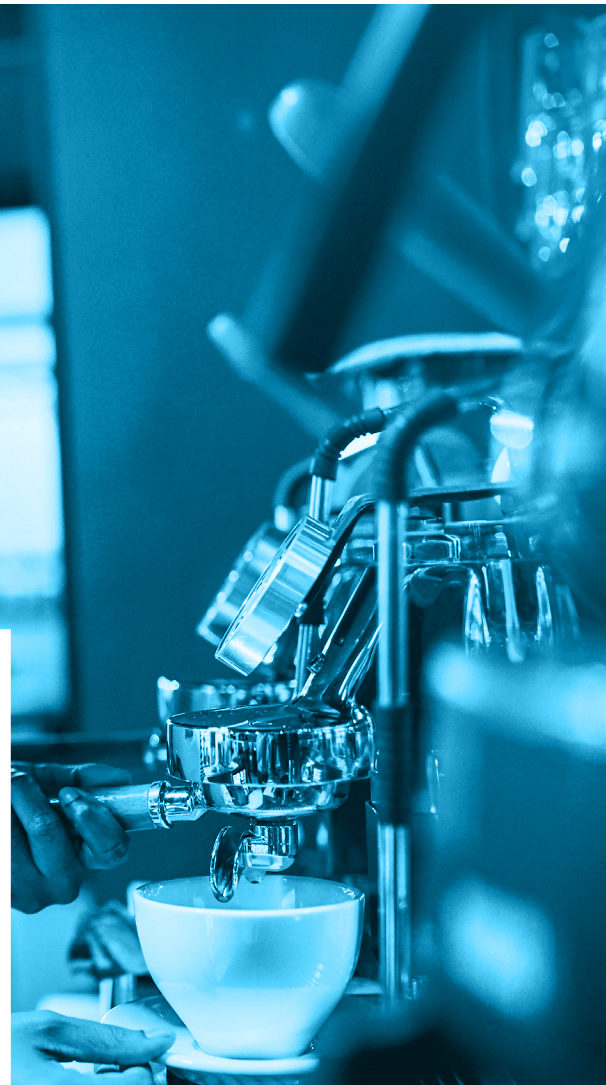**aptitude research**

Authored by:

**Madeline Laurano**

Founder, Aptitude Research

# THE HIGH-VOLUME HIRING GUIDE:

## THE STATE OF THE HOURLY WORKFORCE AND GAINING BUY-IN FOR BETTER SOLUTIONS

Brought to you by

**PARADOX**

aptitude research

# INTRODUCTION:

In January 2020, Aptitude Research published a research report on the state of hourly recruitment. The study found that the largest workforce segment, comprised of 82 million workers, was essentially forgotten in the push for talent acquisition transformation. Employers lacked the tools they needed to successfully attract, recruit, and hire hourly workers while candidates received little to no communication. According to this study, 62% of hourly workers received no response or communication through the process.

Two years later, the pandemic, remote work, and the labor shortage have heightened the need to focus on this forgotten workforce. According to Aptitude Research, 79% of high-volume companies are hiring more hourly workers this year than last year. Companies have reduced time to fill, increased wages, and provided a better, frictionless candidate experience to compete with a shrinking talent pool. Talent acquisition strategies required a complete overhaul and several enterprise companies responded by:

According to this study,

## 62%

of hourly workers received no response or communication through the process.

**Rethinking Requirements:** CVS dropped its education requirements for high school diplomas. Aptitude Research also found that one in four companies have reduced the number of interviews or eliminated them all together.

**Increasing Incentives:** Target, McDonald's, Amazon, and Walmart are examples of the many companies that increased the hourly rate for workers, offered perks and benefits, and provided referral bonuses

**Focusing on Speed:** Speed became the new success metric for hourly recruitment. Amazon and Walmart are two examples of companies that shortened their time to fill to days.

**Transforming Technology:** McDonald's, Regis, and Great Wolf Lodge are examples of companies that transformed their technology to provide a simple, frictionless experience using automation and conversational AI.

The hourly worker is a critical topic in today's economy and it has expanded to include all high-volume hiring. Without a way to effectively and efficiently recruit high-volume candidates, businesses are directly impacted. Despite improvements in recruiting hourly workers, most companies still have a long way to go. And these companies face new pressures and realities including:

**The Ongoing Great Resignation:** In 2020, the National Retail Federation reported 60% of turnover in industries such as retail and hospitality. According to BLS, part-time hourly worker turnover has now grown to 76%.

**Pay is Not Enough:** Companies are increasing their spend on minimum wage but the federal minimum wage remains unchanged at $7.25 since 2009. According to BLS, among those paid by the hour, 181,000 workers earned exactly the prevailing federal minimum wage of $7.25 per hour. About 910,000 workers had wages below the federal minimum. Together, these 1.1 million workers with wages at or below the federal minimum made up 1.4 percent of all hourly paid workers.

**Experience is Everything:** Experiences dictate if a candidate will apply, interview, and show up for day 1. Companies must provide personalization, simplicity, and intuitive experiences to stay competitive.

Technology plays a critical role in helping companies overcome these challenges and, fortunately, companies have better technology options dedicated to the unique needs of the hourly worker. Solutions that are mobile-first, consumer-grade, personalized, and simple will help companies connect with talent in a more meaningful way. This report, based on data collected in 2022, will look at the current state of the hourly worker and provide guidance for companies looking to build a business case for investing in better technology options. This report will help to answer the following questions:

## THE STATE OF THE HOURLY WORKFORCE: A NEW LOOK AT AN OLD CHALLENGE

## BUILDING A BUSINESS CASE FOR TECHNOLOGY: THE ROAD TO AUTOMATION

# Research Methodology

This report is based on data collected from two surveys conducted by Aptitude Research in 2022:

**Talent Acquisition Survey:** 502 responses of Director Level and above Talent Acquisition and HR professionals; Across all industries and company sizes.

**Hourly Worker Survey:** 765 responses from hourly workers in the job process in the past year.

**These surveys uncovered the recruitment strategies and technology of hourly workers across six major processes:**

### Recruitment Marketing
The strategies used to attract and engage with talent before they apply for a job including sourcing, employer branding, and talent pipeline management.

### Application Process
The process of applying for a job either in person, through a computer, or through a mobile device.

### Interviewing
The process of interviewing a candidate for a job either in person or virtually.

### Assessment
The process of using either cultural, skill, or personality assessments to see if a candidate is a good fit for the position.

### Screening
The process of conducting a background screen of a candidate which would include verification, criminal check, and drug testing and DMV records
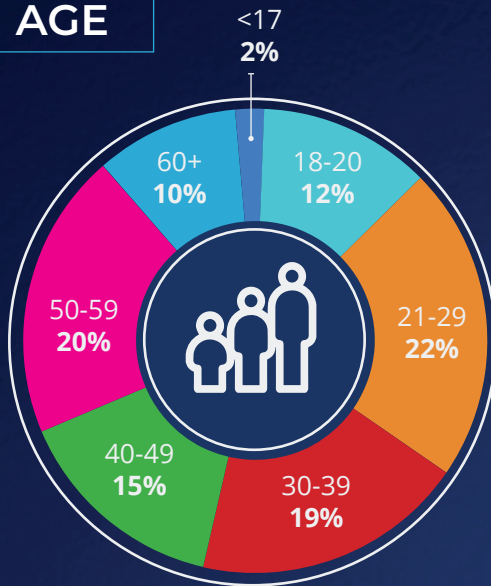
### Offer and Onboarding
The process of extending an offer to a candidate for a position and onboarding them.

