

NEW TALENT ACQUISITION RESEARCH:

How

Chatbots

&

Conversational AI

**Improve Talent Engagement
and the Candidate Experience**



Contents

- Survey Methodology** _____ **3**
- Introduction** _____ **4**
- Survey Highlights** _____ **6**
- Complete Survey Findings** _____ **8**
 - 1. Talent Attraction Challenges _____ **8**
 - 2. Candidate Communications _____ **9**
 - 3. Recruiting Technologies _____ **12**
 - 4. Chatbots and Conversational AI _____ **13**
- Conclusion** _____ **21**
- About Sense & Talent Board** _____ **23**

Survey Methodology

[Sense](#) and [Talent Board](#) surveyed HR and talent acquisition leaders and their teams around the world regarding their efforts to better engage and communicate with qualified candidates and enhance the candidate experiences they're delivering in 2022. We were particularly interested in their use of recruiting technologies such as chatbots and conversational AI, which increasingly support the most effective and highest-rated candidate experiences. We received a total of 350 anonymous survey responses online from May 15 to June 15, 2022, representing input from companies of all sizes and across a wide range of industries.

Introduction

Communication Is Critical to the Candidate Experience

Steady, responsive, and respectful communication is a core pillar of all great candidate experiences—a fact borne out by a decade’s worth of Talent Board research. Candidate experiences earning the highest ratings from job seekers throughout our research have consistently featured superior communication from recruiters and hiring managers. And talent acquisition (TA) teams that are committed to communicating with candidates at each stage of their journey give their companies a major advantage in attracting and hiring qualified talent.

For example, good communication keeps valuable candidates from dropping out of the recruiting process prematurely, a huge benefit given the current talent shortfalls troubling so many employers. Employers also receive more candidate referrals (an increasingly important source of qualified talent) when TA teams communicate effectively; specifically, candidates’ willingness to refer others was 78% higher in

2021 when they were kept apprised of their status during the recruiting process and given clear information about their potential job fit after an interview.

Poor communication, on the other hand, costs employers dearly. As Talent Board’s research shows, the candidate withdrawal rate was 11% in North America alone due to poor communication in 2020. This equates to literally hundreds of thousands of candidates whom employers weren’t able to properly engage or assess. A shocking 40% of North American candidates didn’t even receive an automated “thank you” message after completing applications last year, and 23% said they still hadn’t heard back from employers *two months* after applying.

Fortunately, a growing number of recruiting technologies are helping companies improve the quality, frequency, and consistency of their candidate communications. At the leading edge

of these technologies are increasingly sophisticated chatbots and conversational AI tools and platforms, which actually *raise* candidates' ratings of their experiences according to our past research.

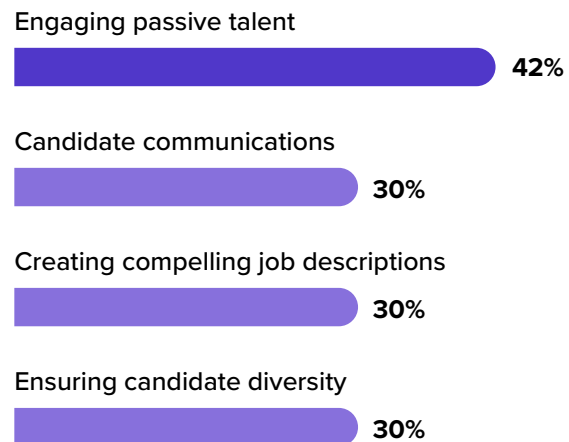
Sense and Talent Board wanted to better understand how TA teams are coping with the pressures of attracting and communicating with qualified candidates in today's volatile talent market.

