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INTRODUCTION

The talent shortage, new business pressures, and the uncertainty of remote work are forcing companies to rethink the inefficiencies and hidden costs of interviewing. Companies are doubling the number of interviews each year as tenure gets shorter and the Great Resignation lingers. Interviewing is one of the most critical areas of talent acquisition, yet few companies measure its effectiveness or its impact on overall business strategies.

Unfortunately, the interviewing process for many companies is inconsistent, impersonal, and filled with bias. Interviewers operate without any rules of engagement and candidates are left without feedback.

New research from Aptitude Research found:









While the methods of interviewing have evolved, the content and delivery has not. Over the past two years, companies have moved to virtual interviewing platforms with increasing fatigue on both sides. Yet, abandonment rates and the risk for bias have made some of these solutions less effective and less human. Companies are now actively looking to fix this broken process. According to this study, 36% of companies identified interviewing as a top priority for 2022 and 52% of companies are accelerating their investment in interviewing technology.

As companies look to the future of talent acquisition, they must consider the right combination of automation, objective intelligence over subjective "gut feel," and a consumer-grade candidate experience.

This report, based on data collected in 2022, looks at the challenges, strategies, and technologies that impact interviewing today. As the talent acquisition function grows in scale, it also grows in complexity. Companies must consider the impact of interviewing from both the employer and candidate perspectives.

This report will help answer the following questions:

Why should companies care about interviewing?

What are the right strategies for interviewing?

How can companies measure the ROI of the interview process?

What do candidates expect around the interview?

What role can technology play to give everyone a better interview experience?



Quantitative Research:

328 responses for TA and HR VP Level, Recruiters/Sourcers/IT Professionals.

Company Sizes:

18% SMB (250-999)

22% (1000-4999)

28% (5K-999K)

32% Enterprise (10,000+)

Qualitative Research:

Interviews with TA and HR leaders in 2021 and 2022





KEY FINDINGS:



One in Four Candidates Drop Off at the Interview Stage:

More candidates are dropping off at the interview stage than any other area of talent acquisition. Reasons for drop off include lack of consistency in the experience, lack of transparency, and fairness. Delays and poor communication are causing companies to lose quality talent. Aptitude Research found that 52% of companies have an interview process that lasts four to six weeks.

2

Communication Is the Biggest Missed Opportunity:

Candidates want to understand their progress and know where they stand. Companies need to better communicate with candidates and provide feedback on the interview process. Eighty-two percent (82%) of candidates surveyed for this report stated that they want more feedback on the interview process.

3

Companies Have Options:

Video is not the preferred format for interviews. The number one strategy for companies during the pandemic was to shift to virtual interviewing, but most companies did not consider every option. Only 17% of companies are satisfied with video interviewing solutions and one in two candidates stated that they are not comfortable in front of the camera. As companies prioritize inclusion and experiences, they should consider other options for virtual interviews.



Structured Interviews Drive Results:

Structured interviews provide standardization to the hiring process. They give companies consistency in experiences and objective data to enable a fairer, more robust hiring decision. Aptitude Research found that companies with structured interviews improved experiences, efficiency, and quality of hire. Additionally, some companies looking to reduce bias are turning to blind, automated structured interviews as their top strategy.



Al Tools Improve the Interviewer and Candidate Experiences:

Companies are embracing AI in interviewing to deliver scalability, reduce time, and provide consistency. Blind interview solutions can also reduce bias. Candidates are embracing automated interviews as every candidate receives personalized learning from the experience. Thirty-nine percent (39%) of companies in the survey stated that AI provides a positive experience in the interview process and can support both managers as well as candidates by providing guidance and a fair process.

SHIFTING PRIORITIES: WHY IS INTERVIEWING A FOCUS?

Every organization is going through some type of transformation today. The focus over the past decade has been on recruitment marketing and talent attraction. Companies have increased their investment in services and technology to identify and engage with talent before they apply for a job. Although recruitment marketing is a critical part of talent acquisition, companies often neglect the hiring process (from interview to onboarding) and leave candidates with a poor and inconsistent experience that ultimately impacts the employer brand and recruitment marketing initiatives.

Over the past two years, priorities have shifted and remote work has forced companies to rethink how they hire talent. This study found that interviewing is the top priority for TA leaders in 2022.