aptitude research

# DEMOGRAPHICS

## AGE

<17
**2%**

60+
**10%**

18-20
**12%**

50-59
**20%**

21-29
**22%**

40-49
**15%**

30-39
**19%**

## TYPE OF WORK

Gig Work
**17%**

Temporary or Seasonal
(Paid Hourly)
**23%**

Full-Time Work
**26%**

>30 hrs/week
(Paid Hourly)
**16%**

<30 hrs/week
(Paid Hourly)
**18%**

## GENDER

Female
**53%**

Male
**42%**

Transgender Male **1%**

Transgender Female **2%**

Gender Varient/Non-Conforming **1%**

Prefers not to answer **1%**

aptitude
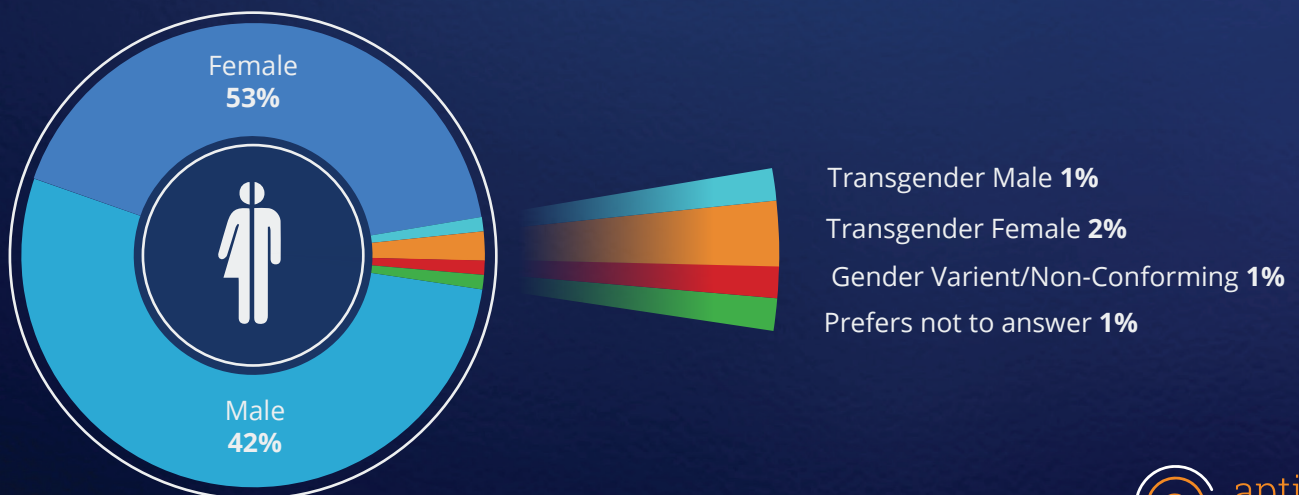research
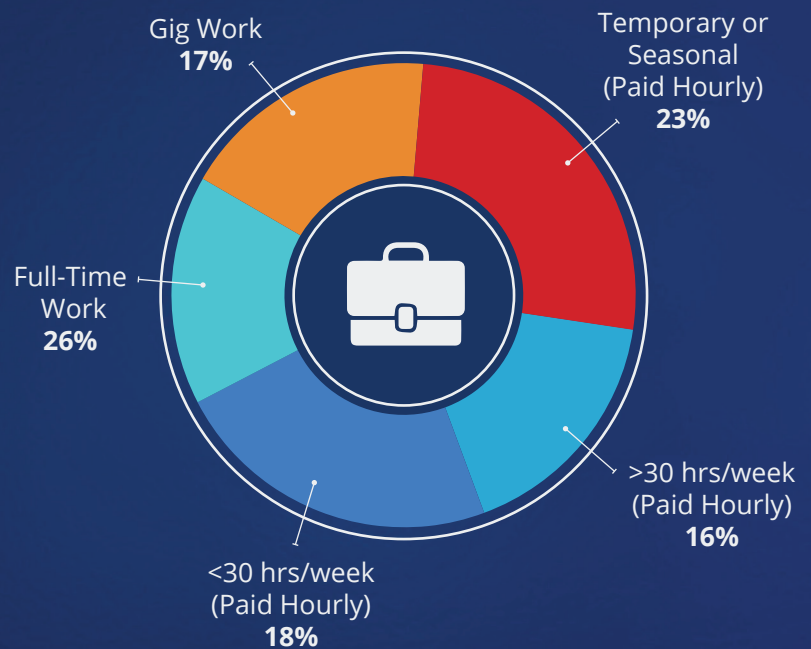
# Part 1: The State of the Hourly Workforce

This section of the report will address the shifts in hourly recruitment over the past two years, pressures to improve efficiency, and challenges that persist when attracting, recruiting, and hiring talent.

## Keeping Up with the Times: New Challenges and Shifting Priorities:

Despite the increased focus on the hourly worker over the past two years, companies face many of the same challenges they faced before COVID-19. High turnover, delays in the process, and lack of personalization result in a poor candidate experience and cause many companies to lose talent even before day one. The global economy and the pandemic have exacerbated these challenges. When asked what challenges are impacting hourly recruitment today, companies stated finding enough talent candidates showing up for the interview, and finding quality talent as the top three challenges. Although efficiency has been a driving force in 2021, companies are looking at balancing both speed and quality for the next year.

**Figure 1:** *Top Challenges in Hourly Recruitment*

Finding Enough Talent — 61%

Candidates Not Showing Up For Interviews — 42%

Finding Quality Talent — 42%

Not Hiring Fast Enough — 26%

Candidates Not Showing Up On Day One — 25%

Companies have doubled down on recruitment marketing and advertising to attract talent, increased wages, and offered incentives, yet the talent shortage is impacting every industry looking to hire hourly workers today. And, for companies investing early in the funnel, they are not guaranteed that candidates will even show up for an interview or day one.

## Who Is Recruiting Hourly Workers?

For many high-volume and hourly industries, managers and operators are responsible for recruitment. This study found that only 17% of companies with ¾ of their recruitment dedicated to hourly roles have a dedicated recruitment team. These companies are relying on managers who are busy and often, understaffed to create job descriptions, respond to candidates, screen candidates, schedule interviews, and send out follow-up information. On average, companies that responded to this study stated that 56% of their recruitment activities are administrative. Managers' responsibilities have increased over the past few years. Additional administrative work will result in inevitable delays in the recruitment process. Aptitude found that recruiters spend, on average, 16 hours scheduling interviews. Managers do not have the time to dedicate to these administrative responsibilities.

These challenges have forced companies to rethink their priorities with a focus on efficiency, quality, and experience. 1 in 2 companies recruiting for hourly workers state that reducing time to fill is their top priority. Companies must move at lightning speed to engage talent and provide simple, consumer-like experiences. Today's reality and the pressures to compete for talent has accelerated the need for better technology. Companies can no longer rely on outdated systems that are not designed to address these challenges. They need to think about technology that will improve efficiency, experience, and quality. Figure 2 addresses the differences between where companies were at several years ago and where they need to be.

