Fortune 500 Candidate Conversion Audit Insights

A more educated labor force, low unemployment rates, baby boomer retirements, the impact of Millennials and Gen Z on the workforce, a skills shortage and increased competition for talent – it's all making the job of recruiters more difficult.

The labor force is changing. From 2005 to 2025, those in the US labor force with bachelors degrees will increase by 20%. And those with advanced degrees will increase by 30%[i]. Simply put, the US labor force is becoming more educated. And thus: your candidates are becoming more educated.

Unemployment rates (4.4% as of Aug 2017) are decreasing, which is wonderful for our country, but certainly makes it more difficult for talent acquisition leaders. Baby boomers are retiring at a pace of 10,000 per day [ii] being replaced with younger workers. Within just a couple of years, 2020 in fact, "Millennials and Gen-Z will make up 50% of the workforce. And these younger generations are changing jobs more frequently. We're not far off from having a majority generation in our workforce that expects to work with you for less than two years." [iii]

All the while, "58% of companies are struggling with a shortage of critical skills available in the labor pool"[iv]. While the workforce is more tech-savvy and accustomed to an easy to use online experience, there are skill shortages in other areas. A highly educated workforce, many of whom have grown up with seamless and easy online consumer experiences, expect all of their online experiences to be positive and easy to use. And to challenge our talent acquisition teams even more, "39% of companies are overcoming competition and other companies to find and hire the best candidates" [v].

The job of talent acquisition leaders gets harder every day and there's no sign of that changing. And so companies are investing significantly in recruitment marketing and talent acquisition to attract and recruit the best talent. In the United States alone, companies spend $160B annually on recruiting. 59% of companies are investing more in their employer brand compared to last year [vi] and the average recruiting cost per hire is estimated to be $3,500 - $4,000.

With more investment going into recruiting, there will be more visibility on the return of that investment (ROI). HR and talent acquisition leaders will need to study their processes and conversions, and know what strategies and tactics are providing the best return on investment.

Unfortunately, despite the significant investment and unrelenting effort to find the best sources and channels to attract the right candidates to career sites, typical candidate conversion rates are horribly low. It's not uncommon to see 10-20% application conversion rate from a company's career site. And that's after the hardest part is done; actually getting the candidate to the career site.

Which is why it's so important that companies today invest in their recruiting strategies, technologies, and leaders, but also optimize that investment.

And, this is why the Talemetry Research Team (TRT) wanted to study what's happening after those candidates reach those career sites. Why is it that only 10-20% of applicants will complete the application? If 90% of online shoppers got to the checkout with their shopping basket and walked away because it was too difficult, those online retailers would be quick to improve that shopping experience.

Read on to see what the findings were from our TRT's audit, and the simple changes you could make to your application process to increase your completion rates exponentially.

Methodology

Throughout the month of September 2017 the TRT completed a detailed and thorough audit of the applicant conversion process for each of the Fortune 500 companies.

We studied the application conversion processes to better understand the very low 10-20% industry standard conversion rates. We identified seven components of the conversion process that impacted the likelihood a candidate would convert. We researched and analyzed each of the Fortune 500 application conversion processes, graded them, and analyzed the results.

We have graded each of those seven components on a scale of 0-5, with a total maximum potential score of 35. The four grades we granted were:

- **30-35** = Demonstrating best practices

- **25-29** = Opportunity for improvement

- **15-24** = Poor

- **0-14** = Failing

Fortunately, there are changes that can be made with minimal investment and effort to vastly improve the candidate conversion process. We have compiled those findings into this report to increase the awareness and visibility of these components to the talent acquisition leaders.

Key Findings

Of a total potential score of 35 points, only 4% of the Fortune 500 companies scored 30-35 points, *Demonstrating best practices*: 13% of the companies received a score of 25-29, which we categorized as *Opportunity for improvement*. 24% of the companies received a *Poor* rating, and the remaining 59% received a *Failing* grade.

