WHITEPAPER

Putting Talent First: How to Optimize the Candidate Experience





Skills Evaluation Lab

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Introduction

Have you ever applied for a job only to never hear back? This experience probably affected how you viewed the organization. You might be less likely to recommend the organization to a friend and most definitely would think twice before taking time to apply there again. You might even be less likely to purchase that company's products or services. This is a classic example of how **candidate reactions to selection systems** can impact an organization.

In this paper, we will explore what candidate reactions are, why they matter, and ways organizations can improve candidate reactions throughout the hiring process.

What are candidate reactions?

In industrial-organizational psychology, candidate reactions refer to individuals' attitudes, affects, and cognitions related to hiring methods and processes. In other words, what do candidates experience at each step of the hiring process? The process starts when candidates are deciding to apply for a role in an organization and spans throughout the hiring process, including taking a pre-hire assessment, interacting with recruiters, and going through interviews.

Organizations sometimes fail to recognize the importance of candidate reactions, even though they are a major factor in the success of all hiring processes. Instead of considering a selection system as a whole, companies may only focus on the quality of their selection tools, such as the ability of tools to predict job performance. While the predictiveness of a selection tool is important, disregarding the experience of candidates during the process harms companies in the long term. A poor candidate experience may result in a number of negative outcomes, including candidate drop-out, negative perceptions of the company, and even legal action.



Why do candidate reactions matter?

Candidate reactions impact organizations in numerous ways, both directly and indirectly. Psychology research has identified various short-term and long-term outcomes of candidate reactions. Candidates with favorable experiences during the selection process are more likely to <u>accept</u> <u>employment offers and to recommend the organization to others</u>. These benefits extend into candidates' tenures as employees: Applicants who have positive perceptions of an organization are more likely to <u>perform</u> <u>better on the job</u>, even after <u>as long as 18 months</u>. This can have a lasting impact on an organization, as high performance is tied to other outcomes such as job satisfaction, retention, and organizational performance. In contrast, a poorly designed hiring process can be extremely draining for applicants, with risks to <u>candidate well-being</u>, including candidates' levels of self-esteem, stress, and perceived self-worth.

Candidates' perceptions of the fairness of hiring processes can influence <u>public opinion</u> and open an organization to <u>legal vulnerability</u>. Legal cases can <u>cost companies</u> hundreds of thousands, if not millions, of dollars. However, fostering positive candidate experiences by using <u>valid and</u> <u>inclusive measures</u> is less likely to lead to legal action. Beyond the legal implications, treating candidates with respect and concern can have a positive impact on how customers, clients, and the broader community <u>view organizations</u>. As evidence of the importance of organizational image, one executive estimated that a bad reputation could cost a large company with 10,000 employees over <u>\$7.6 million dollars</u>.

In all, candidate reactions can impact workforce quality and retention, employees' perceived fit with the organization, external perceptions of the organization, overall productivity, and more. Instead of considering candidate reactions as an afterthought, make them a priority—a stellar hiring experience gives companies an edge over the competition.

Fostering positive candidate reactions throughout the hiring process

Organizations can take steps throughout the hiring process to improve the candidate experience and achieve the positive outcomes outlined above. While developing a selection system is a unique process for each organization, there are best practices to help optimize the candidate experience. Below, we have outlined strategies for optimizing candidate reactions through three stages of the hiring process.

In this section:

- Before the hiring process
- Before the assessment process
- After the assessment process



Before the hiring process:

Define the organization's selection goals.

Defining the organization's selection goals includes clarifying core metrics, such as which roles the organization is hiring for, how many openings there are, identifying a realistic time to hire, and so on. This, in turn, will help inform selection strategy and processes. Having a clear vision for the organization's hiring process sets a foundation for clear communication with candidates, as well as a quicker and more efficient process for the employees executing the selection system.

Conduct a job analysis.

