



THE INFORMED CANDIDATE: THE FUTURE OF TALENT ACQUISITION

Today's candidates are making smarter decisions about what they want from an employer. They are diving deeper into job sites, career sites, and social media to get a clear picture of an organization before making a connection. They want to understand if the skills they have are the skills needed for the job. This more "informed candidate" brings significant benefits to organizations by improving efficiency and helping companies stay more strategic in the hiring process. As a result, companies that want to successfully compete for talent need to embrace the informed candidate and manage their online brand to provide the most accurate and relevant information.

May 2018

EXECUTIVE SUMMARY

The Era of the Informed Candidate

The key to building a successful candidate experience is understanding that it begins well before an individual is actually a "candidate". It begins during the attract phase of talent acquisition when employers leverage a variety of channels and content to engage and inform both active and passive candidates early in the process. This experience begins when a candidate starts to gather information on a job or an employer. Yet, most companies still struggle to provide individuals with the insights they need to make decisions about their next job. In fact, according to Aptitude Research Partners' 2018 Hire, Engage, and Retain study, 1 in 3 companies have made little to no progress in improving the candidate



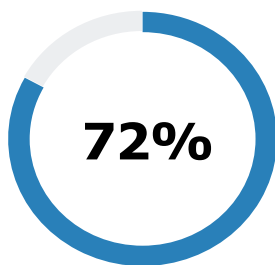
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“Candidates want to be prepared for their next job and are conducting their own research about employers.”

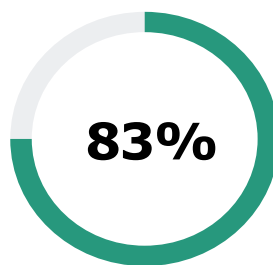
experience in the past year. These companies are failing to provide candidates with a basic requirement-information they need to make better decisions.

The candidate experience has shifted from an employer-led initiative to a candidate-led initiative as candidates are taking more of a proactive role in collecting information for the talent acquisition process. According to research conducted by The Talent Board, over 70% of candidates are doing their own research before applying. Candidates are driving the conversation, seeking insight, and making more educated decisions. While this more “informed candidate” brings tremendous value to the talent acquisition function, employers must ensure that the information candidates collect is both accurate and relevant. As a result, many employers are now rethinking the strategies and technology they have in place not only to compete for talent but to empower candidates throughout the process. They are taking a more active role in managing their brand. According to research that Aptitude Research Partners collected in 2018, companies that regularly provide candidates with accurate information are able to improve the overall candidate experience, quality of hire, and time to fill.

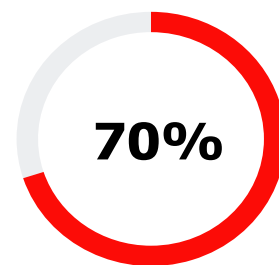
The Business Impact



72% of companies that provide candidates with information improve quality of hire



83% of companies that provide candidates with information improve the overall candidate experience



Over 60% of companies that provide candidates with information improve time to fill.

Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2016. N=311

This report based on data collected in 2017 and 2018 will help companies understand the key drivers and strategies for interviewing and hiring informed candidates.

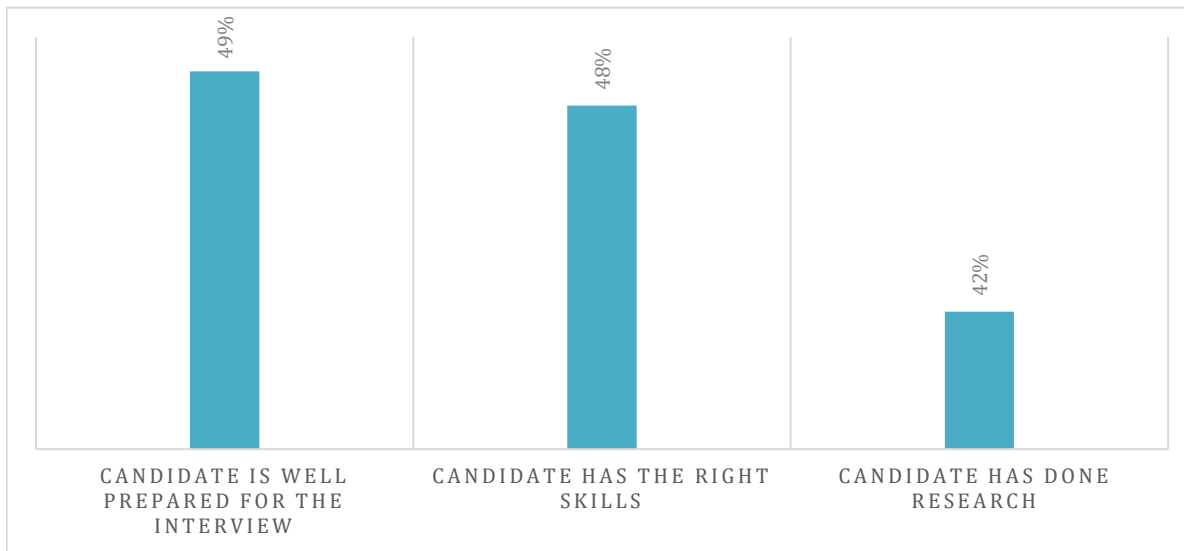
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A CLOSER LOOK

