Research Report





CANDIDATE EXPERIENCE BENCHMARK RESEARCH & AWARDS PROGRAM

Improving Recruiting & Candidate Experience with :: Technologies





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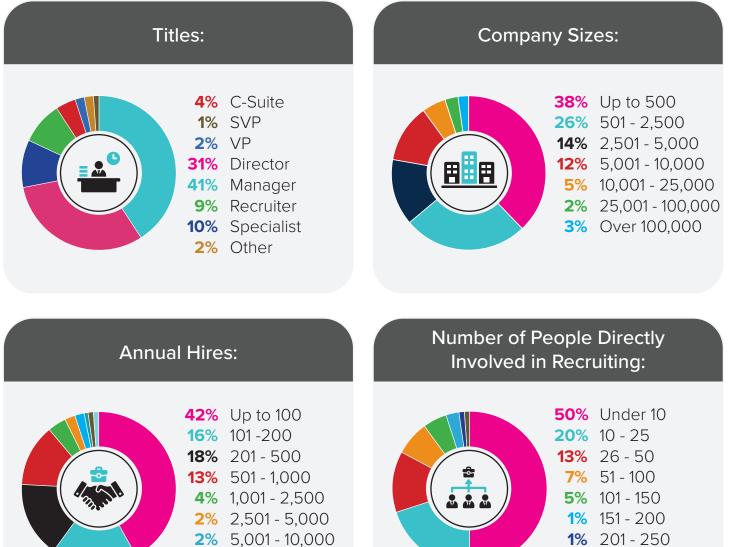


About this Survey



<u>Paradox</u> and the <u>CandE Benchmark Research</u> and Awards Program gathered insights on improving recruiting and candidate experience with AI technologies from 226 respondents from TA leaders and recruiting teams in spring of 2024 across sectors like healthcare, hospitality, education, construction, manufacturing, and many other industries.

It's important to note that specific data relationships are limited for any of the below categories due to the sample size of the survey.



1% 201 - 250 **3%** Over 250



1% 10,001 - 25,000

1% 25,001 - 75,000 **1%** Over 75,000

Introduction

Artificial intelligence (AI) is more prevalent than ever in recruiting technologies today, but employer adoption is still relatively low, with data from Paradox and the CandE Benchmark Research and Awards Program revealing only 10%-15% of companies implementing AI recruiting technology. For employers with above average recruiting and candidate experiences as measured by our CandE research, the adoption is 20%+.

This adoption will only continue to accelerate as talent acquisition leaders and their teams become more adept at leveraging the benefits of AI recruiting technologies, and from this joint Paradox and CandE research, 17% of survey respondents not currently investing/utilizing AI recruiting technology said they plan to in the next 6-12 months.

This research report will highlight where the recruiting and hiring world is currently at and where it's going with respect to implementing Al in recruitment and how it's helping companies improve their recruiting and candidate experience. One of the big takeaways from this research is that 65% of survey respondents said Al recruiting technologies improved their hourly hiring.

We'll also analyze common fears and misconceptions about Al, including potential for bias. While the implementation of Al technologies does bring a certain level of added risk, our research has shown that when used correctly, the risk is actually minimal and the positives far outweigh the negatives.

And although a common fear is that the impersonal nature of Al in recruiting technologies could negatively impact the candidate experience, our candidate experience research has found that when candidates are consistently engaged with, and communicated to, throughout the recruiting process, their experience feedback sentiment can be just as positive as the human touch. This is especially true in the absence of any candidate communications, which has long been the "black hole" candidates have complained about for decades.

of survey respondents said Al recruiting technologies improved their hourly hiring.





Other benefits include the fact that AI recruiting technologies can significantly improve operational efficiency, automating routine tasks such as resume screening, initial candidate assessments, and candidate communications from pre-application to onboarding. This in turn gives HR and TA professionals more time to focus on continuous strategic hiring, especially in high-volume hourly hiring. 80% of survey respondents in this research said that they hire for hourly wage positions and 66% believe their hourly hiring will increase this year.