A job analysis is a deep dive into a given role's responsibilities and the corresponding skills a candidate needs to succeed. This procedure helps an organization better understand similarities and differences between roles, plan onboarding and training content, create or update job descriptions, and inform performance evaluations. It also serves as additional defensibility for Equal Employment Opportunity Commission (EEOC) compliance standards. Furthermore, learning about the ins and outs of the job will allow an organization to choose selection tools that are <u>representative of the work done on the job</u>, which is an important factor in candidate reactions.

Determine an assessment strategy with the candidate experience in mind.

Defining the assessment strategy, such as leveraging a technical prehire assessment, will help drive the organization towards their predefined hiring goals. Optimal assessment strategies can depend on hiring goals, the roles being hired for, the volume of those roles, and the candidate pools. However, if candidates perceive the chosen assessment strategies as invasive or demanding, such as <u>monitoring</u> <u>social media</u> or requiring <u>extremely long take home assessments</u>, candidates may be more likely to withdraw from the process.

Before the hiring process: (continued)

Choose a pre-hire assessment.

Pre-hire technical assessments are a great way to measure jobrelevant skills, but there are many options companies can choose from (e.g., technical skills assessments, personality assessments) as well as different methods used to assess the content. Assessments can be conducted through paper-and-pencil tests, work samples, interviews, and more. In general, applicants view interviews and work samples more favorably than other assessments that don't clearly map to the requirements of the job, such as game-based assessments and honesty tests. Likewise, which assessment methodology an organization uses will depend on their hiring goals and selection strategy. For instance, an organization hiring for a high-volume software engineering role may benefit from using an asynchronous technical assessment at the top of the funnel. Such an assessment could give all candidates the opportunity to exhibit their coding skills, as opposed to potentially getting screened out based on the content of their resume.

Train employees who will interact with candidates.

Hosting <u>training sessions</u> for recruiters, interviewers, and other stakeholders is one way to align internal stakeholders to an assessment strategy and to optimize the candidate experience. One such method to do this is interpersonal training, in which stakeholders are taught tips on being inclusive, fair, and honest with candidates. Treating candidates with respect and empathy, regardless of whether they move on to the next round of a selection process, can help <u>foster</u> <u>positive experiences and perceptions of the organization</u>. Also, training interviewers can help <u>mitigate bias and differential experiences</u> based on background characteristics, which, in turn, facilitates inclusion and belonging.

Before the assessment process:

Ensure the assessment is job relevant.

A job relevant assessment is one that measures skills that are representative of the job in question. One method to establish this link is by conducting a job analysis and then mapping the job's core skills to its assessment content. Multiple studies have found that <u>perceived job relevance</u> leads to positive candidate reactions toward the test, the overall selection system, and the broader organization. One such way to incorporate job relevance in the selection process is to utilize selection measures that have candidates demonstrate behaviors that are expected on the job. As an example of incorporating job relevance into the selection process, consider an organization that is hiring for a software engineer. A job relevant assessment would be one that demonstrates the candidate's ability to write code to solve problems an engineer would encounter day to day.

Establish consistency in processes.

While this may seem obvious, the hiring process should be consistent across all applicants regardless of the method being used (e.g., interview, assessment). For example, if an organization is using a pre-hire assessment, then that assessment should be sent to all potential hires. This gives every applicant a chance at moving on in the hiring process, which contributes to fairness perceptions. Likewise, candidates should be asked the same—or equivalent questions during assessments and interviews. Not only is this fair, but research shows that structured interviews have a higher <u>validity</u> than unstructured interviews and can help mitigate human bias in hiring decisions. When companies use job-relevant tools consistently, candidates benefit from a fairer hiring process and organizations get a reliable signal to use in making hiring decisions. In addition, these factors lead candidates to be more trusting of the selection decision, regardless of the outcome. Trust and fairness are hugely important, as those can impact candidates' propensity for legal action.

Before the assessment process: (continued)

Inform candidates about the assessment.