When asked why interviewing is a priority, companies identified improved quality of hire and better decision making as the top reasons. Interviewing is the reality check in talent acquisition. It is the time when companies provide information about a job, team, or organization not found in a job description or career page. It is also the time when candidates may share their own career story, giving insight into their capabilities and ambitions. While a resume provides insights into where a candidate has been, it does not provide insights into who a candidate is in today's world. A successful interview is one that uncovers the candidate's strengths in a consistent, efficient, and fair way.



Despite the increased focus on hiring this year, 25% of candidates are dropping off at the interview process (see Figure 3). In today's labor market, companies cannot afford to lose candidates due to a poor process. Companies are investing in recruitment marketing to convert leads to apply, but then this investment is being wasted on poor interview processes. Sites like Glassdoor, Yelp, Facebook, and LinkedIn share candidate feedback that reflects the interview process and directly impacts the employer brand. Companies are minimizing drop off by considering consistency in process and technology, which combines the critical stages of screening, interviewing, and assessment in one.

Figure 3: Candidates Dropping Off in the Talent Acquisition Journey



REMOTE WORK:

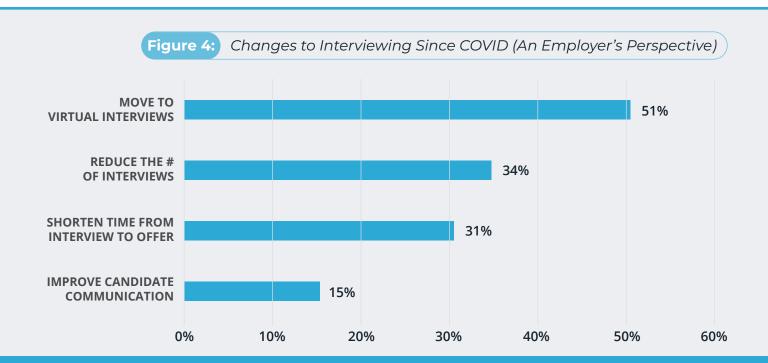
WHAT HAS CHANGED OVER THE PAST TWO YEARS?

According to Aptitude Research, 40% of companies are hiring more candidates this year and 48% are rethinking their hiring process. The ramp up from 2020 to 2021 has left many companies under resourced and underprepared for the volume of hiring today. Talent acquisition is under tremendous pressure to fill more positions in a shorter period. And, one in three companies have less recruiters this year than last year. Efficiency dictates success in talent acquisition and most companies are now looking for smart interview technology to address multiple gaps in their hiring process. Every aspect of hiring matters, including how quickly candidates can get through the process, how inclusive and fair the experience is, and how rigorous assessments are conducted.

According to our study, 51% of companies had to adjust overnight and leverage platforms for conducting interviews virtually, 36% of companies shortened the number of interviews, and 31% of companies reduced the time from interview to offer. Many companies took a Band-Aid approach to interviewing during

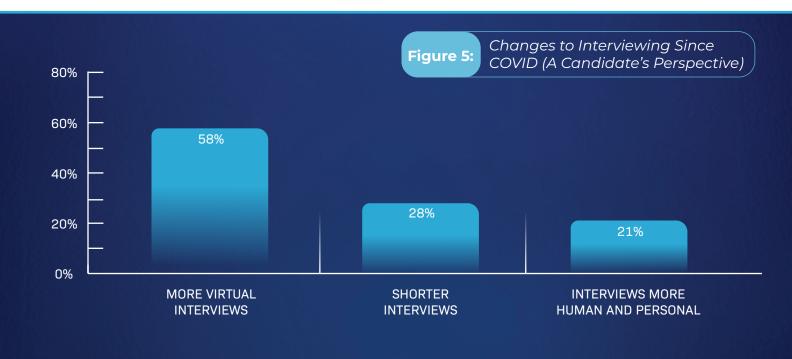


the pandemic. These companies were looking for an immediate solution without looking at the long-term implications of these initiatives, including the candidate experience. Only one in seven companies improved candidate communication during the interview stage.





Interviews are shifting to meet the needs of a remote world, but are currently not providing candidates with a more human or personal experience. Fifty-eight percent (58%) of candidates stated that they participated in more virtual interviews this year, while 28% stated that interviews are shorter than before the pandemic. Only one in five candidates believe that interviews are more human over the past year.