TRT F500 Conversion Audit Results

Opportunity for improvement **13.18%**

Demonstrating best practices **4.06%**

Poor or Failing **82.76%**

Poor **23.73%**

Failing **59.03%**
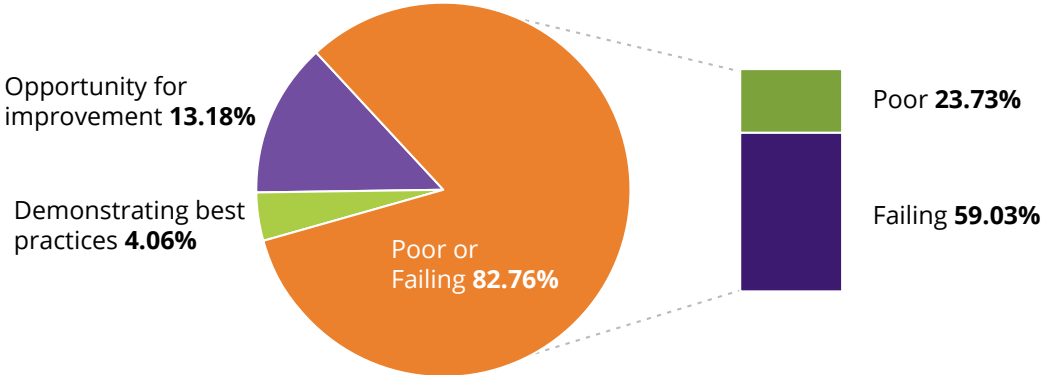
Read on for more details about the seven components and the best opportunities for improvement.

The single biggest area for improvement? It's simple: **don't require candidate registration in order to apply**. See page 4 for more details. If you are looking for more great candidates; make it easy for them.

One positive trend was that a full **91% career sites are mobile accessible**. Those mobile sites aren't necessarily optimized, but they are at least mobile accessible, more on that later.

1 Registration Required

After most candidates find their way to your career site, many of those career sites required registration with a new ID and password that had complex requirements such as:

- 8 or more characters
- Letters, numbers, and that beloved special character
- Something that hasn't been used before
- Don't forget the 'at least one upper case'

Our analysis shows that 90% of the F500 career sites required candidates to create a registration with a new ID and password before they could continue with an application.

You may have been told that this registration is necessary. But trust us, it's not. By placing an unnecessary obstacle in the way of good candidates, you may be losing some of your best future employees.

Registration Required

10%

90%
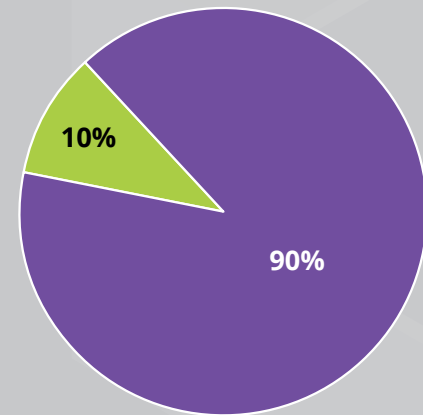
- Not Required
- Required

Login

Don't have an account yet? Sign Up

Email Address

Email Address

Password

Password

2 Mobile Apply Accessible

77% of Americans now own a Smartphone [vii]. How many times do people start their searches from their phones, even if a computer or laptop is nearby?

77%

Most of the Fortune 500 have heard the message, in fact 91% of their apply processes are mobile accessible.

This is a great first step. But to really get full return on your investment your apply process should be optimized for mobile. Not just accessible. What's the difference? A mobile optimized site will reformat itself for smartphones or tablets. Larger navigation buttons, reformatted content, reduced graphic sizes, and optimized images will make the site easier to navigate from the small screen and avoid making your candidates type unless absolutely necessary.

Mobile apply processes that are simply accessible won't encourage candidates to stay on your career site longer and complete their applications from their mobile devices. But if your apply process has an easy to use mobile site that gives them reformatted content and graphics suited for their device that is easily navigated your candidates will spend more time on your site and are more likely complete your application.

Mobile optimization also means that you offer candidates the opportunity to take advantage of their existing social profiles and cloud based storage for supplying resume and/or work history information.

