Gem

2021 Recruiting Benchmarks Report

Industry averages to help you gauge the success of your recruiting outreach efforts and the health of your hiring funnel

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Introduction

The turn toward data in recruiting originated in the exceptional challenge of connecting with the best possible talent—a challenge that only became more demanding when a pandemic, a radical shift in where work gets *done*, and a massive reconsideration about what talent wants out of their work lives got thrown into the mix last year.

4 million Americans quit their jobs in April 2021, sparking a mass exodus that continues to this day. Surveys suggest that around 40% of the global workforce and 65% of the U.S. workforce is considering leaving their employer this year. At Gem, we understand that this "Great Resignation" can *become* "The Great Attraction" to companies that bring data to bear on their *own* talent attraction, engagement, and hiring practices. Technology has continued to respond to recruiting's competitive need; and talent teams now have access to metrics and dashboards that help them make informed decisions about their own outreach, funnels, and hiring processes.

The following data was drawn from our database of nearly 2 million email outreach sequences and nearly 12 million candidates who entered our customers' hiring funnels between September 1, 2020 and August 31, 2021.

Our goal in this benchmarking report is to help talent leadership gauge the success of their teams' sourcing and outreach efforts, as well as the health of their recruiting funnels, by comparing them to industry averages.

If your team is like most teams we know, your sourcing tools, talent CRMs, and applicant tracking systems are gathering data for you—but you're *just* starting to dig into the numbers, discern the ones that matter, and recognize what they mean for your org. And you're likely using internal comparisons to understand your team's performance—gauging success by percentage of improvement over last quarter or year, for example.

In some cases, internal comparison makes sense. But ultimately, if you don't have a wider context for your recruiting data, you can't be confident about whether those numbers are objectively "good." That's why most forward-thinking businesses don't just want clarity on their *own* metrics; they want clarity on, and fluency around, the state of recruiting performance for their industry. It's how businesses learn hard truths about where they're underperforming, identify important trends, and uncover pain points they may not have known otherwise. With this intelligence, you can implement changes in behavior or strategy, or justify investments in tools and resources to improve those elements of your hiring process that need attention. In that sense, benchmarks are a vital starting place for asking valuable questions about your process.

Gem's second Recruiting Benchmarks Report draws from our database of nearly 2 million email outreach sequences and nearly 12 million candidates (both active and passive) who entered our customers' hiring processes between September 1, 2020 and August 31, 2021. Our goal is to help talent leadership at growing companies compare their recruiting numbers to industry averages, giving them a deeper understanding of what they

Some questions this report answers:

- What are average open and reply rates for prospect outreach?
- How many qualified candidates need to enter process for you to make a hire in a given department?
- What are average conversion rates for each stage of the recruiting funnel?
- How do these numbers differ by company size, department, location, gender, and race/ethnicity?
- How do they compare to pre-COVID numbers?

need to work on to remain competitive. What are average open and reply rates for prospect outreach? Which roles are you most (and least) likely to see responses for? How many qualified candidates have to enter process for you to make a single hire in a given department? What are average conversion rates for each stage of the recruiting funnel? How do these differ by company size, department, location, gender, and race/ethnicity? How do they compare to pre-COVID benchmarks? These are the kinds of questions we answer here.

Of course, the data is only as good as it is actionable; so we also offer guidance for translating data into execution. That way, if your numbers aren't up to par in one area, you'll have an idea of how to start optimizing using best practices. We hope the following will inspire you to start tracking your entire funnel from reach-out to offer-out, and see what you can learn about the state of *your* recruiting.

Outreach Stats

San Francisco Bay Area

Before you even get candidates *into* your hiring funnel, you've got to get them interested in your org and your open role. (For smaller companies, this may mean introducing passive talent to your business for the first time.) This is what outreach is for.

Email outreach analytics include open rates, reply rates, and interested rates, as well as click-through rates: If you linked to something in your email, did talent click on that link to learn more? These numbers can give you worlds of insight into how compelling your subject lines are, how interesting your message content is, and what kinds of content prospective candidates are responsive to—all based on behavior and engagement. How many times did they open an email? At what stage in your sequence did they finally respond? If you included links in your outreach, was the talent who clicked more likely to reply? In short: What's the psychology of your target talent?

These are all questions you'll answer for yourself over time. In the meantime, below are open and reply rates for our San Francisco customers. As one of the most competitive job markets in the country—but one with a ton of opportunity—it should prove a good set of benchmarks to check your own efforts against.

Email Open Rates* by Company Size & Role

	Engineering	Engineering Manager	Data	Design	Product	PMM	Sales	Marketing	Recruiting/HR
1-249 FTEs	78% ↓8**	81% ↓9	84%	86%	86% ↓8	83%	78% ↓13	84%	83% ↓13
250-999 FTEs	80% ↓5	83%	82%	86%	86% ↓1	83%	80% ↓4	82%	82%
1000-4999 FTEs	80% ↓5	83% ↓1	84%	86%	84% ↓5	86%	74% ↓9	82%	85% ↑3
5000+ FTEs	79%	84%	82%	85%	86%	N/A***	N/A	N/A	83%

* These are open rates for 3-stage sequences sent between 9/1/2020 and 8/31/2021. Recipients opened *at least one* of the three emails they were sent.

** Numbers in red/green indicate the percentage of change from our last benchmarking report (published in March 2020, prior to COVID). Note that, in last year's report, we did not have large enough data sets on Data, Design, PMM, and Marketing roles to show average open rates, which is why there's no % change in these columns.

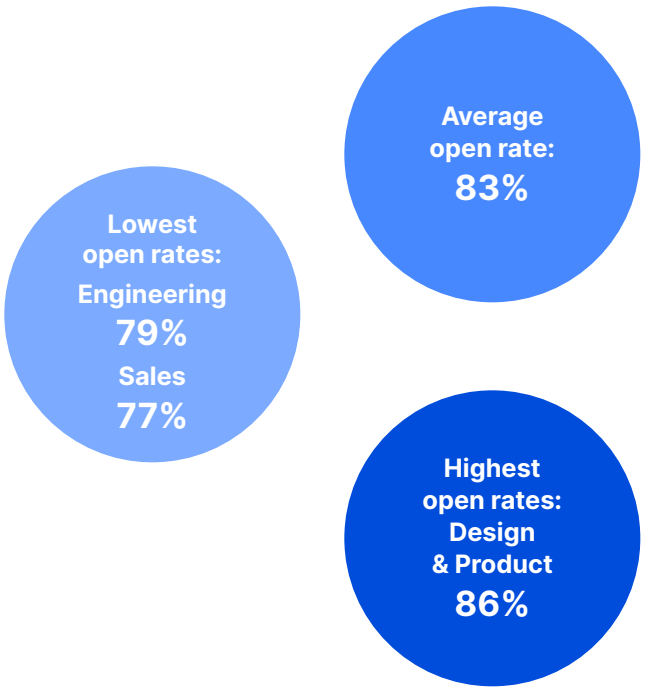
*** We do not have a large enough data set (< 500 sequences) on these roles to provide average open rates with confidence.

Email Open Rates: Key Takeaways

For a three-stage email sequence, the average open rate is 83%. Indeed, our small, medium, large, and enterprise customers *all* saw average open rates of 83% across their roles. This is a number worth aiming for in your own outreach efforts.

Open rates were lower across the board this year, compared to pre-COVID numbers—decreasing by as much as 13% for some roles. (The average *pre*-COVID open rate across our customers was 87%.) Companies that have seen the steepest decrease in open rates during COVID are the smallest ones (1-249 FTEs). This is unsurprising: in a time of great uncertainty, professionals contemplating mid-pandemic career moves are more likely to consider mature, stable companies.

There *is* no direct correlation currently between open rates and company size. This changes when it comes to reply rates! But if you're recruiting for a smaller company, know this: while fewer professionals are opening recruiting emails across the board, they're just as likely to open your email as they are your enterprise competitors' emails—so what your message *contains* should be irresistible. If you're recruiting for an enterprise company? Know that the startups in your industry are getting just as much "air time" over email as *you* are. So no resting on your brand-name laurels!



Sales professionals, followed closely by engineers, have the lowest email open rates. The average open rate for sales roles is 77%; for engineering roles, it's 79%. (The roles with the *highest* average open rates, on the other hand, are design and product roles—both at 86%). So it's worth putting a little extra time into your subject lines for sales and eng roles. Use a solution that allows you to A/B test and experiment with subject lines.

How to Leverage the Data for Open Rates

Personalized subject lines increase open rates by nearly 15%

The two factors that influence open rates are send times and subject lines. Our data at Gem suggests that the best send times are:

Eng Managers
Sundays at noon & 8 pm

PMM
Mondays at 10 am

Sales
Sundays at noon & 4 pm

Recruiting
Mondays at 4 pm & Fridays at 2 pm

If you want more detail on send times, and our hypotheses around what makes the "good" ones good, check out our Definitive Guide for Email Outreach. Of course, you'll discover your *own* best times through trial-and-error; but these are great places to start testing.

When it comes to subject lines, personalization will be your strongest strategy: personalized subject lines increase open rates by nearly 15%. But experiment, too, with appealing to curiosity or core values, questions, flattery, humor, and powerful verbs ("lead," "reinvent," "redefine"). *Any* of these, when done well, are likely to prompt more opens. (And if you want examples of what these strategies look like, you can also find them in our Definitive Guide.)

A multi-stage outreach sequence spread out over 2-3 weeks catches talent during a narrow window in their lives.

Consider periodic “nurture” emails after your sequence ends—this leaves room for prospects’ career plans to change between messages.

Finally, consider a longer-term nurture sequence. Our data shows that teams start to see diminishing returns on anything more than a 4-stage initial sequence... but give talent some space after that initial outreach, then continue to send emails with company updates a few times a year. This will ensure your org is top-of-mind when they’re ready to make a move.

Email Reply Rates* by Company Size & Role

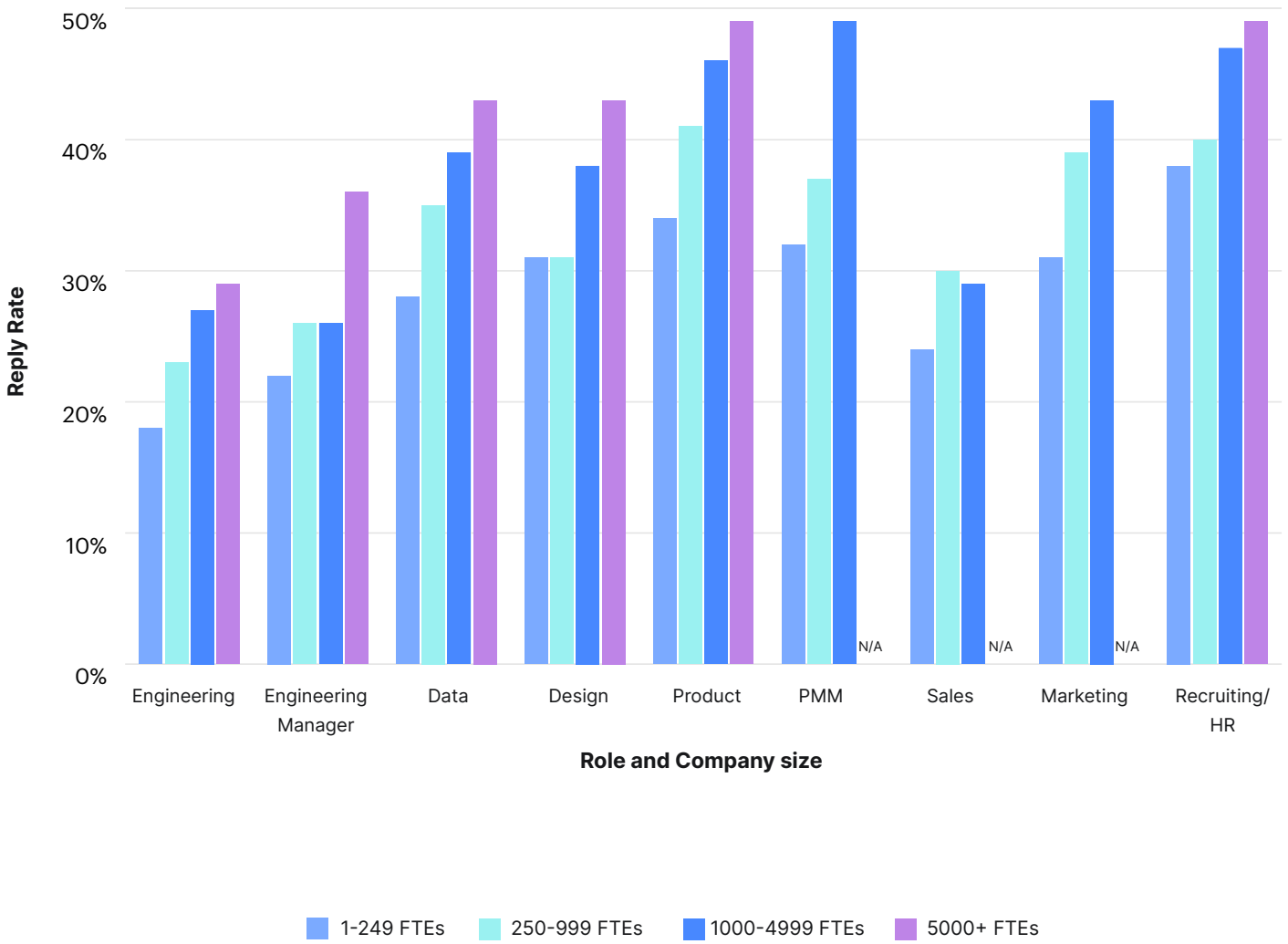
	Engineering	Engineering Manager	Data	Design	Product	PMM	Sales	Marketing	Recruiting/HR
1-249 FTEs	18% ↓7	22% ↓7	28%	31%	34% ↓14	32%	24% ↓17	31%	38% ↓11
250-999 FTEs	23% ↓8	26% ↓6	35%	31%	41% ↓10	37%	30% ↓9	39%	40% ↓6
1000-4999 FTEs	27% ↓9	26% ↓24	39%	38%	46% ↓16	49%	29% ↓18	43%	47% ↓2
5000+ FTEs	29%	36%	43%	43%	49%	N/A***	N/A	N/A	49%

* These are reply rates for 3-stage sequences sent between 9/1/2020 and 8/31/2021. Recipients replied to *at least* one of the three emails they were sent.

** Numbers in red indicate the percentage of change from our last benchmarking report (published in March 2020, prior to COVID). Note that, in last year's report, we did not have large enough data sets on Data, Design, PMM, and Marketing roles to show average open rates, which is why there's no % change in these columns.

*** We do not have a large enough data set (< 500 sequences) on these roles to provide average open rates with confidence.

Here's the same data, broken down by role first, then by company size:



Email Reply Rates: Key Takeaways

Least likely to respond to your emails: engineers (24%), eng managers and sales professionals (28%)

For a three-stage email sequence, average reply rates are 29% (1-249 FTEs), 34% (250-999 FTEs), and 38% (1000-4999 FTEs)—numbers that early last year were 38%, 40%, and 49%, respectively. Organizations with 5000+ employees see the highest reply rates, at 42%.

Reply rates were lower across the board this year, compared to pre-COVID numbers—decreasing by as much as 24% by some roles. In Gem, email *volume* isn't higher than it was pre-COVID, so it's not that inboxes are more flooded than they were before. Rather, talent is showing less interest in—or at least being more selective about—career changes.

There *is* a direct correlation between company size and response rates. While they see the same open rates as their smaller competitors, larger companies see significantly higher *response* rates—this was true pre-COVID, and it remains true now. This higher rate likely hinges, more than ever, on the perceived risk of startups—though the brand recognition larger companies have, along with the recruiting collateral they've had time to amass (sleek careers pages, news and media mentions, best workplace awards, and so on), certainly helps their cause.

Recruiting and HR roles see the highest average response rates (44%), followed by Product (43%), PMM (39%), and Marketing (37%). Engineers are the least likely to respond to your emails (with a 24% average reply rate), followed by engineering managers and sales professionals (28% of this talent replies).

How to Leverage the Data for Reply Rates

Know that you'll have to work harder to get a response for your engineering and sales roles. This is where message content will be key. Our data at Gem shows that highly personalized outreach still delivers the best ROI, increasing response rates by almost 30%. Sourcers and recruiters who send either one-off messages or entire outreach campaigns using {{reason}} tokens see average reply rates of 42-44%, while outreach that *doesn't* use a {{reason}} token sees average reply rates of 32%. The takeaway? Deep personalization—explaining to eng and sales talent why you're reaching out to *them* specifically—may be well worth your time.