Delivering to candidate expectations and reducing the administrative burden placed on leaders requires companies to rethink hiring. They must consider both the delivery of the interview and the experience as well. Interviews have transformed to meet the needs of a remote world, but are currently not providing candidates with a more human or personal experience. Automating these steps in one experience accelerates speed to hire, provides a transformed candidate experience, and improves hiring diversity.



TOP CHALLENGES:

WHERE DO INTERVIEWS GO WRONG?

According to Aptitude Research, one in three companies are not confident in their interview process today and one in two companies have lost quality hires due to a poor interview process this year. Companies face several challenges with interviews, including a lengthy process, too many interviews, inconsistency, lack of objective data, and bias. These challenges not only impact the efficiency of talent acquisition efforts but the overall candidate experience. As a result, only 24% of candidates are happy with the interview process. Each of these challenges negatively impact the hiring manager, recruiter, and candidate experiences, as well as employer brand.









The interview process can be frustrating for both employers and candidates. Companies that create lengthy interview processes do not necessarily collect data that can inform decision making. A longer interview process does not equate to more effective hiring. It puts a company at risk for losing talent. Forty percent (40%) of candidates stated that it was over two weeks since they heard anything from an employer after their first interview, and 52% of companies state that the interview process lasts four to six weeks.

Too Many Interviews:



Over half of companies make candidates go through four or more interviews. For companies looking to reduce time to fill, too many interviews can impact efficiency as well as experience. Companies are at risk of losing quality talent when the interview process is delayed or too many interviewers are introduced.

Inconsistent Interviews:



When companies lack a strategy for interviews, hiring managers and recruiters often go rogue and ask questions or conduct interviews with little guidance. Inconsistency in the interview process can create inequity and damage the employer brand.

Data-Driven Decisions:



Organizations feel pressure to act quickly and may make decisions based on gut. Companies are not relying on data and insights to drive these decisions because they don't have information beyond the resume, which only provides a limited, often biased view of a candidate.

Bias in the Interview:



Companies must recognize and acknowledge bias in the hiring process. Only 30% of companies identified bias as a top challenge in talent acquisition, yet one in three candidates have experienced bias in the interview process. Relying only on human interviews creates inconsistent hiring standards and introduces bias.

These challenges impact the overall company brand and reputation, and become common complaints that candidates share with family and friends. Companies must look at the data they collect and provide better communication to keep candidates engaged throughout the interview process. If decision making or follow-ups are delayed, companies should inform candidates and be transparent.

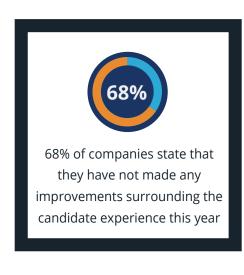
MEETING EXPECTATIONS:

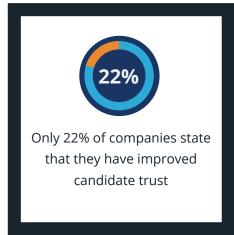
WHAT DO CANDIDATES WANT?

Every candidate deserves a hiring process that is dignified and honest. Candidates want to know that they have had a fair interview, that the process is respectful of their time, and that they'll receive something back from their investment in the process. Candidates cited that they want an opportunity to share their skills and qualifications over meeting with a manager and understanding the employer. The interview is the one opportunity where a candidate can share insights that are not found on a resume or profile (see Figure 7).



Aptitude Research found that companies are falling short on candidate expectations:







This research study found that candidates have different expectations around interviewing that are not always met by employers.



Simplicity: Candidates want an interview process that is simple and efficient. They want to receive clear instructions and consistent follow-up. If candidates hear back from an employer in the first few days, they are more likely to take a job. This study found that 61% of candidates have taken a job with the first company that offered them a position. Companies that take over two weeks to respond to a candidate risk losing quality hires.



Fairness: Candidates that are accepted and rejected should leave feeling like they were treated fairly and equitable in the decision-making process and receive the same experience as other candidates.



Communication: The interview is the one opportunity that candidates share their strengths, experiences, skills, and preferences through conversation. When asked what candidates are hoping to get out of an interview, 67% of candidates want an opportunity to share their skills and qualifications over meeting with managers and learning more about an employer.