Mobile Accessible

9%

91%
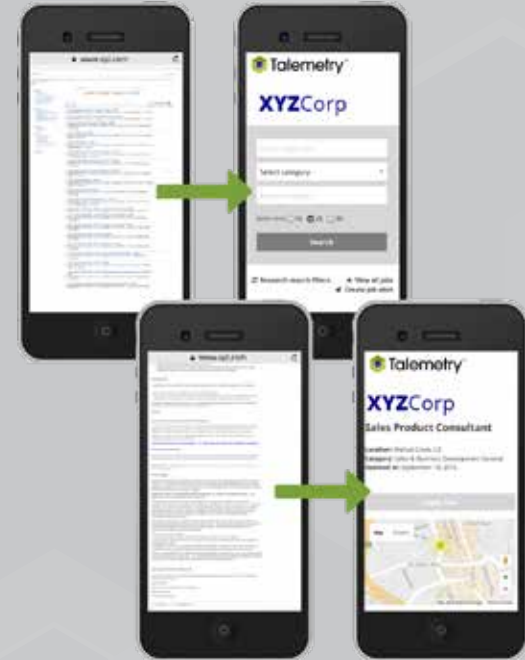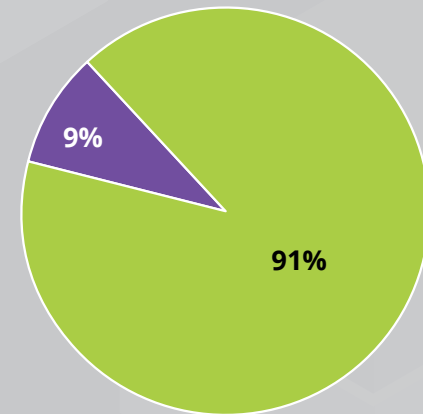
- Mobile Apply Accessible
- Not Mobile Accessible

3 Social Profile Apply

Many of today's candidates have created profiles on social media accounts such as LinkedIn, Facebook, or Google+. Best practices are to allow your candidates to leverage these profiles by using them to apply to jobs on your career site. Your candidate profiles will be automatically populated with the relevant information from the applicant's social media profile.

What's the big deal? Many applications will require 50-100 fields of data. All the data that the candidate has previously created on their social profile. Why make the candidate re-enter all 50-100 fields of data?
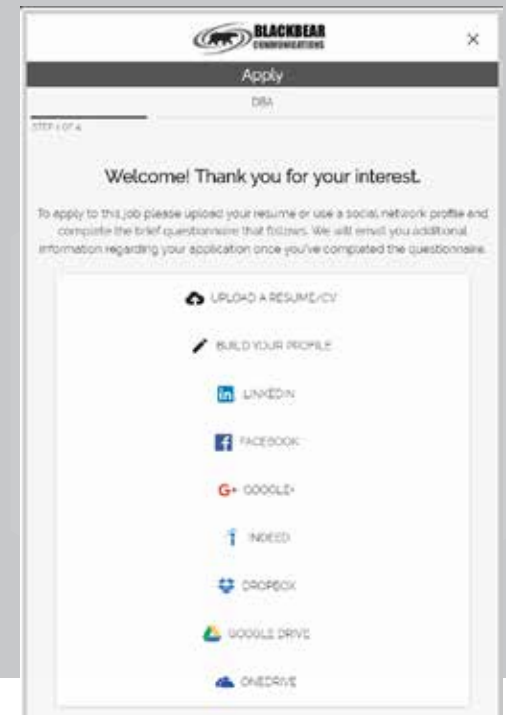
The TRT audit found that only two-thirds of the F500 offer some sort of social profile apply option. 66% of organizations offer candidates the option to apply from career related site such as LinkedIn or Indeed, or the other major job boards. 2% of organizations only gave candidates the option to apply from a more standard social site such as Yahoo, Google, or Facebook. We did find that 32% did not offer candidates any option to apply using their social profile. Simply put, almost one-third of the F500 do not meet modern consumer expectations and are missing an easy way to make the candidate experience easier and in turn, increasing application conversions.

Make it easy for your higher educated and tech savvy employees of tomorrow to apply for a job by allowing them to leverage their social profiles.

Social Apply
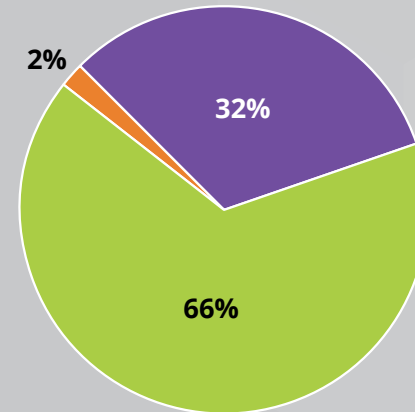
Legend:
- Careers (LinkedIn, Indeed, other job board)
- Generic (Yahoo, Google, Facebook)
- No Option

4 Cloud Apply

Particularly many of today's Millennial candidates have their resumes and CVs on cloud based applications such as Dropbox or Google Drive, and those resumes will rarely be stored on a mobile device. Best practices are to allow your candidates to leverage these files by using them to apply to jobs on your career site. Your candidate profiles will be automatically populated with the relevant information from the applicant's cloud based documents.