**Figure 2:** *Traditional vs. Modern Hourly Recruitment*

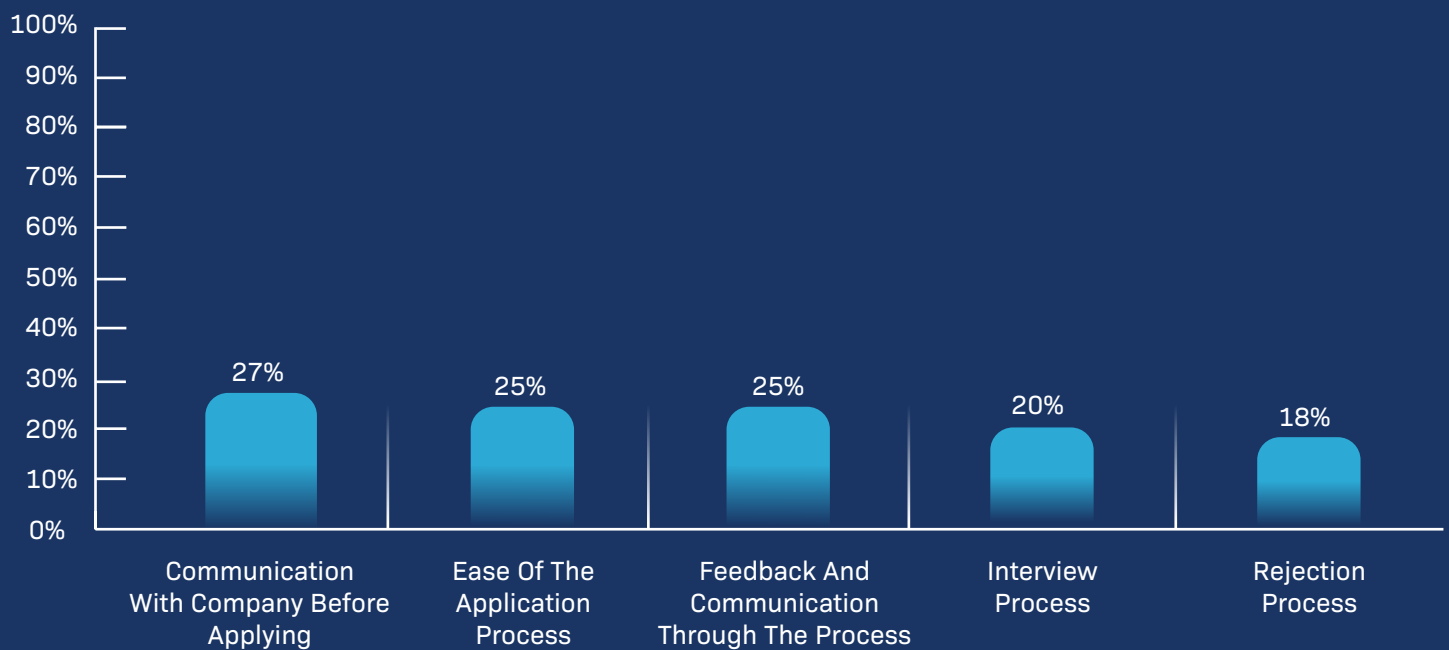|  | Traditional Hourly Recruitment | Modern Hourly Recruitment |
|---|---|---|
| **Speed** | Reqs open for Weeks or Months with the average time to fill of 30-45 days. | Every stage enhanced with speed so companies make hires in 3 days or less. |
| **Process** | Delays in the process including managers responding to offers and interview schedules that would result in losing talent. | Frictionless experience where automation moves candidates along with the process without delays. Completely automated/ manager free until the interview. |
| **Technology** | Traditional technology solutions designed to support professional hiring including ATS systems, CRM systems, job boards, and traditional assessments. | Transformed through powerfully simple, personalized experiences including conversational AI, visual assessments, dynamic career sites, automated screening and personalized new hire engagements. |
| **Experience** | Lack of personalization and limited communication and engagement. | Mobile first, easy and engaging with several touch points throughout the process. |

aptitude
research

# KEY STRATEGIES:

Companies looking to respond to these new challenges and priorities should consider the following strategies:

## A New Look at the Hourly Candidate: Meeting Expectations

The profile of an hourly candidate has changed over the past few years. Hourly candidates may work part-time, attend school, work only at night, work seasonally, or temporarily. As candidates are looking for more flexibility, the definition of hourly worker is expanding. The hourly experience is different for every candidate and requires a deeper understanding and more personalization. Hourly candidates have unique expectations and requirements that are often overlooked.

When asked about satisfaction in recruiting, most candidates surveyed were not happy with communication, simplicity, or the interview process (See Figure 3). One in three hourly workers stated that they had to go through 3 or more interviews for a job and 40% received no response from the interview for over a week.

**Figure 3:** *Hourly Candidate Satisfaction on the Interview Process*

| | |
|---|---|
| Communication With Company Before Applying | 27% |
| Ease Of The Application Process | 25% |
| Feedback And Communication Through The Process | 25% |
| Interview Process | 20% |
| Rejection Process | 18% |

One issue with communication is the lack of personalization. Most candidates will not be satisfied if they are rejected but if the communication is personal and includes a call to action or a follow-up, it can provide an improved experience and build a relationship with the candidate (even as a customer).

Traditional talent acquisition strategies and technology have failed the hourly worker. They are designed for professional or salaried hires and do not take into account the complexities of the forgotten workforce. Companies looking to better understand the hourly worker and invest in solutions to attract, recruit, and engage this critical segment of the workforce must take a closer look at the following:

**Work Environment:** What work environment is best suited for hourly workers?

**Accessibility:** Do hourly workers have access to laptops, mobile devices, and transportation?

**Communication:** How do hourly workers receive communication through the process?

**Candidate Behavior:** How do hourly candidates think about applying for a job or multiple jobs?

# Work Environment:

Hourly work is not only in-person. Many hourly candidates are looking for flexibility in their schedules. When surveying hourly workers, Aptitude Research found that these candidates were looking at multiple options for work that include remote, hybrid, and in-person. Asking about work environment and creating clear communication on company expectations can ensure that candidates show up for an interview and on day one.

**Figure 4:** *Work Environments for Hourly Workers*

In-Person
**44%**

Hyrbrid
**16%**

Remote
**40%**

aptitude research
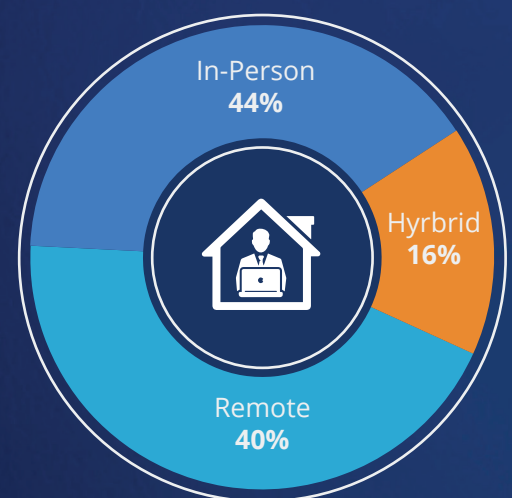
# Accessibility:

Traditional recruitment technology is designed for a laptop. Many ATS systems require recruiters and candidates to access a laptop in order to apply for a job, complete screening questions, or schedule an interview. Many companies do not consider that hourly workers may not have access to a laptop or an email address. This study found that companies do not know what hourly candidates have access to when applying for a job. Only 33% of companies knew if candidates had access to a laptop, while 72% knew that candidates have access to a mobile device. Another important consideration is transportation to an interview. Only 27% of companies ask if candidates had transportation to an interview. Companies must provide more options for communication to understand candidates' needs and expectations. Technology must be mobile-first.

