a shorter time to hire than those hired via other sources.

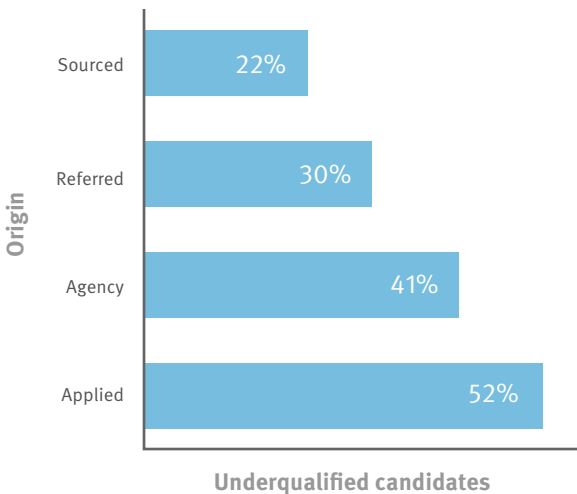
Archive reasons

Why are candidates not
making it to “hired”?

Almost half – **45** percent of all candidates – are marked “underqualified”



Percentage of underqualified candidates by origin



Common archive reasons



Note: word cloud is not to scale and for illustrative purposes only.

candidate

archived

declined

different

failed

culture

experience

fit

future

interview

junior

position

keep

read

revisit

role

screen

resume

save

technical

timing

today

unresponsive

visa

withdrew



In Lever, companies can archive unsuccessful candidates, whether for future consideration or indefinitely. A little over half of all candidates who apply are underqualified, compared to about 30 percent for referred candidates.

Surprisingly, 22 percent of sourced candidates are underqualified. While this is the lowest rate of any origin, it's still quite high considering teams have control over who they source. This could be due to opportunistic sourcing of candidates with sparsely populated social profiles, who turn out not to have the desired skills and experience after all.

Consider looking for patterns across your archived sourced candidates to make any adjustments to your sourcing parameters and improve the quality of your pipeline.



In looking across millions of candidate archive reasons, it's striking how generic many of the categories are. "Rejected", for instance, gives little insight into whether someone is being archived due to experience, or skills, or something else.

Some more enterprising recruiting teams, however, are thinking ahead to the time when they will be hiring again or seeking a different type of hire. Hat tip to all who are using archive reasons that include words like 'future', 'save', 'later' and 'revisit'. By doing so, you're making it faster and easier to nurture those already on your radar for potential roles down the line.

Apply these insights

Compare your own metrics against these benchmarks

Where are you beating the average, and where are you lagging? In addition to considering the high-level results here, it's worth doing a role-based assessment given the variability seen by function. If your time to hire for an engineer, say, is significantly longer than the benchmark, deconstruct your process to identify ways in which you can improve, without compromising the quality of your decision.

Invest in high-converting sources

Prioritize candidates who convert into hires at the highest rates to boost your overall candidate to hire ratio. Our data supports what most corporate recruiters know – referrals are the top source of hire – with every 1 in 16 candidates getting hired. Sourced candidates, which our data shows have become a mainstream source of hire across companies of all sizes, are more than twice as efficient as applicants. It's time to double down not only on the quantity, but the quality of your efforts in these higher-converting sources. Our ebook on sourcing and nurturing candidates (<http://bit.ly/sourcing-ebook>) might be a useful companion piece.

About Lever

Founded in 2012 and headquartered in San Francisco, Lever helps companies scale and share hiring through effortless collaboration. We've designed our software to be modern, clean, data-driven and hiring manager-friendly. Lever supports over a thousand companies around the world from startup to enterprise in proactively sourcing, nurturing and hiring the right talent. Among the factors that make Lever different from traditional ATS products:

ATS and CRM in one

As well as including all the functionality you'd expect in an applicant tracking system, Lever offers comprehensive tools to help you source and nurture passive talent until they're ready to become candidates.

Built for collaboration

Half the recruiting battle is keeping everybody on the same page. Lever helps hiring managers and recruiters stay in touch through multiple features like @ mentions, job following and two-way email sync.

Intuitive reporting

Lever provides powerful analytics to help you assess and improve the way you recruit. Use our interactive dashboards to strategize with your hiring managers and drill down quickly to the insights that matter.

We'd love to show you why hiring teams are raving about Lever. For a free demo, email info@lever.co, call +1.415.458.2731, or visit <https://lever.co>.

