



THE 2023 NORTH AMERICAN CANDE BENCHMARK RESEARCH OVERVIEW

2023 Candidate Experience (CandE) Benchmark Research



CANDIDATE EXPERIENCE
BENCHMARK RESEARCH
& AWARDS PROGRAM SM

EXECUTIVE BRIEF

The 2023 North American CandE Benchmark Research Overview

Over the past 12+ years, our Candidate Experience Benchmark Research has identified clear competitive differences between what makes for a positive candidate experience and a higher level of perceived candidate fairness. We've also highlighted the differences between CandE Award Winners (the top-rated benchmark companies big and small across industries) and all other participating companies. CandE Award Winners:

- Consistently acknowledge initial job-seeker interest and provide definitive and timely closure when no longer pursuing candidates
- Deliver consistent candidate communication from pre-application to onboarding
- Deliver consistent and fairer screening and interviewing experiences
- Ask for candidate feedback and provide feedback more often with rejected candidates as well as new hires
- Consistently make timely offers after the final interview
- Set better expectations about the recruiting process for candidates from pre-application to offer
- Hold themselves more accountable for the overall recruiting process and resulting candidate experience while measuring it regularly and consistently

Participating Employers by Industry, Revenue and Employee Size

68% of the 2023 employer research participants were from the healthcare, finance and insurance, technology, manufacturing, hospitality, and pharmaceutical industries. This mix tends to be the most represented year after year in Talent Board (now ERE Media) research, with the exception of fluctuations in consumer goods, services, and food and beverages. Also, 47% of employers said they generated over \$1 billion in revenue annually, and 71% of companies that participated in the 2023 North America benchmark research had over 2,500 total employees (see Figures 1, 2, and 3).

When asked "In which country is the job you are considering?" candidates were most likely to have applied for jobs in the U.S. (89%), Canada (10%), and Mexico (1%) (see Figure 4). In 2024, we'll be adding U.S. regions (southwest, northeast, etc.).

Figure 1. Participating Employers by Industry

2023 North America Industry:

Using the following choices, please indicate your company's primary Industry Sector.