The TRT audit found that little more than half of the F500 offer some sort of social profile apply option. 58% of organizations offer candidates the option to apply with their cloud based resume. And 42% do not offer candidates the option of using their cloud based files. That's 42% of companies not leveraging the cloud based tools available to today's more technically savvy candidates.
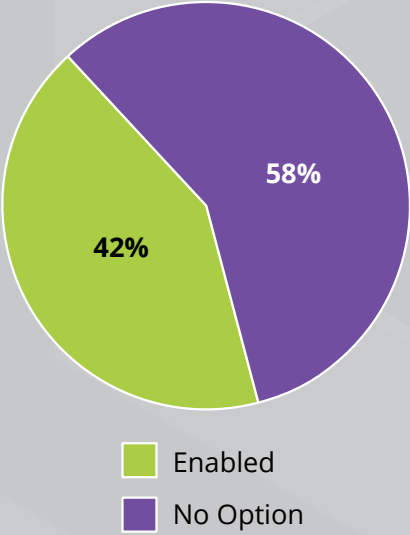
5 Campus/Event Registration

While your digital recruiting strategies are a key channel to reach many of today's candidates, there is still an opportunity to leverage hiring events (campus, seasonal, or otherwise) to find those great candidates. The benefits of events is that they are a great way to build a personal connection with those candidates and build your competitive advantage for the top talent.
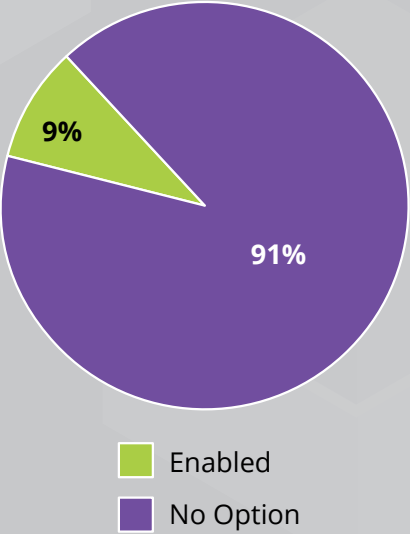
Surprisingly though, we found that 91% of the Fortune 500 did not give candidates the opportunity to view or register for hiring events from their career site.

By not integrating event registration into your career site, you are keeping your talent acquisition strategies in silos, and you'll miss out on the quick visibility into which of the strategies are producing the best candidates. You'll also miss out on the opportunity to remarket to those candidates.

Cloud Apply

- 58% No Option
- 42% Enabled

Legend:
- Enabled
- No Option

Event Registration

- 91% No Option
- 9% Enabled

Legend:
- Enabled
- No Option

6 Passive Capture: Opt-in for Talent Networks

Talent networks give your candidates an opportunity to opt in to your network to receive information about your company and employment opportunities. Candidates opt in from your career site or apply process giving you permission to provide them with relevant and timely information about your company and job opportunities. Your talent network gives your candidates the opportunity to stay engaged with you so that they are ready when the right job opens up at the right time for them.

The TRT found that 49% of F500 career sites did not offer a talent network, 39% did offer an optional talent network (recommended best practice), while 12% forced interested candidates to join the talent network.

As a recommended best practice, you don't want to force candidates to opt in to your talent network before they complete an application. This creates an unnecessary obstacle, distracts your candidate from applying, and most often leaves them frustrated with the need to provide duplicative information in sequential steps. All in all, a forced talent network registration typically reduces the number of completed applications.