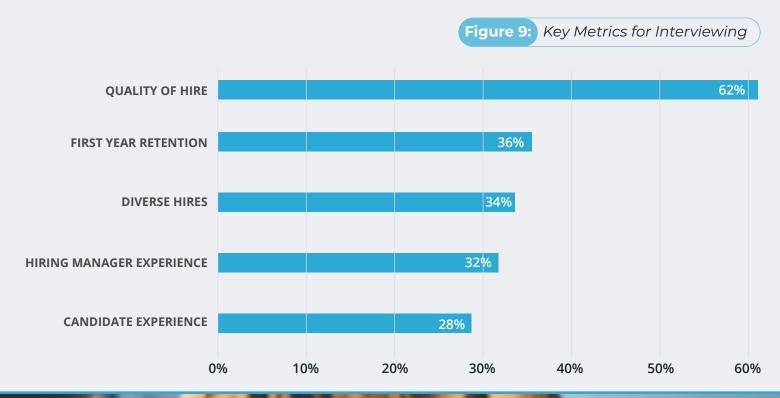


Feedback: Most companies are not providing feedback in a way that is consistent and meaningful to candidates. Interviewing is an opportunity for employers and candidates to connect and share insights. Without feedback, the conversation is one sided. Companies must shift how they approach feedback. It is more than having a difficult conversation; it's providing candidates with insights that will help them in future opportunities. Eighty-two percent (82%) of candidates stated that they would like to receive feedback on the interview process. Companies that provide feedback see improvements in quality of hire, candidate experience, and first year retention.



KEY STRATEGIES MOVING FORWARD

The most important strategy for the interview process is measuring ROI. Companies must look closely at the interview process from both the employer and candidate perspective. Although companies have shifted to virtual interviews, they must carefully consider long-term strategies, their culture around interviewing candidates, and providing a fair and equitable experience. Companies measure the success of an interview process by quality, DEI, and experience (see Figure 9).







Unfortunately, these traditional metrics are not enough for companies looking to measure ROI. Companies must consider the costs and benefits that will impact the business including the following:



What is the opportunity cost to the business from having all your interviews conducted by people, whether recruiters or your people leaders?



How many hours are lost to interviewing every month and is this slowing down the business?



Are your interviews compounding the lack of diversity as people default to mirror hiring (hiring based on what feels comfortable and relatable to the interviewer)?



Is your interview process limiting your talent pool because of lack of interviewers and inability to scale?



Is your interview process negatively impacting employer branding?

To address these questions, companies must consider a new set of metrics that include:

- Application and abandonment rate by cohort (inclusivity & candidate experience)
- Candidate NPS or similar candidate measure by cohort (inclusivity & candidate experience)
- Offer rate from interviews (effectiveness)

- Win rate and especially cross offer win rate (efficiency & effectiveness)
- Ratio of hires to applicants by cohort
- Speed to productivity
- Recruiter productivity

This study identified possible strategies for companies to achieve these goals and measure ROI:

Understand All Options: Companies must consider the interview format and technology. Companies have multiple options for delivering interviews. The right platform or mix of platforms that will help provide a more effective approach.

Prioritize Structured Interviews: Structured interviews are now universally respected by I/O psychologists as the most accurate way to predict performance, as well as fairer way to assess talent if conducted using a blind interview tool.

Use Data To Make Smarter, Fairer Decisions: Equipping decision makers with objective data about a candidate – their strengths, gaps, standout capabilities – will enable better decision-making.

Invest in Automation: Fortunately, leading companies are using interview platforms that enable companies to reach the widest pool possible and accurately discover a candidate's soft skills, traits, and communication abilities. Companies can leverage the power of automation to fix interview challenges. Companies have multiple options for delivering interviews and must consider the right platform or mix of platforms that will provide a more effective approach.

UNDERSTAND OPTIONS

Companies have multiple options for both the style of interviews and the platform for how they are conducted. Companies today are using behavioral interviews, situational interviews, skill-based interviews, and assessment-based interviews to ask questions and collect insights.



BEHAVIORAL INTERVIEWS:

These interviews seek to understand capabilities, traits, and communication skills by probing deeply into a candidate's real life and work experiences.



SITUATIONAL INTERVIEWS:

These interviews give candidates an opportunity to display their approach to different on-the-job scenarios.



SKILLS-BASED INTERVIEWS:

These interviews give candidates an opportunity to demonstrate their skills for a job.