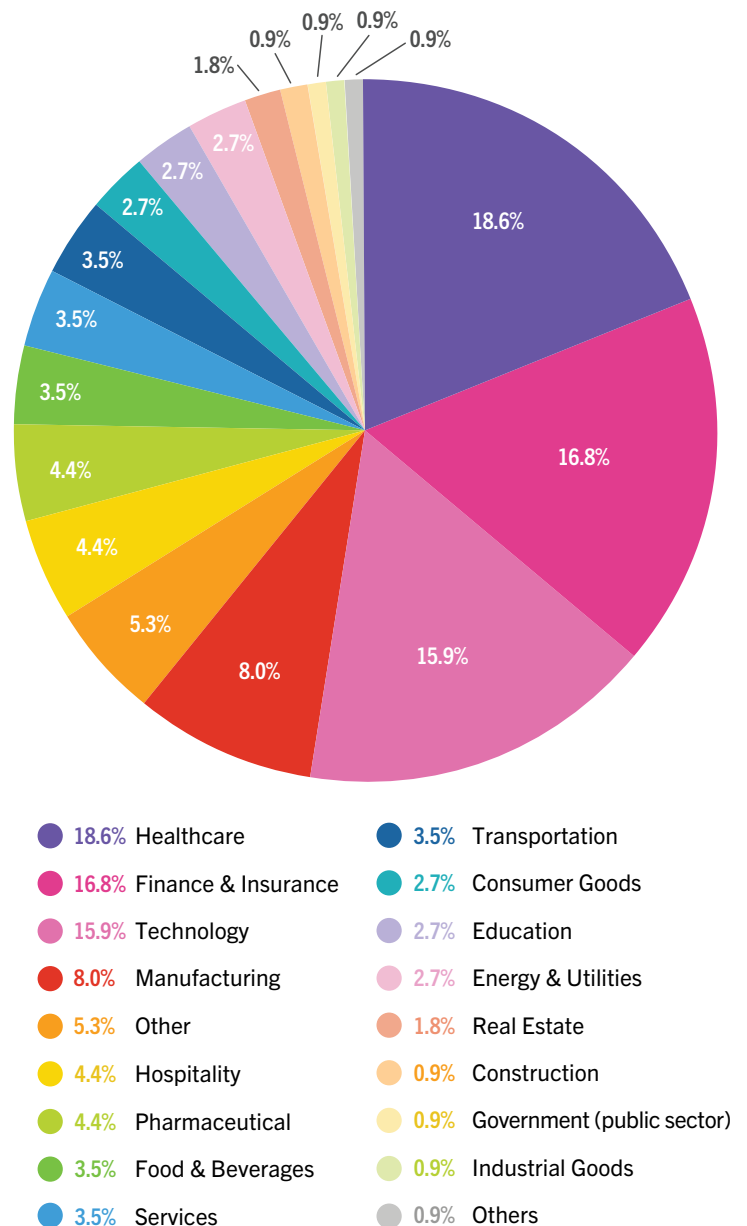


Figure 2. Participating Employers by Revenue

Please select your total annual company revenue for North America. (You can only choose one.)

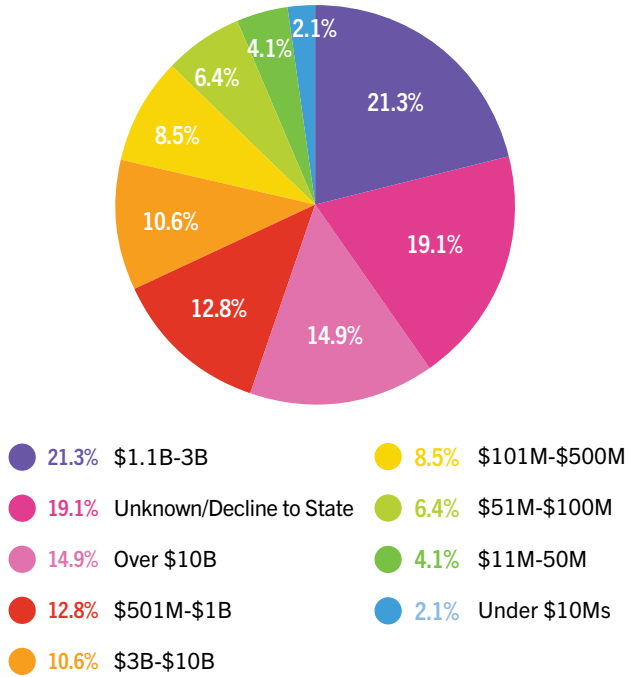


Figure 4. In Which Countries Were the Jobs Candidates Considered?

In what country is the job you are considering?

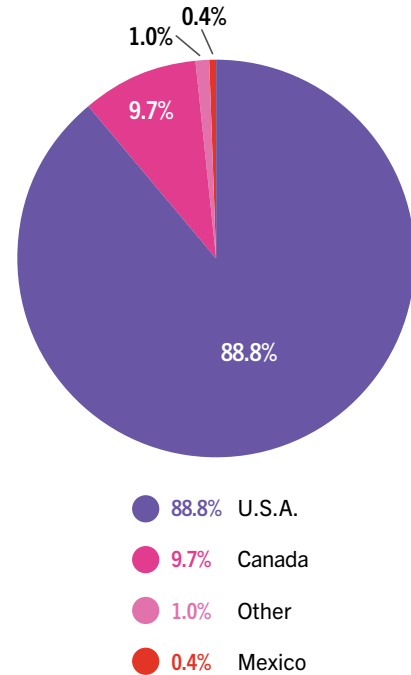
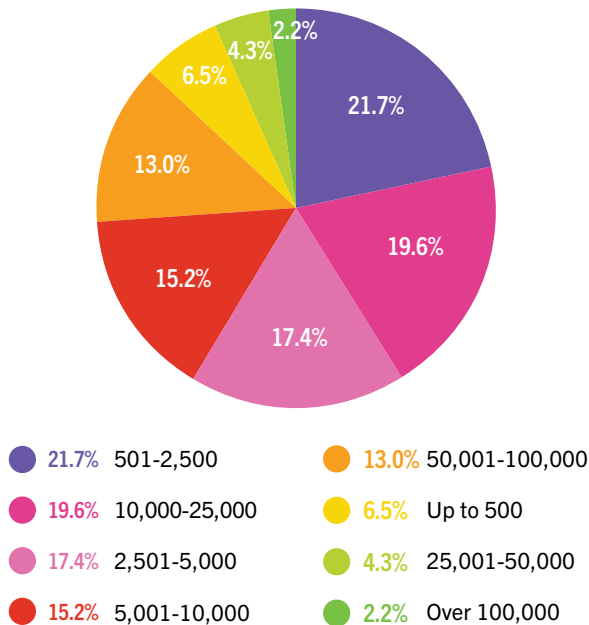


Figure 3. Participating Employers by Number of Employees

Please select your total current employee population size for North America. (You can only choose one.)