Work with your marketing team to build up collateral so you have something to point to in your outreach. (Even *without* marketing support, you can get creative, for example, by mining your company blog for engineering-related content.) Stay updated on surveys about what talent most wants in their next role: COVID has certainly changed talent's priorities. Pay attention to the questions current candidates ask; these are indicative of what talent most wants to hear from recruiters. To the degree that you can speak to these things in your outreach, speak to them.

> We've got really great tenure at Box. A lot of folks have been here for six, seven years. So when a sourcer Gem's SOBO feature, talent feels directly seen by the HM. They see this person has tenure. That's meaningful. It makes them want to respond to hear why someone would stay at an org for that long.

Lucy Tran
Senior Recruiting Program Manager
box

Work on talent branding whenever and wherever possible. According to LinkedIn, 75% of talent considers an employer's brand before they even apply for a job. So remind talent as often as possible why your organization is unique and what makes it their most attractive option. Build out brand messaging in social media posts, where you share culture, purpose, mission, and values. Update your careers page to include employee quotes. Consider recruitment videos. And so on.

Think long-term with your outreach. According to our data, outreach sequences with four stages see the highest total response rates *without* sacrificing employer brand. We also see enormous success with cultivating longer-term relationships; so even after your initial outreach sequence ends, try again down the road by checking in on how prospects are doing, sending them recent news about your company, or presenting new opportunities in hopes of capturing a different facet of their attention. The long game pays off.

Play with send-on-behalf-of (SOBO). There's a small but statistically significant difference between SOBO'd and non-SOBO'd emails in Gem. (With SOBO, recruiters send on behalf of hiring managers and executives, since often those names are more likely to elicit a response from talent. In some cases, our customers have seen response rates far above the industry average in using Gem's SOBO feature.) We recommend you experiment with it.

Email Send and Open Rates by Gender

Gender appears to have little influence on open rates: regardless of role or company size, male-identified talent opens recruiting emails just around 1-2% more often than female-identified talent does. However, there's a sizable discrepancy when it comes to the *volume* of email sent by gender, and—as we'll see in a moment—in reply rates.

Volume of recruiting email outreach by gender:

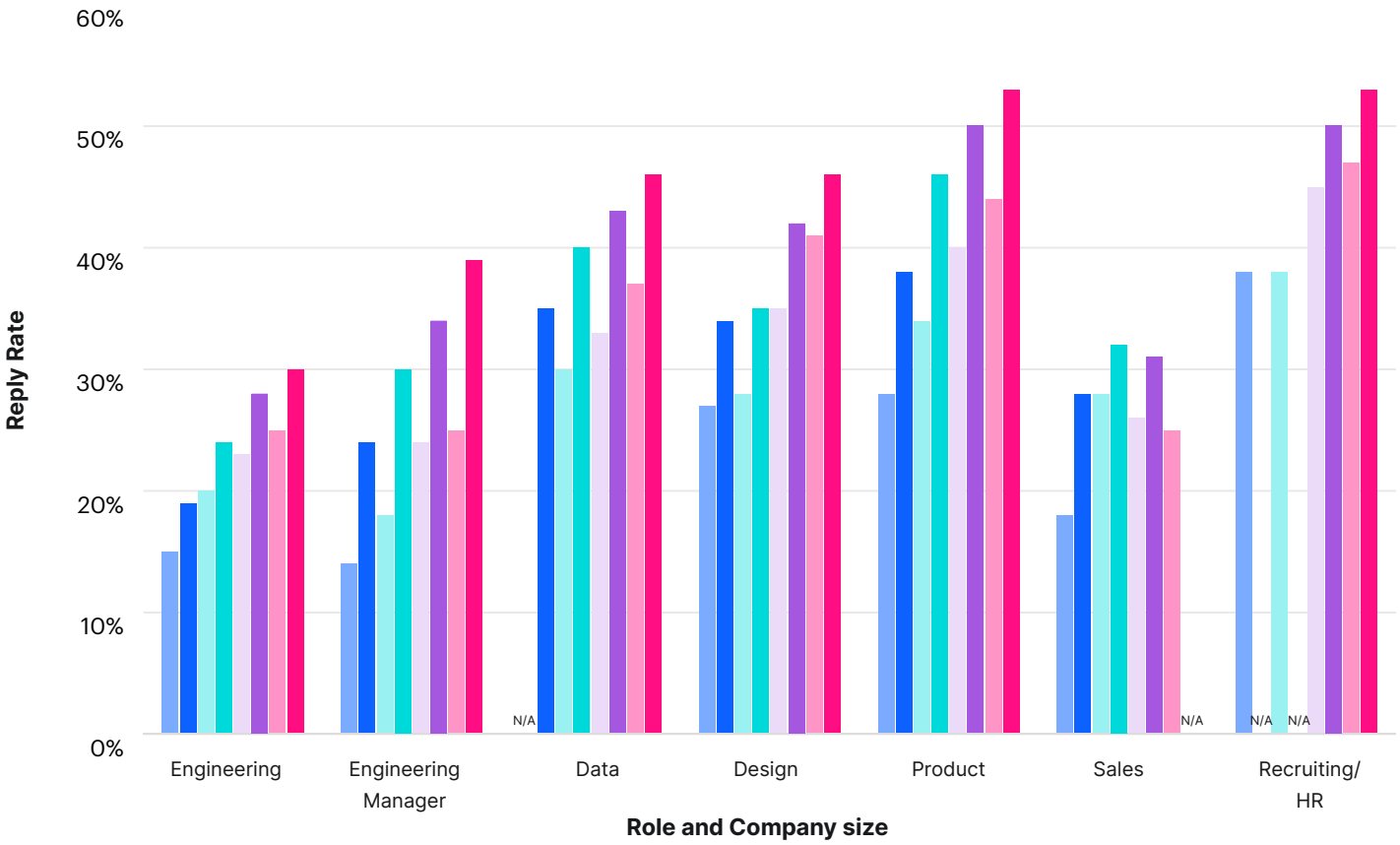
Across the board, male-identified talent receives ***2.3x more outreach*** than female-identified talent does

The biggest volume disparity is for engineering and eng manager roles, where email outreach is sent ***nearly 3x more often*** to male-identified talent than it is to female-identified talent

The only roles for which female candidates receive more outreach than male candidates do are ***Recruiting/HR and Design***. This is consistent across the board, regardless of company size.

Average open rates:
Female: 82%
Male: 83%

Email Reply Rates by Gender



Reply Rates by Gender: Key Takeaways

There is not a single role for which female-identified talent replies more often than male-identified talent does

Male-identified talent is 7% more likely to respond to recruiting email outreach than female-identified talent is (average reply rates are 37% and 30%, respectively).

There is not a *single* role for which female-identified talent replies more often than male-identified talent does.

The biggest discrepancies are for engineering manager roles (female talent is **12% less likely** to respond), data and product roles (female talent is **10% less likely** to respond), and design roles (female talent is **7% less likely** to respond).

How to Leverage the Data for Email Outreach by Gender

Talent teams are reaching out to 2-3x more male talent than female talent, and men are 7% more likely to respond.

This won't = gender parity. So track the demographic makeup of your outreach.

Check the demographic makeup of the recipients of your outreach sequences. Whether or not they intend to, talent teams are reaching out to 2-3x more male talent than they are female talent. If you have gender parity goals, a 1:3 ratio isn't going to cut it—*especially* knowing that men are more likely to respond to outreach. Solutions like Gem break outreach demographics down by both gender and race/ethnicity; what's the makeup of your pools?

Check your messaging to ensure you're not inadvertently alienating female-identified talent. Female talent is *opening* emails at nearly the same rates that male talent is. Yet they're not *replying* at the same rates—indeed, for some roles, the difference is ***as high as 14%*** (39% of men respond to outreach about eng manager roles at large enterprise companies, while only 25% of women do). While it's possible that women are simply being more selective, we suspect that what you show about organizational culture plays a role. So check the language in your emails and accompanying JDs. Is it inclusive? What benefits are you touting? Have you emphasized your org's commitment to DEI, and psychological safety, and belonging in your outreach?

Remember that your talent brand "lives" in many places. This includes your careers page, your social media platforms, your Glassdoor profile, and more. If female talent—not to mention Black, or Latinx, or LGBTQ+ talent—isn't responding to outreach at the same rates majority talent is, it's because they're not seeing cues in *all* of these places that they'd belong. Showing your org's commitment to DEI (assuming it's *there*) will be a cross-departmental undertaking. But it may be up to Talent Acquisition to begin that conversation.

Passthrough Rates*

Passthrough rates—also known as conversion rates—let you analyze the overall health of your hiring funnel and observe where you're experiencing bottlenecks in the form of candidate drop-offs.

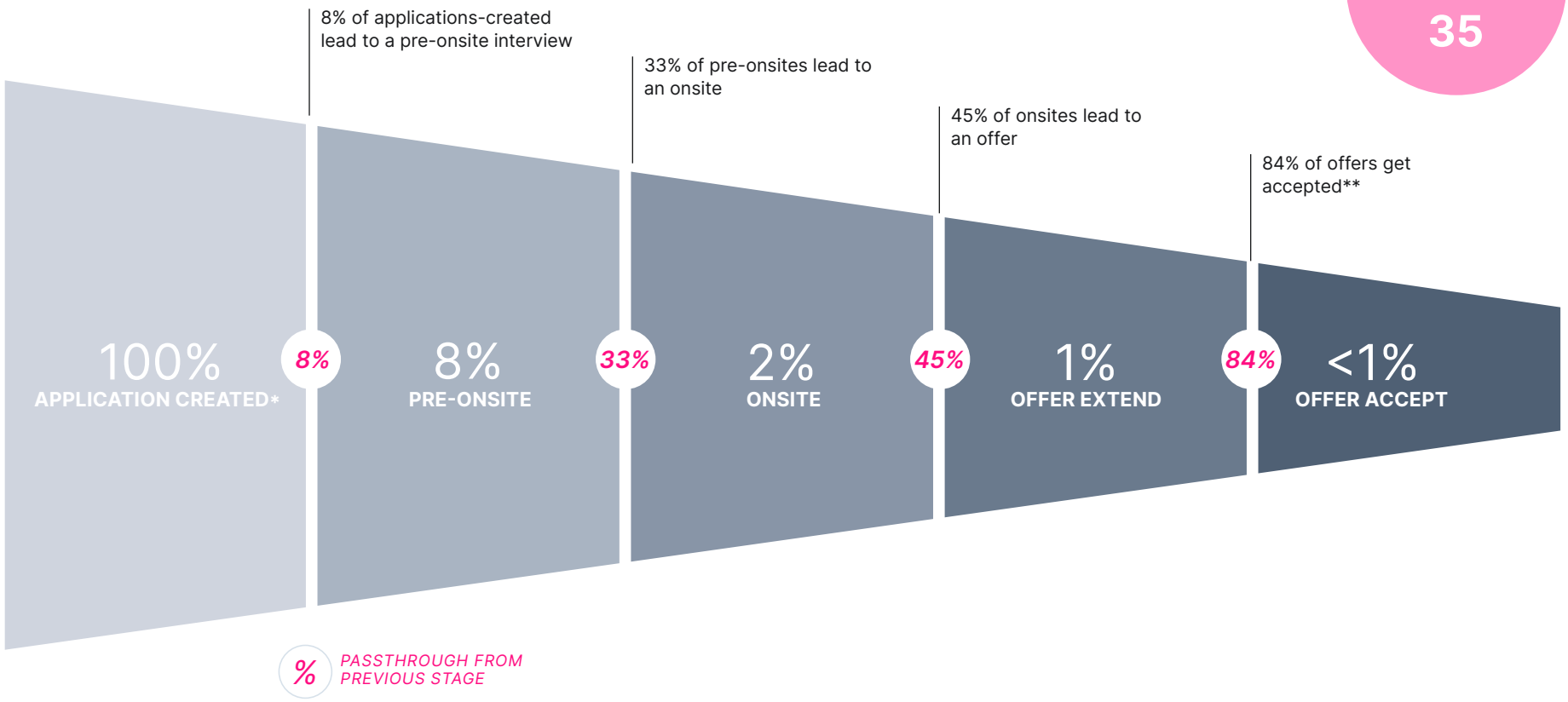
The recruitment funnel begins with talent sourcing and outreach (top of funnel) and ends with a signed offer (bottom of funnel). Of course, the number of stages in a hiring process will vary by org and by role. In the following, we've used the five most common pipeline stages we see (Application Created → Pre-Onsite → Onsite → Offer Extend → Offer Accept), and we've benchmarked passthrough rates between those stages.

The data we present here (unless otherwise noted) is for candidates from *all* sources. Your team should break down passthrough rates by source of hire (sourcing, university recruiting, referrals, internal applicants, direct applicants, agency placements, etc). Comparing these rates will give you important insights into your most fruitful and efficient hiring channels.

* The following data is based on 11.8 million job applications. We limited our analysis to applications that were submitted between September 1, 2020 and August 31, 2021, and were marked as closed.

Aggregate Passthrough Rates

Average number of days to hire is **35**



*"Application Created" means the person was entered into the organization's ATS—whether as an active applicant or as sourced talent who expressed interest in moving forward with the conversation.

**It's possible that offer-accept percentages across our customer data are artificially high. If so, this is because recruiters sometimes wait until offers are accepted to enter the offer into their ATS—otherwise they may not enter the extended offer at all. (From a data integrity perspective, extended offers should always be immediately documented!) Naturally, this will cause an apparent increase in OAR.

Aggregate Passthrough Rates: Key Takeaways

⅓ of pre-onsites (phone screens, take home tests) lead to an onsite. If you're far from 33% in either direction, it may mean either that you need to be more selective in your screening process (otherwise you're ultimately taking up precious interviewer time), or that you're being too selective (not enough candidates are making it onsite). Take a hard look at your screening process. Is it asking questions that are getting you true insights into the candidate and their ability to take on this role? Is your hiring manager's list of qualifications too rigorous?

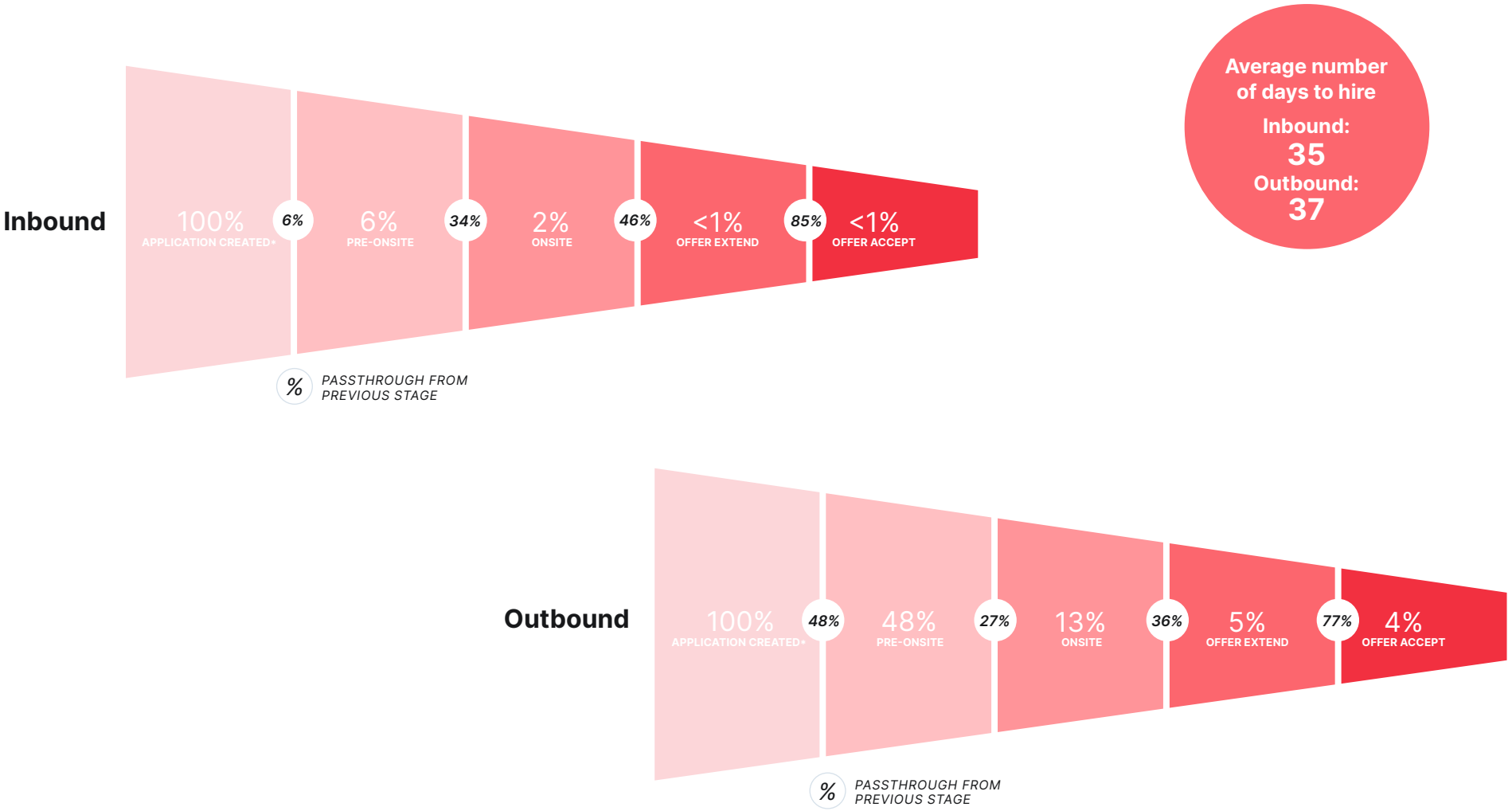
45% of onsites (nearly ½) lead to an offer. If your conversion rates are outside this range, you may be conducting too many or too few onsite interviews. Determine if interviewers are being too rigorous or too generous in their evaluations. Maybe recruiters and hiring managers aren't aligned on hiring criteria, or there's poor communication between the two. Calibrating on ideal responses for each interview question ensures that all interviewers are aligned on candidate qualifications.