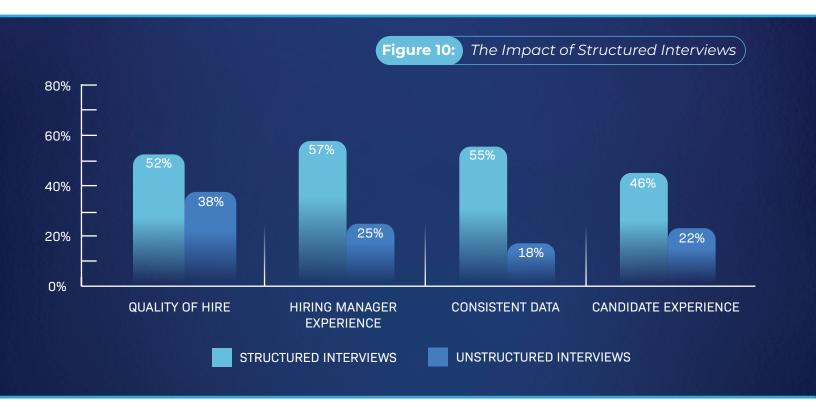


Companies have many options for delivering interviews and must consider that right platform or mix of platforms that will provide a more effective approach. As companies explore the interview format, they should consider measuring the ROI of their investment. Companies must consider how each option will impact its goals of improving quality of hire, DEI, and experience. Only 50% of companies currently measure the ROI of their interview investment.



PRIORITIZE STRUCTURED INTERVIEWS

A structured interview standardizes the interview process. The interviewer collects the responses of the candidate and grades them against a scoring system. Asking the same questions in the same order helps interviewers collect similar types of information delivered in a uniform context from interviewees. Candidates are receiving a fair and equitable experience when there is standardization around the process. Companies that use structured interviews are more likely to improve quality of hire, consistency around data, and experiences (See Figure 10).



Structured interviews provide a guide for companies to conduct the interview process, hold interviewers accountable to follow that guide, and provide more consistency for making decisions and comparing responses. The most significant benefit of structured interviews is the ability to reduce bias since interviewers are asking a set of questions. Some technology and AI providers incorporate the structured interview approach when building their products and providing standardization and measurement around the interview process. Figure 11 outlines the differences between structured and unstructured interviews.

Figure 11: The Benefits of Structured vs. Unstructured Interviews

	Structured Interviews	Unstructured Interviews
Efficiency	Easier to compare interviews and make decisions on candidates when questions are consistent.	Delays in decision-making occur when recruiters must manually compare notes from each interview without having context or consistency in the process.
Quality of hire	Interview questions are based on what drives success for each role and for the organization.	Interview questions and evaluations are based on what each interviewer wants to ask, regardless of the impact on the role or the organization.
***** Experience	Candidates receive a fair opportunity since each person is asked the same set of questions.	Candidates may not receive the same interview experience based on bias that interviewers introduce.

EQUIP DECISION MAKERS WITH DATA

Structured interviews are one way for companies to prepare interviewers and create consistency. But companies also need a strategy to ensure that hiring managers have the resources, data, and tools they need to be successful. Interviews are time-consuming and without the right preparation, interviewers and interviewees will have a bad experience. Companies stated that they are offering training, providing coaching, offering questions, and using technology and panel interviews to support managers in this process. But training is not enough. Managers need access to data to drive better decision making. Sixty-seven percent (67%) of talent acquisition and HR professionals do not provide hiring managers with the right data to make decisions. Only 32% of senior leaders are confident in the data they have available to make decisions.

Today, most decisions are made based on resumes or LinkedIn profiles. This approach is often biased and lacks deeper insight into what would make a candidate the right fit. As companies look to transform their talent acquisition efforts, leveraging proven, scientific data to help inform these decisions must be a key priority. Currently, 78% of companies believe that talent acquisition efforts would improve if they had a more strategic approach to talent analytics.