Participating Employers' Operating Models

Employers can and do vary how their talent acquisition operational models are set up. Usually, the majority of the models fall into these three types: centralized (central recruiting team that ensures consistent hiring processes across the organization), decentralized (separate recruiting teams not necessarily following consistent hiring processes across the organization) and outsourced (where large portions of talent acquisition are handled by third-party vendors like recruitment process outsourcing firms). Some companies move from one model to another every few years depending on how the business evolves, or because of disruptive impacts like COVID-19, economic fluctuations, leadership changes, merger and/or acquisition activity, etc. The 2023 centralized model decreased 10% from 2022, and the decentralized model increased 73% (see Table 1).

However, it's important to note that the companies that participate each year vary, with a mix of returning and new.

A company's overall candidate experience has a definitive potential impact on the business, and that impact is improving incrementally, from talent attraction to onboarding. **The majority of employers in North America in 2023 (88%) described their overall candidate experience as improving or competing**, while 11% described it as leading and 1% described it as lagging (see Table 2). This year, CandE Award Winners who identified as "leading" increased by 50% from 2022, versus a 30% decrease of winners who said they identified as "competing" this year compared to last. When we compare this to the CandE Pulse surveys we did throughout 2023 and highlighted in the Candidate Expectations Versus Employer Reality special report, the self-ratings were fairly stable month after month.

Table 1. Talent Acquisition Operational Model

	2023	2022	2021	2020	2019
Centralized Dedicated recruiters, recruiting org structure and budget	52%	58%	48%	63%	63%
Decentralized Division/line of business, dedicated recruiters, org structure and budget	19%	11%	17%	14%	19%
Outsourced RPO, HRO, third-party vendor	3%	5%	7%	14%	19%
A combination of Centralized and Outsourced	20%	20%	25%	NA	NA
A combination of Decentralized and Outsourced	5%	5%	2%	NA	NA

Table 2. How Employers Describe Their Own Overall Candidate Experience

	2023	2022	2021	2020	2019
Lagging	1%	2%	2%	0%	2%
Lagging – Winners	0%	0%	0%	0%	2%
Improving	40%	23%	25%	27%	22%
Improving – Winners	28%	14%	13%	3%	13%
Competing	48%	63%	62%	61%	63%
Competing – Winners	50%	71%	74%	85%	68%
Leading	11%	12%	11%	13%	13%
Leading – Winners	21%	14%	13%	14%	17%

Asking for Candidate Feedback

Year after year, CandE benchmark research shows that communication and feedback loops are ongoing differentiators of a more positive candidate experience.

This year, 67% of participating employers said they ask for feedback after a candidate is hired, which was up 68% from 2022. In fact, this is usually where employers are the most comfortable asking candidates for feedback, so it's not surprising to see the increase here. However, we do still find year after year that there is still a leadership wariness of surveying any job candidates at any stage—for fear of what they'd learn.

Maybe it's the halo effect of employers that participate in our benchmark research willing to survey candidates across the candidate journey, but the continuing good news is that this year the numbers have increased across all stages (see Table 3).

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Table 3. When Employers Ask for Candidate Experience Feedback

	2023	2022	2021	2020	2019
Before candidates apply	10%	2%	2%	1%	1%
After candidates apply, but before the interview	27%	6%	2%	9%	5%
After candidates are interviewed, but before they're hired	46%	19%	18%	23%	19%
After candidates are hired	67%	40%	44%	34%	40%
All of the above	22%	20%	17%	17%	18%
We don't survey candidates about their experience	21%	13%	16%	17%	17%



Recruiter and Hiring Manager Accountability

72% of 2023 North American CandE Award Winners align recruiter performance with candidate experience, which was up 18% from 2022 (see Table 4). Aligning recruiter performance this way can help ensure a greater delivery of a positive and fair candidate experience, which benefits the business.