Furthermore, mapping rejection reasons at this stage will alert you to broader patterns that can help fine-tune your recruiting motion. If the problem is candidate quality, sit down with sourcers and review your screening process. If candidates are choosing to withdraw after onsites, look into the interview experience and hold hiring managers and interview panelists accountable.

84% of job offers extended are accepted. This is 8% higher than last year's number, which suggests one of two things: 1) talent is entering hiring processes with a stronger intent to say 'yes' from the beginning (talent spent last year reassessing their priorities and may have more clarity about what they want this year); or 2) the candidate experience improved during COVID so much so that talent is now swayed more strongly while in process.

If you're seeing a lower percentage than this, solicit honest feedback from candidates who rejected your offer. Revisit your offer letter to verify that comp and benefits are on par with your industry. Digging into data from exit interviews—the reasons employees leave your org—might also get you insights into what candidates may have perceived, but couldn't articulate, about your company while in process.

Passthrough Rates: Inbound v. Outbound



Inbound v. Outbound Passthrough Rates: Key Takeaways

Unsurprisingly, passthrough rates for outbound candidates are significantly higher at the top of the funnel (48% vs. 6%). While they're lower at subsequent stages, the massive difference up-front ultimately makes sourced candidates more likely to result in a hire (3.7% vs. 0.8%).

A sourced (outbound) candidate is 4-5x more likely to be hired than an inbound candidate is. This makes logical sense. Passive talent was vetted by your team before they even entered your hiring funnel. You reached out to them because their experience and skill sets aligned with exactly what your hiring manager was looking for; and you suspected they'd share your values and add to your culture. From a strategic perspective, this means that any solid talent acquisition strategy should include an element of passive talent sourcing—no matter *how* strong your inbound is.

Average time-to-hire is 2 days longer for a sourced candidate. This likely has to do with the difference in offer-accept rates between inbound and outbound candidates (85% v. 77%). When a sourced candidate rejects your job offer—which they're more likely to do than an inbound candidate is—time-to-hire is prolonged while you extend another offer to the next-best candidate. TA teams that can get their outbound offer-accept rates on par with their inbound offer-accept rates will see that time-to-hire decrease. Which brings us to...

Sourced talent is 8% less likely to accept your job offers than inbound candidates are. This, *too*, makes sense: passive talent didn't go looking for you; you went looking for *them*. Yet something about your org piqued their interest—they entered your hiring process, after all. Given what we've seen about the efficiency of sourced candidates, talent teams would do well to uncover why sourced talent is rejecting their offers at higher rates than their inbound counterparts are.

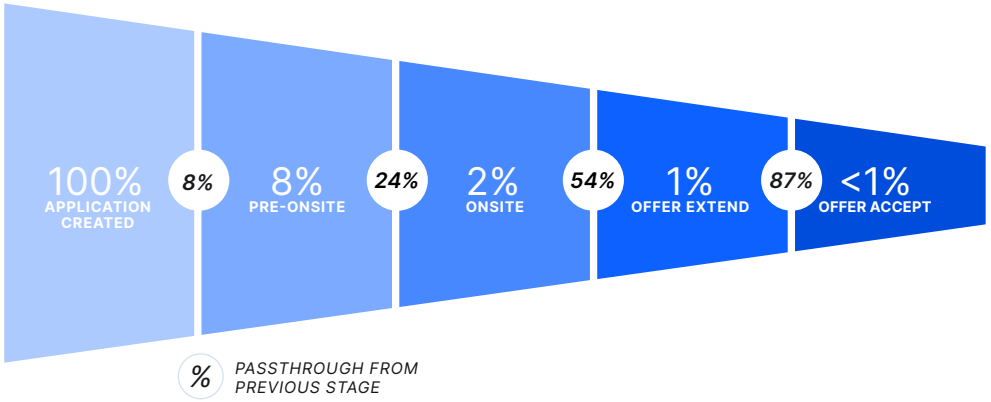
Survey your sourced candidates—not just at the end of the process, but at *every* stage—to find out what's resonating with them and what isn't. Adjust your messaging, and your candidate experience, accordingly.

Sourced candidates are *4-5x more likely to be hired* than applicants are.

So no matter how strong your inbound is, it's well worth including passive talent sourcing in your talent acquisition strategy.

Passthrough Rates by Company Size

1 - 249 FTEs

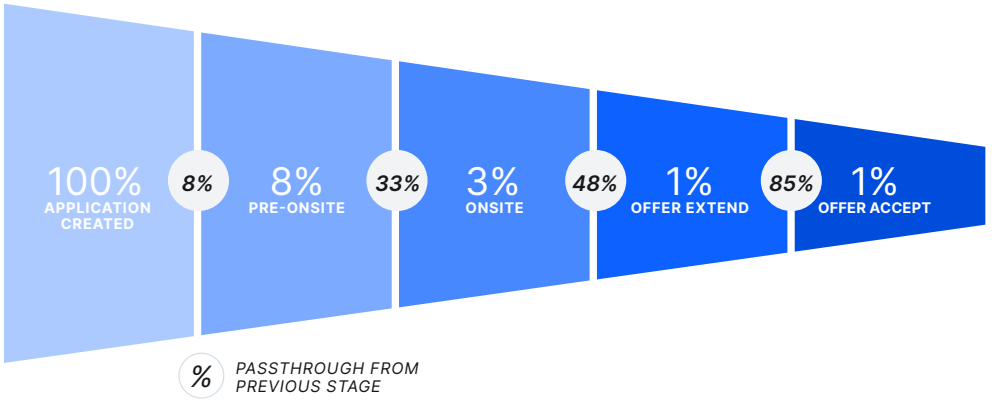


Average number of days to hire

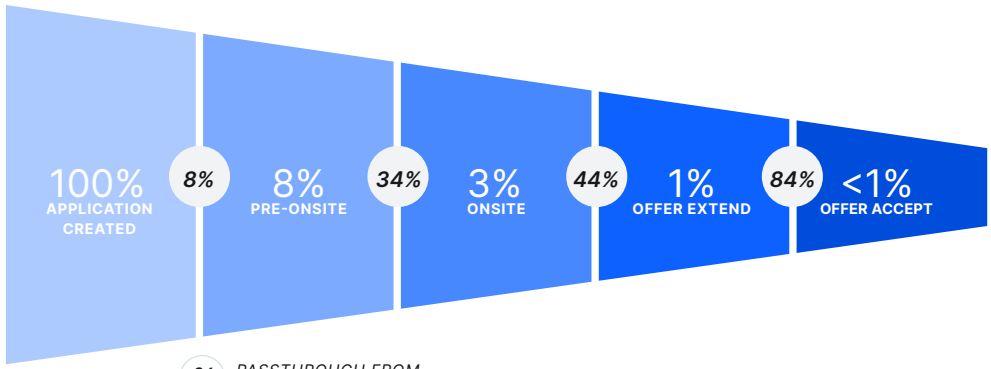
1-249 FTEs:
37

250-999 FTEs:
32

250 - 999 FTEs



1000-4999 FTEs



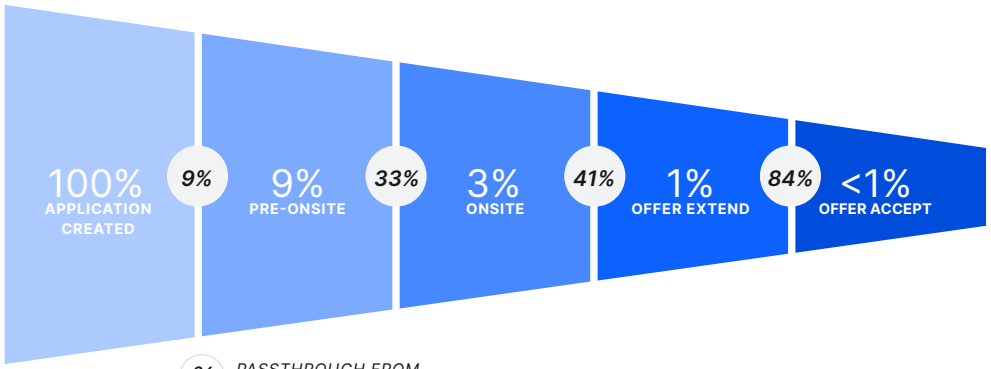
% PASSTHROUGH FROM PREVIOUS STAGE

Average number of days to hire

1000-4999 FTEs: 37

5000+ FTEs: 33

5000+ FTEs



% PASSTHROUGH FROM PREVIOUS STAGE

Passthrough Rates by Company Size: Key Takeaways

Small (1-249 FTE) companies are the most selective about bringing people onsite after pre-onsite interviews (24%); but they issue offers at the highest rate after the onsite (54%), and they see the greatest percentage of offer-accepts (87%).

Mid-sized (250-999 FTEs) companies *also* issue offers at a fairly high rate after the onsite (48%). They also have the shortest time-to-hire (32 days).

As company size increases, passthrough rates from Onsite → Offer Extend and Offer Extend → Offer Accept *decrease*. In other words, the largest companies extend the fewest % of offers... but those companies also see the fewest % of offers accepted.

Compared to last year's data, ***all* companies—regardless of size—passed a smaller percentage of candidates through to the onsite stage**, suggesting more rigor early on in process. But they *all* saw higher offer-accept rates across the board compared to last year. (The smallest companies saw the greatest increase in offer-accept rates.)

Smaller companies are the most discerning about moving candidates to the onsite stage.

They also see the greatest percentage of offers extended and offers accepted—though companies of *every* size have seen higher offer-accept rates during COVID than they saw pre-COVID.

How to Leverage the Data on Passthrough Rates by Company Size

Larger companies might take a tip from smaller companies: *screen like a startup.* Onsite interviews are costly—especially for technical roles that require panel interview time. Smaller companies are particularly aware of this, and larger companies will benefit from recognizing it. Make sure the questions you ask during your pre-onsites get as much pertinent information as possible from the candidate: hard skills and soft skills, knowledge and values, and so on. Make sure, too, that recruiters know what red flags to watch out for. Being more selective at the very top of the funnel means better Onsite → Offer Extend passthrough rates—because you brought the right people in to begin with.

Humanize and personalize your candidate experience (CX). In an inversion of our pre-COVID data, ***smaller companies are now seeing the highest offer-accept rates.*** Pre-pandemic, they saw the *lowest* offer-accept rates—presumably because they were perceived as higher-risk. One best guess about this inversion is that smaller orgs either already offered a more humanized CX—which became increasingly important during the pandemic—or they were able to pivot on their candidate experience more quickly than their larger competitors were.

Another guess is that, as talent reconsidered what they wanted out of their work lives last year, many of them landed on roles in which they could have more visibility and make a greater impact. A third is that, with talent moving out of major cities and/or simply working from home, cost of living and general spending is down. Compensation may have become less a priority with these changes.

Strategies for improving offer-accept rates:

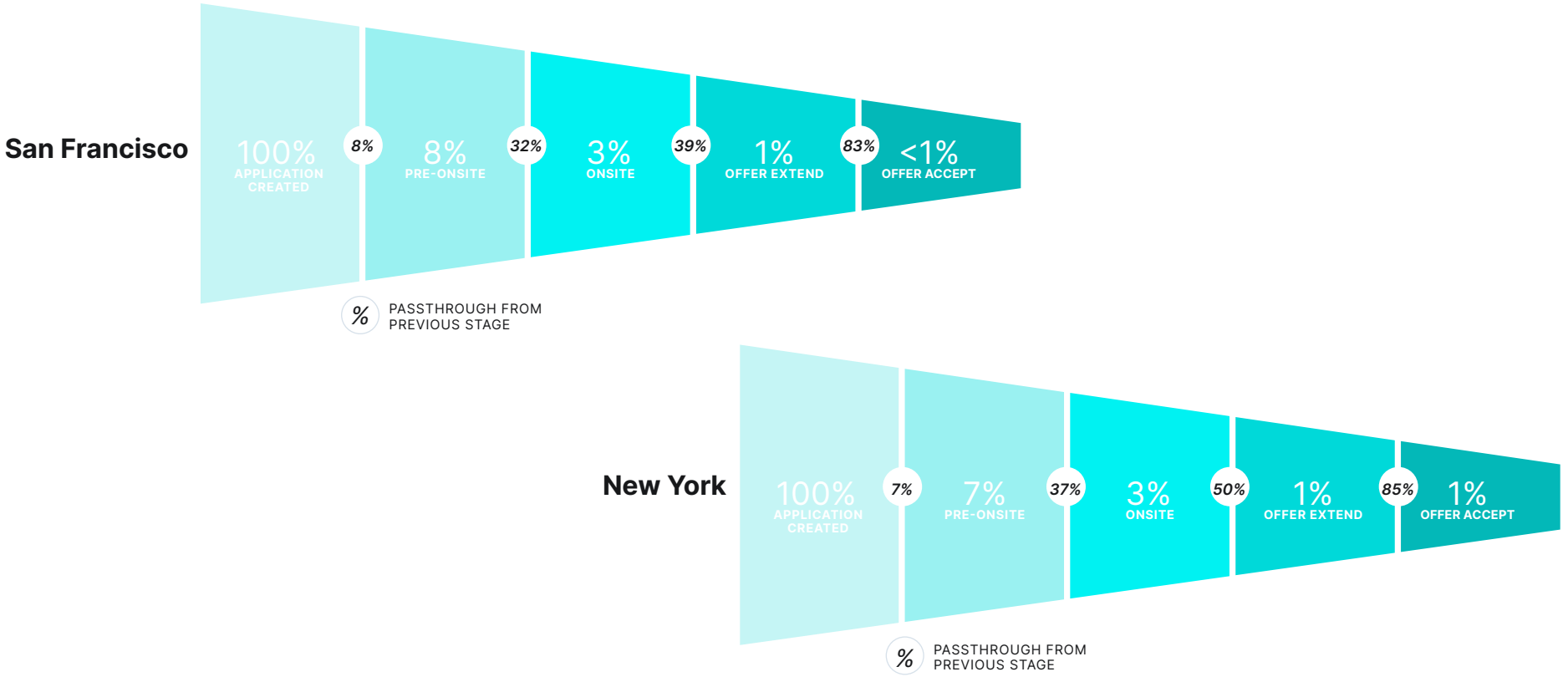
Upgrade your candidate experience based on best practices and prior candidate feedback

Define your EVP and ensure candidates are clear about all it entails

Know what candidates most want to hear about the role and your org—and lead with that

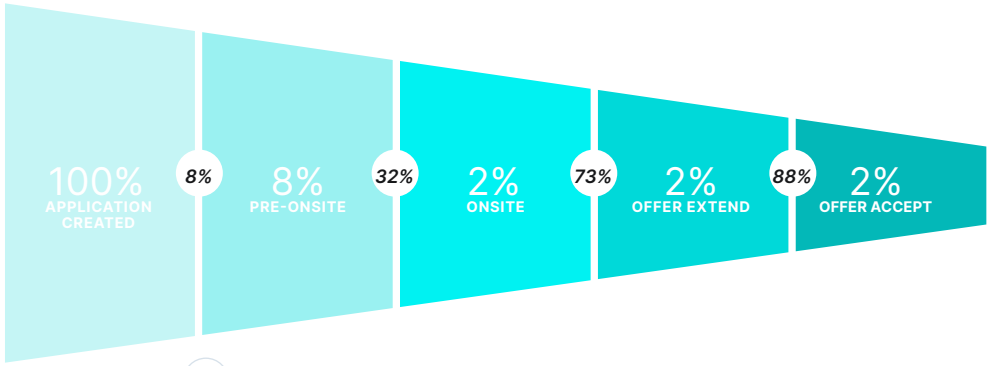
If you want to meet (or exceed) that 87% offer-accept rate, use a combination of candidate surveys, best practices, and data on your *current* pipeline to determine where in the journey you could be serving your candidates better. (Re)consider your employee value proposition: What contribution can you make to their lives—*beyond* compensation—for a fulfilling employee, and human, experience? (Your answer to this question will be especially important if withdrawal data suggests you're losing candidates to competitors.) And pay attention to what candidates are telling you they want to know. What are they asking about during interviews? What are industry surveys saying that talent is prioritizing? Use this data to guide what you lead with in your messaging and your conversations.