**Figure 5:** *Candidate Accessibility to Technology and Transportation*



Bar chart data:
- Access To A Laptop: 33%
- Access To Email: 67%
- Access To A Mobile Device: 72%
- Access To Transportation: 27%
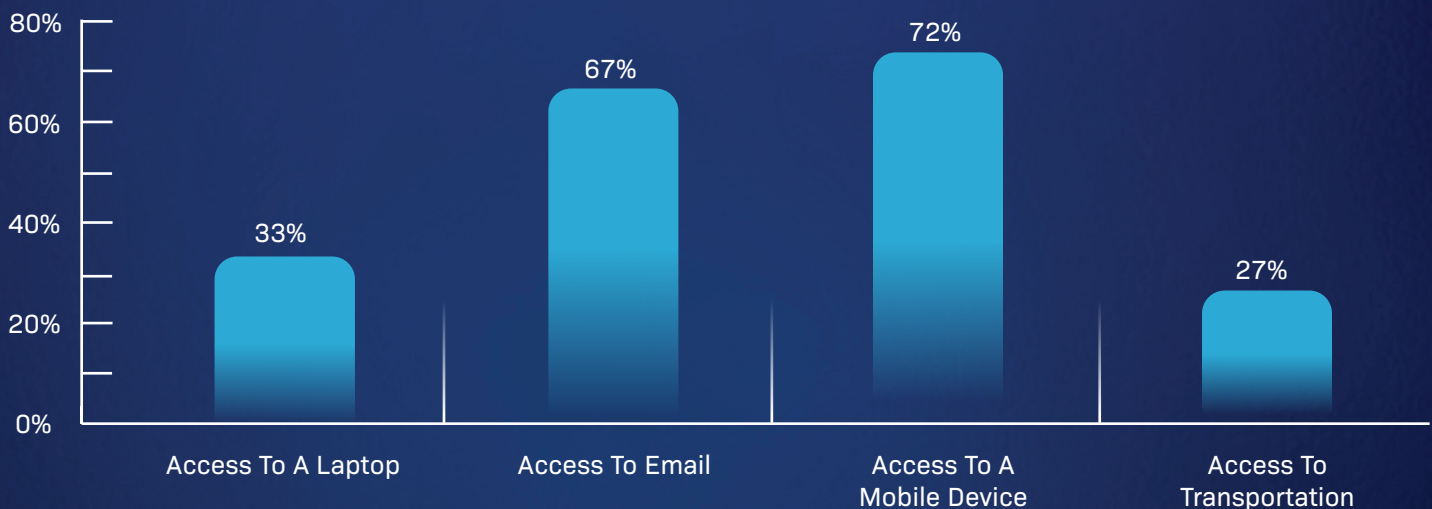
## Multilingual Capabilities

Companies must consider multilingual capabilities when engaging with hourly workers.

**ONE-IN-FOUR** companies stated that English is a second language for their candidates and not every solution offers candidates multilingual options.
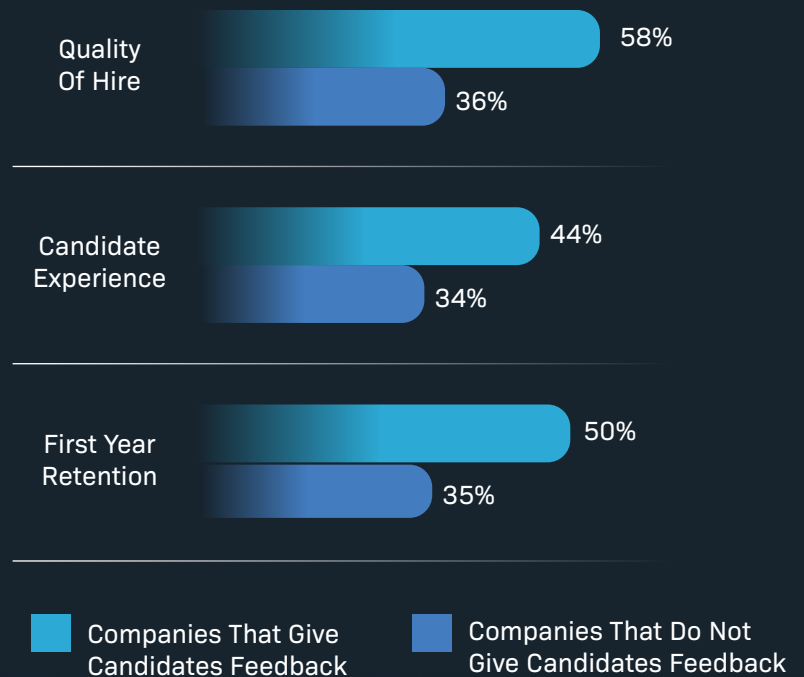
# Feedback:

Most companies are not providing communication or feedback in a way that is consistent and meaningful to candidates. 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.

**Figure 6:** *The Impact of Feedback*

Quality Of Hire
- 58%
- 36%

Candidate Experience
- 44%
- 34%

First Year Retention
- 50%
- 35%

Companies That Give Candidates Feedback

Companies That Do Not Give Candidates Feedback

aptitude research

# Candidate Behavior:

Candidates are part-time work and 69% of candidates are applying to multiple jobs at the same time. Automation and new technology improve speed and allow candidates to receive a response and focus on one job instead of applying to many.

With the labor shortage, companies are not seeing as many candidates applying for jobs this year. Sixty-seven percent (67%) of companies stated that they are getting less candidates applying for jobs this year than last year. A long time challenge in high-volume recruitment, companies have struggled with high drop-off rates and understanding what influences these decisions. The area where most candidates drop-off is during the apply phase (43%) of companies. Companies are losing quality talent early in the process. Although companies have invested to improve interviewing and onboarding over the past year, recruitment marketing and easy apply continue to be a challenge in high-volume recruitment. One in three companies state that the apply process takes longer than 30 minutes for high-volume roles, and one in two companies do not have a mobile-optimized apply process.

aptitude research

# KEY STRATEGIES:

### Consistent Communication:

Companies must provide consistent communication and responses to every candidate. This lack of communication can also negatively impact the customer experience. If a customer ordered a meal from a restaurant and never heard back from the waiter, that customer would not return. If a candidate applies for a job and does not hear back, they would be unlikely to return either as a candidate or a customer.

> Hi Olivia, where am I at in the application process?
>
> Hi, Shelby! Now that you've had your first interview with the team, a recruiter will reach out to you by the end of the day with next steps!
>
> Thank you!

> Alex, I hope you had a great first day! Can you rate your day one of orientation and onboarding?
>
> 1. 😃 Excellent
> 2. 😊 Great
> 3. 😐 Fair
> 4. 🙁 Poor
>
> Excellent! This has been amazing, actually.
>
> Okay. Anything else to add?
>
> I learned so much about my role and how I can contribute to the company. I'm excited to learn more!
>
> Thank you for your feedback!

### Feedback:

Candidates that give feedback through the process have a better experience and are more likely to return to the company even as a consumer. According to research by The Talent Board, when companies provide feedback on what will happen in the interview process, 76% of candidates are more likely to remain loyal to the company. When candidates are asked for feedback during the onboarding process, they have a 133% increase in a positive experience with that company.

### Provide Options:

Candidates need simple solutions to be able to apply for a job, schedule an interview, or engage with companies.

# Part 2:
## Building the Business Case for Technology:
## **Road to Automation**

Attracting, recruiting, and hiring hourly workers requires a new technology landscape that enables a simple experience and provides efficiency and speed. Companies that participated in this study stated that at least three quarters of their hires are hourly and those numbers are increasing this year. Hourly is the largest workforce segment and companies that invest in world-class technology will have a competitive advantage. Ninety-one percent (91%) of companies are increasing their investment or continuing to invest in hourly recruitment this year. And, one in four companies stated that they would still continue this investment even in a downturn economy.

