

OFFER ACCEPTANCE RATE

Application	This measure is broadly applicable across all organizations but will be especially useful for those who operate in highly competitive talent markets.
Description	Offers accepted as a percentage of offers extended.
Formula	$\text{Offers.Accepted} / \text{Offers.Extended} * 100$

Interpretation Offer Acceptance Rate measures the percentage of extended employment offers that are accepted by candidates. These candidates then become external hires for the organization. Organizations commonly use this measure to gauge the effectiveness of the recruiting function and the strength of the “offer” to employees, which includes such factors as work environment and development opportunities in addition to the basic terms of an offer letter. Candidate conversion is also a key recruitment activity in influencing the quality of hires.

A high result may indicate that the organization’s employment brand is strong, that the recruiting process is effective in identifying appropriate candidates for positions, or that the organization’s employment offer surpasses those of talent competitors. In some cases, a very high result may also be the result of recruiting practices that tend to issue offers only when an indication of intended acceptance by the applicant has already been received. However, this circumstance is generally experienced only in filling managerial or executive positions.

A low result may indicate issues with offer adequacy, the employment brand, or the recruiting process. A low result may also indicate highly competitive labor markets and the potential need to redefine target candidates for positions.

Data Sourcing Organizations typically source data related to offers and acceptances from a recruiting system or from a recruiting table within an HRIS.



Volume



Quality



Rate



Bench-M



Data-M

Considerations

Analysis	Limitations
<p>This measure is useful when analyzed by organizational unit, geography, job function, pay grade, employment level, or job family to assess offer success rates among the labor pools for various jobs. Additionally, to monitor offer success among various demographic groups, organizations may analyze Offer Acceptance Rate by dimensions such as gender, age, ethnic background, and education level.</p>	<p>This measure relates to just one component of the recruiting process—converting offers—and does not provide information about other activities such as screening applicants, interviewing, and onboarding. It also does not measure the quality of hires, the volume of offers made or accepted, or the cost of issuing and converting offers.</p>

Targets

Targets for this measure may be partly informed by the volume of applicants and interviewees in the recruiting pipeline relative to the positions available. Organizations should also consider how Offer Acceptance Rate may drive recruitment costs and cycle times and review any targets set for related measures such as Recruitment Cost per Hire and Average Time to Fill.

Where relative targets are used, most organizations will choose to target moving results toward the 75th percentile of a relevant benchmark group, as higher results indicate greater accuracy of the recruiting process and the offer.

Variations
<ul style="list-style-type: none"> • Offer Acceptance Rate—Agency • Offer Acceptance Rate—Executives • Offer Acceptance Rate—Exempt • Offer Acceptance Rate—External • Offer Acceptance Rate—Female • Offer Acceptance Rate—Internal • Offer Acceptance Rate—Internet • Offer Acceptance Rate—Managers • Offer Acceptance Rate—Minority • Offer Acceptance Rate—Newspaper • Offer Acceptance Rate—Non-Exempt • Offer Acceptance Rate—Referral • Offer Acceptance Rate—Rehire • Offer Acceptance Rate—University

Related Measures
<ul style="list-style-type: none"> • Applicant Interview Rate • Average Interviews per Hire • Average Sign-On Bonus Expense • Average Time to Fill • Interviewee Offer Rate • Interviewee Ratio • New Hire Failure Factor • New Hire Performance Satisfaction • New Hire Satisfaction with Recruiting • New Position Recruitment Ratio • On-Time Talent Delivery Factor • Referral Conversion Rate • Sign-On Bonus Rate • Termination Rate—< 1-Year Tenure (variation)