In the consumer world, the concept of an informed customer is a familiar one. Instant access to information gives customers new insight into products and services. According to Forrester research conducted in 2016, 70-90% of customers make decisions on what to buy without engaging with a brand. The informed customer leverages technology and uses feedback sites to be able to make better decisions about what and how to buy products. And companies have been forced to respond to a more informed customer with a more engaging model and more sophisticated technology that manage their brands.

The same change needs to happen in how companies engage with the informed candidate and how they cultivate their online reputations. But in order to do so, companies must first understand what an informed candidate is and how these individuals are moving through the recruitment process. According to Aptitude research conducted in 2017, companies define the informed candidates as having the right information for an interview, the right skills for the job, and someone who has conducted his or her own research (see Figure 1). When candidates know what to expect, recruiters are able to better meet those expectations and provide a positive experience.

Figure 1: Definition of the Informed Candidate



Source: Aptitude Research Partners. Hiring Decision Maker Study 2017, n=307

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What is driving the informed candidate?

Certainly, the digital economy and changes in the consumer world are helping to drive the informed candidate. Candidates have more access to information and as consumers, the familiarity with researching goods and services has trickled into recruitment. But pressure from the consumer world is not the only driver, additional drivers include poor communication with employers, inadequate information on career sites, and the need for greater transparency.

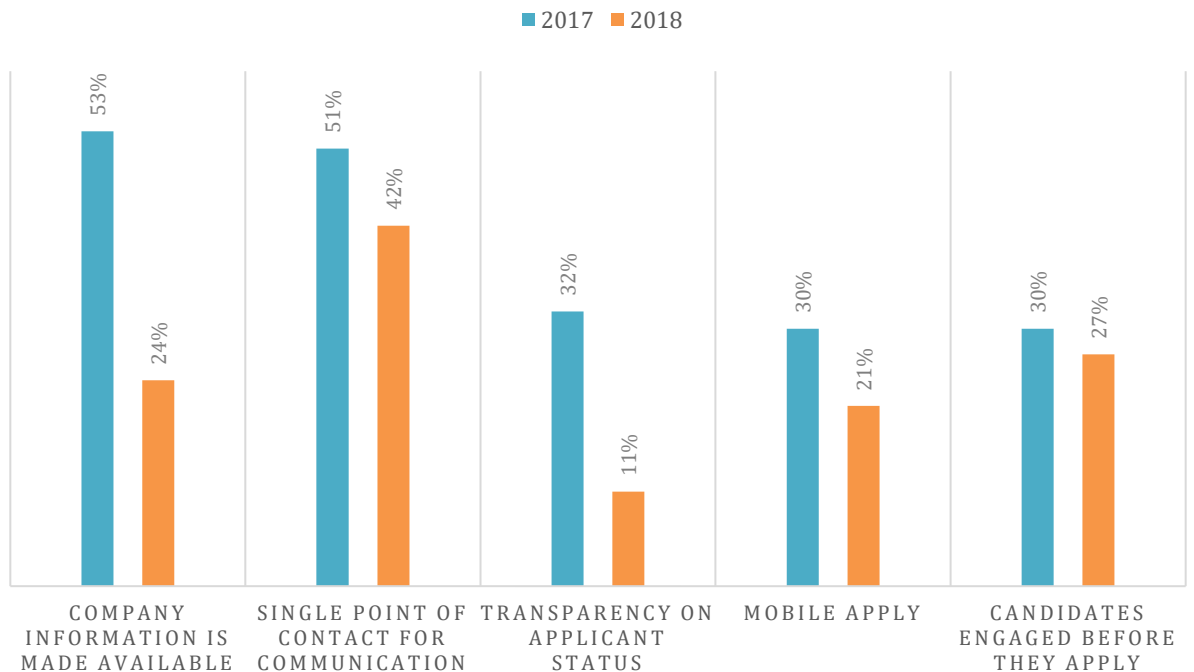
- **Need for Transparency:** Transparency is a reality for today's workforce. Companies are expected to be transparent about their employer brand, perks and incentives, financial performance, and engagement levels. According to Aptitude's 2018 Hire, Engage, Retain study, only 1 in 3 companies provide this information to all candidates during the recruitment process. While this level of transparency is positive, it adds an extra layer of complexity to the employer/employee relationship and requires candidates to seek this information for themselves.



