

2023

Recruiting Benchmarks & Metrics Report

7 Talent Acquisition Metrics
to Track For Hiring Success

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2023 Recruiting Benchmarks Report:

7 Talent Acquisition Metrics to Track For Hiring Success

Now more than ever, leveraging recruiting metrics should be an integral part of business operations. Organizations need to be using recruiting metrics and benchmarks to accurately measure how their hiring funnel is performing and whether or not the results are lining up with their organization's business goals.

There are 7 key recruiting benchmarks which should be used to guide talent acquisition strategy. However, before even getting started with benchmarking recruiting metrics, it's critical to understand there is no one-size fits all approach.

Target metrics can and do vary widely based on factors like organizational size, goals, industry, and hiring practices. Available metrics should be used with caution to inform hiring strategies until enough internal data has been gathered to create bespoke benchmarks.

The goal behind benchmarking is to consistently and constantly improve. The goalposts should be continually moving as each target is reached. Every success is a step closer to perfecting the recruitment process and achieving peak [Quality of Hire](#).

Here are the top 7 recruiting benchmarks and metrics Crosschq suggests that organizations work to improve against, along with best practice recommendations, for achieving better results.

01

Quality of Hire


01 Quality of Hire

DEFINITION:

Quality of Hire is most clearly portrayed as the value a new hire brings to the organization adjusted over time. All other metrics should be viewed through the lens of Quality of Hire.

FORMULA/CALCULATION:

We calculate Quality of Hire using the following factors weighted for accurate results: performance, retention, culture add, engagement, promotability, and rehireability.


$$\text{Quality of Hire} = \left[\frac{\text{Quality Input 1} + \text{Quality Input 2} + \text{Quality Input 3}}{\text{Number of Inputs}} \right] \times 100$$

BENCHMARK:

Quality of Hire will vary from organization to organization, but should always be expressed as a score. Scores for all employees can be added and divided by the number of employees to arrive at a companywide benchmark. Scores can also be calculated by department, etc.

Quality of Hire scores can be broadly placed into four buckets

- Excellent: 90-100
- Good: 80-89
- Average: 70-79
- Below Average: below 70

WHO CARES ABOUT THIS METRIC?

Recruiters, hiring managers, department managers, and COOs are all potential stakeholders, especially when it comes to performance and retention values.

HOW TO IMPROVE THIS METRIC:

Without Quality of Hire, all recruitment efforts will have reduced ROI. Quality of Hire can be improved by:

- Using analytics and employee surveys to follow employees through their new hire period, tracking progress, and continually updating Quality of Hire scores.
- Comparing employees with high scores and identifying attributes that contribute to Quality of Hire.
- Using these attributes to build candidate profiles to surface high-performers during the recruitment process.

02

Time to Fill

02 Time to Fill

DEFINITION:

Time to Fill is the time period between when a job requisition is opened in the Applicant Tracking System (ATS) and a candidate is marked in the ATS as hired.

FORMULA/CALCULATION:

Calculating Time to Fill or Time to Hire is simple:

$$\text{Time to Fill} = \frac{\text{Time to Fill Position 1} + \text{Time to Fill Position 2} + \text{Time to Fill Position 3} \dots}{\text{The number of roles recruited for in that time period}}$$

BENCHMARK:

According to [SHRM's latest survey](#), the average Time to Fill is 41 days. This data includes all industries and all company sizes. Average Time to Fill can vary widely based on many factors.

WHO CARES ABOUT THIS METRIC?

The main stakeholders when it comes to Time to Fill could be the head of the department where the job vacancy exists, the CFO who is noting the cost of recruiting over time, and the COO, who is watching loss of production due to the vacancy.

HOW TO IMPROVE THIS METRIC:

Time to Fill starts before a candidate ever enters the pipeline, but the pipeline construction is part of the process. Shorten Time to Fill by:

- Getting recruiters, hiring managers, and other stakeholders on the same page as far as what an ideal candidate looks like.
- Working to develop a job description that provides potential applicants with clarity on the requirements, responsibilities, and compensation associated with the position.
- Taking Quality of Hire into account even while striving to fill roles quickly to avoid costly bad hires.

