

IBM® Smarter Workforce Institute

# The far-reaching impact of candidate experience

*Haiyan Zhang, Ph.D. and Sheri Feinzig, Ph.D.*



Providing a great candidate experience can no longer be seen as a ‘nice to have’ for organizations. Rather, it is a fundamental requirement with far-reaching implications, as this white paper reveals.

The IBM Smarter Workforce Institute explored the candidate experience of more than 7,000 recent job applicants. The findings provide deep insights into the importance of candidate experience not only in terms of hiring outcomes, but also with respect to employer reputation and even potential sales.

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### About the analyses

Analyses presented in this white paper are based on a sample of recent job applicants participating in the WorkTrends™ survey, administered by the IBM Smarter Workforce Institute in 2016 in 45 countries and territories, in a cross-section of industries, thousands of different organizations and all major job families. Recent job applicants are defined as those who had applied for a new job in the past 12 months.

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## Key findings

Perspectives of when candidate experience begins and ends may vary across organizations, but our research shows that the experience is influenced by a multitude of interactions candidates may have with the hiring organization. Some of these interactions occur even before prospective candidates decide to apply for a job.

Our research revealed:

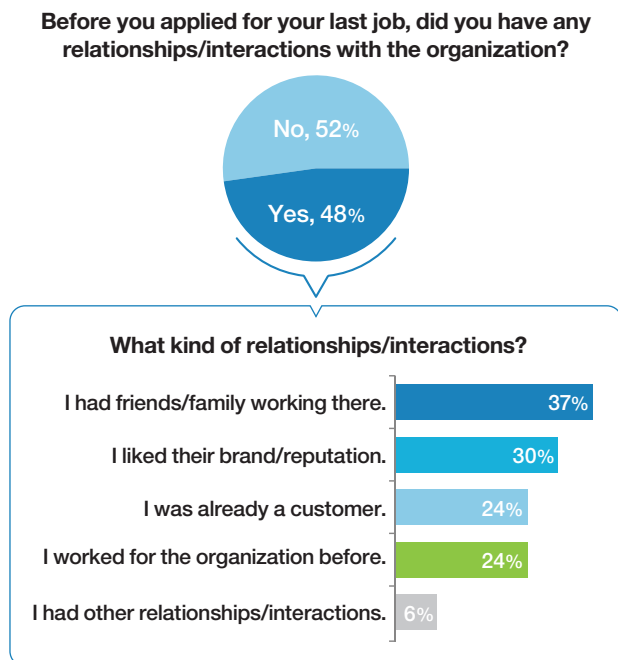
- **Candidate experience often begins before application**
  - About half (48 percent) of recent job candidates have had some manner of relationship or interaction with the hiring organization before applying
  - Over half (55 percent) had a positive impression about the hiring organization before they applied
  - Job applicants who do not receive a job offer are 80 percent more likely to apply again if they already had a positive impression of the hiring organization
- **Candidate experience is linked to advocacy, job offer acceptance, and potential sales**
  - Regardless of whether they get a job offer, applicants who are satisfied with their candidate experience are more than twice as likely to recommend the hiring organization to others, compared with those who were not satisfied (62 percent vs. 28 percent)
  - People who are satisfied with their candidate experiences are 38 percent more likely to accept a job offer
  - Experiences are amplified: a majority of candidates (over 60 percent) talk about their experiences with friends and family
  - Candidates who are satisfied with their experience are twice as likely to become a customer of the hiring organization compared to unsatisfied candidates (53 percent vs. 25 percent)

## Candidate experience begins before application

Candidate experience often starts before a candidate submits a resume. About half (48 percent) of recent job candidates said they had previous interactions or relationships with the hiring organization before they applied for a job (Figure 1).

Of those who had prior relationships with the hiring organization, over one third (37 percent) had friends or family working there, nearly one third (30 percent) liked the brand or reputation, and a quarter were already a customer (24 percent) or had worked for the organization before (24 percent).

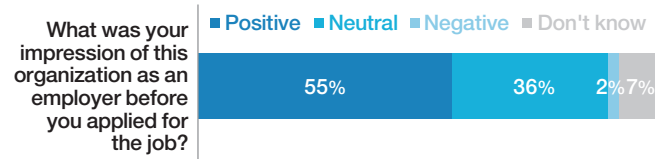
Figure 1. Many candidates have previous relationships/interactions with the hiring organization



Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

As may be expected, very few candidates (two percent) had a negative impression of an organization before they applied for a job. Over half of recent job applicants (55 percent) say they had a positive impression before applying and 36 percent had a neutral impression (Figure 2).