**Figure 7:** *Investment in Hourly Recruitment*

Increasing
**36%**

Decreasing
**6%**

Remain the same
**58%**

Unfortunately, this investment is not necessarily directed at the right solutions. Most companies rely on existing solutions or legacy software to support both salary and hourly hires. These solutions lack the capabilities and personalization to drive real value in talent acquisition.
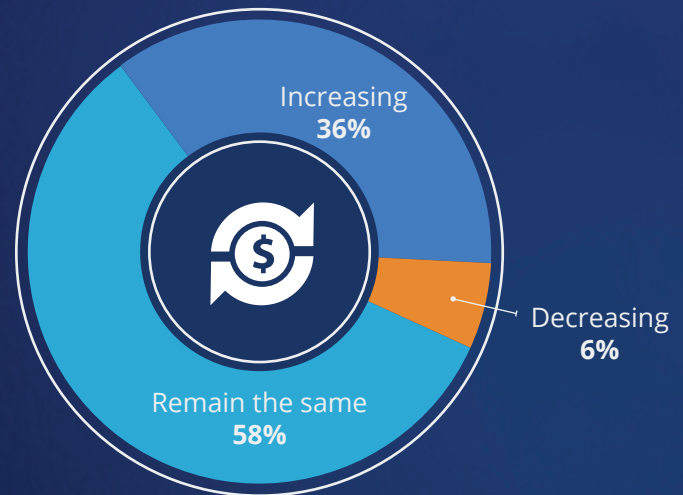
**Figure 8:** *Solutions to Support Hourly Recruiting*
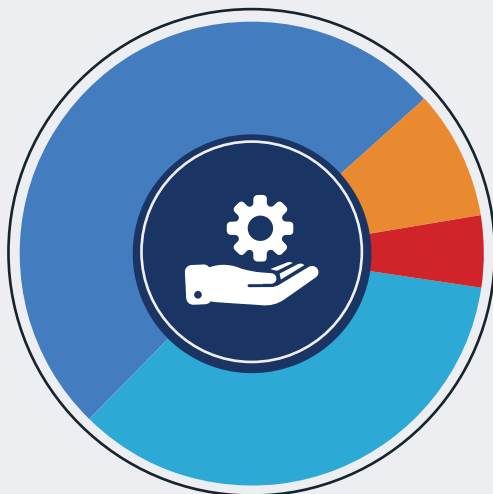
**52%**    Existing technology

**35%**    Dedicated technology

**9%**    Consumer dedicated technology

**4%**    Don't know

The future of hourly recruiting will require new technology that allows companies to respond to the challenges and pressures they face today. A few basic characteristics of this new technology include:

**Mobile First:** Mobile needs to be the foundation of a candidate communication strategy for hourly workers. By adopting a mobile-first strategy, companies will be better positioned to engage with candidates and meet candidates' expectations.

**Personalization:** Ultimately, communication should cater to the needs of the individual – not a collective group — and recognize that all individuals are not the same. Ninety-four percent (94%) of companies believe that personalizing communications will help employees do their job better, according to Aptitude Research study.

**Consumer-like:** Hourly candidates are customers and their experience should mirror a consumer-like experience. Solutions should provide engagement, communication, and simplicity. Consumer experiences are personal and provide instant communication.

**Conversational:** Many companies are turning to conversational AI to provide a better experience for hourly recruiting. A conversational experience allows companies to engage with candidates immediately at every stage of the process and provide stronger communication.

## Technology Landscape for Hourly

Sixty-five percent (65%) of companies with high-volume recruitment needs are not satisfied with their current ATS. Most traditional ATS systems are designed for traditional corporate hiring and lack capabilities to support high-volume recruitment such as dynamic career sites, programmatic advertising, scheduling, or conversational AI. The less systems that companies need to manage, the better.

Technology is transforming every aspect of talent acquisition including how companies attract, recruit, and hire. Companies that recruit hourly are turning to conversational AI to power their entire recruitment experience from attraction to onboarding. Figure 9 provides an overview of different technology at each stage.



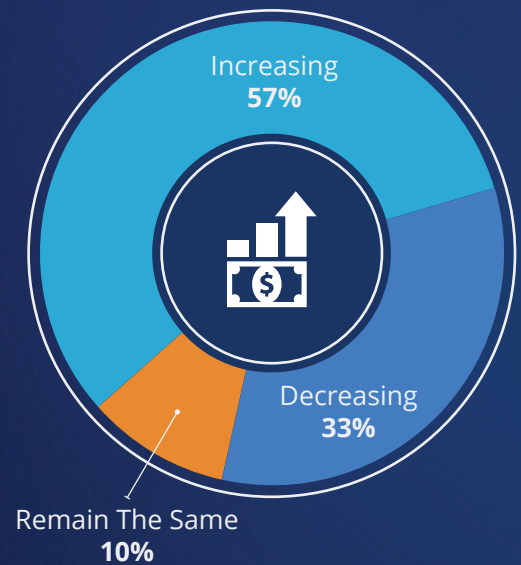**Figure 9:** *What Conversational AI Provides for Hourly Hiring.*

**1 ATTRACT**
- Programmatic Job Advertising
- Dynamic Career Site
- Easy Apply

**2 RECRUIT**
- Automated Screening
- Smart Interviewing
- Game-Based Assessments

**3 HIRE**
- Offer Management
- Onboarding

# ATTRACT

**Programmatic Job Advertising:** Unlike traditional job advertising models that are slow and time-consuming, a programmatic approach solves an immediate need for companies today – greater efficiency. Companies state that the key driver for technology decisions is reducing time to fill and improving overall efficiency. By streamlining advertising and targeting the right candidates, the process of attracting and recruiting talent improves significantly. Aptitude Research found that for companies using programmatic job advertising, 90% are either continuing to invest or will increase their spend this year (see Figure 10).
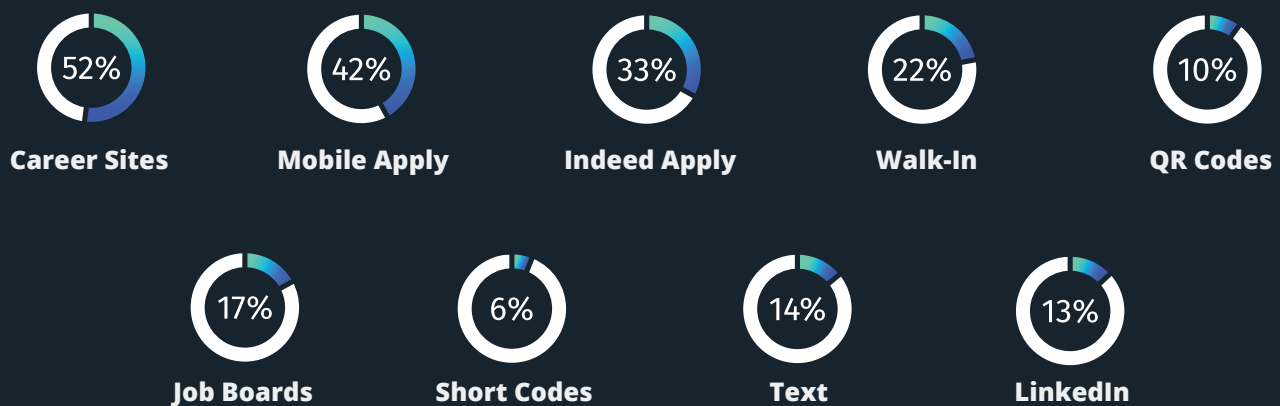
**Dynamic Career Sites:** Dynamic career sites are personalized to the candidate and provide information and insights to better convert talent. They are not a one size fits all approach but specific to the interests of candidates. This study found that only 28% of high-volume industries have dynamic career sites.