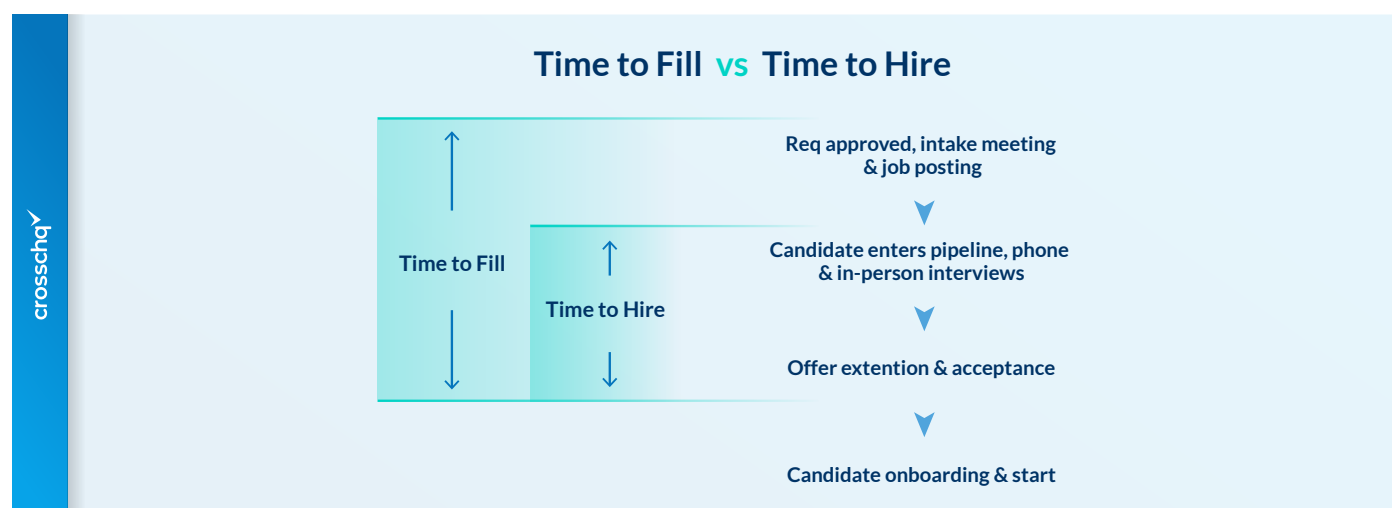
03

Time to Hire

03 Time to Hire

DEFINITION:

Time to Hire is a subset of Time to Fill, consisting of the time period between when a candidate submits their resume and when the candidate accepts the offer.



FORMULA/CALCULATION:

Calculating Time to Hire is also simple, and can be calculated by hire or by average:

How to calculate Time to Hire?

Time to Hire = Day candidate accepted offer - Day candidate entered the pipeline

How to calculate average Time to Hire?

Time to Hire =
$$\frac{\text{Time to Hire 1} + \text{Time to Hire 2} + \dots}{\text{Total number of job positions}}$$

03 Time to Hire

Time to Hire	Global Avr.	US & Canada	Uk & Ireland	Europe	Australia (Oceania)	Asia	Rest of the world
Administrative/ HR	23	21	22	28	20	29	26
Customer service	21	21	20	24	22	25	25
Engineering	29	28	27	33	27	25	30
Finance/ Accounting	25	25	24	26	22	29	18
IT / Design	27	26	24	32	24	29	29
Marketing/ Advertising/ Creative	29	28	27	31	25	30	33
Sales/ Business development	24	24	24	29	25	29	30

Source: [Time to Hire by industry benchmarks from Workable \(Updated Stats of 2018\)](#)

WHO CARES ABOUT THIS METRIC?

The main stakeholders when it comes to Time to Hire could be the head of the department where the job vacancy exists, the hiring manager who needs the seat filled, and the recruiter who is under pressure to show performance and results.

HOW TO IMPROVE THIS METRIC:

Time to Hire can be improved by focusing on areas of the hiring funnel that aren't performing as expected. Shorten Time to Hire by:

- Visualizing each candidate's journey through the pipeline, including pass-through rates and time-in-stage.
- Pinpointing bottlenecks or roadblocks in the hiring process that prompt unwanted candidate drop-off and poor candidate experience.
- Improving engagement and top talent candidate withdrawal with personalized and timely communications.

04

Source of Hire

04 Source of Hire

DEFINITION:

Source of Hire represents what percentage of overall hires entered the pipeline from each recruiting channel or source, such as job boards, referrals, or direct sourcing.

FORMULA/CALCULATION:

Source of Hire should be calculated by dividing the total number of new hires from all applicants sourced through each channel, then repeating for all other channels and comparing results.

However, this only provides insight into which hiring source is most prolific at generating new hires. Deeper insights are required to determine which Source of Hire is delivering the best quality employees based on post-hire performance.

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$$\frac{\text{\# of hires}}{\text{total \# of candidates from a particular source}} = \text{\% of hires from a particular source}$$

BENCHMARK: Benchmarks will vary based on an organization's recruitment strategy. Employee referrals may have the highest offer acceptance rate, but job boards may end up delivering higher quality candidates, or vice versa.