Survey Highlights

The following is a small sampling of some of our survey's key insights and data points:

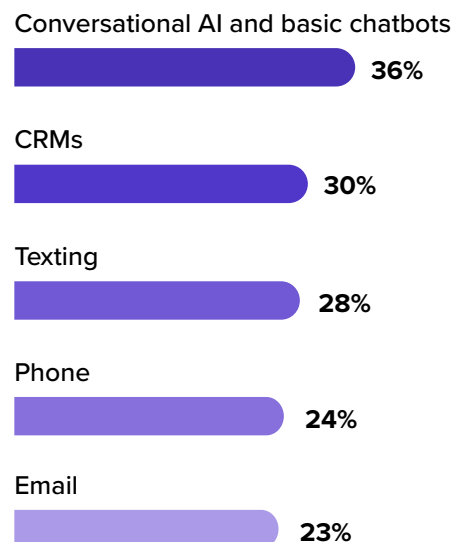
TOP CHALLENGES FOR TALENT ACQUISITION TEAMS*

Engaging/communicating with passive talent is the number one challenge for recruiters and TA professionals, cited by 42% of our respondents. Their other top challenges include candidate communications, creating compelling job descriptions, and ensuring candidate diversity, each of which were cited by 30% of our survey respondents.



RECRUITING TECHNOLOGIES DRIVING COMMUNICATION SUCCESS*

The primary recruiting technologies used by TA teams that report high levels of success in contacting and communicating with candidates include conversational AI and basic chatbots (36%), CRMs (30%), and texting (28%).



*Multiple responses were allowed.

REASONS FOR IMPLEMENTING CHATBOTS*

The top three reasons companies have implemented a chatbot are: 1) to improve the responsiveness of their candidate communications (61%), 2) to free up recruiters' time and enhance their productivity (54%), and 3) to enhance the overall quality of the candidate experience (45%).

To improve responsiveness of candidate communications



To free up recruiters' time and enhance their productivity



To enhance the overall quality of our candidate experience



CHATBOT BENEFITS & MEASURES OF SUCCESS*

51% of respondents cite a “significant improvement” in candidate satisfaction as a direct result of implementing their chatbots. When asked about the top benefits of chatbots, another 51% say they have improved the responsiveness of their candidate communications, 49% say their chatbots have enhanced the overall quality of their company’s candidate experience, and 35% say chatbots have freed up recruiters’ time and enhanced their productivity.

Improving responsiveness of our candidate communications



Enhancing the overall quality of the candidate experience



Automating screening



Freeing up recruiter time and enhancing their productivity



Accelerating the overall hiring process



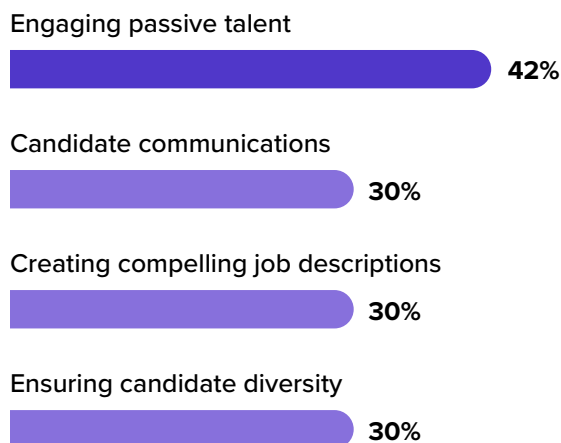
*Multiple responses were allowed.

Complete Survey Findings

PART 1 Talent Attraction Challenges

3 of the Top 4 Challenges for Recruiters Are Related to Candidate Communication

In today's extraordinarily competitive U.S. talent market, employers are fighting for candidate's attention and scrambling to differentiate their jobs and companies from those of their competitors. These struggles were sharply highlighted when we asked participants to cite their top challenges in attracting qualified candidates*. Here are their responses:



While the talent market has shifted and evolved over the past decade, TA teams have grappled continuously with all four of these challenges, which speaks to their considerable complexity. As for the three communication/marketing-related challenges, they've cropped up again and

again in Talent Board's decade of research, which is no surprise. Since engaging and communicating with passive talent is now the top challenge for recruiters and TA professionals, outbound communication (such as recruitment marketing campaigns to passive candidates) are of greater importance and employers should be leveraging them to a greater degree.

