

2013



Talent Acquisition SURVEY



**Four Mistakes That Talent Acquisition Departments
Make That Drive Thousands of Candidates Away**

Presented by:

SEVENSTEP

About Seven Step RPO

Founded in 2007 in Boston, Massachusetts, **Seven Step** helps companies get ahead of talent acquisition by meeting their most pressing hiring challenges, and by providing access to recruitment innovation that helps prevent hiring crises down the road. Seven Step's approach to RPO is highly customizable, applicable to a wide range of recruitment contexts, and is generally able to be deployed quite rapidly. Seven Step was ranked a top enterprise provider on HRO Today's 2013 RPO Baker's Dozen list, and is an RPO industry leader in customer satisfaction.

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Introduction

Since the economy bottomed out in 2008, the “resume black hole” has gained folklore status, cropping up in the national employment conversation like clockwork every few months. Despite their best efforts, HR executives at large enterprises continue to combat the popular perception that today’s talent acquisition process is yet another iteration of man versus machine.

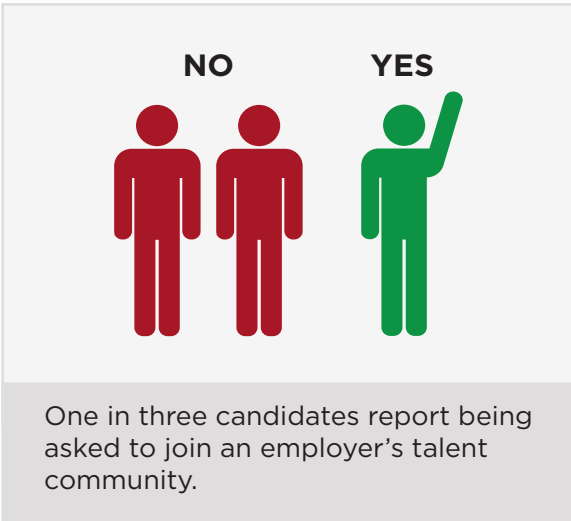
If the past five years have shown us anything, it’s that building a robust, sustainable talent pipeline belongs at the top of every CHRO’s agenda and that the job application process is the true gatekeeper to a company’s success. But are employers really capturing and fully leveraging their talent pools effectively, or are they making careless mistakes in managing the application process that end up tarnishing their employment brand? Seven Step RPO went straight to the source – the candidates themselves – to find out.

Key Findings:

1. A full two-thirds of applicants are not asked to join a prospective employer’s talent community.
2. Candidates’ online application preferences vary greatly by age and demographics.
3. A full 25 percent of candidates report never hearing back from employers after submitting an online application.
4. Nearly half of all candidates (42 percent) seek out a direct HR contact, even after applying for a job online.

1 A full two-thirds of applicants are not asked to join a prospective employer's talent community

Only one-third (34 percent) of all candidates report being asked to join an employer's talent community. Of candidates at all income levels, applicants reporting household incomes of \$150k+ appeared to be the most likely to apply for a job directly through a prospective employer's website. Seventy-five percent of this demographic reported that they had applied for a job directly through a prospective employer's website.



Career websites and talent communities are two of employers' most valuable online recruitment tools. In fact, a **recent study** by HR software provider SilkRoad found that career websites are employers' top online source of hires. The report analyzed the hiring data of 900 employers nationwide and found that a full quarter of candidates hired in 2012 came in through the hiring company's career portal.

Still, two-thirds of companies are not bringing their recruitment efforts full-circle by capturing interested candidates within a talent community. Companies cannot afford to keep making this mistake.

Employers who wish to build a robust, sustainable talent pipeline need to create true talent communities that foster ongoing candidate engagement. Seven Step found in its 2013 **Candidate Incubation Report** that a majority of hired candidates (75 percent) interacted with their future employer online for 15 days or more before applying for the position they were hired into. Many remained active in applicant tracking systems (ATS) for well over two years. Seven Step also found that candidates who apply online submit 2.43 applications on average to a prospective employer. This average number of applications varies by job function, with marketing and advertising candidates carrying the highest average, at 2.87 applications per candidate, and retail banking tellers carrying the lowest average, at 1.35 applications per candidate. This research shows that a company's ability to keep candidates warm, even when the perfect opportunity isn't present is key to effective

pipeline development. This is the power of a true talent community.

Talent communities grow in importance as companies look to build their executive ranks. Candidates who reported average household incomes of \$150k+ appear to be performing more targeted job searches and making direct contact with employers through their career websites. This affords employers an opportunity to create lasting relationships with the experienced prospects that are typically the hardest and most costly to find.