According to data from Silkroad, the most common sources of hire include:

- 31% – Job board or aggregator
- 22% – Employee referral
- 11% – Internal hire
- 11% – Company career site
- 10% – Agency

04 Source of Hire

WHO CARES ABOUT THIS METRIC?

Recruiters, HR personnel, and COOs in charge of recruitment budgets have a stake in this metric. So may existing employees, who may feel strongly about where new hires come from and whether or not they think they are well suited to the job and company culture.

HOW TO IMPROVE THIS METRIC:

To improve Source of Hire metrics, it's critical to see if highly ranked Sources of Hire are borne out by delivering employees who perform well and have a long shelf life. You should:

- Calculate Source of Hire for total number of hires, applicants, and interviews and offers per source, not just hires.
- Compare Source of Hire data with post-hire data that shows Quality of Hire metrics like performance and retention.
- Base budget decisions on which source is providing the best ROI when it comes to new hires: not just based on quantity, but on quality.

05

First-Year Attrition Rate

05 First-Year Attrition Rate

DEFINITION:

Also commonly presented in reverse as “candidate retention rate”, this is the percentage of employees who are terminated or quit within 12 months of starting their new job.

FORMULA/CALCULATION:

Calculating first-year attrition rates can be easily done using this formula:

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$$\frac{\text{Number of employees who left before 12 month mark in (x) time period}}{\text{Total number of employees who left in (x) time period}} \times 100$$

BENCHMARK:

According to [Work Institute's 2020 Retention Report](#), 37.9% of survey respondents self-reported leaving a job before 12 months were up.

WHO CARES ABOUT THIS METRIC?

Benchmarking this metric can help HR teams and hiring managers identify disconnects between hiring expectations and realities on both sides.

HOW TO IMPROVE THIS METRIC:

This metric ties closely to Source of Hire and Quality of Hire. If hiring seems to be going well on the recruiting end, but post-hire data shows a high number of new hires are churning before the 12-month mark, something might be amiss with the candidate selection or post-hire onboarding processes. Reduce first-year attrition by:

- Looking for patterns in new hires subject to first year attrition to help shed light on where the recruitment process went wrong.
- Having employees who quit complete exit surveys, and supervisors complete internal surveys for involuntarily terminated workers.
- Reviewing onboarding processes and manager check-ins to ensure continued alignment.
- Examining your company culture to see if the workplace environment could be contributing to first-year attrition.

06

Pass-Through & Drop-Off Rates

06 Pass-Through & Drop-Off Rates

DEFINITION:

Pass-through rates can be quantified as how many candidates successfully move from one stage to the next, also sometimes called conversion rates. This can be expressed in reverse as “candidate drop-off rate,” or how many candidates withdraw or are deselected from the process at any stage.

FORMULA/CALCULATION:

Calculation for the pass-through rate should be done for each stage of the funnel (application, screening, interview, offer acceptance, etc.) using the following formula:

Number of applicants who advanced through the stage

Number of applicants processed in the stage (advanced+rejected+withdrawn) *

* Do not include any candidates still active in any stage, as this can throw off hiring decisions by projecting an invalid number of candidates required to achieve a hire.

Like many key metrics, the pass-through rate is useful only to an extent—it shows yield, but that’s only part of an effective recruitment pipeline. Looking at who is abandoning the process instead of advancing is also very useful:

Low drop off early in the process can indicate that screening is not working as intended; for example, candidates are finding the number of assessments overwhelming, or the applicant tracking system filters are set in such a way as to eliminate too many applicants. Two lower than anticipated back to back drop-off stages in a row are a red flag for an inefficient process.

06 Pass-Through & Drop-Off Rates

High candidate withdrawal late in the process can mean there is a disconnect between the recruiter and hiring manager or hiring manager and interview team. This could mean that the recruiter and hiring manager weren't on the same page as to what constitutes a good candidate, or that the interviewer wasn't in sync with the rest of the team.

BENCHMARK:

According to data from [iMomentous](#), **most companies have a roughly 80% drop-off rate during their application process.** Average yield will vary by organization, industry, and job role. Ideally, organizations will also be looking at the makeup of candidates who successfully complete each stage, to identify where unconscious bias may be at work and to ensure DEIB initiatives are being supported.

WHO CARES ABOUT THIS METRIC?

Recruiters and hiring managers are typically the most invested in this metric, although the CFO may also be a stakeholder.

HOW TO IMPROVE THIS METRIC:

Candidate withdrawal is a complex metric. Depending on the role being hired for and the number of applicants, higher or lower pass-through may be desired. Pass-through rates can be optimized by:

- Closely watching the yield from stage to stage to identify any pain points where [high-quality candidates](#) may be withdrawing.
- Reviewing any potential disconnects between stages, such as a lack of prompt follow-up to move a candidate from one stage to the next.
- Ensuring your candidate experience is positive, and streamlining each stage as much as possible to avoid unwanted drop off due to frustration or lack of communication.