Candidate communication is demanding and time-consuming work, especially for TA teams that are busy and typically stretched thin. Fortunately, there's a growing array of robust yet easy-to-use recruiting technologies helping TA teams manage all of their communication challenges more effectively. These technologies aid in reaching both active and passive job seekers at virtually every stage of the candidate experience. We'll explore these technologies later in the report (see the Recruiting Technologies section below).

Regretfully, the fourth item on this list, **ensuring candidate diversity**, has only recently begun to get the attention it deserves, taking its rightful place among employers' top talent acquisition challenges. As [research by McKinsey & Company](#), among many others, has shown, diversity

*Multiple responses were allowed.

is good for business, improving innovation, decision-making, employee engagement, and overall performance.

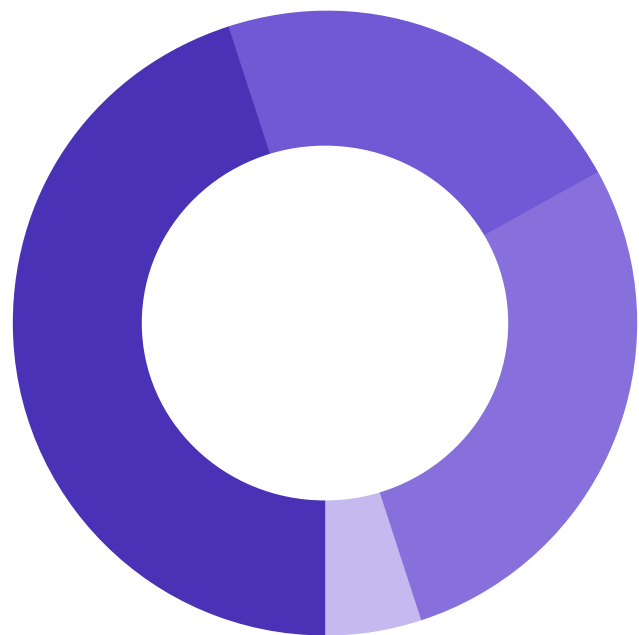
It also improves a company's ability to compete for and win top talent, especially among younger generations of workers.

PART 2 Candidate Communications

Candidate Communications Success Levels Are High

As noted above, effective candidate communications are essential to attracting and engaging qualified candidates, especially in a talent market as competitive as today's. Therefore, we wanted to know how successful participants' recruiting teams are in contacting and communicating with candidates. They responded as follows: *(See right)*

Even in the current highly competitive talent market, respondents say they're achieving high levels of success when it comes to contacting and communicating with candidates: a combined 67% say they've been **successful** or **very successful**, and another 28% say they've been **somewhat successful**. A mere 5% say they've **not been very successful**.



- 45% Successful
- 22% Very Successful
- 28% Somewhat Successful
- 5% Not Very Successful

Recruiters' and Candidates' Preferred Communication Channels Are Generally in Sync With One Exception

Regarding communication channels, we asked participants to identify the channels their teams prefer* as well as those their candidates prefer*:


Teams' Preferred Channels

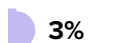
Email
 61%

Phone
 53%

Text
 29%

LinkedIn
 15%

One-on-one
 14%


Facebook
 3%


Candidates' Preferred Channels


Email
 57%

Phone
 50%

Text
 41%

One-on-one
 12%

LinkedIn
 9%

Facebook
 6%

Based on these responses, TA teams are obviously relying heavily on longstanding communications channels (**emails** and **phone calls**, in particular) but they're also using more progressive channels such as **texting**. In fact, these findings closely align to those of past Talent Board research, particularly for organizations [recruiting younger generations of workers](#), who prefer texting rather than emails. Plus, email deliverability is getting harder each year with tighter company IT security, spam filters, and global privacy considerations.

What's striking about the findings above is how closely aligned TA teams' preferences are to those of candidates in terms of the overall order and percentages. It's important to note here that we asked participants for *their* impressions of candidates' preferences; had we asked candidates themselves, the results would likely differ in some ways. But our respondents clearly shared their insights in a spirit of candor, as there are some obvious discrepancies in preferences between the two groups.

*Multiple responses were allowed.