Talent Networks

- Forced Talent Network
- No Option
- Optional Talent Network
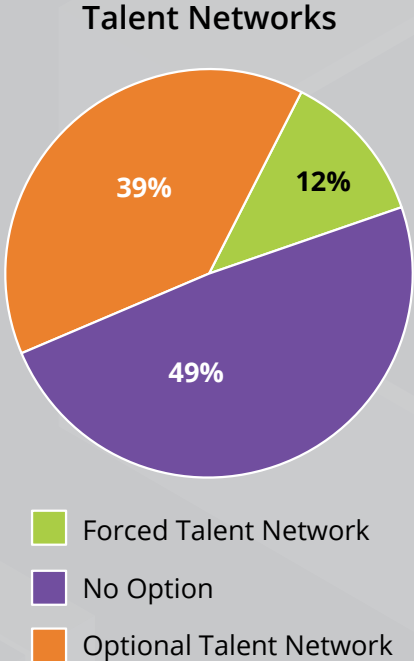
7 Opt-in Job Alerts

With the current unemployment rate, it goes without saying that there are far more passive candidates than active candidates. And your best candidates are not unemployed. But at the same time, a large percentage of the workforce says they would be open to new opportunities if the right one came along.

It's a best practice to not leave it up to the applicant to review your career site on a regular basis to learn about new opportunities. Instead, a best practice is to allow candidates to sign up for automated notifications. This is a soft and less intimidating way to build your talent pool for the long term, even if the right job isn't there for the right candidate today. Candidates will often be willing to share a little information with you with the hopes that some day, your company may present them with the right opportunity.

Our research team found that 61% of the companies audited do offer a job alert sign up to attract those passive candidates, although in many cases the option is hard to find. That's still 39% of companies who are missing out on the opportunity to build their talent databases and start attracting not just today's candidates, but those future candidates as well.

Proactively attract candidates for today and tomorrow by demonstrating best practices with the option to sign up for automated notifications.

Job Alerts

39%

61%

■ Enabled
■ No Option
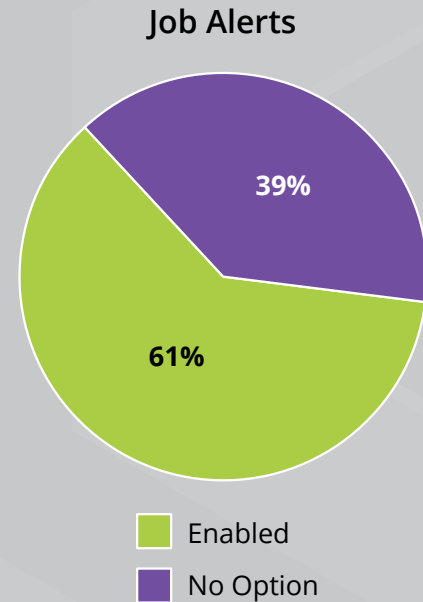
Conclusions

With more visibility into the ROI of your recruiting dollars, be sure that after you've invested in attracting the candidates to your career site, you are making it easy for them to convert into actual applicants. The three key take-aways we found are:

1. **Don't require registration**. You may have been told by your HRIS team that this cannot be avoided. But with the right technology and systems that's just not true.
2. **Leverage social and cloud apply options**. Meet today's more tech savvy, higher educated employees where they are, leveraging those social and cloud profiles.
3. **Stay in contact with candidates** of today and tomorrow with talent networks and opt-in job alerts.

Imagine the impact on your cost per applicant if you could double your conversion rate. Does doubling it sound ambitious? It's not uncommon for Talemetry customers to go from a 20% applicant conversion rate to a 70% applicant conversion rate upon go-live. We have the solutions, experts, and best practices to simplify your conversion process and get to those results.

Would you like to see your company's audit results? Give us a call at 1.866.824.3318, we'd be happy to pull out your results to share them with you.

Footnotes

[i] https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-21/meet-the-us-workforce-of-the-future.html

[ii] https://www.forbes.com/sites/forbescoachescouncil/2017/06/28/boomers-are-retiring-rapidly-are-successors-prepared/#56fbc05a4472

[iii] https://www.forbes.com/sites/larsschmidt/2016/12/16/why-retention-will-be-the-biggest-talent-challenge-of-2017/2/#48c9620b6ee2

[iv] http://v1.aberdeen.com/launch/report/knowledge_brief/13110-KB-recruitment-marketing.asp

[v] http://v1.aberdeen.com/launch/report/knowledge_brief/13110-KB-recruitment-marketing.asp

[vi] https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/GRT16_GlobalRecruiting_100815.pdf

[vii] http://www.pewresearch.org/fact-tank/2017/01/12/evolution-of-technology/