Passthrough Rates by Company Location*

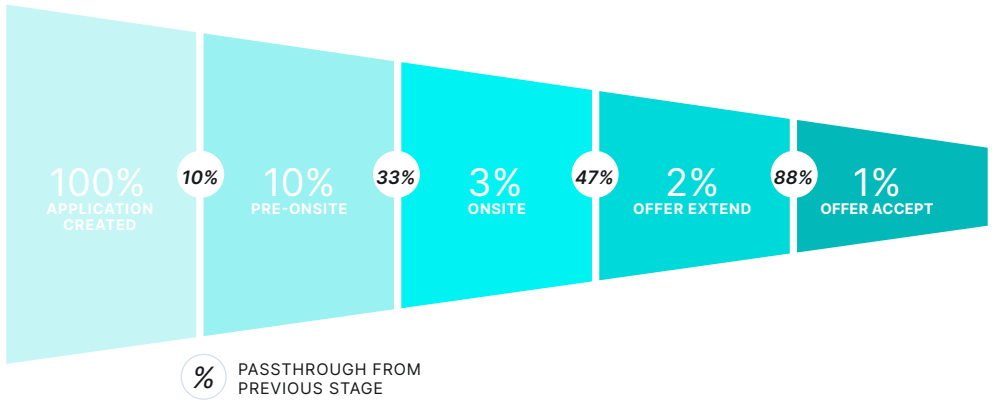


* "Location" refers to company headquarters. The category "Other (USA)" includes U.S. cities with fewer overall tech companies (Atlanta, Chicago, Denver, Detroit, Minneapolis, Pittsburgh, Portland, Salt Lake City, Seattle, etc.). "Other (International)" includes Australia, Brazil, Canada, Germany, Luxembourg, the UK, and more.

Other (USA)



Other (International)



Average Days to Hire

San Francisco Bay Area: **37**

New York Metro: **35**

Other (USA): **25**

Other (International): **50**

Passthrough Rates by Location: Key Takeaways

U.S. cities with fewer overall tech companies (i.e. NOT New York or San Francisco) have seen the shortest time-to-hire this year, as well as higher offer-accept rates than both New York and San Francisco-based companies.

New York-based companies are more selective than Bay Area companies are early in the process, with fewer applicants getting pre-onsite interviews (6.7% compared to 8.3%). As a result, New York-based companies bring more people onsite after the initial interview (36.7% compared 31.3%) and extend more offers to those they bring onsite (49.4% compared to 39.1%).

Bay area companies are the most selective across all stages except Application Created → Pre-Onsite. They ultimately extend the fewest offers. They've also seen the lowest offer-accept rates this year, and took the longest time to hire in the U.S. (37 days).

The U.S. cities with fewer tech companies (i.e. NOT New York or San Francisco) see the shortest time-to-hire (25 days—a full 12 days less than SF-based companies). They also extend the greatest % of offers by far: 73% of their onsites lead to offers. And they've seen higher offer-accept rates than both New York and San Francisco this year.

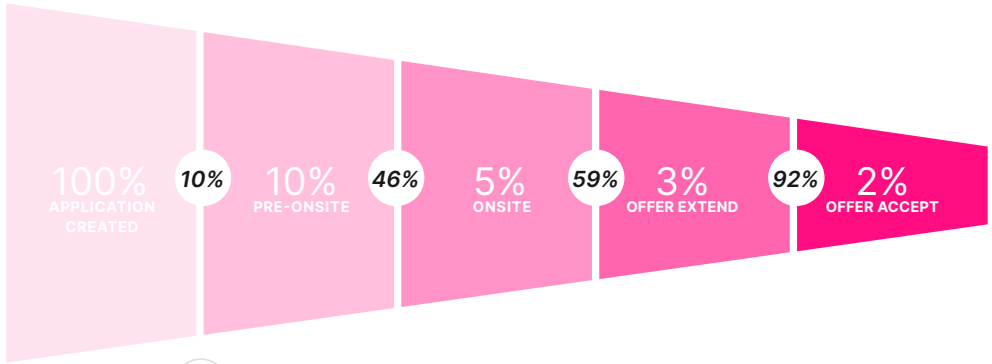
How to Leverage the Data on Passthrough Rates by Company Location

If offer-accept rates aren't what they'd like them to be, companies headquartered in tech hubs like New York and the Bay Area should look to the suggestions offered in the previous section: clarify and communicate your EVP, lead with what candidates most want to know throughout your process, and use data and best practices to continually improve the overall candidate experience. What's more, survey the candidates who reject your offers.

It's possible that New York and San Francisco are seeing lower offer-accept rates than elsewhere because talent is now less willing to go where cost of living is so high. (What's more, companies in those geos are now competing with companies based in smaller cities whose remote work policies now allow them to hire anywhere.) So consider your comp packages. Consider your remote policy. Would candidates be more likely to say 'yes' to your offers if it didn't mean moving to your city?