For instance, candidates have a greater affinity for texting by a significant margin: 41% of candidates prefer texting, while just 29% of TA teams prefer it. That's a communications alignment gap employers should rectify as quickly as possible, particularly in a talent market where even a slim competitive edge can make a big difference. The good news is that Talent Board's independent benchmark research shows a 10% increase in employers' use of mobile text messaging campaigns from 2020 to 2021, so the trend appears to be moving in the right direction.

Communications Channels Driving the Highest Levels of Success

While 61% of respondents preferred email and 53% preferred phone, compared to only 29% who preferred text, when we look at TA teams reporting the *highest* levels of success in contacting and communicating with candidates, the communication type that was the most successful in communicating with candidates was texting at 28%. That was followed by phone at 24%, and email at 23%. Not surprising that text is more successful than email or phone considering the technologies that offer text capabilities like conversational AI chatbots.

Mind the Perception Gaps!

Before we delve into the recruiting technologies that are driving TA teams' communications success, we want to address a matter that arises with some frequency in our research on recruitment and the candidate experience: a gap between the perceptions of recruiters and senior leaders.

In several research projects over the past few years, Talent Board found that senior leaders often have a more positive perception of their TA teams' success as well as higher overall satisfaction levels than recruiters. The fact is, recruiters and other front-line members of the TA teams have a more informed and realistic view of their teams' capabilities and success levels than executives do, as they're closest to the actual work of sourcing, attracting, and engaging candidates.

This perception gap arose again in our current survey results. Members of the C-suite and VPs who participated in our survey rated their company's candidate communications success higher than recruiters did. For example: 48% of the C-suite and 35% of VPs rated their companies' candidate communications **very successful** versus just 15% of recruiters.

TA teams must address these perception gaps in order to realistically set and meet hiring targets and expectations. As we've recommended in the past, candid discussions with leadership are the best, most expedient remedy for aligning perceptions and ensuring future success. Avoiding these discussions is only delaying the inevitable.

PART 3 Recruiting Technologies

Technologies Driving Outbound and Inbound Communications Success

Targeting passive candidates via outbound recruiting is top of mind for TA teams today, especially to remain competitive in this challenging market. The tools and technologies that support outbound recruiting activities and the highest levels of success in contacting and communicating with candidates include **conversational AI and basic chatbots** (36%), **CRMs** (30%), and **texting** (28%).

Conversational AI and basic chatbots



CRMs



Texting



Phone



Email



It's obvious though that these technologies (conversational AI and basic chatbots, and texting) deliver a win-win for TA teams and candidates alike by ramping up the speed and responsiveness of candidate communications while also improving the overall quality of the candidate experience.

Chatbots can be the “always active” recruiter that companies need to be competitive

It's also worth noting that texting increases dramatically by 37% when conversational AI is implemented and by 64% when a candidate texting platform/software is implemented, according to our findings.

Inbound recruiting and all it entails (employer branding, posting jobs, etc.) are also still necessary and can be greatly improved by conversational AI and basic chatbots. According to Indeed, candidates apply to 12 different companies when looking for a job, which is why the company that engages the candidate first has the best chance of success. Also, Sense data shows that around 30% to 40% of candidates apply after traditional working hours, which is why chatbots can be the “always active” recruiter that companies need to be competitive.

In our research, the top benefits of communicating with candidates via conversational AI chatbots included helping candidates submit job applications more easily at 23%, automating screening at 21%, and automating interview scheduling at 19%.