Al automation can lead to faster hiring cycles, reducing the time to fill open positions, and improving the overall candidate experience by providing timely communications, feedback, and continuous engagement. Al recruiting technologies can also help identify the most qualified candidates through sophisticated matching algorithms that assess skills and experience, potentially increasing the quality of hires and workforce diversity by minimizing bias. In this research highlighted below, respondents who said Al recruiting technologies improved their hourly hiring, the Al recruiting technologies implemented include interview scheduling systems, basic chatbots, conversational Al chatbots, and texting systems.

This research will help uncover the current AI recruiting tech challenges, how companies are overcoming those challenges, the benefits of implementing AI recruiting technologies, and ultimately what is driving the greatest measures of recruiting success.

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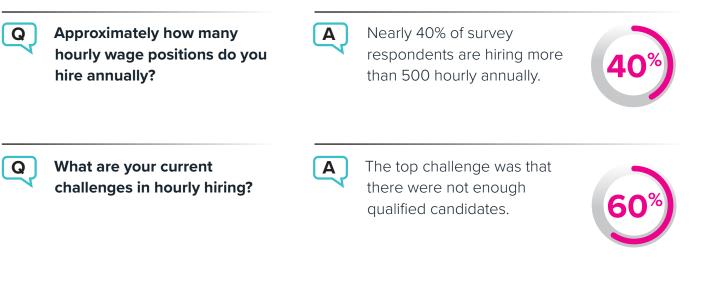




Research Highlights

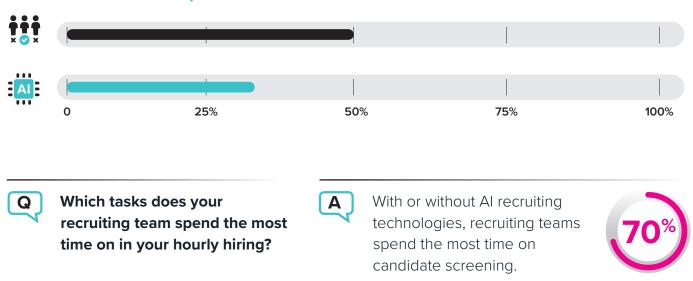


The recruitment landscape is evolving with the adoption of AI technologies designed to streamline the hiring process and enhance the candidate experience. Here are a few highlights from our survey findings:



How much time does it take today to fill your hourly positions on average?

For those survey respondents who haven't implemented AI recruiting technologies, **50%** said it takes 3 weeks to more than a month to fill hourly positions. But for those who have implemented them, only **32%** said it takes 3+ weeks, **which is a 44% improvement overall.**



Q

Α



How much time does your recruiting team spend on manual administrative tasks for hourly hiring?



Q

Nearly **60%** of survey respondents who haven't implemented AI recruiting technologies spend just over 50% of their time on administrative tasks, while **less than 50%** of survey respondents who have implemented AI recruiting technologies spend the same time on administrative tasks. **AI is 18% more effective overall.**







Q

How much of your hourly recruiting processes are automated now?



Nearly 50% said that

51%+ of their hourly recruiting processes are now automated, and yet only 10%-15% of companies today are implementing Al recruiting technologies.

Have the AI recruiting technologies improved your hourly hiring?

65% said that AI recruiting technologies improved their hourly hiring (i.e., made interviews easier to schedule and/or reschedule, allowed for more timely candidate communications, spent less time on manual administrative tasks, etc.).



How have the AI recruiting technologies improved your hourly candidate experience? Α

The top candidate experience improvement was that it made interviews easier to schedule and/or reschedule.

51%

Q When hourly hiring candidates provide you with feedback, what are their biggest complaints? Α

The top complaint was that it took too long to hear back from recruiters or hiring managers. 42%

Q What positive feedback do hourly candidates share about their experience? Α

The top positive candidate feedback was about the ease of application.





Key Challenges



As mentioned in the introduction, 80% of survey respondents in this research said that they hire for hourly wage positions and 66% believe their hourly hiring will increase this year. That's great news for the employers that are and the hourly candidates they'll hire — nearly 40% are hiring more than 500 hourly annually and 17% are hiring more than 1,000 hourly annually.

However, hiring challenges still abound for the very same employers and Table 1 highlights those from our survey respondents. The number one challenge was they just can't find enough qualified candidates. However, most employers could improve their quality candidate conversion rates by implementing the right AI recruiting technologies that can impact the application, interview, and onboarding processes.