Employers can create a more streamlined and sustainable recruitment process by leveraging engagement technologies, like customer relationship management (CRM) and marketing automation systems. Just as sales and marketing teams capture prospects in a CRM system and use marketing and sales automation to nurture them through the sales funnel, talent acquisition leaders can use similar engagement strategies and technology to move candidates from passive to active status.

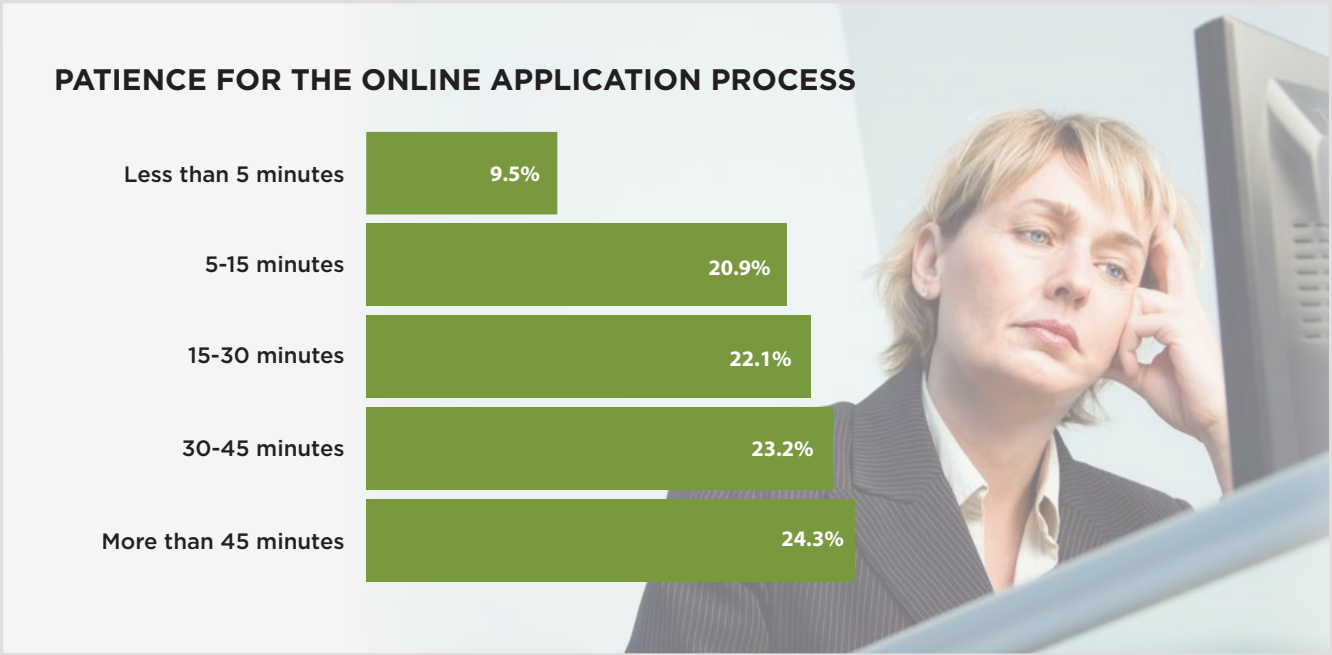
2 Candidate preferences for online applications vary greatly by age and demographics

Nearly one-third of candidates (30 percent) are not willing to spend more than 15 minutes filling out an online job application. However, preferences vary greatly by age, income level, and geography.

Age: Of candidates across all age groups, applicants aged 25 to 34 appeared to be the least willing to invest considerable time filling out an online application. Thirty-six percent of this demographic indicated that they would not invest more than 15 minutes into the process. Millennials aged 18 to 24 appeared to be the most willing of all age groups to invest time filling out an online application. Thirty-five percent of this demographic cited a willingness to invest 45 minutes or more.

Income: Of candidates across all income levels, applicants reporting household incomes above \$100k appeared to be the least willing to invest considerable time filling out an online application. Fifty-seven percent of this demographic indicated that they are not willing to spend more than 15 minutes on a job application.

Geography: Of candidates across all geographies, suburban candidates appeared to be the least willing to invest time filling out online applications. Thirty-two percent of this demographic indicated that they are willing to spend no more than 15 minutes on the process, as compared with their rural (26 percent) and urban (28 percent) counterparts.



