



Candidate Experience Return On Investment

White Paper



Introduction

The fact that improving candidate Net Promoter Score provides improvements in hiring outcomes is well understood. A Brandon Hall Group study found that organizations that prioritize candidate experience have a better quality of hire, with a 70% increase in the likelihood of hiring a top-quality candidate. IBM found that candidates who had a positive experience during the hiring process were 38% more likely to accept a job offer. And Job Seeker Nation reports that 56% of workers would share a positive experience applying for a job with an organization publicly or with their personal or professional network.

Each of these benefits would suggest a significant ROI for investing in improving candidate experience. In working with clients and prospective clients, Survale has developed the following approach to quantifying this ROI. The core of this approach focuses in the following areas

**EMPLOYER
BRAND
OPTIMIZATION**

**AUTOMATION
OF
SURVEYS**

**DECREASED
YEAR ONE
ATTRITION**

Through the use of Survale, all facets of the candidate experience, including each of these areas, can be optimized using feedback data and prescriptive analytics from candidates, recruiters and hiring managers.

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- Brandon Hall Group

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Reduce Cost of Hire with Stronger Employer Brand

Survale increases engagement and unlocks powerful data to optimize your employer brand. The efficiencies that result from a stronger employer brand fall into two buckets: Reduced cost per hire and salary savings. The reduction in cost per hire is primarily, though not exclusively, driven by a reduction in sourcing costs. A LinkedIn study showed that employers with a strong brand index experienced a 43% drop in cost per hire. The more affinity candidates have for your brand, the less friction sourcers/recruiters experience. The stronger your brand, the more candidates you can attract with less effort. And, of course, referrals become easier to obtain. These advantages primarily show up in a reduction in ad spend, sourcing head count and increased offer acceptance rate.

How Survale Optimizes Employer Brand

- Identifies candidate motivators and preferences
- Informs content and communication strategies
- Builds brand affinity by asking candidates about experiences
- Tailors experiences to candidate expectations
- Keeps bad experiences off of social and review sites
- Leverages promoters to endorse company publicly and to colleagues

How Is Positive Candidate Experience Linked To A Better Employer Brand?

- 72% of job seekers share their experience online (CareerBuilder).
- 55% of job seekers avoid companies after reading negative online reviews (Glassdoor).
- 69% of job seekers are more likely to apply to a company that actively manages its employer brand (Glassdoor).
- Organizations that provide a positive candidate experience are 2.5 times more likely to be recommended by candidates and have a higher likelihood of receiving positive reviews and referrals (Talent Board CandE Research)

Employer Brand Optimization

Asking candidates for real time feedback as they experience your hiring process is an instant boost in brand affinity. Survale clients experience an average 25% increase in candidate satisfaction within the first year of gathering feedback.

Asking for candidate feedback during the hiring process also surfaces bad experiences in real time BEFORE they end up on Glassdoor. Plus, the feedback provided by candidates, recruiters and hiring managers shines a light on hidden issues with the people, processes and technologies used in providing great hiring experiences.

As these issues are addressed, brand affinity rises, friction is removed from the hiring process and bad experiences are reduced and kept in house when they do happen.

Calculate Employer Brand Savings

To calculate the savings from an improved employer brand, simply multiply your cost per hire by .43 (LinkedIn reduction in cost per hire) and multiply that number by the expected number of hires annually. If you have reason to believe your employer brand is stronger than average, pick a lower percentage, say 20%, for a more conservative estimate.

SHRM reports that the average cost per hire is \$4,700, so a company that hires 1000 employees per year would calculate their potential savings like this:

1,000	X	\$4,700*	X	.43 (43%)	=	\$2,021,000
Cost per hire		Annual hires		Brand optimization savings		
		*or actual cost per hire if available				

Not featured in this equation are the savings from the people, process and technology optimizations that become known based on candidate feedback. Survale clients typically discover issues in the hiring process that can be eliminated. Applications get streamlined, candidate communications get more targeted and frequent, recruiters and hiring managers get additional training and become more aligned, offers get more effective, interview and new hire ghosting reduces. None of the savings from these types of Survale-driven initiatives are featured here so feel free to be more aggressive in your estimates of savings in areas like employer brand and year one retention.

The ROI of Feedback Automation

The next area of return on investment is the automation of sending and interpreting surveys. Survale automatically sends surveys in real time, continuously without manual intervention. This not only engages candidates but results in higher response rates, ensures that insights are always available and that feedback data is current.

Automated surveys eliminate the time and effort involved in exporting candidate data from your ATS, loading it into a survey application and sending it out each time you want to gather feedback. This effort not only consumes resources, but also is one of the main reasons companies fail to stick to a consistent feedback cadance.

How Survale Eliminates Manual Surveys

- Integrates with ATS - No data exports
- Automatically triggers feedback requests after each hiring stage - No survey sending
- Provides real time dashboards and metrics that point to issues and opportunities - Immediate insights for optimization

On top of automating the sending of surveys, Survale also automates the process of analyzing the data. Prebuilt dashboards surface important problems. Prioritization widgets identify and prioritize issues over time. Historical widgets track responses and performance over time. This kind of analysis would take weeks using manual, one off surveys.