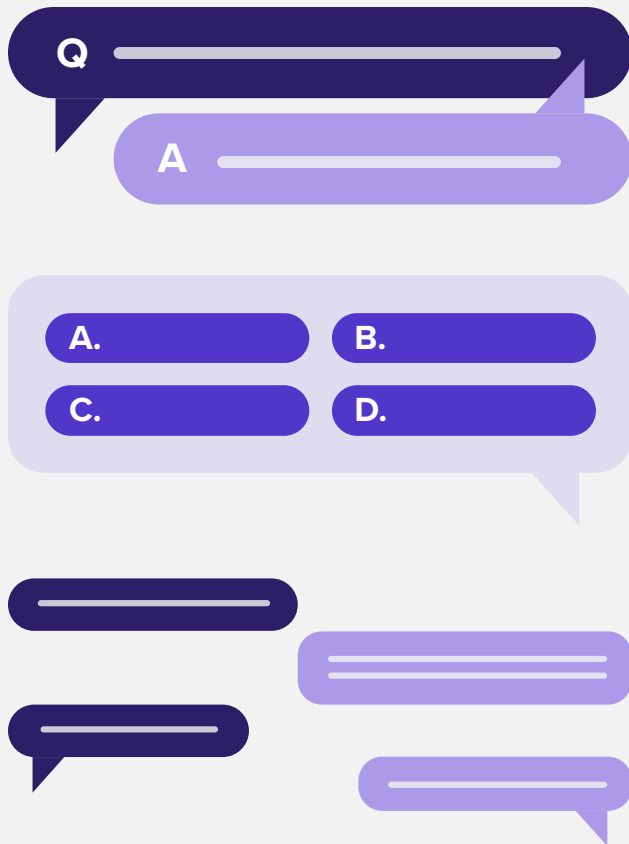
*Multiple responses were allowed.

PART 4 Chatbots and Conversational AI

The Business Case for Chatbots

Talent Board has measured a 40% increase in the use of chatbots since 2018, and companies with the highest-rated candidate experiences in our research use chatbots to answer candidates' questions nearly 30% more often than the average company. We're not at all surprised by these findings, as the business case for chatbots—and conversational AI, in particular—is strong.

In addition to conversational AI (the most advanced chatbot technology), employers also have access to less sophisticated but useful options. Josh Bersin's informative piece, [Conversational AI in Recruiting](#), distinguishes the differences:



Basic chatbots allow candidates to enter a query or request and they receive a canned answer based on some of the keywords they entered.

Enhanced chatbots typically provide multiple-choice responses or lists of potential answers. These are often more in-depth or refined responses. However, as Bersin notes, the exchange is still “transactional,” although users get the information they want or are able to figure out where to go next.

Conversational AI—also referred to as an intelligent chatbot or an AI-based chatbot—differs from all other chatbots thanks to built-in natural language processing and machine learning.

As Bersin writes, “Linguistically-based, conversational AI uses machine learning to adapt to the inputs it receives from its users...Because it continually learns from inputs, it picks up on texting vernacular... [and] on new topics, and follow threads in the conversation that might not have been programmed into the system.”

In other words, interacting with an AI-based chatbot feels very much like texting with a real human. In a case study Bersin refers to, an astounding 72% of candidates who interacted with one employer’s AI-based chatbot thought they’d interacted with a recruiter *even though they were notified upfront that they’d be interacting with a virtual assistant.*

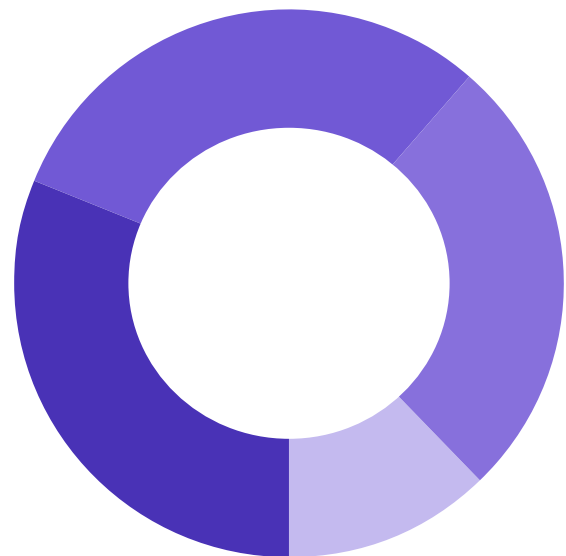
Chatbots are specifically designed to enhance a TA team’s responsiveness, and AI-based chatbots are designed to make this responsiveness feel natural and human to the highest degree. When used in the early stages of talent attraction and engagement, chatbots also free TA team members to attend to more pressing and strategic recruiting matters while the chatbots answer the questions of job seekers and potential candidates.