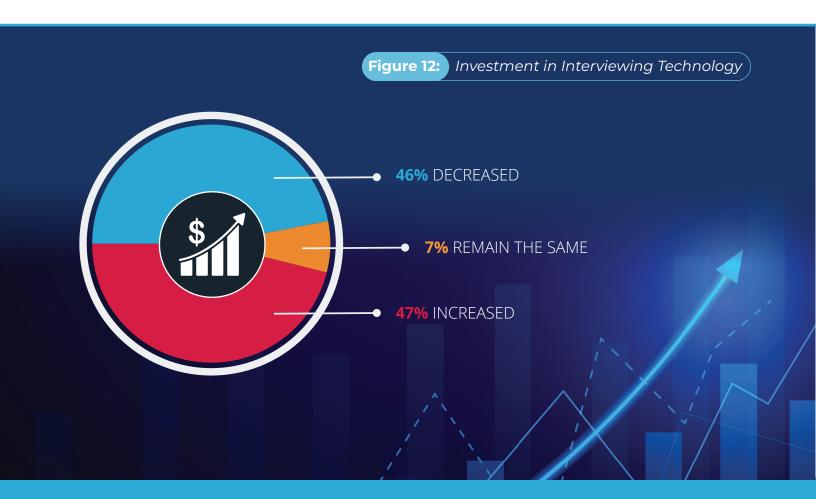
INVEST IN SMART TECHNOLOGY

The right technology can help companies address the challenges they face with interviewing and:

- Empower recruiters and hiring managers to make smarter decisions
- Improve recruiter productivity
- Improve hiring diversity by using blind smart interview technology from the start
- Create consumer-grade candidate experiences through the convenience of a smart interviewer

The pandemic accelerated the investment in digital interview solutions. In February 2020, less than 60% of companies were using or planning to use video interview providers. One year later, over 80% of companies were using or planning to use a broader set of intelligent interview platforms. Video was the tool of choice at the beginning of the pandemic for asynchronous hiring. The problem was that many of these solutions merely replaced face-to-face interactions, with a less human way of interviewing. Many candidates do not feel comfortable with the format of a video interview, especially if they are timed. For many companies, abandonment rates are high on video.

Today there are technology choices available that remove that cognitive load and deliver on candidate expectations.



The different solutions for interviewing include:



Digital interviewing platforms, whether on demand or live, can help ensure better consistency within an organization when it comes to interviewing and evaluating candidates.



Interview scheduling can automate the scheduling of interviews.



Assessments provide a more powerful interview process. Using data to enable better decision-making and predict performance is one of the greatest opportunities for the future of assessments and talent acquisition.



Interview management platforms support everything from first interview to offer and onboarding.



Conversational AI helps companies schedule interviews and prepare interviewers and candidates through conversation.

KEY TRENDS

- Companies have increased their investment in interviewing
- One in two companies state that interviewing is their greatest priority this year
- One in three companies state that scheduling is the most important capability in interviewing solutions
- Al plays a critical role in the future of interviewing

Interviewing solutions help companies shift from an ad hoc approach to interviewing to a strategic and standardized one. Self-scheduling, digital interviewing solutions, and chatbots for scheduling and communication are all capabilities that are important when evaluating video solutions. The pandemic has forced companies to think more strategically about their interview solutions and automate some of these processes. Companies had to use technology to replace some of the manual activities. Figure 13 shows the technology that companies have today to support interviewing scheduling.



THE IMPACT OF AI

Al is fundamentally changing every aspect of HR and there is growing curiosity and appetite to understand it. According to Aptitude Research, 63% of companies are investing or planning to invest in Al solutions this year, compared to 42% in 2020. This study found that 39% of companies believe it brings positive benefits, and 32% of companies are starting to leverage Al in interviewing.











What daunts companies in leveraging the power of AI is the change management exercise that comes with introducing data and technology into a previously entirely human-driven process, while knowing how to assess the ethics and legal risk of an AI solution. An influx of media coverage about algorithmic bias has lumped all machine learning into the same category, and unfortunately has created distrust.

The fear in using AI is often misplaced. Companies must focus on the data that is being used to power the algorithms, known as the training data.

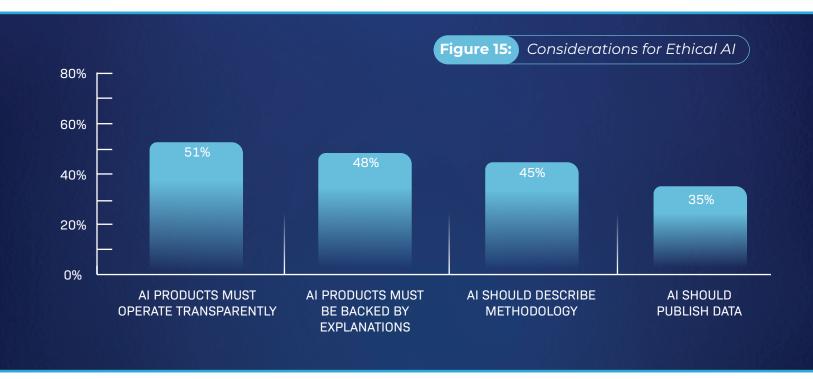
Another way to understand training data is to ask: What data is being used to assess someone's fit for a role? This is an important question to ask because machine learning algorithms use statistics to find and apply patterns in data. Data can be anything that is measured or recorded (e.g., numbers, words, images, clicks, etc). If it can be digitally stored, it can be fed into a machine-learning algorithm. The process is basic – find the pattern, apply the pattern. As a result, training data is critical to understand.