Figure 2. Over half had a positive impression before applying

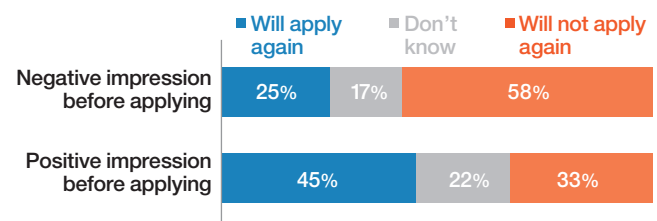


Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

What is even more interesting is that a candidate's impression about the hiring organization appears to affect future behavior. Job applicants who do not receive a job offer are 80 percent more likely to apply again if they already had a positive impression of the hiring organization prior to applying (45 percent vs. 25 percent) (Figure 3).

On the other hand, more than half (58 percent) of those with a prior negative impression of the hiring organization said they would not apply again in the future.

Figure 3. Unsuccessful candidates with a positive impression before applying are more likely to apply again in the future



Source: WorkTrends™ 2016 Global (No job offer n=2,623)

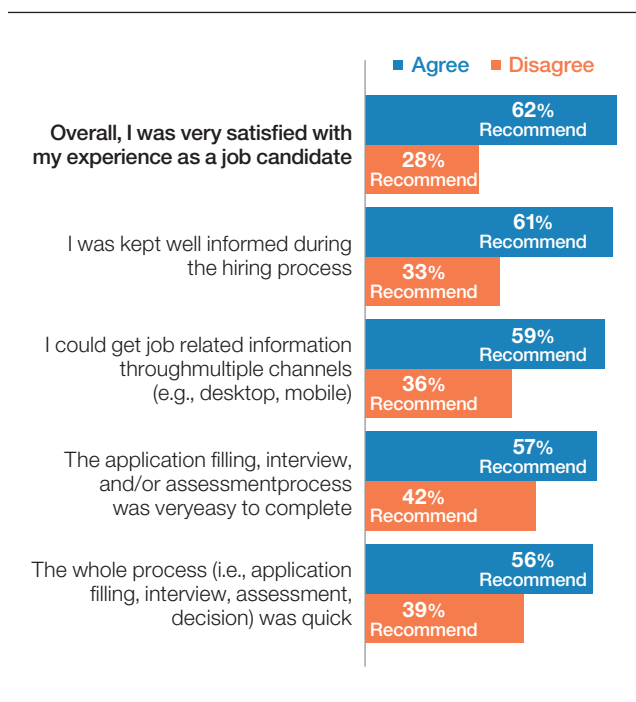
## The far-reaching impact of candidate experience

While having a positive impression of the organization before applying appears important, our research also reveals that candidate experience can be linked to important outcome measures.

### Positive candidate experience linked to greater advocacy

The experience someone has as a candidate is associated with their willingness to recommend the organization. When candidates are satisfied with their experiences, they are more than twice as likely to recommend the hiring organization to others as an employer compared with those who were not satisfied (62 percent vs. 28 percent) (Figure 4).

Figure 4. Advocacy stronger when candidate experience is positive



Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

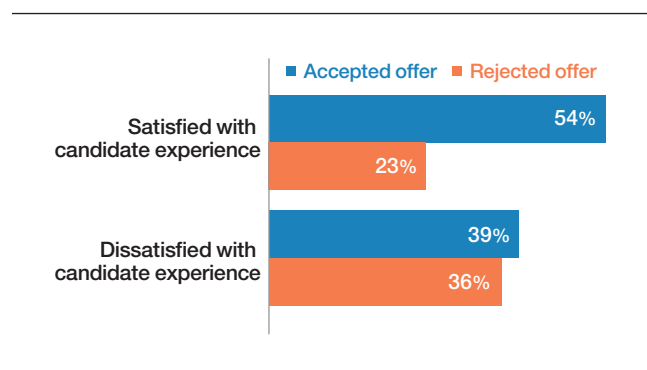
This willingness to recommend the organization appears to be influenced by all aspects of the hiring process, from being kept well informed, through to ease and speed of completing the application, interview and assessment (Figure 4).

### Positive candidate experience linked to greater job acceptance

Even more importantly perhaps for those looking to secure their desired candidates, our research found that candidates who are satisfied with their experience are 38 percent more likely to accept a job offer (54 percent vs. 39 percent) (Figure 5).

As recruiters know only too well, a recruitment process can not only be time-consuming, it can also be expensive. It takes a lot of time to go through job postings, interviews, assessments, background checks, etc. and effort from many people, including the recruiter, HR department and hiring manager. If at the end of that process a job offer is declined, not only is time and effort wasted, but the right talent could have been missed. Our research findings suggest that investing in a positive candidate experience could save time and money, and most importantly secure the right talent, by contributing to a higher acceptance rate.