As Bersin puts it: “Conversational AI is applicable to anything where conversations are necessary for business and need to happen at scale—and that includes recruiting. Additionally, financial services, healthcare, telecom, insurance, travel, retail

and ecommerce companies are rapidly adopting advanced conversational tools for their customer service functions. The overall goal is to train the AI to take care of routine tasks so that human agents can focus on high-priority, complex issues.”

Are You Currently Using AI-Based Chatbots?

We asked our survey participants whether their companies have implemented an AI-based chatbot in any part of their recruiting process. Here’s how they responded:



- 31% Yes
- 30% No, we haven't considered it
- 26% No, but we are considering it
- 12% Unsure

The percentage that **have implemented AI-based chatbots** versus **those that haven't even considered doing so** is nearly even (31% and 30%, respectively). However,

another 26% of participants **haven't yet implemented an AI-based chatbot but are considering it**. Clearly, TA teams are increasingly aware of the benefits and advantages that chatbots offer—particularly in terms of improving their candidate experiences and the responsiveness of their candidate communications.

Companies with large recruiting teams (250+ members) have implemented chatbots 46% more than those with smaller teams. More generally, according to Talent Board's 2021 benchmark research, the number of North American employers who used AI-based chatbots increased 8% last year, and another 58% are considering the technology this year.

Reasons for Implementing Chatbots

We also asked participants why their companies had implemented an AI-based chatbot*: (See *right*)

The number one reason companies implemented a chatbot is **to improve the responsiveness of candidate communications** (61%), which is critical in today's talent market where responsiveness and speed are essential in competing for increasingly scarce qualified candidates. **Freeing up recruiters' time and enhancing their productivity** (54%) and **enhancing the overall quality of the candidate experience** (45%) were the next most popular responses.

To improve responsiveness of candidate communications



To free up recruiters' time and enhance their productivity



To enhance the overall quality of our candidate experience



To help automate scheduling of interviews/signings



To help candidates better self-select for our open jobs and in the pre-application stage



To speed up our overall hiring process



To better update candidates at various stages of our recruiting process



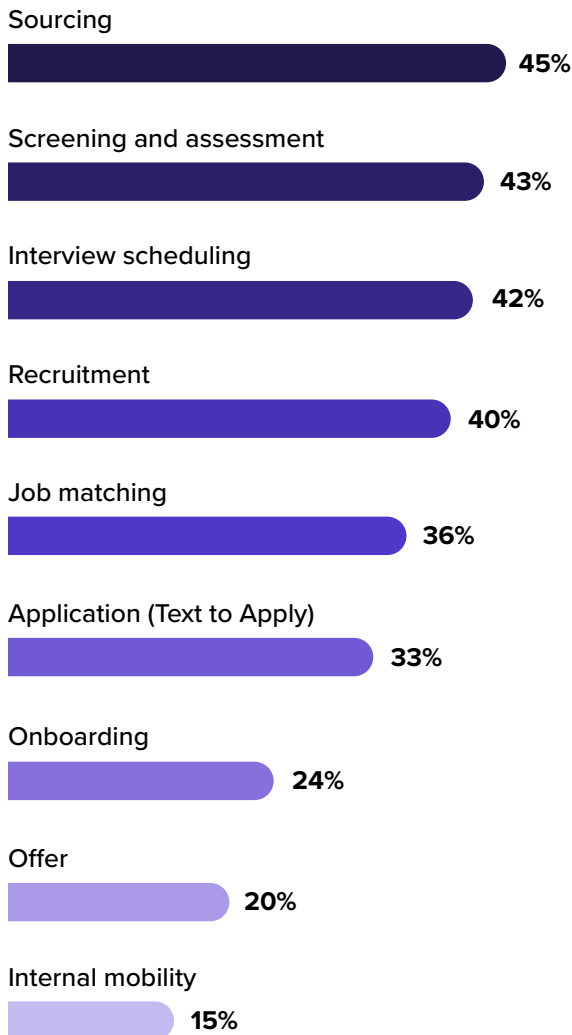
Responses one and three here—responsiveness and overall quality of the candidate experience—are recurring themes in Talent Board's decade of research, and job seekers have spoken to us about their importance year after year. Automation technologies, including chatbots and conversational AI, are key to both of these as well as to freeing up recruiters and enhancing their productivity.