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- **Going Beyond Career Sites:** Year after year, career sites prove to be the most familiar channel for candidates who are researching an employer. Yet, there has been a steady decline in organizations finding value in their career sites over the past three years. According to research done by The Talent Board, in 2016, 57% of organizations cited career sites as most valuable compared to 65% in 2014. The reason for this decline is two-fold. First, candidates are seeking employer-driven content and communication. They may not always trust the information that is controlled by an employer and are looking elsewhere.
- **Poor Communication:** According to Talent Board research, 47% of candidates never received any communication even two months after applying for a position. Above all else, candidates want better communication with employers. They want to know information about the employer and what they can expect during the hiring process. Despite identifying the candidate experience as the top talent acquisition priority, most companies are doing very little to communicate with candidates. Fewer companies are providing information, sending updates, and engaging with talent before they apply (see Figure 2). This situation forces candidates to find information on their own.

Figure 2: Candidate Communication



Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2016. N=311

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In order for the informed candidate to be a priority, it is time for companies to make a change. Currently, 93% of companies are open to and interested in changing the way they communicate with candidates (Aptitude Research Partners, 2016). But how do companies embrace a new strategy around the informed candidate? The following pages of this report will explore the benefits of hiring an informed candidate and the strategies they need to take.

THE BUSINESS BENEFITS

According to Aptitude Research Partners, 40% of companies are expecting headcount growth this year. The pressure to attract and hire talent has never been greater. Companies are being held accountable not only for attracting talent but ensuring that they are hiring the best talent. Talent acquisition professionals are under tremendous pressure to improve not only cost and time to hire but also more strategic areas such as quality of hire and the candidate experience. The focus over the past decade has been on passive candidates. Research indicates that companies are finding it more difficult to find passive candidates (78%) and instead prefer candidates that are well prepared and have the right skills for the job.

Eighty-eight percent (88%) of companies stated that they believe that informed candidates are quality hires. Companies that have a strategy for the informed candidate are able to improve quality of hire. When considering how companies measure quality of hire, performance and retention play a critical role as does hiring manager satisfaction (see Figure 3). When candidates know what to expect from a job and an employer, they are more likely to perform on the job and less likely to leave. Hiring managers are also more satisfied because interviews are more efficient. According to Aptitude Research Partners' 2018 data, companies that provide accurate information to candidates are two times more likely to improve conversion rates of applicant to hire. The benefits of recruiting informed candidates extend beyond quality of hire and impact interviewing and hiring strategies.