Table 1: Hourly hiring challenges (respondents selected all that applied)

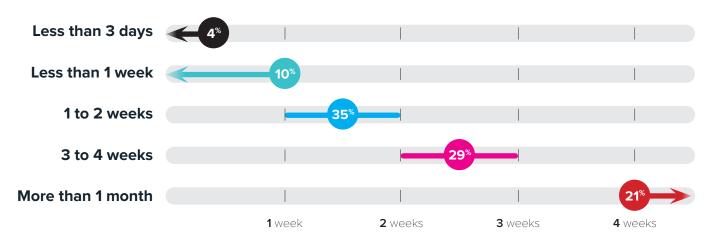
59%	Not enough qualified candidates
50%	New hires quit in the first few weeks
46%	Candidate ghosting of interviews and meetings
36%	New hires don't show up on day
22%	Too many candidates to screen and connect with
22%	Too many declined offers

These findings align with other CandE research conducted on hourly hiring in the past few years and not finding enough qualified candidates has been one of the main themes for employers. What complicates these challenges further is that 50% said their new hires quit in the first few weeks, and 46% of survey respondents said that candidates are ghosting them. It may not be the same candidate market it was a couple of years ago, but candidates still ghost more than ever.

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What complicates these challenges further is that it's taking 50% of respondents three weeks to more than a month to fill hourly positions (without utilizing AI recruiting technologies). When you're short-staffed in the store, restaurant, hotel, manufacturing floor, and other hourly industries, reducing that time to fill is critical for the business to operate efficiently. In Table 2, it's clear that a third (35%) of the survey respondents filled their hourly roles within 1-2 weeks, and 21% said it took more than one month. But with 50% taking three weeks to more than a month, there's work to be done.





Nearly 60% of survey respondents who haven't implemented AI recruiting technologies spend just over 50% of their time on administrative tasks. This is still frighteningly high for companies and the AI recruiting technologies available today can help, which we'll get to later in this report. There are process and technology opportunities that can certainly make a difference in improving hourly recruiting and hiring.

There are many time-consuming tasks recruiting teams spend the most time on in their hourly hiring, all of which impact their ability to fill requisitions that in turn damage their candidate experience. The top three from Table 3 include candidate screening, interview scheduling, and candidate follow-up and status updates. Two of the three that are usually insufficiently delivered on are due to poor processes and under-optimized and under-utilized recruiting technologies.





Table 3: Tasks recruiting teams spend the most time on in hourly hiring (respondents selected all that applied)

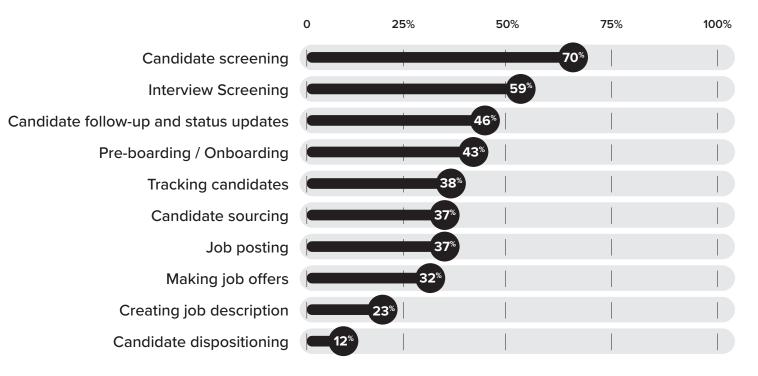
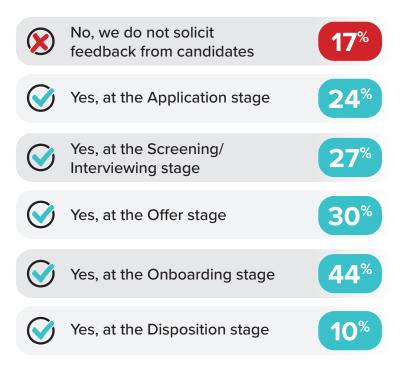


 Table 4: Asking hourly candidates for feedback about their recruiting experience (respondents selected all that applied)

It's important to include candidate experience challenges that exacerbate the hourly hiring dilemma. If more employers asked their candidates for actionable feedback, then many candidate experience issues we find every year in our benchmark research could be improved upon.