**Easy Apply:** Apply should be as simple as possible for candidates. Some companies are turning to short codes, QR codes, and text to support a simple apply process. Unfortunately, most companies still require a lengthy apply process even for hourly positions.



**Figure 10:** *Investment in Programmatic*

Increasing
**57%**

Decreasing
**33%**

Remain The Same
**10%**



**Figure 11:** *Candidates Applying for Jobs*

| 52% | 42% | 33% | 22% | 10% |
|-----|-----|-----|-----|-----|
| **Career Sites** | **Mobile Apply** | **Indeed Apply** | **Walk-In** | **QR Codes** |

| 17% | 6% | 14% | 13% |
|-----|-----|-----|-----|
| **Job Boards** | **Short Codes** | **Text** | **LinkedIn** |

# RECRUIT

**Automated Screening:** Aptitude Research found that organizations that invest in strategic screening solutions significantly improve the candidate experience and retention of quality employees. Candidates receive a fair process when automation is used, reducing the human decision-making process. According to a recent talent acquisition survey by Aptitude Research, hiring organizations cite screening as a top replacement need in 2021.

**Digital Interviewing:** Digital interviewing includes scheduling, video, and communication capabilities for companies looking to better manage, track, and measure the interview process. 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, 74% of companies were using or planning to use video interview providers. When recruiters and managers have digital interviewing tools, they can improve both the candidate experience and coach managers on best practices. Digital interviewing platforms, whether on demand or live, can help ensure better consistency within an organization when it comes to interviewing and evaluating candidates.

**Assessments:** According to the latest study from Aptitude Research, companies have steadily increased their investment in assessments over the past three years. As organizations face mounting pressure to compete for talent across industries and improve quality of hire, assessments enable organizations to make better decisions around talent and improve business outcomes. Assessments for hourly must be shorter in length and provide a better experience. Candidates should not feel like they are taking a test and most traditional assessments are 45 minutes to an hour in length. Shorter assessments can gather data without compromising the validity of the assessment.

# HIRE

**Offer:** The offer process is often neglected. Candidates do not find out about pay at this stage and negotiation can be frustrating for both employers and hourly workers. Providing communication and conversational AI to allow candidates to ask questions and receive answers in real-time can improve the offer experience.

**Onboard:** Most companies neglect the new hire experience. Technology can help to engage new hires and socialize them in the company culture. Forms automation, provisioning, and engagement should be automated and consistent. Only 26% of companies are automating the entire onboarding process today.

Conversational AI is powering this new technology landscape. It has completely transformed how companies recruit hourly workers and many high-volume companies are investing in conversational AI, not as a point solution, but as the foundation of their TA tech stack.

Conversational AI is not as complex or complicated as organizations may think. It is an integrated part of the consumer experience and personal lives through assistants like Siri, Alexa, and others. It offers the same value and assistance to talent acquisition. One in three companies in this study said that they use chatbots to engage with customers on their career site. Conversational AI is a familiar experience for both candidates and customers. When asked to identify the top benefits of conversational AI, improving candidate engagement was top of the list followed by reducing administrative work and reducing time to fill.

**Figure 12:** *Benefits of Conversational AI*
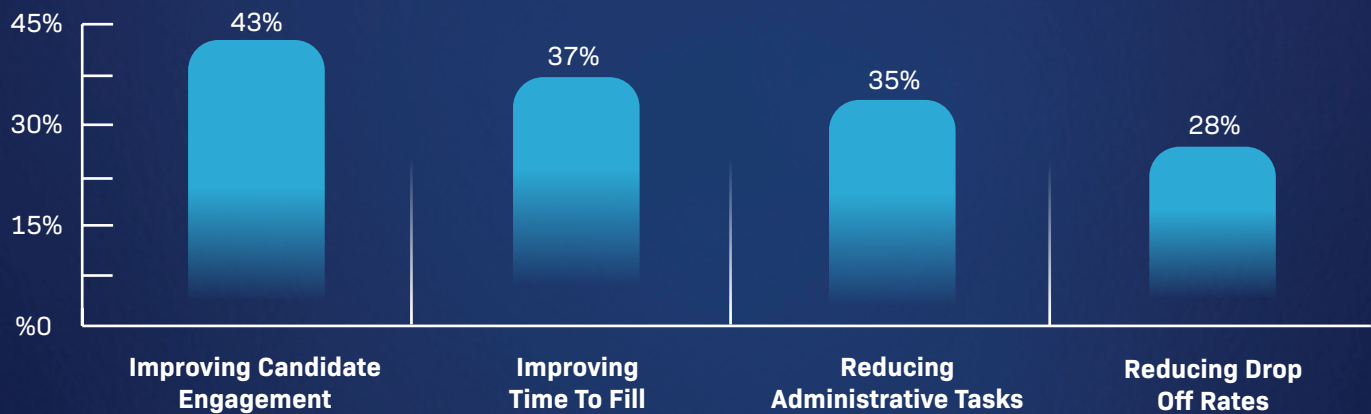


## The Role of Automation

Automation is what defines this new technology for hourly workers. It lifts the administrative burden on managers but at the same time improves quality and experience. It also impacts DEI by offering every candidate a fair opportunity and reducing bias through the process. Companies that use conversational AI throughout the entire talent acquisition lifecycle are able to automate up to 90% of recruiting activities. For companies using existing technology or legacy systems, they are automating less than 40% of activities (see Figure 13).