*Multiple responses were allowed.

Recruiting Stages and Job Types

We asked participants which stages of the recruiting process their chatbots are assisting with as well as the primary job types it assists with most:

Recruiting Stages*



Primary Job Types*



As for the recruiting stages where chatbots are helping most, the top responses were related to the earlier stages of the recruiting process, including **sourcing** (45%), **screening and assessment** (43%), **interview scheduling** (42%). Later stages such as **onboarding** (24%), **offer** (20%), and **internal mobility** (15%) were far lower on the list. This makes sense, as there's more volume and heavy lifting to be done in the earlier stages of recruiting.

As for the job types chatbots are helping with most, **hourly** (49%) and **professional** (46%) are the clear standouts. **Contract workers** (40%) is close behind, followed by **management** (34%).

*Multiple responses were allowed.

Senior leadership (16%) was last on the list, as these positions are discussed and negotiated in person far more intensely.

All of these percentages generally hold true for companies of all sizes and hiring volumes.

Chatbot Outcomes, Benefits & Measures of Success

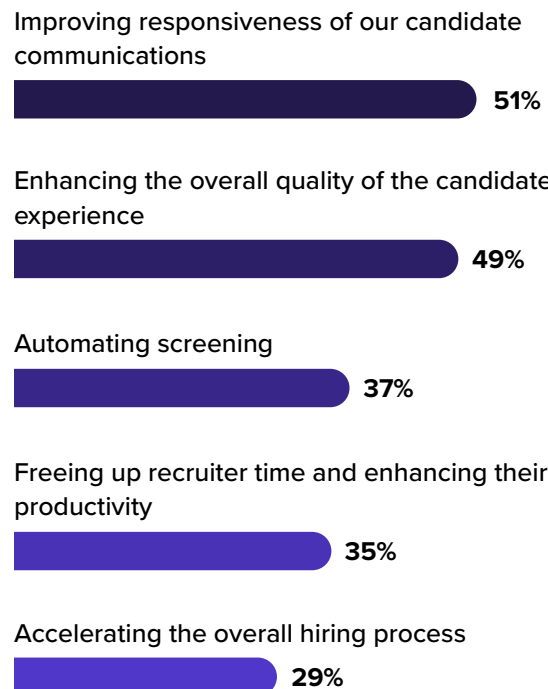
We asked participants whether they'd seen an improvement in candidate satisfaction or positive sentiment after implementing their chatbots. Their responses were:



- 51%** Yes, a significant improvement
- 17%** Yes, a small or moderate improvement
- 12%** No change
- 8%** Unsure
- 7%** Unable to measure
- 5%** We actually saw a drop in satisfaction

More than half of our respondents (51%) said that their chatbot has **significantly improved** candidate satisfaction or positive sentiment, the top response by a wide margin. This holds true for respondents across most company sizes and hiring volumes. Another 17% said their chatbot has made a **small or moderate improvement**, and 12% saw **no change**. The smallest percentage (5%) saw a **drop** in candidate satisfaction or positive sentiment. This could be due to poorly implemented and utilized technology and/or poor candidate communication practices.

We also asked participants to specify the top benefits and measures of success their chatbots are delivering*:



*Multiple responses were allowed.

Helping candidates better identify their open job preferences



Automating interview scheduling



Helping candidates submit their job applications more easily



Helping candidates receive updates about their application throughout the recruiting process



The top benefit that respondents' chatbots are delivering is **improving the responsiveness of candidate communications** (51%), which is also the number one reason most of them implemented chatbots in the first place, as noted in an earlier question. **Enhancing the overall quality of the candidate experience** (49%) is the second most commonly cited benefit chatbots are delivering; this was also among the top reasons respondents implemented chatbots.

Automation (37%) is the third most common response, although it's limited to the screening process here. The automation provided by chatbots also supports and reinforces several of the other benefits respondents identified such as **freeing up recruiter time and enhancing their productivity** (35%) and **accelerating the overall hiring process** (29%).