Figure 5. Candidate experience associated with job offer acceptance



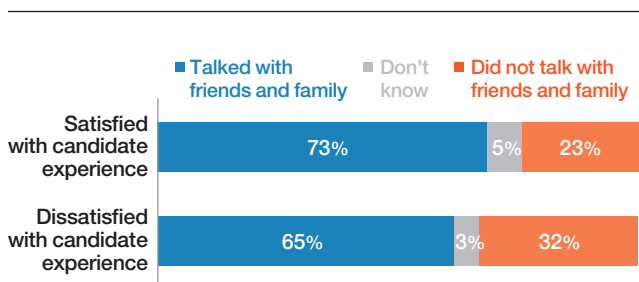
Source: WorkTrends™ 2016 Global (Those with job offer n=4,414)

### Individual experiences are amplified

Candidate experience not only affects whether people would recommend a hiring organization or even accept a job offer, but also extends beyond the recruiter/candidate relationship because candidates talk.

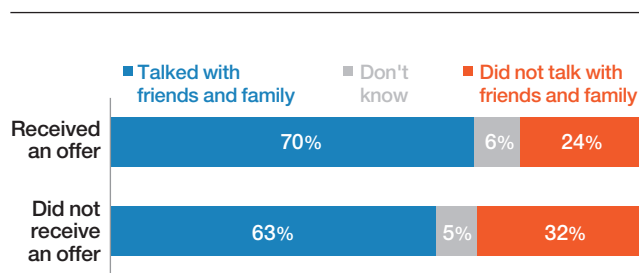
Our analyses revealed that more than 60 percent of all candidates share their experiences with others, regardless of whether their experiences were positive or negative (Figure 6) and regardless of whether the candidate received a job offer or not (Figure 7).

Figure 6. Candidates talk regardless of candidate experience



Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

Figure 7. Most candidates talk regardless of job offers

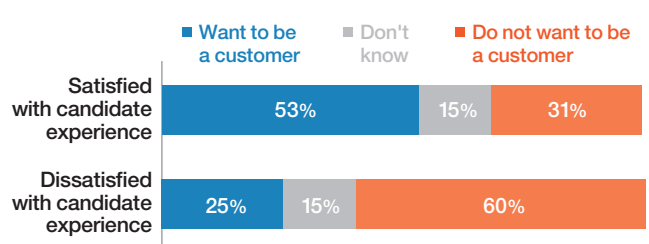


Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

### The impact of candidate experience extends beyond recruitment

Our research reveals that candidate experience is not just affecting the hiring process, it could even impact potential sales. The desire among candidates to be a customer of the hiring organization is higher among those who had a good candidate experience (53 percent) compared to those who had a poor candidate experience (just 25 percent say they want to be a customer) (Figure 8).

Figure 8. Candidates who have a good experience are more likely to want to be a customer



Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

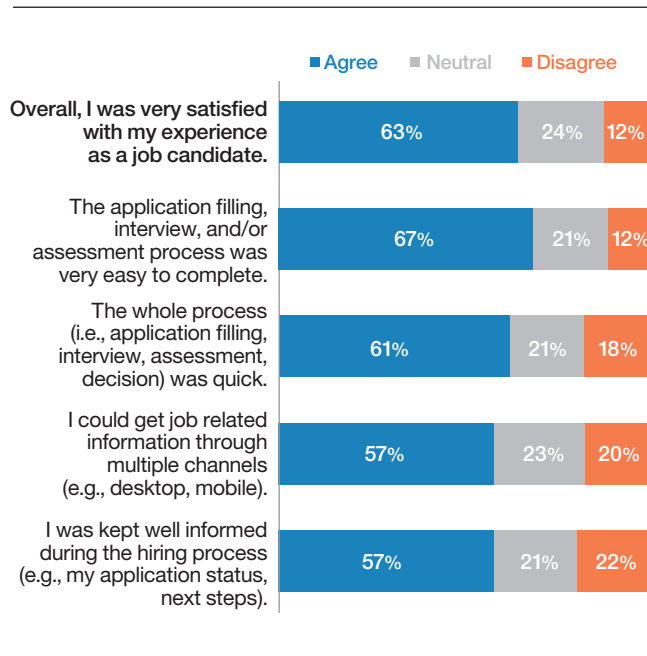
These analyses indicate that candidate experience not only relates to job acceptance rates and advocacy, it may also directly affect business results (sales). In particular organizations could be missing out on sales because our research reveals that desire to be a customer drops dramatically among candidates who do not have a positive candidate experience. And given the propensity of candidates to talk, this effect will likely be amplified as word spreads among their personal and professional networks.