While we don't ask employers about hiring manager performance and candidate experience per se, we do ask whether they give feedback to the candidates who have interviewed as finalists and who have not been selected, and if hiring managers are required to do so. 65% of 2023 participating North America employers responded that their hiring managers give limited feedback to internal candidates, down from 2022, but only 17% give feedback to external and referral candidates, up slightly from 2022 (see Table 5).

Also, only 45% of the 2023 companies said they establish a follow-up date with finalists, keep the date and establish additional follow-ups as necessary until the position is filled, which is nearly the same as 2022.

72% of 2023 North American CandE Award Winners align recruiter performance with candidate experience.

Table 4. How Candidate Experience Is Aligned to Recruiter Performance

	All Employers 2023	CandE Winners 2023	All Employers 2022	CandE Winners 2022
Yes, we align recruiter performance with improving candidate experience	62%	72%	63%	61%
No, we don't align recruiter performance with improving candidate experience	27%	19%	30%	31%
I don't know	3%	0%	1%	0%
Other	8%	9%	6%	8%

Table 5. Hiring Managers and Candidate Feedback

	2023 Internal	2023 External	2023 Referral	2022 Internal	2022 External	2022 Referral
Yes, hiring managers provide approved detailed feedback	65%	17%	19%	70%	15%	15%
No, we don't align recruiter performance with improving candidate experience	79%	10%	12%	78%	8%	14%

Conclusion

Although the hiring landscape in 2024 will most likely continue to be challenging around the world, there are glimpses of economic stability ahead. Either way, we recommend following the lead of the top-rated CandE Award Winners – and all the companies globally with above-average overall ratings – can help improve your organization’s candidate experience. That can improve how your employer brand is perceived in the labor market, decrease ghosting by top talent and enhance your ability to fill gaps in your workforce.

However, the constant uncertainty and volatility in the world makes it difficult to deliver a positive candidate experience. Each year, the CandE Benchmark Research Program sees how hard it is to sustain a quality candidate experience. Job candidates only want one thing – to get the job – but the vast majority will not. So, the second-best experiences include positive communication and feedback loops that, in the end, make all the difference in whether candidates are willing to apply again, refer others, be a brand advocate or be a customer.

Although the hiring landscape in 2024 will most likely continue to be challenging around the world, there are glimpses of economic stability ahead.



10 Key Takeaways From the 2023 North America Candidate Experience Benchmark Research Report

1. CONTENTMENT IS DOWN, RESENTMENT IS UP

This year, the overall positive candidate experience, what we now call candidate contentment, declined sharply while candidate resentment, the very negative experience, increased globally. Even in historically positive skewed regions like APAC and Latin America. Candidate contentment has always been the highest on average in APAC and Latin America (with some exceptions), and candidate resentment has always been the highest in North America followed by EMEA.

This data is based on one of the four key ratings we analyze every year in our benchmark research – the relationship question – how likely candidates are to engage the business and brand going forward based on their experience. The “Great” responses are what make up the candidate contentment rate, and the “Negative” responses are what make up the candidate resentment rate.

Resentment is a major indicator we track each year and one we recommend employers track as well. Candidate resentment impacts a business and its brand because candidates who report having a very poor recruiting experience are less likely to apply again, refer others, have any brand affinity, and/or make purchases if the employer is a consumer-based company. Ultimately a poor candidate experience can cause employers to lose revenue and referrals, two things vital to a healthy organization.

2. TOP-RATED EMPLOYERS UTILIZED MORE AI RECRUITING TECHNOLOGIES

The highest rated employers this year in our benchmark research (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.

The impact of artificial intelligence and what’s called generative AI on recruiting technologies has only just begun. The sophistication of technology and the learning algorithms (AI) that process mind-bending amounts of data to improve their purported software outcomes are constantly evolving now. For example, AI is helping automate candidate outreach and communication like never before. It’s also being used to scan resumes for keywords and phrases that match the job requirements, helping recruiters quickly identify the most qualified candidates, with candidate matching, where AI is used to match candidates with open positions based on their skills, experience, and other factors, helping recruiters identify the best candidates for each role they’re hiring for.

3. COMPANY VALUES TOPPED CANDIDATE RESEARCH AGAIN

CandE-Winning organizations have a 35% higher NPS rating in the research/attract stage (57 compared to 40 for all companies in North America). This includes providing content around company values something that continues to be the most valuable to candidates in our research. Values were again the number one type of marketing content consumed during research, with 45% of all candidates citing it as most important, down slightly from 2022, but still up 96% from 2021.