But, according to this latest research data in Table 4, only new hires are surveyed the most (44%) according to the survey respondents. That's actually high compared to our candidate benchmark data, where only 24% of responding new hires said they were asked for feedback. Rejected candidates are surveyed the least by the survey respondents, which aligns with the candidate experience realities we find each year.

Ε





Also, for those who were asked for feedback in Table 5, 42% of the respondents said their candidates complained that it took too long to hear back from recruiters or hiring managers, and 30% said they complained there was not enough personalized communication in the overall recruiting process. Each year in our CandE Benchmark research, the primary candidate complaints are centered around communication and feedback loops.



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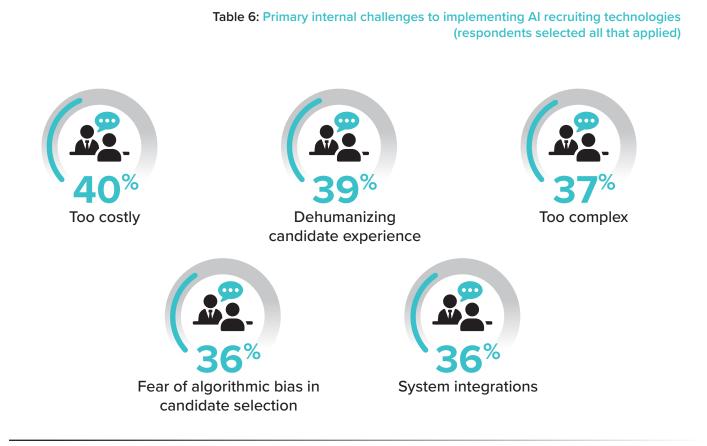
 Table 5: Candidates biggest complaints when they provide feedback (respondents selected all that applied)

Too long to hear back from recruiters or hiring managers





Before we segue into the solutions and results we found in our research, it's important to note the roadblocks that employers faced when considering purchasing and implementing AI recruiting technologies to help overcome the above challenges and improve their hourly recruiting and hiring. Cost, complexity, and a poor candidate experience were all top of mind for our survey respondents. All their internal challenges are highlighted in Table 6.



Our findings will illustrate below that increased reliance on AI technologies in recruitment definitely help employers improve their high-volume hiring efficiencies. In fact, according to a recent **Aptitude Research report**, companies who are leveraging AI are improving their cost per hire by 21%, their quality of hire by 16%, and their time to fill by 21%. And 62% of candidates believe AI will make the hiring process more human. More improvements including candidate experience are highlighted below in this research as well.

While the benefits in operational efficiency and candidate engagement were clear in our research, the challenges also highlighted a crucial need for continuous oversight to ensure ethical use and human-centered design in Al applications.







Key Solutions & Results

TA leaders and their teams are overcoming the above challenges by improving their processes and implementing the right recruiting technologies, especially AI recruiting technologies. When we asked how satisfied recruiting teams were with their company's hourly hiring results, most survey respondents were satisfied and very satisfied overall (81%). But for those who said AI recruiting technologies improved their hourly hiring, the very satisfied rating increased 35% (from 17% to 23%).

When we look at the survey respondents who said AI recruiting technologies improved their hourly hiring by title, it looks like this:



What's interesting is that frontline recruiters stated they're more satisfied with AI recruiting tech implementation than leadership. This is the reverse of what we usually find with technology satisfaction, with recruiting teams not fully optimizing and utilizing what they have, so this is a testament to improving hourly hiring directly from the recruiters. There's also the fear that AI recruiting technologies will replace them, which at least today is unfounded.

And what are the recruiting technologies with AI capabilities that employers have implemented to date for hourly hiring and that have driven overall hiring satisfaction? Table 7 shows what the survey respondents told us.

TA leaders and their teams are overcoming the above challenges by improving their processes and implementing the right recruiting technologies, especially AI recruiting technologies.