For this reason, the real value of Survale is that it is an enabling technology, without which you simply could not have a consistent, real time feedback program that provides current data - no matter how many manual hours you devoted to it.

Calculate Annualized Automated Survey Savings

To calculate the annualized automation savings, simply estimate the number of hours per week your organization spends creating candidate lists, exporting them, loading them into a survey application, setting up a survey campaign, and sending the survey. Then estimate the number of hours required to analyze the responses to these surveys, both current and history (estimate 3x the number of hours required to send surveys as a general rule of thumb). Multiply these hours by number of work weeks in a year (estimate 48). Then estimate the average hourly salary of the person or people focused on performing this work. Add taxes and benefits on to that salary, which can be estimated at around 30% of total salary. Multiply the annual hours by the average hourly salary. Since Survale eliminates 90% to 95% of this effort, multiply the total surveying dollars calculated by either .90 or .95 and you have your savings estimate.

Survey send hours per week:	2
■ Annualized survey send hours:	96
■ Survey analysis/tracking hours:	288
■ Average hourly wage:	\$32
■ Taxes/benefits:	30%
■ Survale savings:	95%

$$((96 + 288) \times \$32 \times 1.3) \times .95 = \$15,176$$

It's important to note that this is not an apples to apples comparison because it does not represent the cost of manually sending the kind of real time, stage-based surveys provided by Survale, nor the advanced analytics capabilities. If manually replicating Survale was even possible, it would be exponentially more costly.

This approach also does not reflect the productivity gained by redeploying those 96 manual hours toward other beneficial tasks/programs.

Candidate Experience Impact on Attrition Costs

Another area of candidate experience cost savings is the reduction of year one attrition.

The Work Institute found that 38% of new hires leave within their first year of employment. And nearly half of that comes within the first 30 days of employment when candidate experience is fresh in the new hire's mind.

Using feedback to optimize candidate and onboarding experience actually reduces year one attrition. A study by Brandon Hall Group found that companies with a positive candidate and onboarding experiences have an 82% lower turnover rate in the first year of employment. They also increase the quality of those hires in terms of productivity by 70%.

With a positive candidate and onboarding experience, new hires are more connected to your employer brand and more engaged with your organization.

How Survale Reduces Attrition

- Clients report a 25% increase in year one candidate satisfaction
- Asking for feedback improves engagement and affinity
- Analytics provide previously unavailable insights for improving recruiting performance
- Most attrition occurs within 45 days of hire while candidate experience is still a factor
- Survale feedback enables optimization of people, processes and technologies used to onboard

Attrition Savings

To estimate the potential attrition savings to be gained by implementing Survale's candidate and onboarding experience management solution, estimate the expected number of annual new hires. Then multiply the number of new hires by your current year one attrition rate. If you don't know, you can use the Workforce Institute's 38%.

Now multiply that number by the cost to rehire. The cost of replacing an employee is much higher than typical cost per new hire because you have to account for time and material invested during the time they worked. But for a conservative estimate, use the \$4,700 cost per hire figure from SHRM.

Then multiply that number by .82 (the reduction in turnover reflected in Brandon Hall Group's study). Or you could be more conservative and choose a lower number if you prefer.

■ Annual New Hires:	500
■ Year One Attrition Rate	38%
■ Reduction in Attrition:	50%
■ Cost to Replace	\$4,700

$$((500 \times .38) \times \$4,700) \times .50 = \$446,500$$



38% of new hires leave within their first year of employment. And nearly half of that comes within the first 30 days of employment.



Beyond The ROI Of Improving Candidate Experience

As you can see, the potential savings associated with using Survale to optimize and manage hiring and onboarding experiences can be significant. Savings from automating the process can be realized immediately, but the savings from stronger employer brand and increased retention will be experienced over a three year period, so it is important to weigh these savings against the three year cost of any investment made in Survale's talent feedback platform.

What is not addressed here in hard ROI numbers are the following softer benefits of managing candidate experience with Survale:

- **Increased Quality of Hire.** With companies that focus on candidate experience 70% more likely to hire a top quality candidate (Brandon Hall Group), expect more first choice candidates to be hired, thereby increasing time to productivity and overall productivity.
- **Increased Revenue.** Reducing friction in the hiring process and increasing candidate satisfaction reduces cost per hire, but it also decreases time to hire. The ability to hire more first choice candidates allows organizations to fill positions faster, thereby reducing lost productivity (revenue) resulting from unfilled positions. In addition, candidates are often customers as well. According to the Talent Board, forty-one percent of global candidates who believe they've had a negative experience say they'll take their alliance, product purchases, and relationship elsewhere. This phenomenon famously cost Virgin Media nearly \$6M in revenue.

No matter how you look at it, using real time candidate feedback to optimize the people, processes and technologies involved in hiring is an investment that more than pays for itself in significant ways.

To learn more about the benefits of investing in candidate experience improvement, visit <https://survale.com/request-survale-demo>