That’s followed by products / services Information (increased interest in exactly what a company does), career sites in multiple languages (it is a multicultural world today), diversity and inclusion information, answers to why people want to work at the company, and company culture information. When asked where employers are engaging with candidates in the attraction stages, career sites remain number one for another consecutive year, with 98% of companies considering their sites to be critical to recruiting success, especially CandE Winners, up 27% from last year.



4. EMPLOYERS DEPEND ON CANDIDATE REFERRALS AND BRAND AMBASSADORS

While only 22% of candidates in 2023 cited referrals as a valuable research channel, same as in 2022, referred candidates said they would increase their relationship with potential employers 32% more (apply again, refer others, make purchases if and when applicable), compared with those who conducted their own search or those who received unsolicited outreach from a recruiter.

And the more positive the candidate experience, the more likely candidates are to refer others – this year CandE Winners have a 38% higher willingness to refer others NPS rating (22 compared to 15 for all companies in North America), which is even higher than in 2022. Employers hire 20% to 40% of their workforce from referrals, so referrals are quite the critical competitive differentiator, especially in today's still highly competitive candidate market. Current employees are the brand ambassadors whose referral NPS ratings are the highest versus any other current or previous relationship with the company.

5. TIMELY DISPOSITIONS SLIPPED BUT STILL A DIFFERENTIATOR

For the past few years, the highest rated employers have been more consistent and timely with their dispositions. In fact, most had told us they were required to review applications within 3-5 days to reject or move forward. While this is still a differentiator for CandE Winners around the world, the overall percentage of top-rated employers doing this within 3-5 days has decreased.

For example, over 80% of the top-rated North America employers said they disposition within 3-5 days in 2022, but this year, that's dropped to 50% or lower. Only 56% of all 2023 North America CandE Winners said they disposition within 3-5 days, but last year it was 63%, an 11% decrease. The mix of participating employers does change each year, but the reality for many employers this year was that their applications increased while their recruiting teams decreased.

Even if their rejection timeliness deteriorated somewhat, the top-rated employers are still more consistent about rejecting candidates than all other employers in our research. This is true in EMEA, APAC, and Latin America as well.

6. CHATBOTS, TEXT TO APPLY, AND MOBILE APPLY IMPROVE THE APPLICATION EXPERIENCE

Recruiting technology today definitely helps with prompting and engaging candidates at the application stage. When potential candidates were able to launch the application from a text, their application NPS rating increased 42%. And when candidates

had the ability to ask a chatbot questions during the application process, their application NPS rating increased 50%. For CandE Winners, 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.

Candidates also want ease-of-use when they apply for a job and on the device of their choice. And while nearly all employers said they again offered mobile apply the past few years, only 37% of candidates said they applied via mobile, slightly higher than in 2022. Mobile apply jumped 28% for CandE Winners, which also had a much higher percentage of hourly candidates. This makes sense considering that these candidates' personal phones are their primary personal computers, too.

7. STRUCTURED INTERVIEWS AND NEXT STEPS

Employers that implement more candidate-friendly and fair interview processes, ones that are structured with a consistent process and set of questions across job types, help reduce bias, improve selection, and improve the candidate experience. This year, the highest-rated CandE Winners conducted structured interviews 19% more than all employers combined, and all CandE Winners conducted them 8% more often than all employers combined.

Structured interviews usually drive higher positive candidate ratings and a higher level of perceived fairness. Also, candidates' willingness to refer others was 119% higher when they were provided with information on their job fit and candidacy status at the end of the interview day. While a much smaller pool of candidates received this immediate feedback (over 50% were hourly candidates), it's still a big differentiator for all companies as well as CandE winners. Recruiters and/or hiring managers at CandE Winner companies also establish follow-up dates with finalists and keep those dates 16% more often than all other companies combined.

8. CANDIDATES WITHDRAW DUE TO TIME DISRESPECTED

When it comes to candidates withdrawing themselves from the recruiting process, there are many reasons as to why. When we look at the CandE data, the three most negative reasons candidates withdraw themselves globally in North America in 2023 were once again time was disrespected during the recruiting process, the recruiting process took too long, and salary didn't meet expectations.

It's similar in the other global regions, just not the same order, but "time disrespected" is most certainly a common theme we hear in the candidate comments year after year. Based on what we know each year, the top-rated employers have a much lower percentage of candidates withdrawing because their time was disrespected. The difference is significant – the top 10 overall North America CandE Winners had dramatically fewer candidates withdraw than even all CandE Winners in North America.