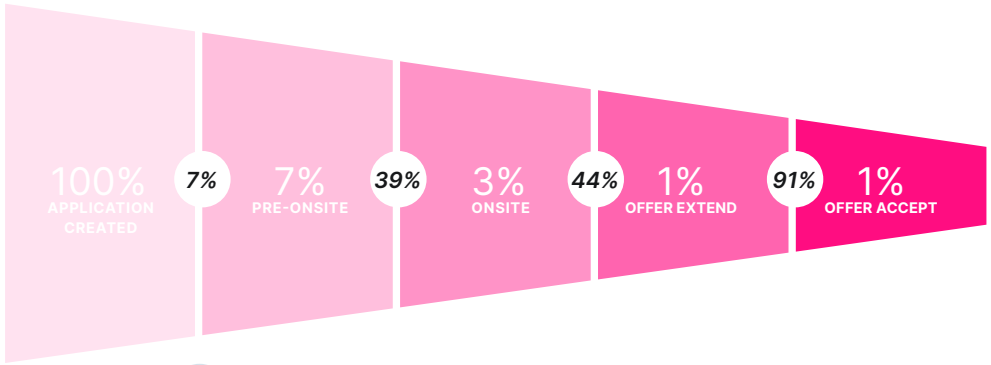
Passthrough Rates by Role/Department

Customer Service/Support



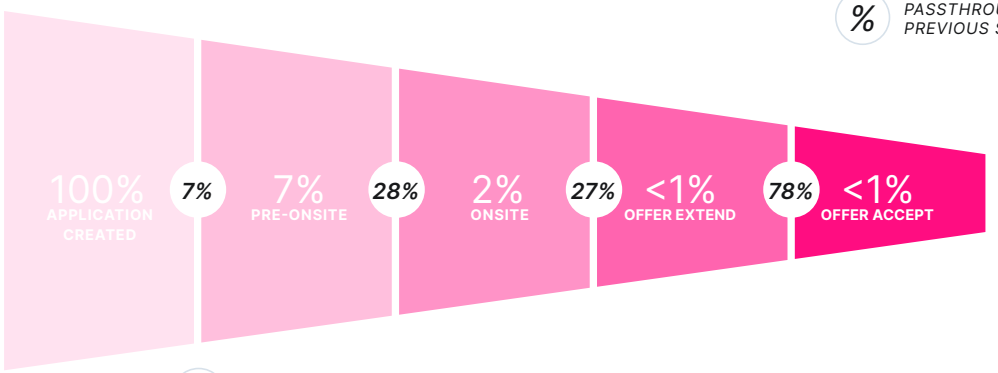
% PASSTHROUGH FROM PREVIOUS STAGE

Customer Success



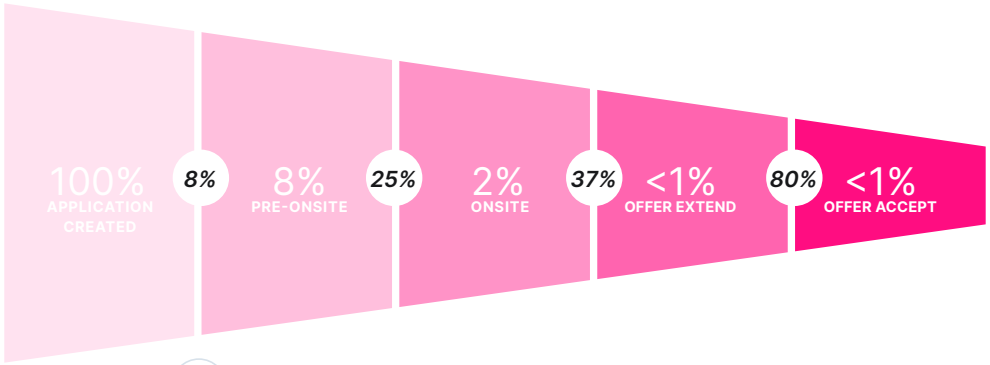
% PASSTHROUGH FROM PREVIOUS STAGE

Data Science



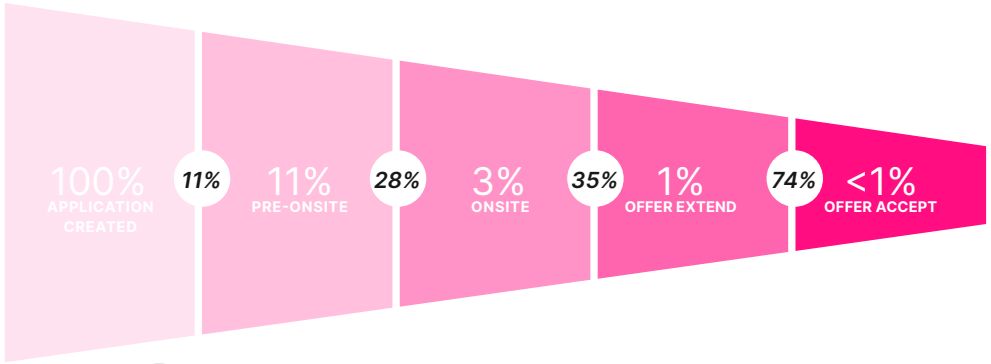
% PASSTHROUGH FROM PREVIOUS STAGE

Design



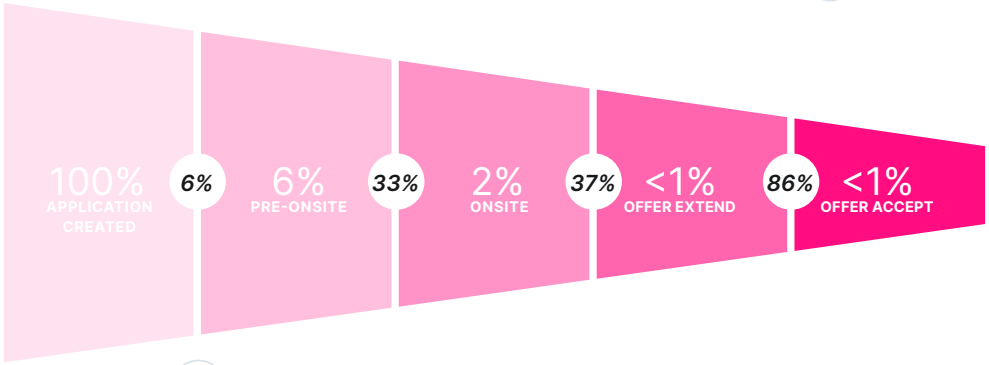
% PASSTHROUGH FROM PREVIOUS STAGE

Engineering



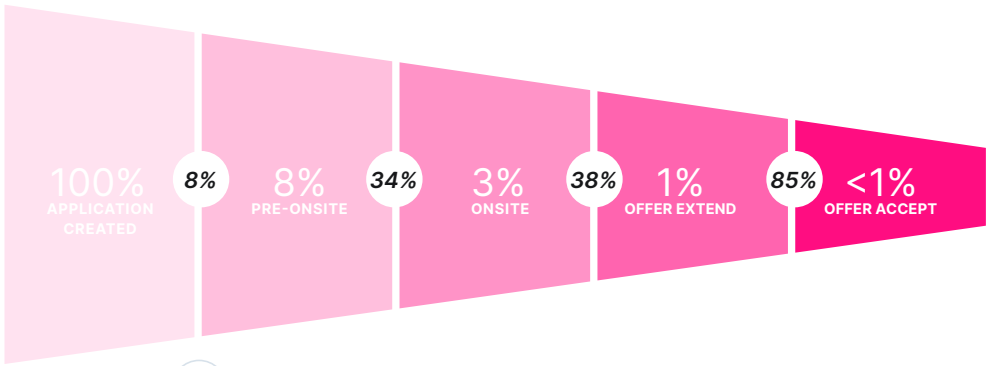
% PASSTHROUGH FROM PREVIOUS STAGE

Finance



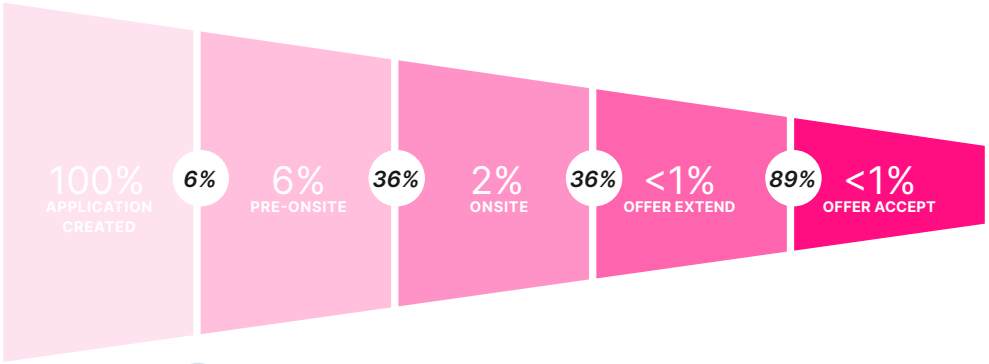
% PASSTHROUGH FROM PREVIOUS STAGE

IT/Security



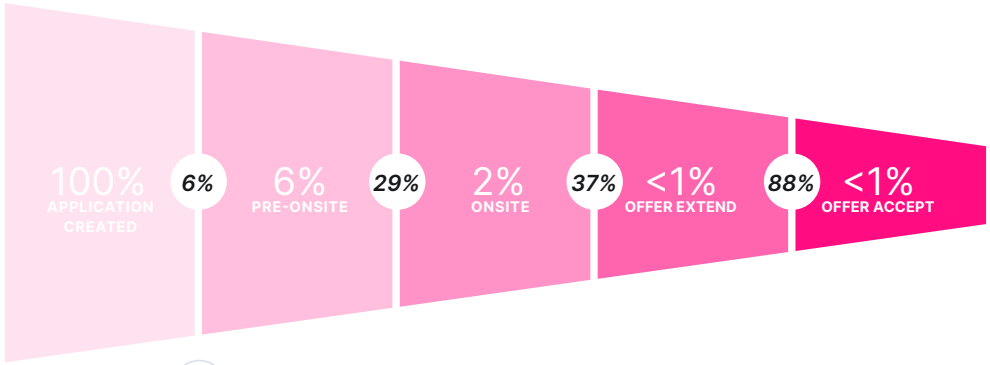
% PASSTHROUGH FROM PREVIOUS STAGE

Legal/ Compliance

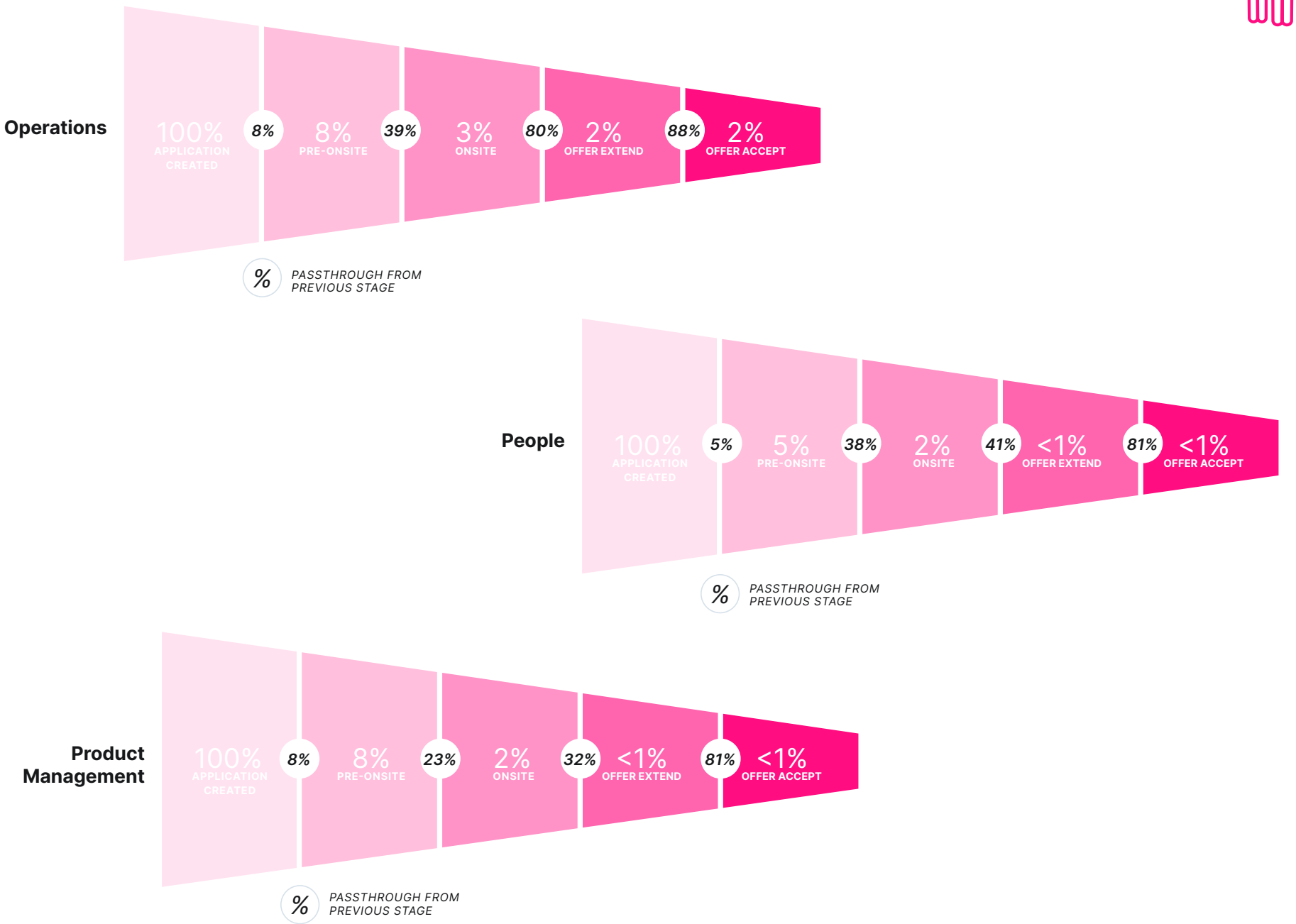


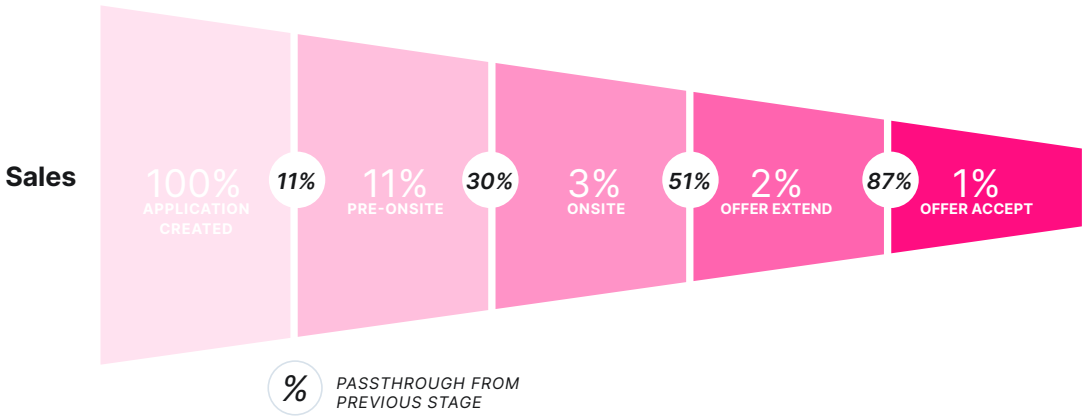
% PASSTHROUGH FROM PREVIOUS STAGE

Marketing

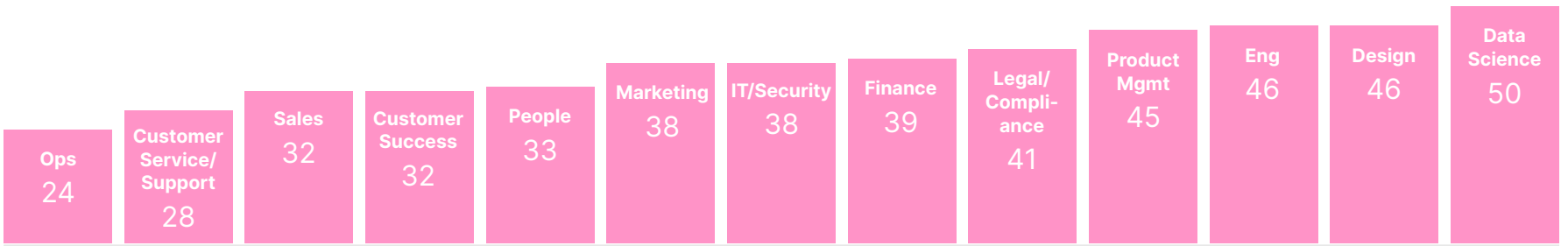


% PASSTHROUGH FROM PREVIOUS STAGE


Operations
100%
APPLICATION CREATED
8%
8%
PRE-ONSITE
39%
3%
ONSITE
80%
2%
OFFER EXTEND
88%
2%
OFFER ACCEPT
% PASSTHROUGH FROM PREVIOUS STAGE
People
100%
APPLICATION CREATED
5%
5%
PRE-ONSITE
38%
2%
ONSITE
41%
<1%
OFFER EXTEND
81%
<1%
OFFER ACCEPT
% PASSTHROUGH FROM PREVIOUS STAGE
Product Management
100%
APPLICATION CREATED
8%
8%
PRE-ONSITE
23%
2%
ONSITE
32%
<1%
OFFER EXTEND
81%
<1%
OFFER ACCEPT
% PASSTHROUGH FROM PREVIOUS STAGE



Average Days to Hire



Passthrough Rates by Role/Department

Below is the same data presented in a different format. These numbers should help you estimate how many candidates you'll need at a given stage of the funnel in order to fill a role. They're also useful for gauging how healthy your pipeline is for the next time that role opens.

Customer Service/ Support	
Number of applications created to make a hire	41
Number of pre-onsites to make a hire	4
Number of onsites to make a hire	2

Customer Success	
Number of applications created to make a hire	93
Number of pre-onsites to make a hire	6
Number of onsites to make a hire	3

Data Science	
Number of applications created to make a hire	240
Number of pre-onsites to make a hire	17
Number of onsites to make a hire	5

Design	
Number of applications created to make a hire	166
Number of pre-onsites to make a hire	13
Number of onsites to make a hire	3

Engineering	
Number of applications created to make a hire	123
Number of pre-onsites to make a hire	14
Number of onsites to make a hire	4

Finance	
Number of applications created to make a hire	168
Number of pre-onsites to make a hire	10
Number of onsites to make a hire	3

IT/Security	
Number of applications created to make a hire	109
Number of pre-onsites to make a hire	9
Number of onsites to make a hire	3

Legal/Compliance	
Number of applications created to make a hire	136
Number of pre-onsites to make a hire	9
Number of onsites to make a hire	3

Marketing	
Number of applications created to make a hire	180
Number of pre-onsites to make a hire	11
Number of onsites to make a hire	3

Operations	
Number of applications created to make a hire	47
Number of pre-onsites to make a hire	4
Number of onsites to make a hire	2

People	
Number of applications created to make a hire	156
Number of pre-onsites to make a hire	8
Number of onsites to make a hire	3

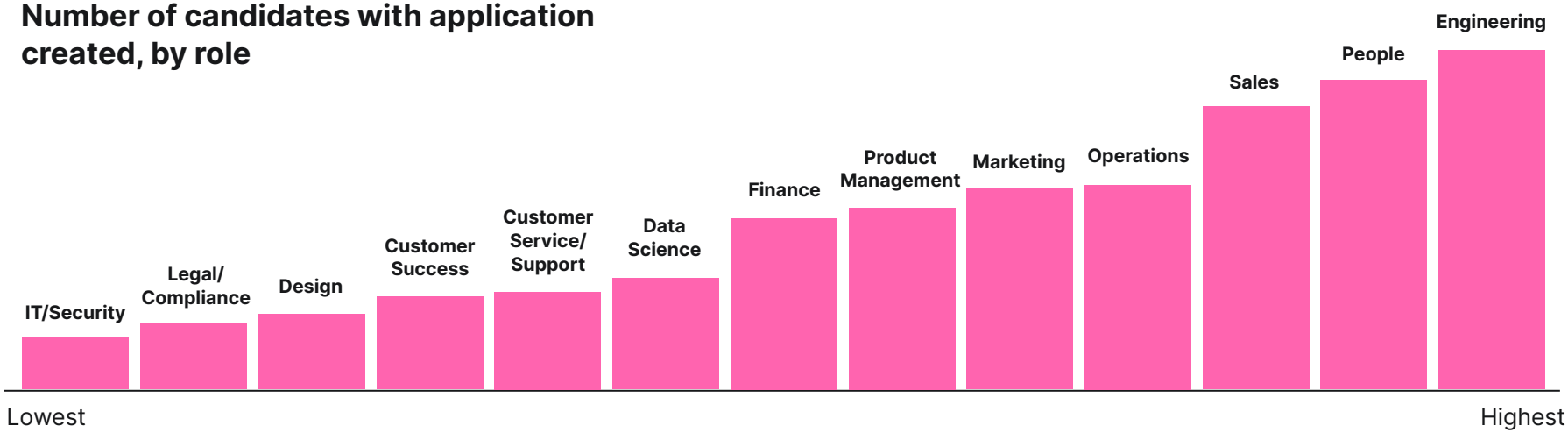
Product Management	
Number of applications created to make a hire	215
Number of pre-onsites to make a hire	17
Number of onsites to make a hire	4

Sales	
Number of applications created to make a hire	67
Number of pre-onsites to make a hire	8
Number of onsites to make a hire	2

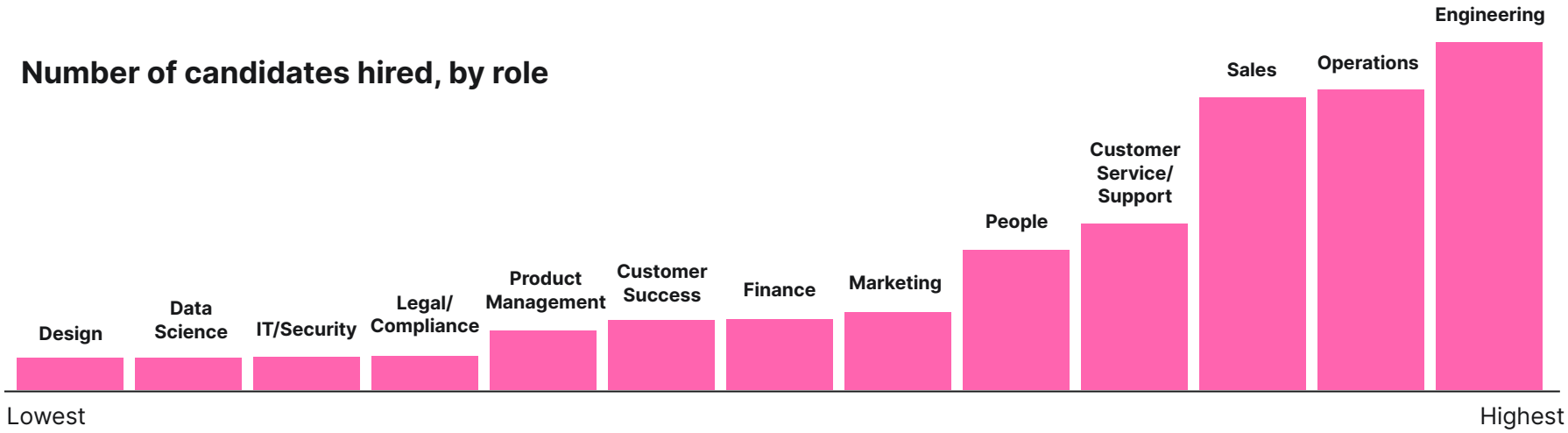
> Gem essentially tells me how many hours of work we'll have to put in to suffice a new headcount. Based on historical conversion rates for that role, I know how many outreaches my team will have to make, how many phone screens, how many onsites, how many offers extended to get an offer-accept. As soon as you have that data, you know whether you're under-resourced or not.

Carmen Coleman
Head of Business Recruiting
Envoy

Number of candidates with application created, by role



Number of candidates hired, by role



Passthrough Rates by Role/Department: Key Takeaways

Engineering and Sales departments see the highest % of candidates converting from Application Created → Pre-Onsite (11%).

Operations and Customer Service/Support departments generally have the highest passthrough rates across all stages *except* for Application Created → Pre-Onsite.

Engineering and Data Science departments see the lowest offer-accept rates (< 80%). Customer Service/Support (92%) and Customer Success (91%), on the other hand, see the *highest* offer-accept rates.

Data Science, Engineering, and Product Management require the greatest # of onsites (4) to make a hire.

Data Science (50 days) and EPD departments (46 days) have the longest average time-to-hire.

How to Leverage the Data on Passthrough Rates by Role/Department

If benchmarks suggest your struggle to fill a particular role is on par with the industry, start nurturing prospects and building pipeline for that role now.

If your passthrough rates *aren't* on par, it's time for an internal examination of your people and processes to uncover why you're experiencing drop-offs that your competitors aren't.

Dropouts in your hiring funnel will include both candidates who withdraw from process and candidates whom *you* decide not to move forward with. Hopefully you're documenting every step in every candidate's journey. Over time, you'll be able to observe patterns in your internal data, and optimize parts of your hiring process from there.

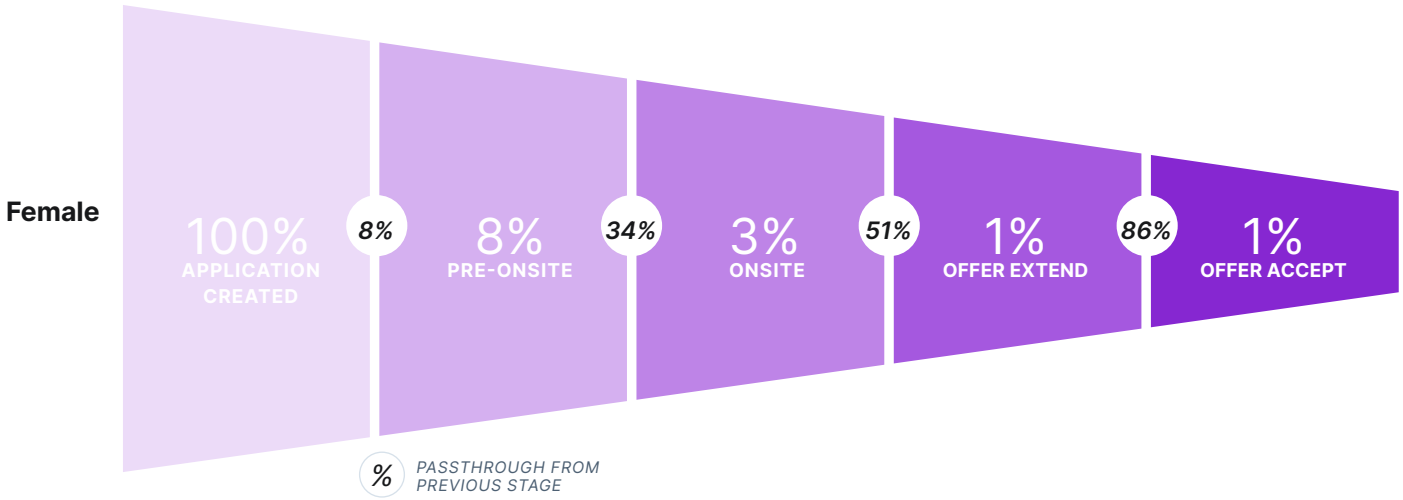
If there's a particular role you're struggling to move through a specific stage in the funnel, it's helpful to know if it's a common struggle for companies at that stage. If benchmarks suggest your struggle is on par with the industry, your best bet is to start nurturing prospects and building pipeline for that role as soon as possible. You'll want a set of strong relationships in place with talent with those skill sets—especially if you foresee more of the same role opening in the future. It may also help to get more realistic about both your goals and your forecasting for that role.