The kinds of data that could be used to build predictive models for hiring and promotion include:

- Resume data and cover letters
- Games built to measure memory capacity and processing speed
- Behavioral data (e.g., how a candidate engages in an assessment)
- How a candidate acts in an interview (gestures, pose, lean, tone, and cadence)
- Text or voice responses to structured interview questions
- Public data sources including social media

Considering the range of data that can be used in training, not all data sources are equal and may amplify existing biases and alienate candidates. Ethical Al comes from training data that is truly objective, with no bio data as a starting point.

The topic of ethics in AI raises questions about humanity in the talent acquisition process. Companies must consider ethical AI as they evaluate providers and understand if products operate transparently, are backed by explanations, describe their methodology, and frequently publish their data (see Figure 15). In addition, addressing ethics in AI builds confidence with employers and candidates who want to understand how their data is being used.



The responsibility of ethical AI is not always on the provider. Companies have an obligation to ensure the ethical use of these solutions. Aptitude Research found that companies are taking more responsibility for their use of AI by seeking outside expertise, legal counsel, and ethics committees.

The benefits of using AI in hiring include efficiency, quality of hire, improved diversity, and a better overall experience for candidates. TA buyers are not always clear about how to navigate the changing landscape. Some providers do not take an ethical approach to AI, while others offer little more than automation. The best AI provides meaningful data to help TA make faster, fairer decisions. This, in turn, enhances organizational trust. When those same AI tools are applied to internal hiring and promotion, employees can be confident that they were considered on their merits and not on someone's gut feel.

Outcome	lmpact of Al
Efficiency	Reduce the number of interviews, personalize the assessment process, and improve time to offer.
Experience	Provide every candidate with consistency and fairness in the hiring process.
Quality	Understand candidate insights beyond experience, including potential, performance, and learnability.

KEY RECOMMENDATIONS

Interviewing is a critical area of talent acquisition that is too often ignored. As companies transform their recruitment strategies and look to improve experiences, they should consider the following:

Use Data to Drive Decisions: Interviews are done in a way that is inconsistent and based on gut decisions. Companies must leverage interview data to make smarter and fairer decisions.

Focus on Structured Interviews: Structured interviews are now universally respected by I/O psychologists as the most accurate way to predict performance, as well as fairer way to assess talent if conducted using a blind interview tool.

Invest in the Right Technology: Technology can help to provide a consistent interview experience and reduce bias in the process. Companies must consider providers committed to interviewing and practicing ethical AI.



The State of Campus Recruiting



ABOUT US



Aptitude Research is a leading human capital management (HCM) research and advisory firm. Our in-depth research and vendor assessments help HR leaders develop a deep understanding of the HCM technology landscape, including talent acquisition and engagement, to ultimately make better purchase decisions.

Our flagship research, The Aptitude Index Report: Talent Acquisition Systems (2021), delivers a comprehensive look at talent acquisition trends and technology. This knowledge, combined with ourconsulting and advisory services, enables companies to save time, money and improve the recruiting, hiring and workforce management experience.

Founded by leading analyst Madeline Laurano and based in the Boston area, Aptitude Research provides a wealth of HCM expertise to companies, vendors and investors. View our recent and upcoming research at **AptitudeResearch.com** or connect with us on **Twitter** or **LinkedIn**.

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Sapia's mission is to build a fairer, more human world through ethical Ai. With Smart Interviewer, we turn simple text conversations into talent insights that enable companies to interrupt hiring bias and provide an unforgettable candidate experience. By using Al and advances in machine-learning we help companies identify the best candidates for a job in as little as 24 hours. We do this just by having candidates answer five questions via text. At Sapia, we're making recruitment technology human again.

To learn more, visit **Sapia.ai**