Figure 3: Quality of Hire



Source: Aptitude Research Partners. Hire, Engage, Retain Study, 2016. N=311

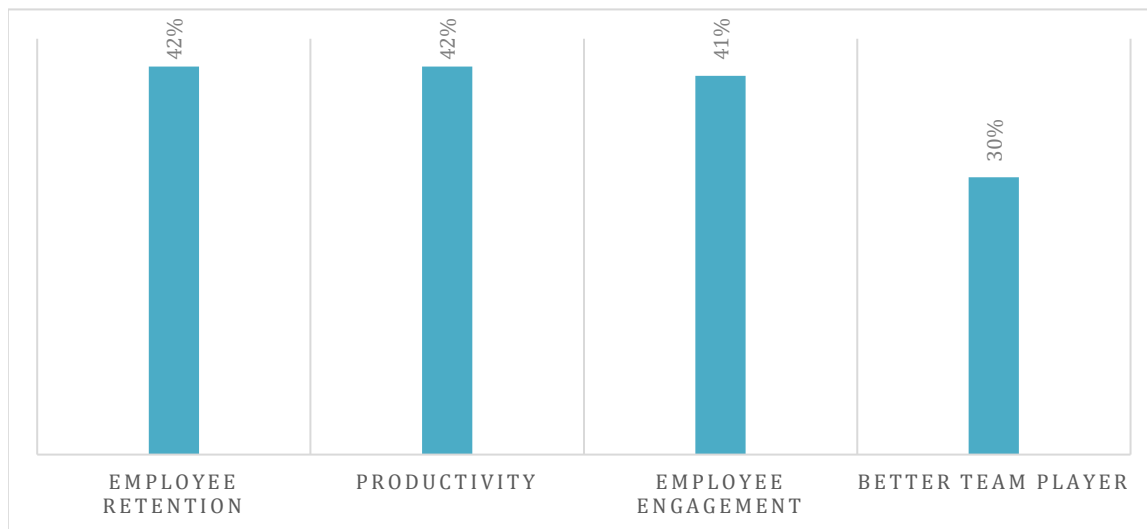
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Interviewing: According to Aptitude Research Partners' 2017 Hiring Decision Maker study, the benefits of interviewing informed candidates ensure happier candidates and hiring managers. Companies that interview informed candidates provide a more seamless experience for interviewers and candidates. Interviewing informed candidates also creates greater efficiency in the overall hiring process.



Source: Aptitude Research Partners. Hiring Decision Maker Study. N=307

Hiring: The benefits of hiring an informed candidate include business results such as productivity and retention. When candidates know more about the job and their employer, they are more likely to be able to contribute to organizational goals.



Source: Aptitude Research Partners. Hiring Decision Maker Study. N=307

KEY RECOMMENDATIONS

Companies that have a strategy for engaging, interviewing, and hiring informed candidates see an improvement in overall efficiencies, quality of hire, and business results. Companies looking to compete for talent need a plan for connecting with informed candidates in a more meaningful way. Below are a few recommendations to consider:

- **Provide Accurate Information:** Only 22% of companies communicate with candidates in a timely manner and much of the information provided is not accurate. In fact, only 32% of companies are confident that they know where they are advertising jobs to candidates. Companies need to pay close attention to the information they are providing candidates whether through advertisements, career sites, or even job descriptions. The more accurate and relevant the information, the more likely the candidate will be the right fit.
- **Invest in Employer Branding:** Thirty-eight percent (38%) of companies say that employer branding is still a significant barrier in the hiring process. In Aptitude Research Partner's 2018 Hire, Engage and Retain study, companies identified employer branding tools as one of the top 3 most effective sources of hire for every position from executive level roles to hourly workers. Companies that invest in employer branding efforts are empowering the informed candidate with information that can help them through their journey. It gives them information about the company as well as relevant jobs.
- **Manage Online Reputation:** Candidates are doing their own research and companies should be involved in that process. Eighty percent (80%) of candidates have accurate information from companies that manage their online reputation compared to only 36% of candidates from companies that do not manage their online reputation. Managing an online reputation could include employer branding efforts, social media sites, as well as employee feedback sites. Candidates are 40% more likely to apply for a job at companies where they recognize the brand.
- **Make Data-Driven Decisions:** Companies need a strategy that is driven by data for managing their brand and keeping candidates informed. Only one quarter (25 percent) of hiring decision makers report that they track "conversion of job seeker to applicant". In addition, only 23 percent of organizations consider the source of job applicants as important, while 21 percent consider what influences a job applicant's decision as important. Companies that are able to measure the success of their talent acquisition efforts will provide a better experience for recruiters, managers and candidates.

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Aptitude Research Partners is a research-based analyst and advisory firm focused on the new conversation required by changes in how HCM technology is delivered and utilized by today's organizations.

Our goal is to look beyond the obvious product capabilities to identify the real differentiators organizations should be looking for when considering providers, as well as the change management and change readiness capabilities consumers must have in place for successful technology adoption.

We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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