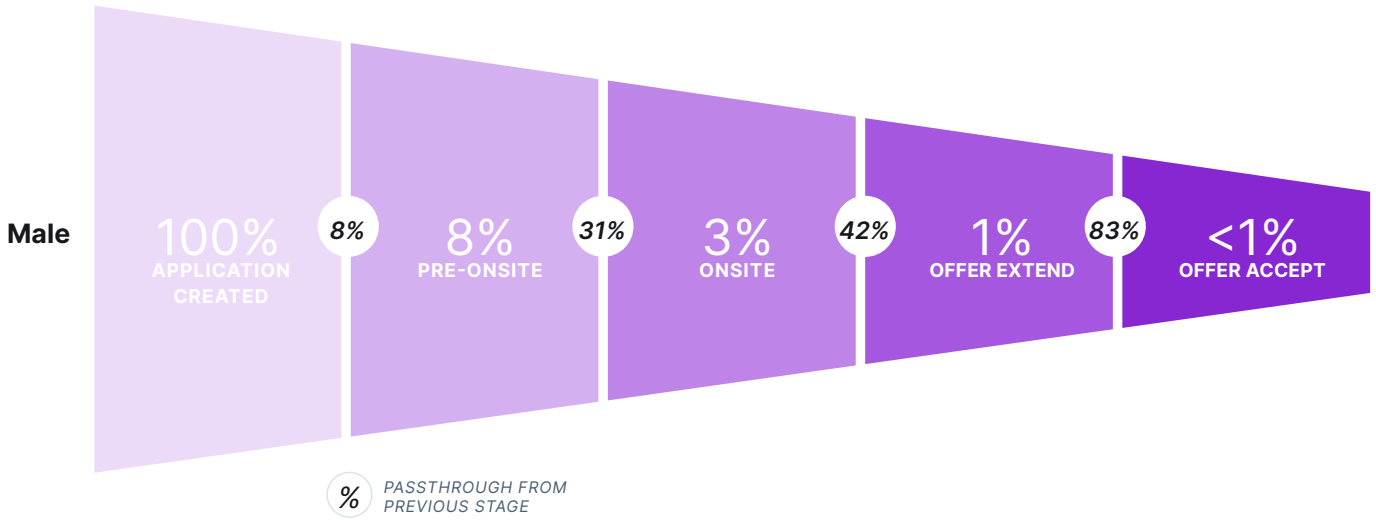
If, on the other hand, your struggle appears to be out-of-tune with what's happening in the industry, it's time to examine your processes, people, and structures at that stage to see what might be causing the hiccup. Talk to employees who hold the same (or similar) roles and find out if candidate expectations and the reality of your position aren't aligned. Walk them through the details of that stage in the hiring process if it's useful. And, as always, reach out to candidates who fell out at that stage—especially recent withdrawals. They'll have the freshest insights for you about what they experienced in those hours before they withdrew, and how you could have made it better for them.

Passthrough Rates by Gender

Average Days to Hire

Female: **32**
Male: **37**
Other (non-binary, unknown): **38**





Passthrough Rates by Gender: Key Takeaways

As was the case with last year's data, there's a clear top-of-funnel problem when it comes to gender diversity in sourcing. As noted above, male-identified talent receives, on average, 2.3x more outreach than female-identified talent does; subsequently, **1.8x more male candidates enter process than female candidates do.** This data continues to square with other studies in the recruiting industry: LinkedIn's 2018 Gender Insights Report found that recruiters—regardless of their own gender—are 13% less likely to click on a woman's profile when she shows up in a search.

Despite the fact that male candidates see slightly higher passthrough rates from Application Created → Pre-Onsite (8.4% v. 8%), *female* candidates see higher passthrough rates across the remaining stages of the funnel: **51% of female talent is extended offers after onsites, compared to only 42% of male talent;** and women ultimately have a higher end-to-end passthrough rate (1.2% v. 0.9%).

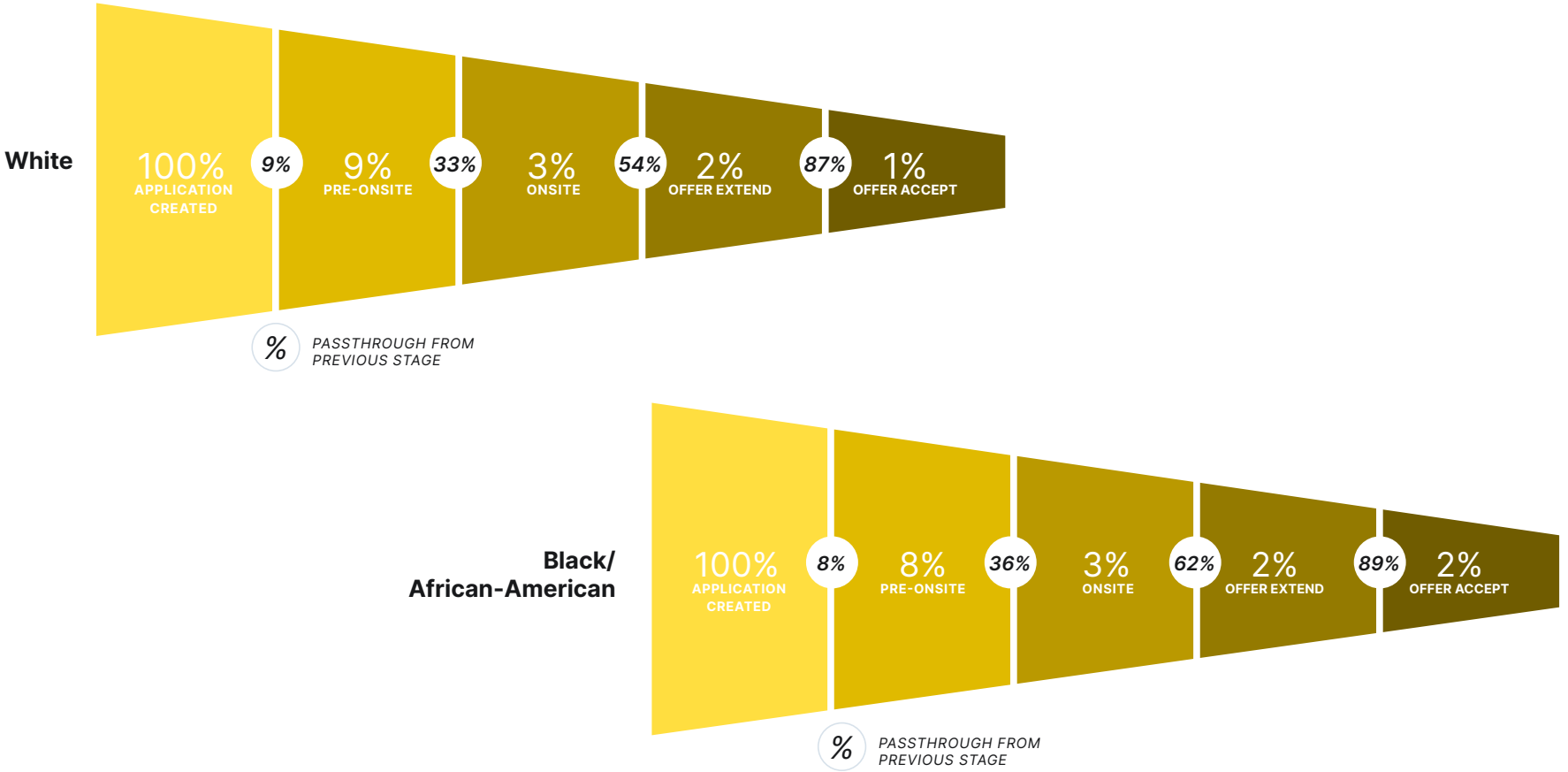
Nearly 2x as many male candidates enter process as female candidates; but female candidates pass through subsequent stages at higher rates.

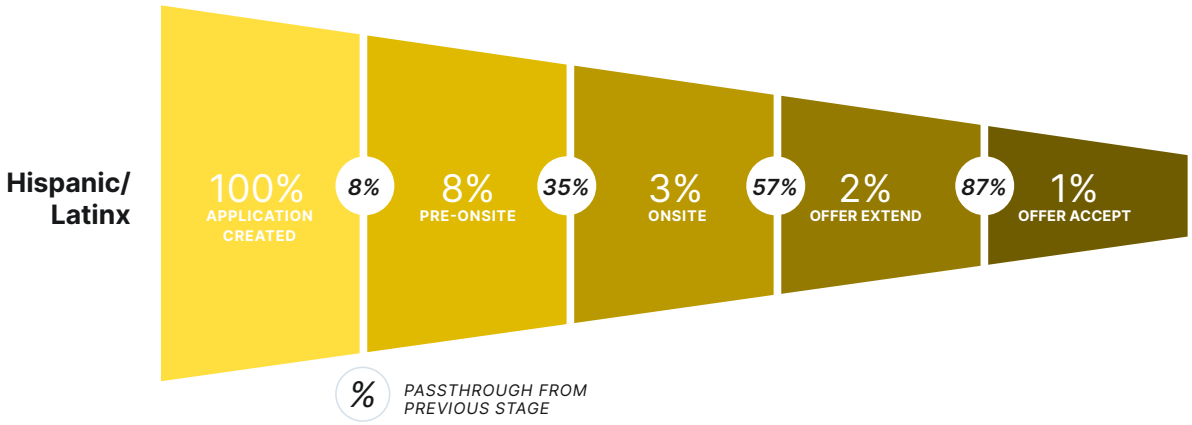
The story this tells is that unconscious bias has the strongest impact on the gender gap in the stages before talent has the opportunity to demonstrate their proficiencies through a phone screen or a test.

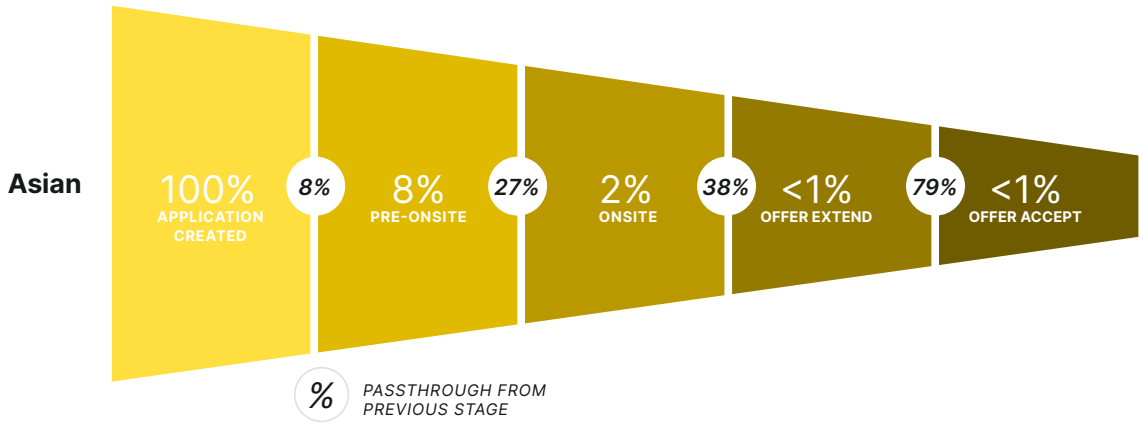
In other words, **while fewer women enter into process, the ones who *do* enter tend to outperform their male counterparts.** The numbers suggest that unconscious bias tends to have the strongest impact on the gender gap before talent has the opportunity to demonstrate their proficiencies through a phone screen or test. By and large, recruiting teams have a more equitable interview process than they think; diversity is more a top-of-funnel problem. If companies could bring in more women at the top of the funnel, they would likely see the same (or better) success rates that they see with male candidates.

It takes 5 days longer to hire a male candidate than to hire a female candidate. This is partially driven by the gender skew in EPD roles, which generally see a longer time-to-hire; but it's worth considering any *other* reasons this may be so for your org (if it's so). Are male candidates more likely to negotiate their salaries, extending their time-to-hire? Pay attention to the reasons for time-in-stage across your funnel.

Passthrough Rates by Race/Ethnicity and Role

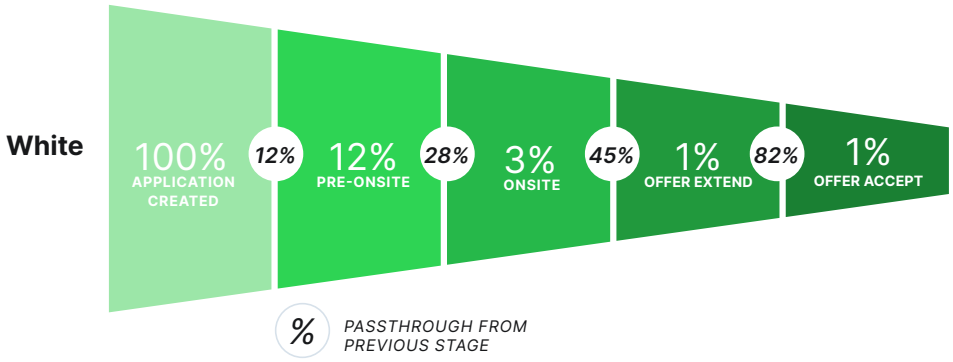


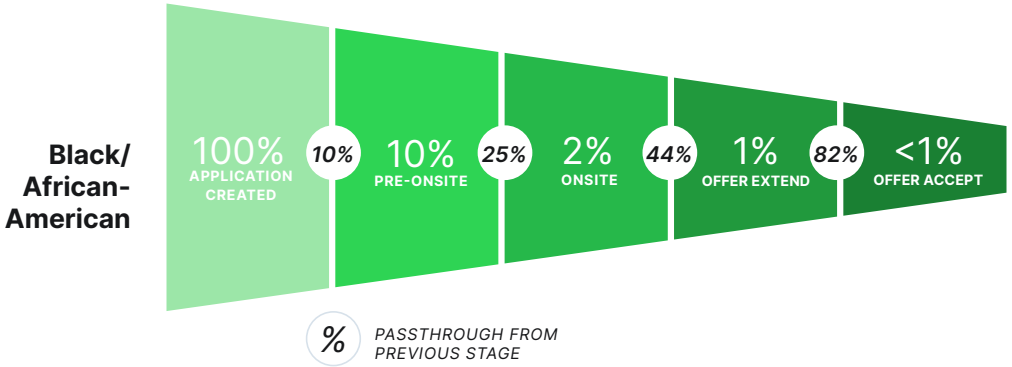

Hispanic/ Latinx
100%
APPLICATION CREATED
8%
8%
PRE-ONSITE
35%
3%
ONSITE
57%
2%
OFFER EXTEND
87%
1%
OFFER ACCEPT
%
PASSTHROUGH FROM PREVIOUS STAGE


Asian
100%
APPLICATION CREATED
8%
8%
PRE-ONSITE
27%
2%
ONSITE
38%
<1%
OFFER EXTEND
79%
<1%
OFFER ACCEPT
%
PASSTHROUGH FROM PREVIOUS STAGE

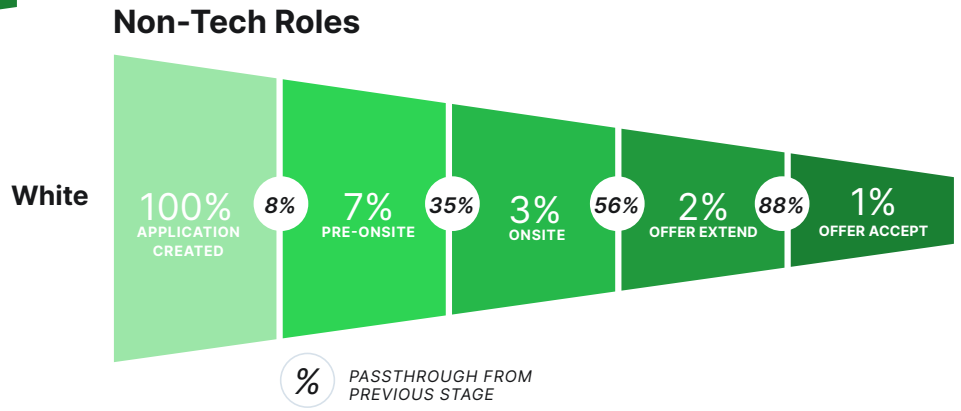
Passthrough Rates by Race/Ethnicity and Role (Tech v. Non-Tech)