## Candidate experience – room for improvement

Given the likely impact on securing the best candidates and even increasing sales, organizations would be advised to create positive candidate experiences whenever possible. However, our research reveals room for improvement. While many job candidates (more than 60 percent) are happy with the speed and ease of the hiring process, more than one in five (22 percent) of candidates said they were not well informed (Figure 9).

There is clearly an opportunity for organizations to improve candidate experience, in particular by offering candidates multiple channels for communication and keeping them well informed during the hiring process.

Figure 9. Some areas of the application process leave room for improvement



Source: WorkTrends™ 2016 Global (Recent job applicants n=7,096)

## Recommendations to hiring organizations

This paper reveals that candidate experience could directly impact talent attraction, recruitment, organizational reputation and even sales.

Hiring organizations wanting to improve the candidate experience should:

**Enhance employer branding:** Candidates who like the brand or reputation of the hiring organization are more likely to apply and, even if they do not receive a job offer, they are more likely to apply again. Therefore, organizations should start with a good employer branding strategy that relates specifically to the hiring situation.

**Improve communication:** Candidates want to be kept well informed during the recruiting process. Furthermore, one of our earlier studies revealed that high-potentials are more attracted to organizations offering mobile recruiting.<sup>1</sup> For these reasons, hiring organizations may want to consider using multiple channels, including mobile and other recruiting technologies, to connect with candidates and keep them updated throughout the recruiting process.

**Treat all candidates well:** Whether candidates receive a job offer or not, they talk to others about their experiences. What they say may affect the reputation of the hiring organization and their experiences could even influence the likelihood of them becoming a customer. Fundamentally, the impact of candidate experience is wide-reaching, and as such organizations should strive to create the best possible experience for each and every candidate.

## IBM Smarter Workforce Institute

The IBM Smarter Workforce Institute produces rigorous, global, innovative research spanning a wide range of workforce topics. The Institute's team of experienced researchers applies depth and breadth of content and analytical expertise to generate reports, white papers and insights that advance the collective understanding of work and organizations. This white paper is part of IBM's on-going commitment to provide highly credible, leading edge research findings that help organizations realize value through their people. To learn more about IBM Smarter Workforce Institute, please contact us at [ibmswi@us.ibm.com](mailto:ibmswi@us.ibm.com). Follow @IBMSmtWorkforce on Twitter or visit our website: <http://www-01.ibm.com/software/smarterworkforce/institute/>

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If you'd like to learn more about improving your candidate experience with recruitment marketing tools, [click here](#).

## About the authors

**Haiyan Zhang Ph.D.** is an Industrial-Organizational Psychologist with the IBM Smarter Workforce Institute. Her areas of expertise include qualitative and quantitative methods, recruitment and selection, performance management, employee motivation, and cross-cultural research. She is particularly interested in how research evidence can be used to inform HR practices. Her current research focuses on the impacts of technology-enabled HR transformation on employee attraction, engagement and performance. She has presented and published research

findings at various conferences and peer-reviewed journals. She has also served as a reviewer for a number of conferences and journals, and is a member of Society for Industrial and Organizational Psychology (SIOP). Haiyan received her Ph.D. in Human Resource Management from the DeGroote School of Business at McMaster University, Canada.

**Sheri Feinzig Ph.D.** is the Director, Kenexa Consulting and Smarter Workforce Institute and has over 20 years' experience in human resources research, organizational change management and business transformation. Sheri has applied her analytical and methodological expertise to many research-based projects on topics such as employee retention, employee engagement, job design and organizational culture. She has also led several global, multi-year sales transformation initiatives designed to optimize seller territories and quota allocation. Additional areas of expertise include social network analysis, performance feedback and knowledge management. Sheri received her Ph.D. in Industrial/Organizational Psychology from the University at Albany, State University of New York. She has presented on numerous occasions at national conferences and has co-authored a number of manuscripts, publications and technical reports. She has served as an adjunct professor in the Psychology departments of Rensselaer Polytechnic Institute in Troy, New York and the Illinois Institute of Technology in Chicago, Illinois, where she taught doctoral, masters and undergraduate courses on performance appraisal, tests and measures.

## Contributor

**Louise Raisbeck** is responsible for marketing communications in the IBM Smarter Workforce Institute. She has worked in the field of workforce research for more than 10 years and is responsible for turning research insights into engaging, thought-provoking and practical white papers, reports, blogs and media materials. Louise is a member of the Chartered Institute of Public Relations and a former director of a top 10 PR consultancy in the UK.

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