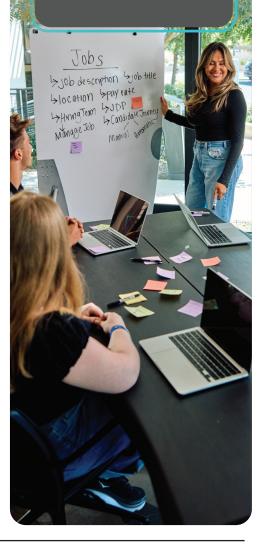
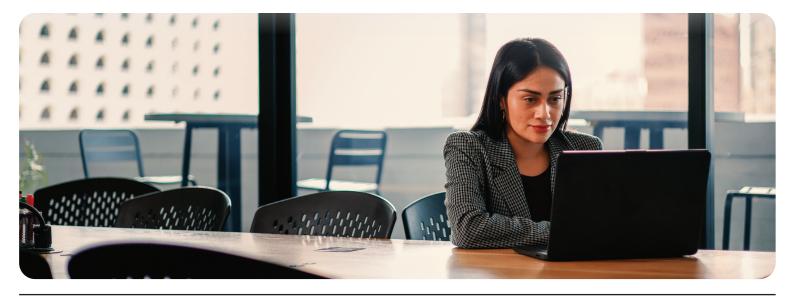




Table 7: Adoption rate for recruiting technologies with AI capabilities (respondents selected all that applied)

41%	Applicant tracking system (ATS)
38%	Interview scheduling system
34%	Messaging applications (Slack, Zoom, etc.)
24%	Texting system
24%	Candidate sourcing and matching system
23%	Candidate relationship management system (CRM)
23%	Candidate assessment and matching system
21%	We have not implemented any recruiting technologies with AI capabilities to date
21%	Basic chatbots
20%	Video interviewing system
18%	Conversational AI chatbots

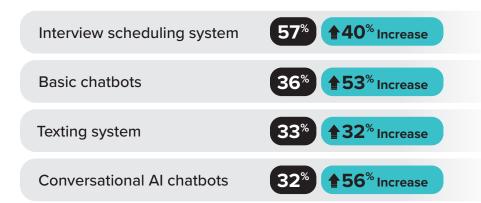


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Obviously, candidate communications make up the bulk of the Al recruiting technologies being used. For those survey respondents who said Al recruiting technologies improved their hourly hiring, the utilization increase was all about candidate communications, which you can see in Table 8.





Technology implementation time is always a challenging factor for employers, especially for those with many specialized configuration needs. Only 25% of our survey respondents said it took 3+ months to implement AI recruiting technologies for hourly hiring, with the majority stating it took less than three months overall. The sooner companies can start seeing positive results, the better, and for those who said AI recruiting technologies improved their hourly hiring, 27% fewer said it took 3+ months to implement.

For those employers that have implemented AI recruiting technologies, another win is that it only took 32% of survey respondents 3 weeks to more than a month to fill hourly positions (44% improvement), and 20% said less than one week (35% improvement). And according to a Josh Bersin case study for Paradox, <u>McDonald's</u> saw a 60+% decrease in time to hire.

We also saw a similar improvement for just under 50% of survey respondents who have implemented AI recruiting technologies and spend less than 50% of their time on administrative tasks — AI is 18% more effective overall. According to another Paradox case study, <u>Autism Learning Partners</u> has seen a 95% reduction in manual screening tasks — saving each recruiter 7 hours per week.

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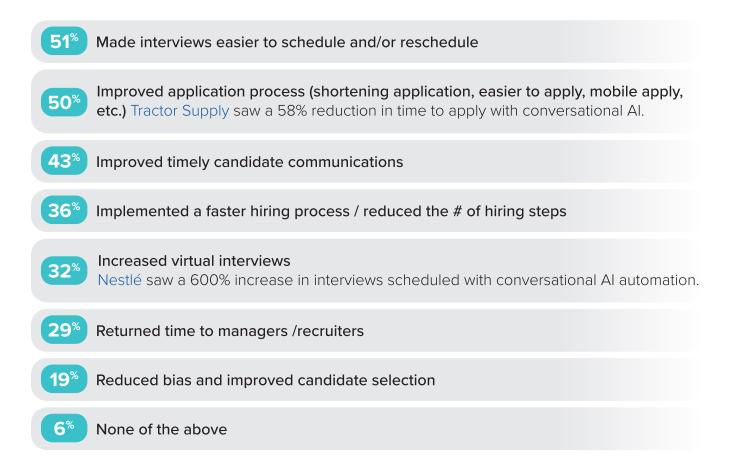




Al recruiting technologies are helping employers automate candidate communications and other processes more than ever. Nearly 50% of survey respondents said that over half of their hourly recruiting processes are now automated. It increased by another 26% for those who said Al recruiting technologies improved their hourly hiring (from 50% to 63% had more automated processes).