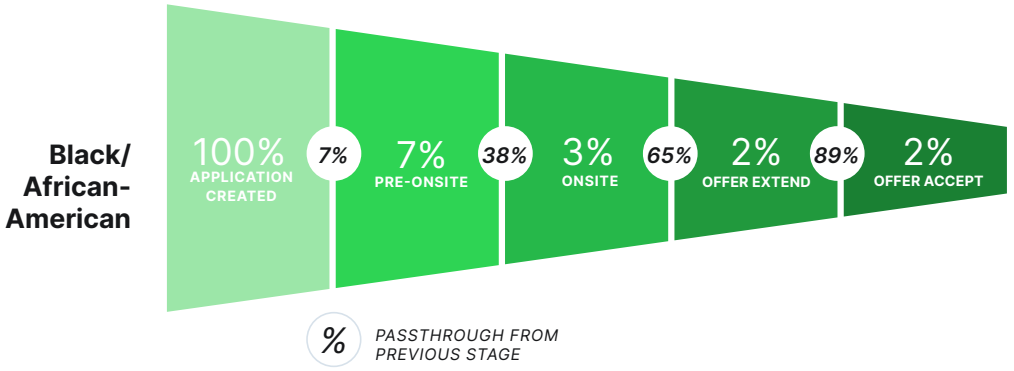
Tech Roles





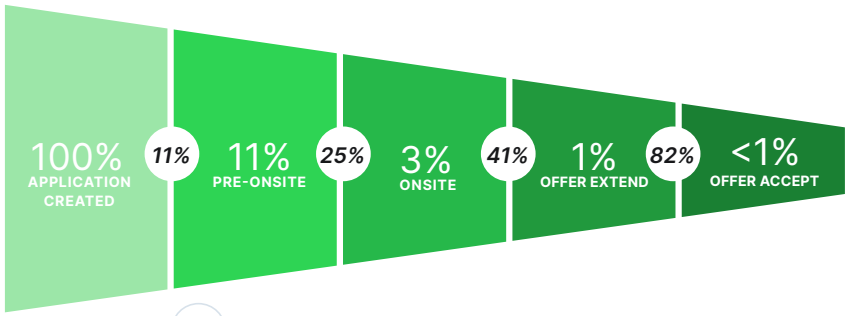
Non-Tech Roles





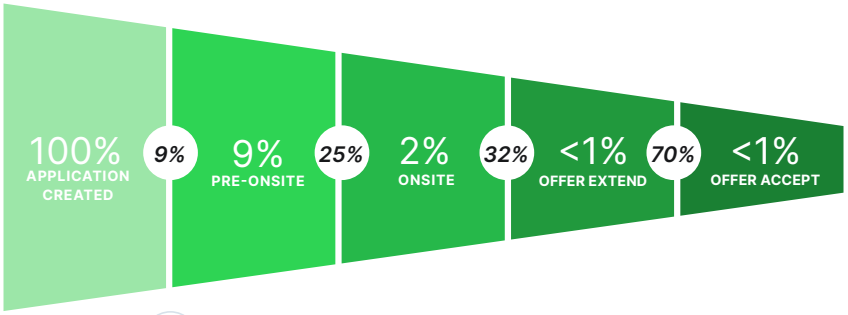
Tech Roles

Hispanic/ Latinx



% PASSTHROUGH FROM PREVIOUS STAGE

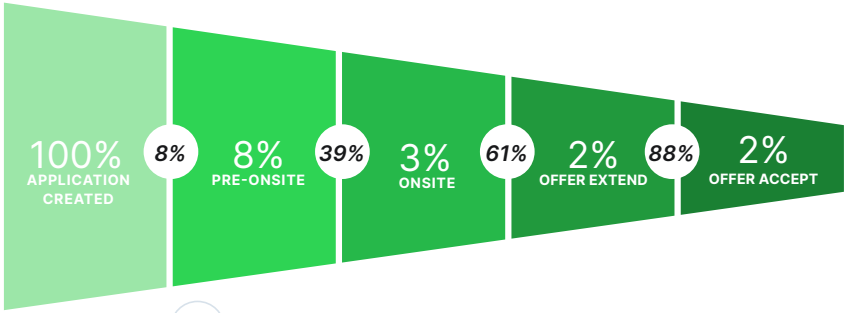
Asian



% PASSTHROUGH FROM PREVIOUS STAGE

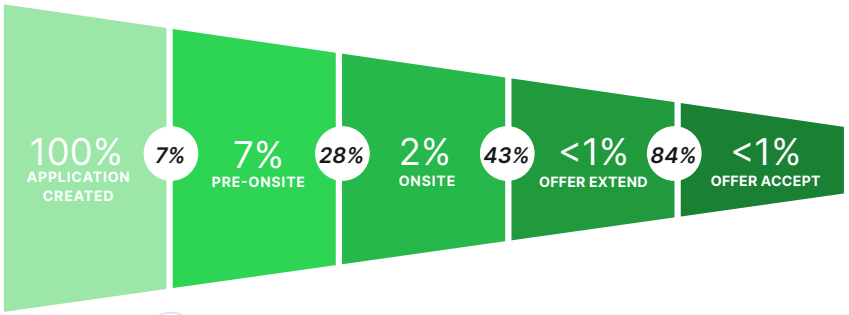
Non-Tech Roles

Hispanic/ Latinx



% PASSTHROUGH FROM PREVIOUS STAGE

Asian



% PASSTHROUGH FROM PREVIOUS STAGE

Passthrough Rates by Race/Ethnicity: Key Takeaways

White candidates see slightly higher passthrough rates from Application Created → Pre-Onsite (8.7% versus 8.3% for Hispanic/Latinx talent, 7.7% for Black talent, and 7.6% for Asian talent). As we saw with gender data, this may be indicative of the impact of unconscious bias at the very top of the funnel.

Despite the fact that White candidates see higher passthrough rates at the top, Black and Hispanic/Latinx talent see higher passthrough rates across the remaining stages of the funnel: **62% of Black talent and 57% of Hispanic/Latinx talent is extended offers after onsites, compared to 54% of White talent.** Black talent ultimately sees the highest overall passthrough rates (1.52% versus 1.46% for Hispanic/Latinx talent, 1.36% for White talent, and 0.6% for Asian talent).

Asian talent tends to pass through the hiring funnel with the lowest conversion rates. **Asian talent also sees the lowest offer-accept rates (< 80%).**

When we limit our analysis to just Tech roles, White candidates have the highest passthrough rates of any demographic across all stages of the funnel. For *non*-tech roles, on the other hand, White candidates have lower passthrough rates compared to other demographic groups (Black and Latinx). The takeaway? Hiring panels for technical departments may need to check the unconscious bias those roles carry with them more than hiring panels for other departments do.

How to Leverage the Data on Passthrough Rates by Gender and Race/Ethnicity

> Gem provides a great barometer to know how many female engineers I'm reaching out to—and down the line, how many I need to reach out to if I want gender equity in my pipelines.

Greg Troxell
Senior Technical Recruiter

At the very top of the funnel, **the most valuable thing you can do is put recruiters through unconscious bias trainings.** The data shows that unconscious bias exists *even* for URMs and female-identified recruiters. Helping recruiters become aware of their own assumptions might change the way they relate to female, non-binary, and underrepresented profiles when they show up in searches.

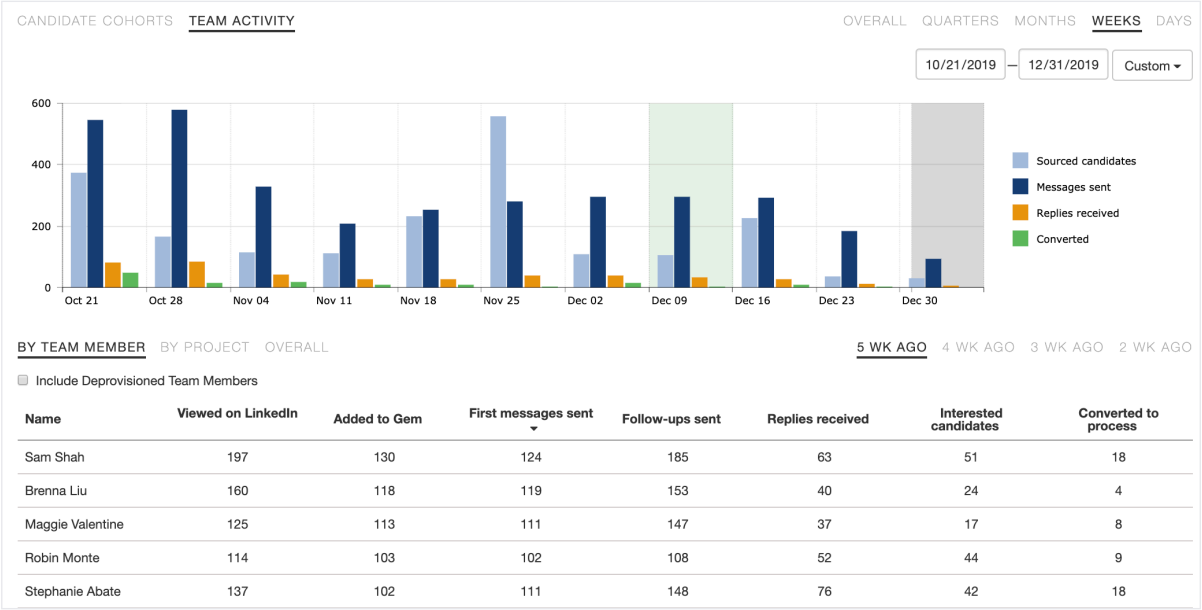
The fact that female-identified talent passes through the hiring funnel at higher rates than male-identified talent, and Black and Hispanic talent passes through the hiring funnel at higher rates than White talent, suggests that a best practice is to **nurture diverse talent pools at the very top of the funnel** through sourcing. This means specifically reaching out to female, nonbinary, and otherwise underrepresented talent. While you're at it, pay attention to the diversity breakdown of your talent pipelines by role, rather than just in aggregate. For example, you may (in fact, given the data, you're *likely* to) discover that your engineering pipeline is mostly made up of White, male talent, while your HR or marketing pipelines are primarily made up of female talent. That's a trend worth identifying and correcting for in more specific ways.

If your offer-accept rates for certain demographics are sub-par, **your most valuable asset may be internal data about candidate withdrawal or offer rejection reasons.** You should be asking all candidates who withdraw from process to be honest about their reasons for doing so; but for underrepresented segments, examining withdrawal reasons can be particularly insightful. Were they turned off by company culture? Were there concerns that their psychological safety might be at risk? What investments might you need to make—from more inclusive practices to better representation at the leadership level—to increase the offer-accept rate for those demographics?

How Gem Can Help

At Gem, we know that the strongest recruiting teams run on data. Numbers give recruiting teams an objective view of their efforts, so they can figure out where their hiring pipeline is stuck or leaky, make quick mid-quarter pivots, and see those adjusted strategies pay off. You can't build strong recruiting strategies if you don't know where to move the needle—or which needles need to be moved. That's where Gem's metrics can help.

Tracking Outreach Metrics in Gem

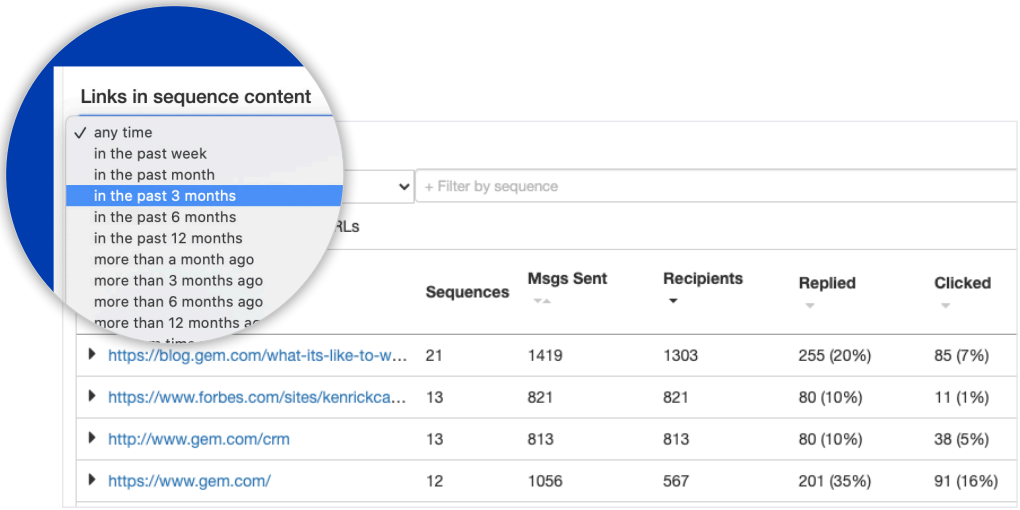


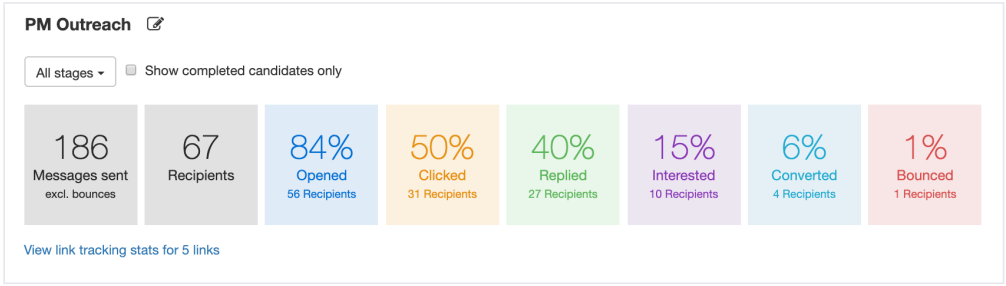
Name	Viewed on LinkedIn	Added to Gem	First messages sent	Follow-ups sent	Replies received	Interested candidates	Converted to process
Sam Shah	197	130	124	185	63	51	18
Brenna Liu	160	118	119	153	40	24	4
Maggie Valentine	125	113	111	147	37	17	8
Robin Monte	114	103	102	108	52	44	9
Stephanie Abate	137	102	111	148	76	42	18

Team Activity shows how many activities—LinkedIn views, first messages, follow-ups, etc.—were performed in a given time period, helping recruiters understand where they're spending their time.

Gem's Outreach Stats let you track how your outreach communications are faring. Open rates, reply rates, and interested rates broken down by message content, talent pool, and even recipient's gender allow you see how your messaging is resonating with different populations over any given time period. Did your team kick off a targeted campaign two weeks ago? See how it's performing now. Is one recruiter's outreach converting candidates at higher rates than others? Dig into that person's messaging to share tips with the rest of the team. You can also use Outreach Stats to manage your team's full top-of-funnel output by tracking the number of LinkedIn profiles viewed, the number of prospects added to Gem, the number contacted, followed-up with, and more—for any given time period, per recruiter.

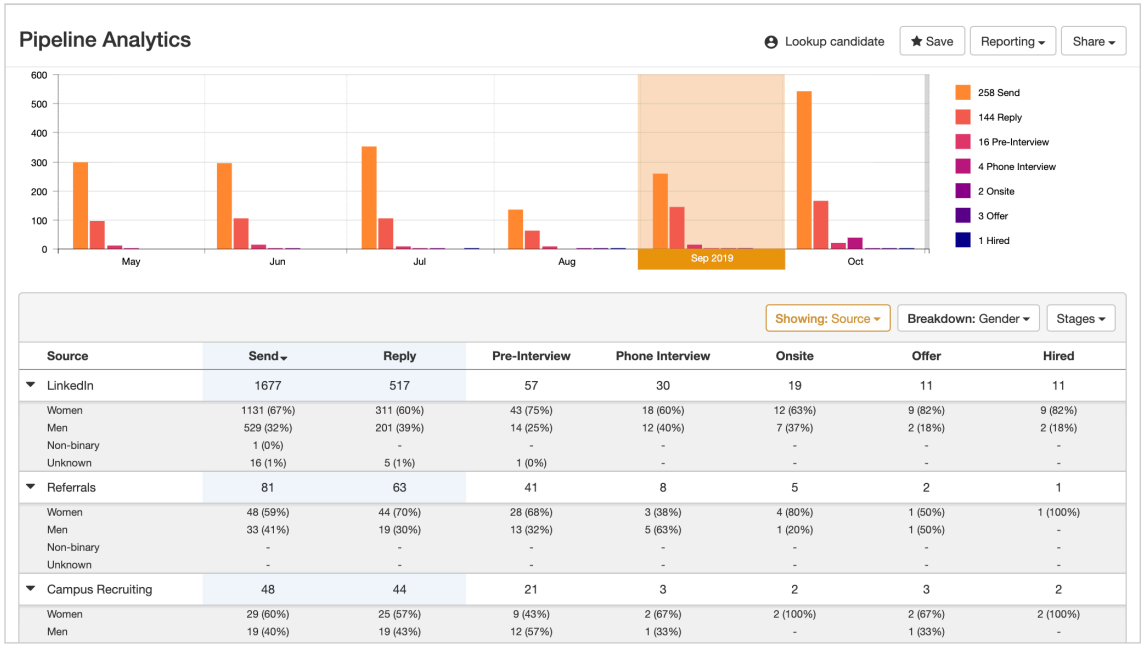
If you include links in your outreach messages through Gem, you can track how prospects engage with them. Discover what content compels prospects to click, and which clicks lead to replies. All this data will better inform your outreach strategy.