The diversity of candidate preferences captured in this survey suggests that there is no one-size-fits-all online application process companies can deploy. Rather, employers should design their online applications with target prospects in mind, customizing them to accommodate generational, income level, or geographic preferences to keep target candidates engaged. At a minimum, employers should leverage the autofill and social apply functionality of their ATS and limit required candidate information to only what is essential to determining next steps. Companies that employ one standard application process for all positions could be deterring candidates, especially those at higher income and experience levels. This group appears to be the most inclined to utilize employers’ career websites and the least willing to invest time in the online application process. Letting your ATS provider’s default settings determine the quality of the candidate experience is the surest way to turn off top talent and prevent organic pipeline growth.

3 Twenty-five percent of candidates report never hearing back from employers after submitting an online application

Employers either acknowledge job applications immediately or never. While 27.3 percent of candidates reported receiving an employer response within two days of submitting their most recent online application, an almost equal amount (25.4 percent) reported never having received a response. Candidate experience varied greatly by age, income level, and geography.



Age: Of candidates across all age groups, Baby Boomers (aged 45 to 54) appeared to receive the fastest response from prospective employers. Thirty-one percent of this demographic report a wait of less than two days. Senior and Millennial applicants appeared to be the most likely of all age groups to go unacknowledged by employers. Nearly 45 percent of Seniors and 40 percent of Millennials reported that they had never received a response to their last online job application.

Geography: Of candidates across all geographies, coastal and urban applicants appeared to wait the longest for employer acknowledgement of an online application. Thirty-three percent of both urban and West Coast applicants reported receiving no acknowledgement at all from prospective employers. Candidates from the Midwest and rural areas appeared to have the best experience of candidates from all geographies. Thirty-four

percent of rural applicants reported a wait of only two days for an employer response, along with 29 percent of candidates from the Midwest.

Income: Of candidates across all income levels, applicants with household incomes between \$75k and \$150k appeared to wait the longest for an employer response. Nearly 42 percent of candidates with household incomes between \$100k and \$150k reported waiting up to one month for an employer response. Forty-eight percent of candidates with household incomes between \$75k and \$100k reported receiving no employer response at all.

Companies are putting their employment brands at risk as three-quarters of candidates wait for employer acknowledgment of their online applications. While employer unresponsiveness could be the result of candidate error (i.e. incomplete applications) or varied perceptions of what qualifies as “acknowledgement,” dissatisfaction with automated application processes could pose a real threat. The proliferation of social sharing among candidates has opened the door to potentially damaging criticism, to say nothing of the more immediate risk of losing top talent to an overly-complicated or time-consuming application process. Employers should take extra care in their communications with Millennial applicants, as nearly three in four use social networking sites to share their opinions, making them ready advocates – or adversaries – of your employment brand. Employers can take advantage of Millennials’ social savvy by engaging with them via a broad array of touchpoints including social channels, job search engines, and campus outreach efforts with the goal of bringing them into a true talent community.

Trends indicate that candidate groups reporting the lowest response rates from employers were also those most likely to apply through career websites. This could suggest that employers have yet to implement standard response mechanisms. Additionally, a correlation between high population sizes and delayed response times could indicate that employers are still struggling to sift through high volumes of applications. In addition to leveraging resume parsing technologies to help manage application volume, employers can work with a recruitment partner to integrate relationship marketing platforms alongside their standard ATS. Doing so will ensure that interested applicants receive prompt acknowledgement of their online application and regular company communications to keep them engaged and interested, even if they are not a fit for open positions.

4

Nearly half of all candidates (41.8 percent) seek out a direct HR contact, even after applying online

Candidates appear to be as comfortable filling out an online form (48.2 percent) as they are emailing their resume directly to an HR contact (48.8 percent). Only three percent, overall, prefer to deal with a hiring manager directly. However, 41.8 percent of all online applicants reported looking for alternate ways to apply after completing an online application. Preferences varied according to candidate demographics.



Income: Of candidates across all income levels, applicants reporting household incomes between \$100k and \$150k appeared to display the strongest preference for applying directly through a hiring manager. Eighty percent of this demographic reported that they would rather apply for a job through a direct HR contact than an online form.

Age: Of candidates across all age groups, Millennials appeared to be the most likely to look for alternate ways to apply for a job after submitting an application through an employer’s website. Fifty-six percent of this demographic reported seeking alternate channels of communication after completing an online application.

Geography: Of candidates across all geographies, applicants based in the Northeast and on the West Coast appeared to be the most likely to look for alternate ways to apply after filling out a job application online. Nearly 50 percent of applicants from the Northeast and 49 percent of applicants from the West Coast reported seeking alternate ways to apply.

While most candidates appear to be comfortable with automated application processes, more can be done by employers to drive adoption among Millennial and high-income applicants and to improve the overall candidate experience. Trends could indicate that the candidates most readily seeking alternate application channels are also those that report the lowest employer response rates. Poor engagement practices could be responsible for perpetuating distrust among candidates and discussion around the “resume black hole.”