When we asked how AI recruiting technologies improved their hourly candidate experience, over 50% said they made interviews easier to schedule and/or reschedule (51%). That was followed by improved application process (shortening application, easier to apply, mobile apply, etc.) (50%), improved timely candidate communications (43%), and implemented a faster hiring process / reduced the # of hiring steps (36%). Table 9 highlights all the responses that are clear competitive recruiting and candidate experience differentiators in hourly hiring.

Table 9: How AI recruiting technologies improved hourly candidate experience



This is all validated by direct candidate feedback according to the survey respondents. In fact, the positive candidate feedback that was impacted the most by AI recruiting technologies included consistent and timely communication, interview processes were positive and fair (consistent interview scheduling and rescheduling), and overall speed and efficiency of the hourly recruiting/hiring process.



Conclusion

Recruiting technologies today help employers prompt and engage candidates throughout the candidate journey, which is critical in highvolume hourly hiring. For example, when potential candidates were able to launch the application from a text, their application NPS rating increased 42% according to our CandE Benchmark Research. And when candidates had the ability to ask a chatbot questions during the application process, their application NPS rating increased 50%.

For CandE Winners, companies with the highest candidate ratings in our research, 22% more candidates were engaged by chatbots during the application process, and 26% more candidates launched the application from a text alert. While there are strong relationships with these activities, they aren't the only ones that drive higher ratings by themselves. Most likely, it's a series of consistent practices that we outline each year that drive higher ratings, especially for CandE Winners.

And a big part of consistent practices today is AI recruiting technologies. In fact, the highest rated employers in our annual CandE Benchmark Research (i.e., CandE Winners) tend to leverage AI recruiting technologies to improve recruiting and the candidate experience, more than all other participating companies. AI technologies can help improve communication and feedback loops with candidates throughout the candidate journey, and the survey respondents in this research report validated that: 65% of survey respondents said AI recruiting technologies improved their hourly hiring, and only 13% said they didn't.

Al technologies are proving indispensable in modern recruitment strategies, especially for companies with continuous hourly hiring needs. However, as adoption grows, so does the responsibility to address ethical concerns and maintain a balance between automation and human interaction. Companies are encouraged to adopt a cautious yet optimistic approach towards Al in recruitment, ensuring they remain adaptable and responsive to technology's evolving capabilities. Al technologies can help improve communication and feedback loops with candidates throughout the candidate journey, and the survey respondents in this research report validated that:

of survey respondents said Al recruiting technologies

Al recruiting technologies improved their hourly hiring, and only 13% said they didn't.







Here are three key recommendations to consider going forward:



Monitor and Address Bias:

The potential benefits of AI recruiting technologies are clear, but you should regularly review your AI technologies for bias and adjust as needed to prevent discriminatory practices.

Maintain Human Touch:

Integrate AI tools without fully replacing your human interactions, especially in final hiring stages.





Invest in Training:

Equip your HR and TA professionals with the skills to use AI technologies effectively, ensuring they can leverage these tools for hiring competitiveness while maintaining ethical hiring practices.

PARADOX





About **PARADOX**

Paradox was founded in 2016 with the belief that recruiters, hiring managers, and talent leaders should spend their time with people, not software. The market leader in conversational recruiting software, Paradox leverages conversational AI to automate recruiting work like screening, scheduling, onboarding, and employee communications 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 employers in the world — McDonald's, General Motors, Unilever, Intel, Compass Group, 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 three times since 2019, and was recently named one of Forbes' Top 500 Startup Employers.

More information can be found at **paradox.ai**



About the CandE Benchmark Research and Awards Program

The Candidate Experience (CandE) Benchmark Research and Awards Program is the first program of its kind focused on the elevation and promotion of a quality candidate experience. Also known as The CandEs, the program was founded by Talent Board in 2011 and is now part of ERE Media. The CandE Benchmark Research Program delivers annual recruiting and hiring industry benchmark research that highlights accountability, fairness and the business impact of candidate experience.

More information can be found at eremedia.com/candidate-experience