

The State of Frontline Hiring: 2023 Annual Benchmarking Report



Introduction

The world of work has gone through a tremendous transformation, especially in light of the pandemic, but changes to frontline work have been starkly different compared to desk-based roles. Very few frontline roles have become remote, and frontline workers have been highly susceptible to industry volatility catalyzed by COVID-19. Examples include the warehousing and delivery booms that occurred during lockdowns, the occupational hazards for those working in healthcare, and, more recently, the expansion of the transportation and hospitality industries as post-pandemic travel soared.

Data from the U.S. Bureau of Labor Statistics (BLS) highlights the distinction between frontline and office-based changes (see Figs. 1, 2). When examining hires, openings, and quits on a normalized scale for office-based industries, data shows that all three of these components have returned to their pre-pandemic levels. This is not so for frontline industries, where openings and quit rates are at their highest levels following the pandemic, while hiring is marginally keeping pace.

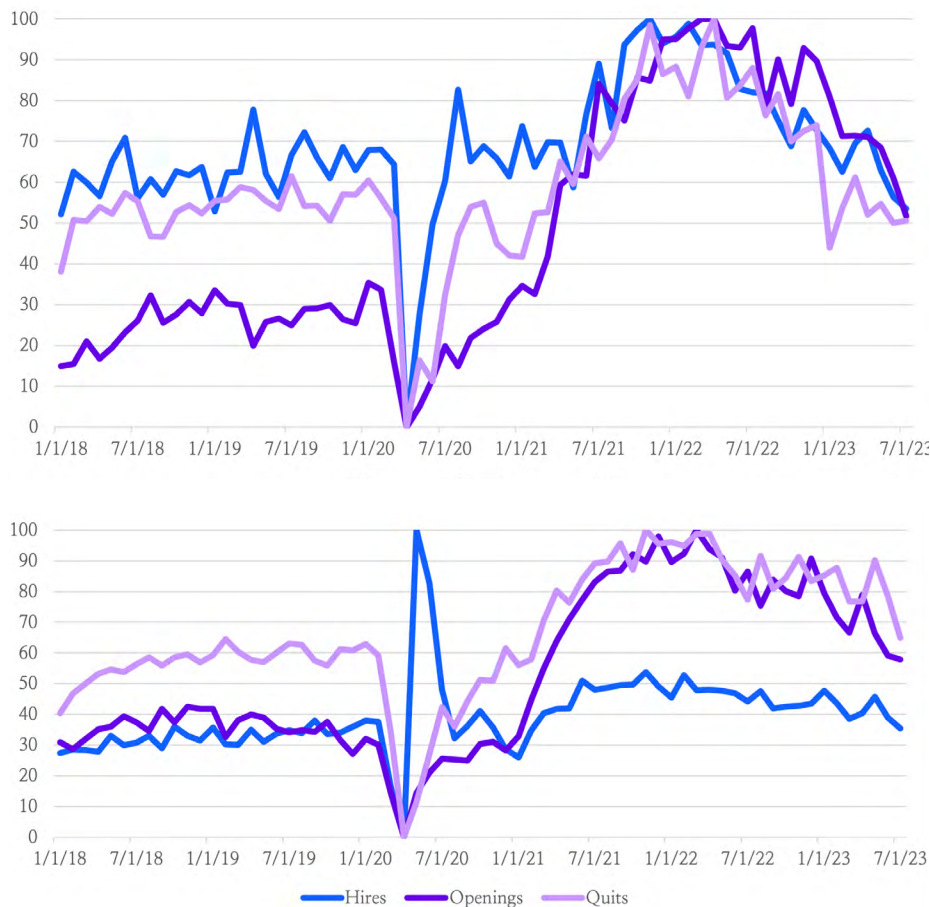


Figure 1. Normalized Hires, Openings, and Quits: Office Industries.

Scale 0 (Min) to 100 (Max), January 2018 to July 2023.

Data from the U.S. Bureau of Labor Statistics.

Figure 2. Normalized Hires, Openings, and Quits: Frontline Industries.

Scale 0 (Min) to 100 (Max), January 2018 to July 2023.

Data from the U.S. Bureau of Labor Statistics

Though openings appear to be on the decline for frontline industries, the most recent July 2023 data shows a nearly 25% difference in volume compared to July 2019. Openings were at their peak in March 2023, with a difference of nearly 50% compared to March 2019. With quit rates just as high as openings, employers must remain aware of market conditions in order to avoid prolonged vacancies and reduced revenue as a result. SHRM reported that the average cost per hire is now \$4,700, but this doesn't need to be the case when employers arm themselves with the most recent data and set hiring strategies according to current trends.

This benchmarking report is meant to do just that, especially considering how little available data there is directly from software platforms designed for frontline hiring and used by major global customers. While BLS data is incredibly useful, it lacks industry granularity and information on how many applications were made relative to hires, as well as data related to trends within components of hiring workflows that speak to applicant behavior. We encourage recruiting teams to use this benchmarking information to assess their current outcomes and update processes accordingly. Happy hiring!

About the Data

Welcome to Fountain's annual benchmarking report. In these pages, we'll present application and hiring data across several key frontline industries, including:

- Professional and Business Services (Call Centers)
- Delivery Services
- Food Services and Restaurants
- Healthcare
- Warehouse Operations and Logistics

For this report, we examined proprietary and anonymized data from thousands of job openings and will present data points on the following:

- **Application Rate**—describes the total number of applications received on average per job opening within a time frame and indicates job pool engagement within an industry
- **Applicant-to-Hire Ratio or Hire Rate**—describes the percentage of total applicants hired out of the total that applied on average per job opening within a time frame and indicates employer demand within an industry

- **Average Pay Per Hour**—describes the pay per hour on average within a time frame
- **Stage Conversion Rate**—describes the percentage of applicants who successfully completed a specific step in a hiring workflow

The industry analysis will only apply to the United States, with a separate section for United Kingdom healthcare data. The analysis covered a time period between March 2021 and August 2023, with the exception of our international data and workflow analysis. In addition to raw values, application and hire rates are also presented as three-month rolling averages to smooth the data and assist with trend identification. Please note total applications can be impacted by variables not directly examined here including the hours, pay, benefits offered, the specific location, job advertisement spend, and brand awareness.

We will also show application and hire rates on a normalized scale of 0 to 100, with the minimum rate for each within the time frame represented as 0 and the maximum rate for each represented as 100. Normalization of the data shows how two different measures interact when applied to the same scale but is not the actual observed value.

A Note on Associated Roles

Industry data was aggregated based on employers hiring for specific roles. The following includes the roles we examined as part of each industry:

- Business and Professional Services (Call Centers)
 - Customer Service Representatives
- Delivery Services
 - Couriers and Messengers
 - Drivers (all vehicle types)
- Food Services and Restaurants
 - Team Member (for Quick-service Restaurants, or QSRs)
 - Servers
- Healthcare
 - Home Health Aides and Caregivers
 - Registered and Licensed Practical and Vocational Nurses
 - Nursing Assistants
 - Mental Health Clinicians
- Warehouse Operations and Logistics
 - Warehouse and Operations Associates
 - Picker Packers
 - Parcel Handlers