**Figure 13:** *Automation Across Talent Acquisition*
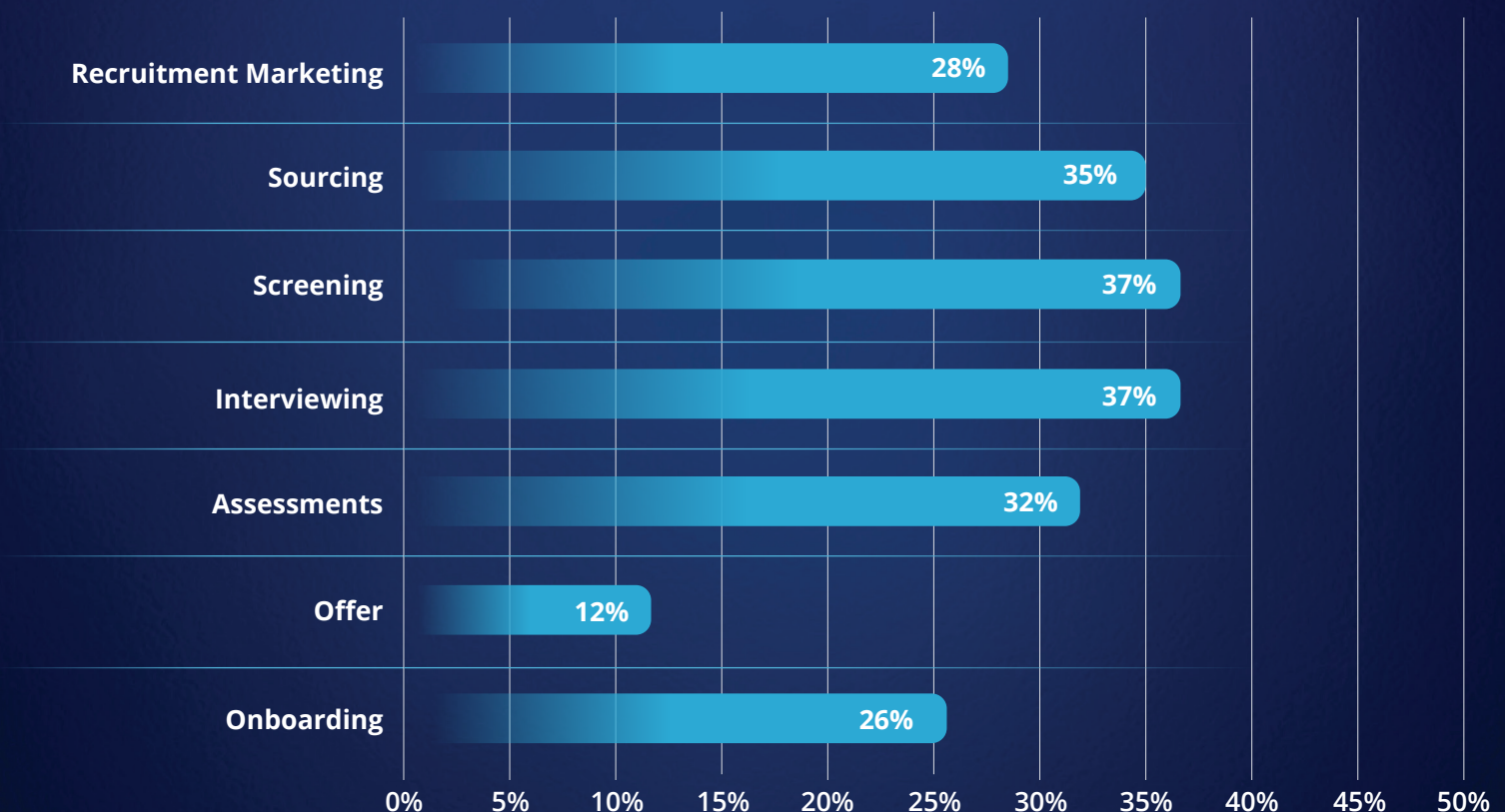
Automation directly impacts the metrics that matter for hourly recruiting including speed, experience, and quality.

**Speed:** Companies recruiting hourly workers have to look at speed to apply, speed to interview, speed to offer, and speed to onboard. For some of these metrics, speed must be immediate. Sixty-two percent (62%) of companies stated that speed to interview is the most critical as candidates are often not showing up for an interview or apply to multiple jobs until an interview is scheduled. When asked how companies are improving speed, they stated that they are simplifying the process, improving the apply experience, shortening assessments, and reducing the number of interviews.

**Figure 14:** *Strategies to Improve Speed*

| 51% | 48% | 37% | 37% |
|---|---|---|---|
| **Simplify The Process** | **Improve The Apply Process** | **Shorten Assessments** | **Reduce Number Of Interviews** |

**Experience:** Automation provides personalization through a deeper understanding of the candidate and an ability to respond to every candidate in a timely manner. Sixty-five percent (65%) of companies using conversational AI are able to respond to candidates in the first two days of applying for a job. Automation also provides a consistent experience so that every candidate receives a fair opportunity.

**Quality:** Automation improves quality by reaching the right talent and keeping them engaged through the process. If an interview takes several weeks to schedule, quality talent will look for other opportunities. If the apply process if not mobile responsive or requires more than 30 minutes, companies will lose talent even before they apply for a job.

When asked what companies would do if automation freed up time, companies would better support their hiring teams, develop strategies, provide time off to avoid burnout, and invest in employer branding.

**Figure 15:** *Time Spent by Reducing Administrative Tasks*

| 48% | 47% | 34% | 28% |
|---|---|---|---|
| **Support Teams** | **Develop Talent Strategies** | **Provide Time Off** | **Invest In Employer Branding** |

## MANUAL  VS  AUTOMATION

### ATTRACT

**MANUAL**
- Manually advertise jobs.
- Source for talent using various job boards and sourcing channels and create talent pipelines.
- Send template emails to every candidate that is interested in your company.

**AUTOMATION**
- Automate job advertising.
- Send personalized communication to engage with talent before they apply for a job.

### RECRUIT

**MANUAL**
- Screen every candidate and send out emails.
- Call or email candidates to schedule interviews.
- Candidates must attend in-person or phone interviews.
- Assessments that are custom built and take 45 minute to one hour to complete.

**AUTOMATION**
- Automate the screening for every candidate in a fast and efficient way.
- Automate scheduling of interviews.
- Provide digital interviewing experiences.
- Include shorter, game-based assessments that feel more like an experience and less like a test.

### HIRE

**MANUAL**
- Manual offer letter creation
- New hire forms are emailed.
- Managers must individually provide new hires with what they need on the first day and connect them to other employees.

**AUTOMATION**
- Offers are automatically generated and sent to candidates.
- Tasks are automated for getting the new hire started on day 1- improving productivity.
- New hires are engaged and can ask simple questions through a conversational AI experience before day 1 and after day 1. Questions may include lunch on the first day and where to park.

# ROI ANALYSIS:

As talent acquisition is being held more accountable to the business, being able to show the value and the timeframe is critical. Measuring and demonstrating ROI is a crucial part of any technology decision and does not need to happen after a company makes its investment - it should actually be considered before. Only 56% of companies investing in hourly recruiting measure the ROI of their investments.

- **Measure ROI Early:** Companies should work with providers to set expectations for how ROI can be measured and what goals they have for this technology. By clearly identifying the benefits and costs, companies are more likely to see a quicker return on their investment.

- **Roi Includes Both Short-Term And Long-Term Benefits:** Companies can see an immediate increase in the volume of applicants or the conversion of leads to applicants while the candidate experience and quality of applicants may take longer to achieve. Clearly defining both short-term and long-term goals will help in building the business case.

- **Include Risk Analysis:** Companies should consider the risk of not having this technology when calculating the ROI.

Only

# 56%

of companies investing in hourly recruiting measure the ROI of their investments.

The ROI analysis looks at the financial value of an investment in technology and weighs the costs and benefits. This section of the guide examines the timeframe for seeing ROI and the expected costs and benefits. It also includes several examples for calculating ROI.

The ROI is calculated simply as the Net Benefit compared to the Total Cost of the project - the time period is also an important consideration.

## Examples of the benefits of conversational AI include:

- Reduced costs spent on ineffective solutions

- Reduced costs spent on recruiter productivity

- Reduced costs spent on manager productivity

- Increased conversion rates

- Increased speed (speed to apply, speed to screen, speed to interview, speed to offer, speed to onboard)

- Improved candidate experience

- Improved productivity for recruiting teams

- Improved quality of applicants

- Improved hiring manager experience

- Improved diversity, equity, and inclusion hiring

- Reduced bias in the hiring process

- Improved quality of hire

## Examples of some of the costs include:

- Solution provider costs (products, licensing, services)

- Other external costs

- Third-party costs (consulting firms, implementation specialists)

- Total costs of ownership (IT's role in technology integration and data management)

- Internal costs (implementation labor, management, support, training, facilities, etc.)