Sequence stats gives you the breakdown for individual sequences. You can track conversion rates in aggregate or per stage, to learn which of the four emails you sent in last month's sequence for that open AE role was most successful.

Gem's Pipeline Analytics



Source	Send	Reply	Pre-Interview	Phone Interview	Onsite	Offer	Hired
LinkedIn	1677	517	57	30	19	11	11
Women	1131 (67%)	311 (60%)	43 (75%)	18 (60%)	12 (63%)	9 (82%)	9 (82%)
Men	529 (32%)	201 (39%)	14 (25%)	12 (40%)	7 (37%)	2 (18%)	2 (18%)
Non-binary	1 (0%)	-	-	-	-	-	-
Unknown	16 (1%)	5 (1%)	1 (0%)	-	-	-	-
Referrals	81	63	41	8	5	2	1
Women	48 (59%)	44 (70%)	28 (68%)	3 (38%)	4 (80%)	1 (50%)	1 (100%)
Men	33 (41%)	19 (30%)	13 (32%)	5 (63%)	1 (20%)	1 (50%)	-
Non-binary	-	-	-	-	-	-	-
Unknown	-	-	-	-	-	-	-
Campus Recruiting	48	44	21	3	2	3	2
Women	29 (60%)	25 (57%)	9 (43%)	2 (67%)	2 (100%)	2 (67%)	2 (100%)
Men	19 (40%)	19 (43%)	12 (57%)	1 (33%)	-	1 (33%)	-

Pipeline Analytics serves at Gem's built-in insights & planning engine, offering full-funnel visibility, hiring forecasts, performance metrics, and executive reporting that TA teams use to look ahead and make smarter, data-driven decisions. TA teams use these insights to augment their end-to-end recruiting strategy and facilitate productive conversations with senior business partners and leaders.

Translate Insights into Action

Full-Funnel Visibility: Monitor which jobs are on pace and which ones need more support by reviewing volume of activity at every stage of the process, from outreach to hire.

Performance Optimization: Track team activity, review individual performance, and debug workflows to help your team work smarter, not harder.

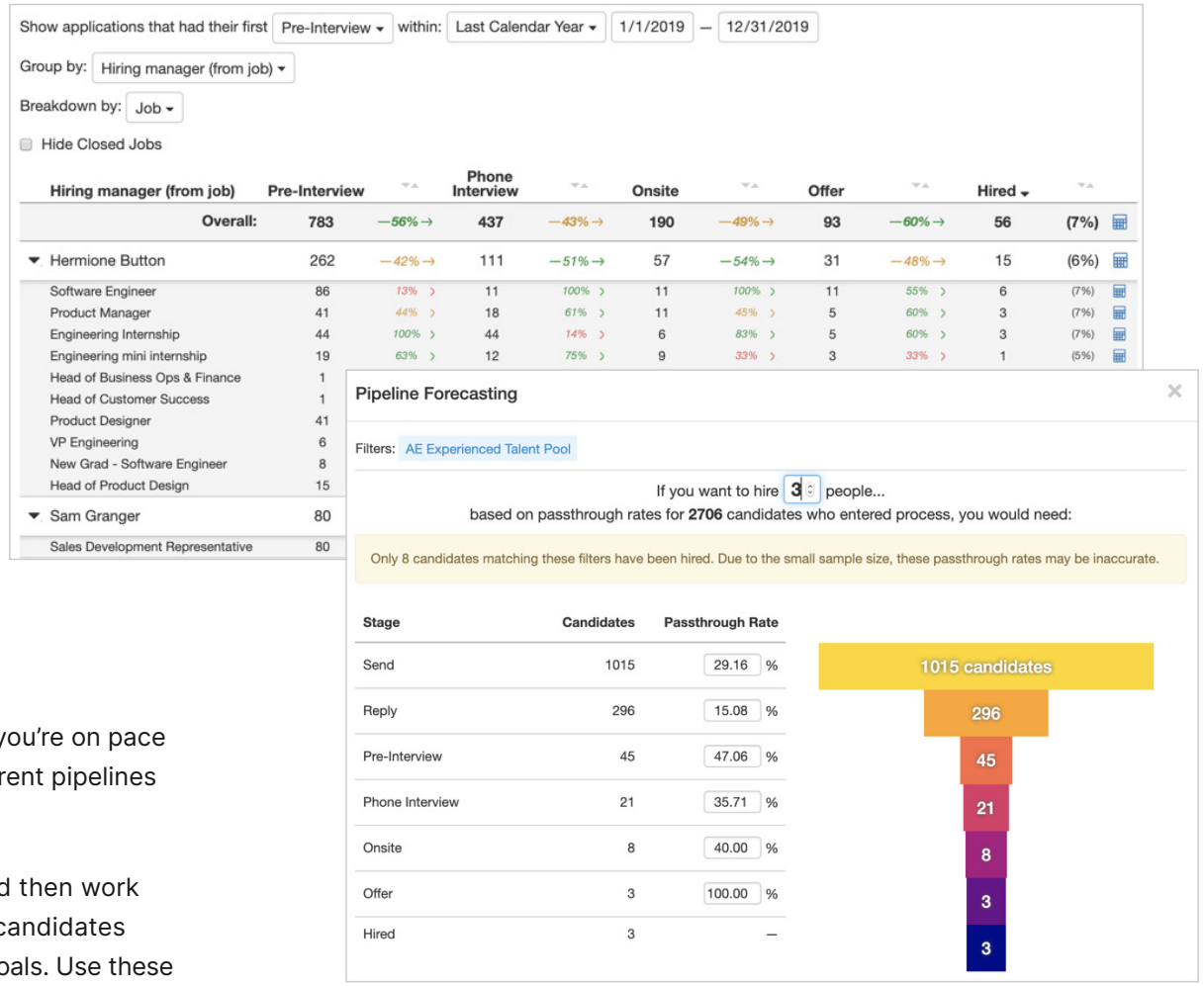
Debug Hiring Funnels

Passthrough Rates: Analyze conversion rates from stage to stage to identify the weakest points of your funnels and understand how to fix them.

Advanced Segmentation: Slice and dice candidate segments by hiring manager, recruiter, job, gender, and more to spot biases and effect process change for a more equitable candidate experience.

> Say we're looking at passthrough rates with Gem and we notice we're losing people at the technical review stage. Is it the way we're assessing people's technical aptitude; is it the test we're using; is it how we're delivering the news that they have to take a technical assessment? These are places we can coach our hiring managers; but they're also places we can partner to optimize that stage in the funnel.

Candice Tang
Director of Talent Acquisition
ROBLOX



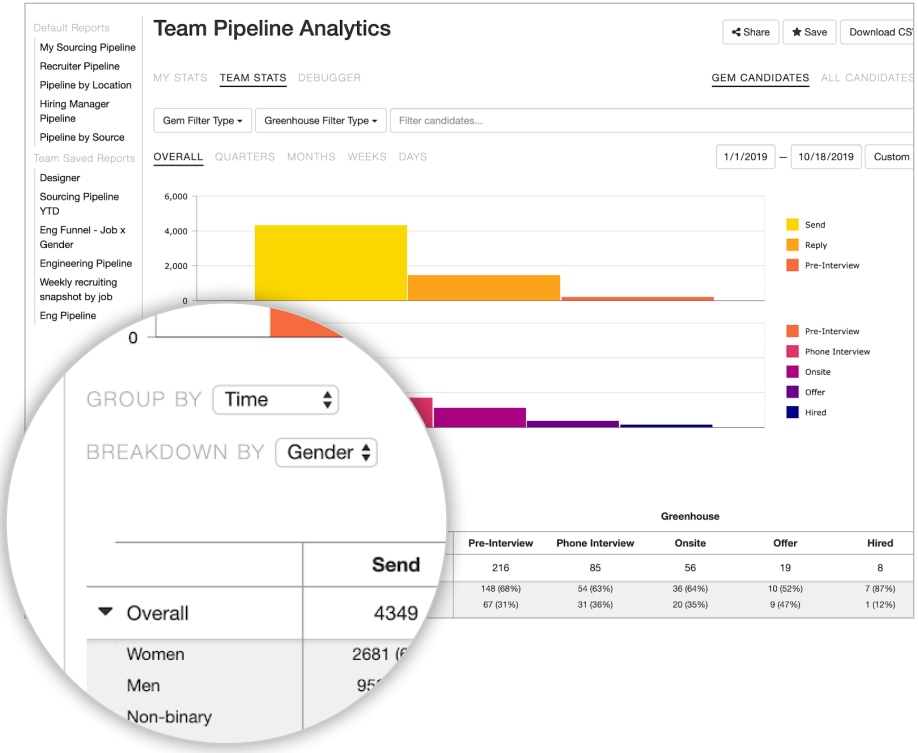
Plan for the Future

Forecasting: Project how many hires you're on pace to make by a given date based on current pipelines and historical passthrough rates.

Planning: Adjust your hiring goals and then work backwards to project the number of candidates needed at each stage to meet those goals. Use these insights to understand the outreach activity you need to build enough applicants and the recruiters you need to manage active candidates.

Diversify Your Team

Pipeline Analytics shows gender breakdowns by team and individual, from email outreach sends and replies all the way through offer-accepts. With this breakdown, you can catch whether certain groups are disproportionately dropping out of the funnel at certain stages, or forecast how many reachouts are needed to make one underrepresented hire.

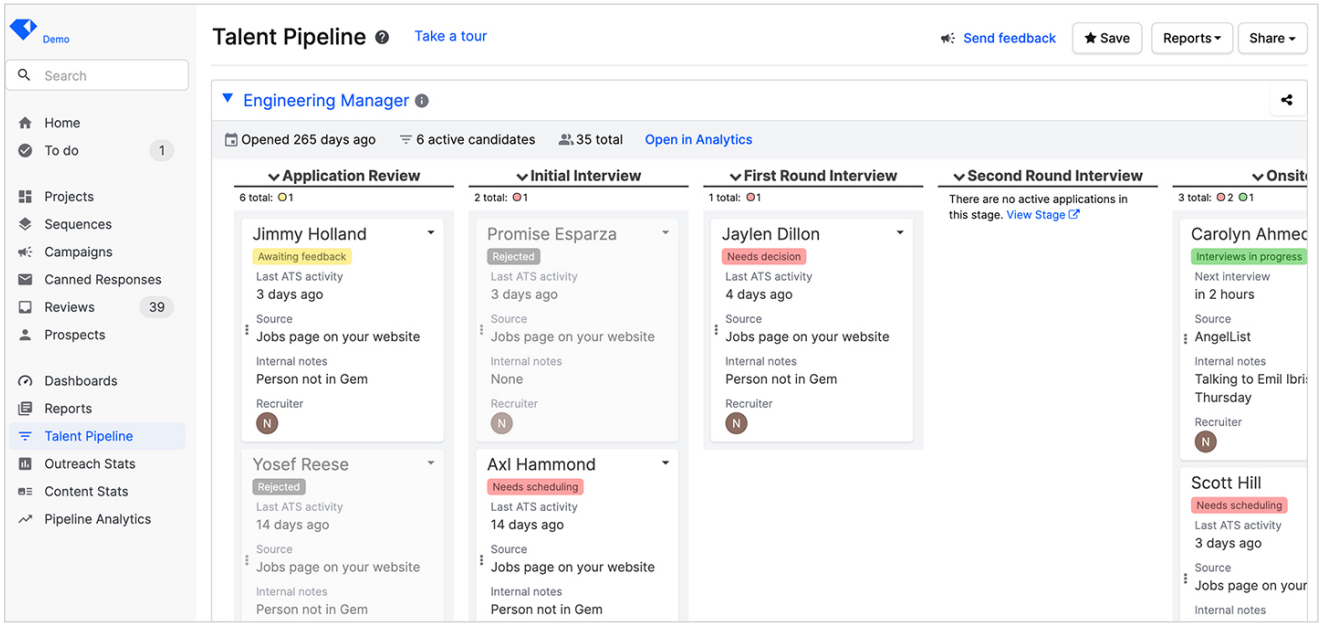


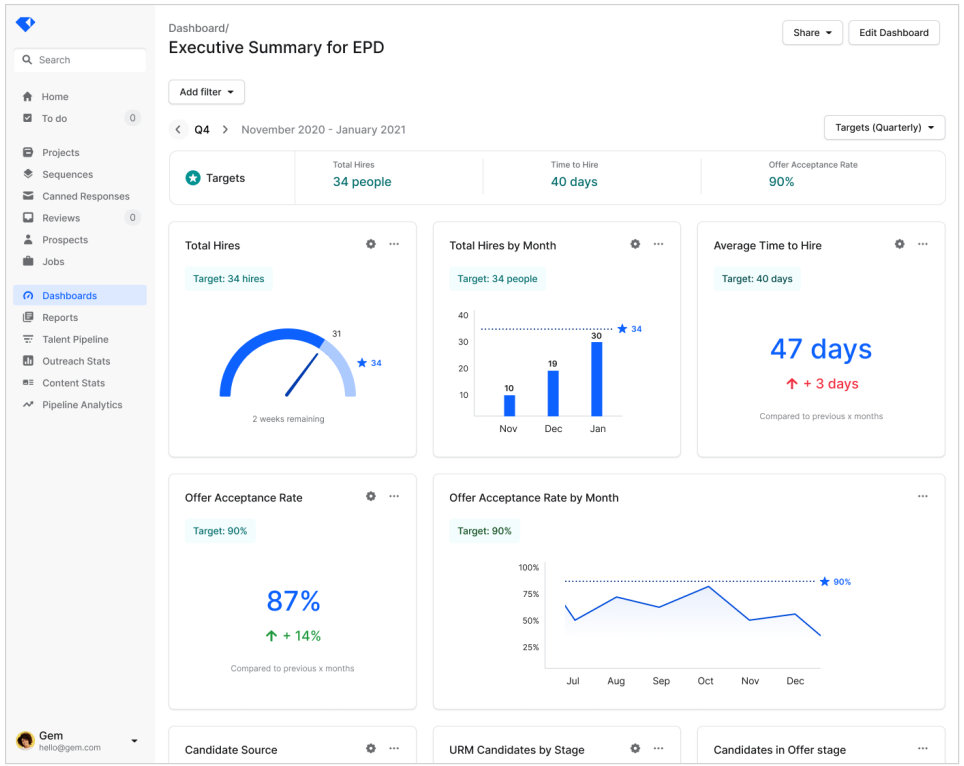
> Gem's metrics help us zero in on stages in the interview process where we're falling short on equitable gender hiring. For one division, we intuited that we were hiring more women than the average team—and we were! We were prepared to roll off our passive sourcing efforts for that division; however, we found that quarter over quarter we were increasing our male conversions at a higher rate between two key interview stages. If we hadn't had access to that data, we wouldn't have been able to properly strategize on how to allocate our resources properly to fix the trend for that division.

Joel Torres
Talent Acquisition Manager
twilio

Talent Pipeline

Talent Pipeline is a Gem CRM feature that allows you to see all the active candidates in your ATS—directly in your Gem interface—in an at-a-glance kanban board containing every job you're on the hiring team for (whether you're a recruiter, a hiring manager, or a coordinator). Recruiters use Talent Pipeline as a place to start their days and set their priorities, since they can see which candidates are at risk of falling out of process thanks to color-coding based on status. Gem automatically bubbles up candidates with a "red" status to the top so you know where to take fast action. Filter by role, department, location, ATS filter, and recruiter; and customize which details you want displayed on your kanban cards, so you have exactly the candidate data you need to take the next-best step, speeding up your time-in-stage and time-to-hire, and improving your overall candidate experience.





Executive Dashboards

Executive Dashboards are Gem's newest feature, built with your C-suite in mind. Visualize KPIs that your senior leaders care about the most with presentation-ready dashboards. Dashboards allow you to come prepared to your next exec meeting with insight on what's working and where to improve by tracking business-critical data such as time-to-hire, sourcing channel effectiveness, hires by diversity demographics, offer acceptance rate, and more. Customize insights to your audience by configuring dashboards as you see fit by adjusting visuals, filters, stages, and breakdowns. Your executive team can now make informed hiring decisions and talent acquisition becomes a more valued business partner.

Gem

Lauren Shufran, Author

Lauren is a content strategist with a penchant for 16th-century literature. When she's not trying to tap into talent teams' pain points, she's on her yoga mat or hiking the hills of Marin County. Come at her with your favorite Shakespeare quote.

Yuji Xie, Contributor

Yuji is an analyst who loves telling stories with data. Outside of crunching numbers at Gem, you'll probably find him fishing on the beach or skiing down the slopes of Tahoe. If you can't find him there, he's probably at an AYCE KBBQ.

Gem is an all-in-one recruiting platform that integrates with LinkedIn, email, and your Applicant Tracking System (ATS). We enable data-driven, world-class recruiting teams to find, engage, and nurture top talent. With Gem, recruiting teams can manage candidate pipeline with predictability.

To learn more and see a demo, visit gem.com