9. FINALIST FEEDBACK INCREASES WILLINGNESS TO REFER

The highest-rated companies in our research this year all provide some level of feedback to finalists, and CandE Winners overall gave 12% more feedback to finalists than all other companies combined in 2023. Here's why giving feedback can pay off: when specific feedback was given to candidates, their willingness to refer others increased by 46% this year, and their willingness to increase their relationship with the employer increased by 47%.

This year, 25% of all candidates were asked for feedback after being screened and interviewed, and 29% CandE Winner candidates were asked. Those invited to provide feedback at this stage were 114% more likely to refer others. These relationships are always impacted by a combined variety of other positive activities that impact experience. And as always in our research year after year, if disruption is at a minimum, and the candidates feel the interview process was fair, they're more willing to engage the business again and refer others.

10. PREBOARDING ENGAGEMENT AND NURTURING CAN INCREASE RETENTION

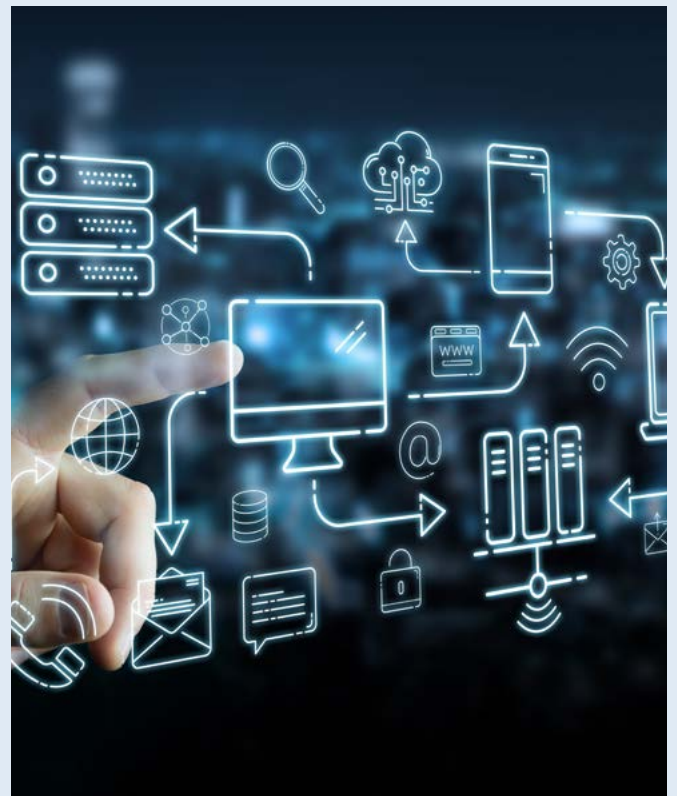
More employers, whether they've won a CandE Award or not, struggle to invest in more communication and engagement preboarding activities with new hires before their start date. However, the percentage of candidates who received a text from their hiring manager before day one increased 19% since 2021, from 21% to 25%. And the percentage of candidates who received a text from recruiters and/or HR before day one increased even more – 80% since 2021, from 15% to 27%. This aligns with the increase of text messaging and automated outreach we've found in our research.

Also, when employers provide multiple options to communicate goals, meet key team members, answer questions, prior to candidates' start dates, these candidates were 137% more willing to increase their relationship out of the gate, compared to 110% higher just because they accepted the job offers. Again, the more nurturing and engagement that occurs prior to their start date, the greater opportunity to improve new hire retention from the beginning.

Incremental Improvements Go A Long Way

Even with all the potential business impacts highlighted in this year's North America CandE Benchmark Research Key Takeaways, whether or not candidates will apply again and/or refer others based on their overall candidate experience is a vitally important outcome of the candidate experience. And while most companies would argue that they don't want all the candidates applying again, they do want those deemed future fit to apply again. They most certainly want their final interview silver medalists to apply again and to refer others who may also be the right candidates for future roles.

Ultimately, making incremental improvements in recruiting, hiring, retention, and candidate experience today can ensure a greater return on employment brand and quality of candidate tomorrow, no matter what the future brings. This is why incremental improvements to recruiting processes and candidate experience can go a long way toward increasing revenue and referral networks.



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