Standardizing the applicant response process is a necessary first step for employers who wish to avoid solicitation and fortify their employment brands. Employers should include a direct HR contact alongside automated forms as a best practice, especially for positions requiring more experienced applicants. Candidates should receive a personalized acknowledgement of their application within 24 hours of applying, in the form of an email or phone call from an identified HR contact, not a default confirmation page. Communications should outline next steps and encourage the applicant to join the employer’s talent community for more in-depth information on company culture and new opportunities.

Conclusion

None of these findings should be surprising. What is surprising, however, is how often companies abandon obvious logic in building their online application processes. As a result of this conscious or unconscious abandonment, companies lose qualified candidates every day and suffer the eventual degradation of their employment brands. There are a few universal best practices that must be followed regardless of the age, income level or location of a candidate. Below are the top five careless mistakes to avoid at all costs.

A lengthy process

The best online applications take under five minutes to complete. Consider the minimum level of information you need at this point – don’t get greedy. Also, invest in the technical resources needed to develop a world-class user interface that makes your application process intuitive, simple, and fast. Unfortunately, many companies operate closer to the 10 to 15 minute range.

Incorrect information

Review job titles, business units, and even the company names listed within your application process at least once per year to clean up misinformation. Oftentimes, this information changes over the course of a year due to mergers and acquisitions or other business decisions. The result is outdated or irrelevant information being listed in job postings, communication templates, or even application instructions.

Poor employment branding

Consider your online application process to be an advertising vehicle for your company. It should incorporate your company messaging via brand-conscious copy, rich graphics, and video. Unfortunately, many companies see recruiting as a separate function from marketing when they are one in the same. Most companies make the mistake of viewing the application process as just that – a process.

Lackluster engagement

Your application confirmation email and confirmation page need to be more than a mere auto-reply to candidates that you've received their resumes. Use this message to provide very clear next steps, to continue selling the company culture, and to promote the company's social talent communities and additional jobs that may interest the candidate. Unfortunately, most companies settle for a boring, one-dimensional, or vague email that leaves applicants wanting more.

Underutilized technology

Fully utilize all of the functionality provided by your ATS. Most ATS platforms allow for activation of "social applies," which allow candidates to apply via an array of social media channels. Almost all ATS communication platforms also provide for graphically-rich, dynamic communication. Regrettably, many companies do not take full advantage of these systems, failing to activate advanced features and opting for flat text messages.

Methodology

Seven Step commissioned Google Consumer Surveys to collect responses from a representative sample of 2,512 respondents who answered yes to the following

screening question: “When you’ve applied for a job online, have you ever done it directly on the hiring company’s website?” This survey collected 37,870 impressions and 8,786 responses for a 23.2 percent response rate with an RMSE score of 3.5 percent. Possible answers were “yes,” “no,” and “I don’t recall.”

For the question “During your most recent job application on a company’s site, were you offered an option to ‘opt in’ to receive future job alerts, company news, and other updates?”, 501 responses were collected from a pool of screened respondents out of 603 impressions for a response rate of 83.1 percent with an RMSE score of 3.2 percent. Possible answers were “yes,” “no,” and “I don’t recall.”

For the question “After submitting your most recent job application on a company’s site, how long did it take for you to receive an email, phone acknowledgement or response from the company?”, 503 responses were collected from a pool of screened respondents out of 627 impressions for a response rate of 80.2 percent with a RMSE score of 2.9 percent. Possible answers were “within two days,” “within one week,” “within two weeks,” “within one month,” and “I never received an acknowledgement response.”

For the question “How much time are you willing to spend filling out a job application online?”, 502 responses were collected from a pool of screened respondents out of 611 impressions for a response rate of 82.2 percent with a RMSE score of 3.4 percent. Possible answers were “less than five minutes,” “five to 15 minutes,” “15 to 30 minutes,” “30 to 45 minutes,” and “more than 45 minutes.”

For the question “How would you rather apply for a job?”, 506 responses were collected from a pool of screened respondents out of 638 impressions for a response rate of 79.3 percent with a RMSE score of 3.2 percent. Possible answers were “by emailing your resume to an HR contact,” “through an online form,” and “by going directly to the business/hiring manager.”

For question “Did you look for other ways to apply for the job after you had applied online through the company’s website?”, 500 responses were collected from a pool of screened respondents out of 619 impressions for a response rate of 80.8 percent. Possible answers were “yes,” “no,” and “I don’t recall.”

Seven Step was the sole investor in the study. The survey population was the adult Internet user population of the United States. The date of the survey period was 5/29/13 – 6/20/13.