Providing information about the hiring assessment is one way an organization can improve candidate perceptions of fairness, clear communication, and transparency. For example, recruiting and talent acquisition teams can provide information on what selection assessments are measuring (e.g., key personality traits or coding skills, like with <u>the General Coding Framework</u>) and why they are being used. Additionally, information on how long the assessment will take, what is needed to take the assessment (e.g., a photo ID), and strategies for success (e.g., using a supported browser) can all help put the candidate at ease and make them feel more confident going into the evaluation. Details about the evaluation and the associated process can make candidates <u>feel more comfortable</u>, reduce candidates' anxiety, help them plan accordingly, and contribute to <u>fairness</u> perceptions. Likewise, transparency about processes <u>may even help</u> improve candidates' performance.



After the assessment process:

Provide timely feedback.

Candidates prefer <u>informative and timely feedback</u>. There are many ways to provide feedback, including using applicant tracking systems (ATS) that allow candidates to view where they are in the selection stage and get information on who they are interacting with in each stage. These tools can be used to communicate directly with candidates via email to update them throughout the process. Further, a detailed scoring report can be a great way to give candidates information about their performance (e.g., CodeSignal's <u>Coding Score</u> <u>and candidate reports</u>). Providing candidates with feedback on their performance can build their <u>self efficacy</u>, which can improve future performance and provide them with an idea of where they can improve their skills when applying to future jobs.

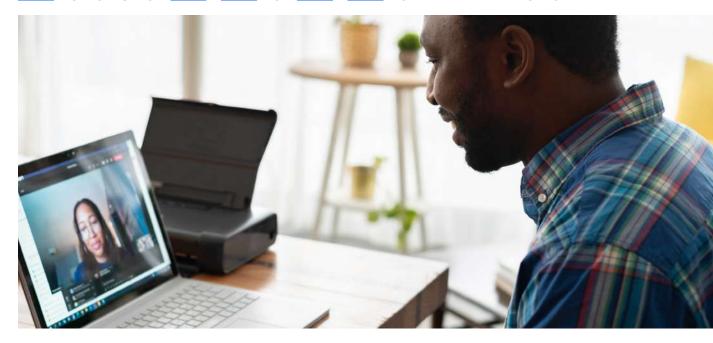
Be honest with candidates.

Sometimes candidates will apply for jobs that are not a good fit or that they are not qualified for. Likewise, sometimes candidates are qualified for a role, but there are not enough open positions. In all these instances, candidates will likely be rejected at one stage or another, whether that be before a pre-hire assessment or after. Though news that they have been taken out of consideration will naturally be difficult to receive, giving candidates information about the rationale behind the decision is a great way to mitigate negative reactions. Even if candidates are not selected, it is essential to communicate with them respectfully and encourage them to apply for future roles. Providing candidates with transparency during hiring decision explanations will help guide their understanding and can <u>leave a positive perception</u> of the hiring organization.

After the assessment process: (continued)

Open the door for two-way communication.

Communication throughout the selection process is <u>critical to the</u> <u>candidate experience</u>. However, much communication is one-sided. Organizations can encourage two-way communication by <u>training</u> <u>interviewers</u> to be good listeners, and allowing the opportunity for candidates to ask questions. Moreover, organizations can ask candidates for their feedback on their experiences during the selection process, which can highlight key areas for improvement for the organization and make candidates feel heard in the process.



Conclusion

Candidate reactions can have a real and lasting impact on an organization's selection system and external brand. Implementing strategies to improve candidate reactions can empower organizations to make the best hiring decisions while simultaneously attracting the best candidates. Additional benefits of a strong selection system include a positive organizational image, lower levels of legal risk, and better organizational performance. Innovative and growth-oriented companies often leverage realistic and job-relevant assessments (e.g., CodeSignal's Skills Evaluation Frameworks) to enhance the candidate experience and improve candidate reactions. Rather than leaving a sour taste in applicants' mouths and having candidate reactions negatively impact an organization, the most thoughtful companies craft the hiring process into one of their biggest strengths.

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