## Examples of timeframes include:

- First month

- Three months

- Six months

- Nine months
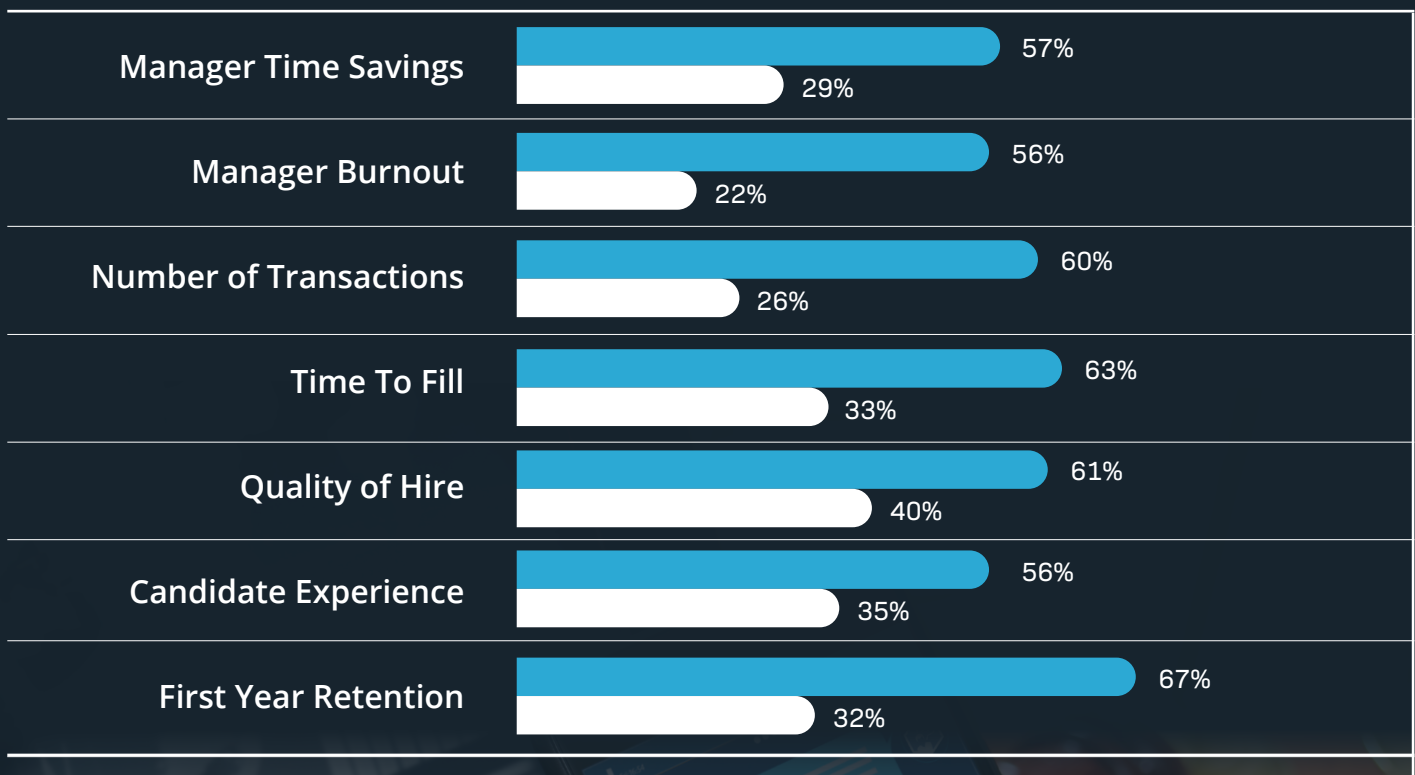
- One year

- Two years

- Three years

When comparing companies that use conversational AI with companies that use existing systems to support hourly recruitment, Aptitude Research found significant advantages to efficiency, quality, and experiences (see Figure 16). Additionally, 79% of companies using conversational AI were able to fill positions in under two weeks compared to 49% of companies without conversational AI.

**Figure 17:** *Impact of Conversational AI*

USING CONVERSATIONAL AI    NOT USING CONVERSATIONAL AI

| | Using Conversational AI | Not Using Conversational AI |
|---|---|---|
| Manager Time Savings | 57% | 29% |
| Manager Burnout | 56% | 22% |
| Number of Transactions | 60% | 26% |
| Time To Fill | 63% | 33% |
| Quality of Hire | 61% | 40% |
| Candidate Experience | 56% | 35% |
| First Year Retention | 67% | 32% |

## INTERNAL QUESTIONS

Does your company have a lack of visibility into recruiting technology ROI?

Does your company have enough candidates for high-volume positions?

Does your company have trouble reaching target audiences?

Is your company using multiple, disparate solutions for recruitment marketing?

Does your company have an expensive career site that is not effective?

What resources do you need and what is available?

What is your process for evaluating business cases?

Who will be the change champion for the project?

## EXTERNAL QUESTIONS

### Company Background Evaluation Questions

What is the heritage of this provider? Is the heritage in talent acquisition or another industry?

What mergers and acquisitions have this provider had to date? What mergers or acquisitions are planned for the future?

What is the company culture and leadership style of this provider?

How much turnover has this provider experienced on its leadership team? Sales team?
Research team?

Is the leadership team diverse?

What is the average size of this provider's customer?

What industries does this provider serve?

## Product Background Evaluation Questions

What products does this provider offer (including products outside of talent acquisition)?

How many major or minor releases are scheduled each year?

What percentage of the employees at this provider are focused on product development?

What is the development technology?

Does this provider offer an open API?

How many languages are supported?

Does this provider integrate with an existing tech stack?

How long does implementation take?

What services are available, and what do these services cost (training, implementation, customer support)?

Does this provider offer a dedicated customer support representative?

How many customers are currently live on this product?

Does this provider comply with DOE, federal, state, and local regulations?

Does this provider have the ability to restrict data access by role, IP, or report?

Is this provider SOC 2 Type II Certified?

What is the product roadmap for the next quarter? Year?

### KEY DIFFERENTIATORS

What are the top product and company differentiators?

What has changed for this provider over the past year?

What deals has this provider won over its competitors in the past year, and why did it win those deals?

What are the opportunities for growth?

## Implementation Questions

Most companies are not prepared for implementation – regardless of how many times they may have purchased a solution. Implementation can require additional resources, time, and money. And, too often, companies do not take the time to understand their own requirements before implementing a system. According to Aptitude Research, 48% of companies are using their talent acquisition providers for implementation services.

What resources do we have internally to support implementation?

What is the timeframe for implementation?

Do we need an outside consultant for implementation?

What extra costs can we expect?

## Change Management

Change management is an important step to ensure adoption, but it is often ignored. Companies tend to focus their resources on fast implementation and overlook long-term strategies for success. Change management can be challenging for various reasons, including negative experiences with prior implementations, fear of new technology, and resistance from employees. Companies must be open to feedback and address any concerns with the change, even when the idea of new technology is very promising. When organizations are willing to invest the right amount of time and resources into managing change, they improve adoption and reap the benefits of technology much more quickly.

Companies should consider the following to support change management initiatives:

Who will be the change champion, and does that individual reside in talent acquisition?

What communication strategy will we use to engage with key stakeholders and employees?

What are the common change management mistakes we have encountered in the past?

What metrics should we evaluate to ensure adoption?

How often will we evaluate our change management strategy?

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: 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 **www.AptitudeResearch.com** or connect with us on **Twitter** or **LinkedIn**.



Launched in late 2016, Paradox was founded with the belief that recruiters, hiring managers, and talent leaders should spend their time with people, not software. Olivia, the company's conversational AI assistant, automates administrative work — like screening, scheduling, onboarding, employee communications, and more — to drive efficiency that gives teams hours back in their week, and enables everyone to do better work, faster. Since its founding, Paradox has earned the trust of more than 200 clients globally, including some of the biggest brands in the world — CVS Health, McDonald's, Unilever, Intel, Aramark, and many more in the Fortune 500. The company has won numerous awards, including being named one of Human Resource Executive's Best HR Products of 2019, and was recently named one of Forbes' Top 500 Startup Employers.

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