07

Cost Per Hire

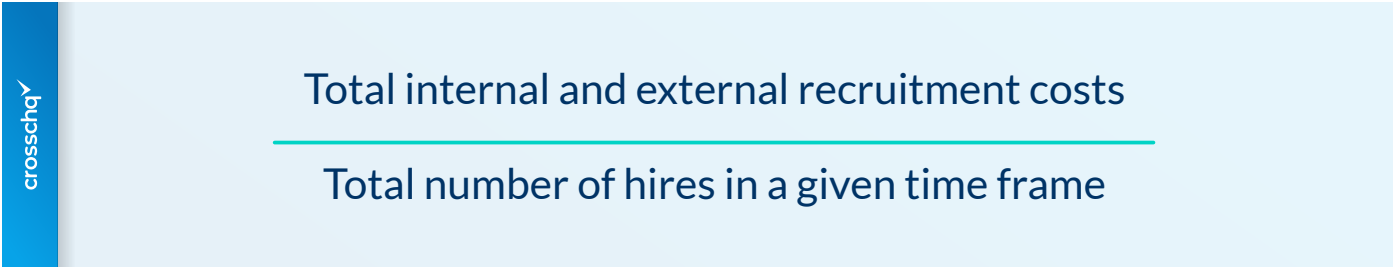
07 Cost Per Hire

DEFINITION:

Cost per Hire is the entire cost of recruiting a candidate which can also include indirect costs incurred during the Time to Fill/ Time to Hire period.

FORMULA/CALCULATION:

Calculation for Cost per Hire follows this formula:


$$\frac{\text{Total internal and external recruitment costs}}{\text{Total number of hires in a given time frame}}$$

Total recruitment costs can include any of the following:

Internal recruiting costs

- Recruiter salaries
- Employee referral bonuses
- Interview costs (# of hours X hourly salary of responsible party)
- Fixed costs such as office rental
- Loss of productivity or revenues while roles remains unfilled

External recruiting costs

- Agency fees
- Advertising costs on job boards, etc
- Technology costs such as recruiting software
- Recruiting event or career/job fair costs
- Candidate costs for travel, relocation, and/or signing bonuses

07 Cost Per Hire

BENCHMARKS:

- \$3400: Cost per Hire for an entry-level employee
- \$4129: Cost per Hire according to SHRM
- 16% of annual salary: Cost per Hire for a 30K or less job
- 20% of annual salary: Cost per Hire for a 75K or more job

WHO CARES ABOUT THIS METRIC?

Recruiters and hiring managers as well as the CFO are all stakeholders in this important metric, and will be closely watching recruitment costs to see if they align with the organization's budget.

HOW TO IMPROVE THIS METRIC:

Cost per Hire ties in closely to Source of Hire, first-year attrition and Quality of Hire metrics. If a new hire quits before their probationary period is even up, the hiring process must begin again, and Cost per Hire applies again as well. Reduce Cost per Hire by:

- Identifying which hiring sources deliver high-caliber candidates quickly and cost-effectively so that recruitment budgets can be allocated properly.
- Maintaining a comprehensive database of high-quality candidates that can be tapped when a new hire churns quickly.
- Creating high-quality hiring and onboarding processes to get new hires ramped up quickly for optimized production.

Recruitment Benchmarks for 2023 With Crosschq

Crosschq helps organizations improve recruitment pipeline efficiency and build strong candidate relationships, resulting in a talent network that can be tapped into at will for fast, confident hiring. With **Crosschq**,

- Time to Fill/Time to Hire can be shortened
- Best Sources of Hire can be identified
- First-year attrition rates can be minimized
- Quality of Hire can be improved
- Recruitment pipeline effectiveness can be increased
- Cost per Hire can be reduced
- Candidate experience can be enhanced

TalentWall™ by Crosschq provides deep visibility into the recruitment pipeline, from pass-through rates to candidate attributes and touchpoints. It's the ideal way to track time-in-stage, and to note where candidate withdrawal is shrinking your pool of high-quality candidates.

Crosschq 360 speeds and optimizes pre-hire reference reporting, delivering data about each applicant to build a picture of their abilities and work ethics that can then be compared evenly across all candidates.

Crosschq Analytics delivers more than 80 customizable reports related to Quality of Hire, as well as, the ability to build surveys that can provide even more insights into post-hire performance and retention that can be used to inform future recruitment campaigns..

All stakeholders associated with recruitment need tools and technology that allow them deeper visibility into hiring processes. **To learn more about how Crosschq can help with recruitment benchmarking and tracking key talent acquisition metrics for your organization, [request a demonstration today](#).**