Again, all of these percentages generally hold true for companies of all sizes and hiring volumes.

One benefit of AI-based chatbots that respondents didn't mention is their ability to mitigate bias (by being trained to treat all candidates equally and to focus on skills and abilities, not gender, age, or race), which is an important consideration since ensuring candidate diversity is now one of recruiters' top challenges. The reality is that candidates' primary concern is "getting the job." As a result, they care far more about being allowed to present their skills and abilities to potential employers and being fairly considered for a job than they do about a company's tech stack. Automation technologies (such as AI-based chatbots, AI candidate matching technologies, and AI-based assessments) help candidates better achieve all of these goals.

One benefit of AI-based chatbots is their ability to mitigate bias.

Chatbots Under Consideration

As noted earlier, more than a quarter (26%) of our respondents are considering implementing a chatbot. Here are their reasons*:



These responses generally mirror the reasons that current chatbot users gave above for implementing their chatbots, although there is some minor variation in the percentages and order of responses.

*Multiple responses were allowed.

Next, we asked respondents who are considering implementing chatbots to cite the **main benefits and measures of success** they expect from the technology*:

Improving the responsiveness of our candidate communications



Accelerating the overall hiring process

Automating interview scheduling

Automating screening

Enhancing the overall quality of the candidate experience

Freeing up recruiter time and enhancing their productivity

Helping candidates submit their job applications more easily

Helping candidates receive updates about their application throughout the recruiting process

Helping candidates better identify their open job preferences

Unsure

Responsiveness and speed are once again the key objectives for chatbot

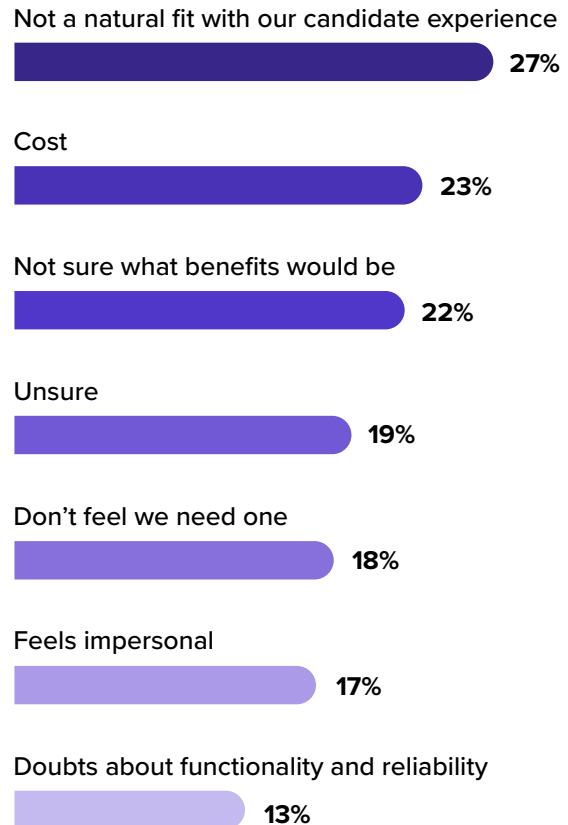
implementation: **improving the responsiveness of candidate communications** (43%) topped the list of expected benefits, followed closely by **accelerating the overall hiring process** (41%). Automation is the objective of the next two most common responses: **automating interview scheduling** (39%) and **automating screening** (37%). Interestingly, **enhancing the overall quality of the candidate experience** is lower on this list, compared to the previously noted lists of objectives and benefits of companies that have already implemented chatbots.

Reasons for Reluctance

As for participants whose companies haven't considered implementing a chatbot, we asked them to share their reasons, which break out as follows*: (*See right*)

The primary reason respondents haven't considered implementing a chatbot is their feeling that it **wouldn't be a natural fit with their candidate experience** (27%). [As Talent Board has written previously](#), this concern is often overblown. Today's candidates expect employers to use recruiting automation because they understand the challenges TA teams are coping with and they welcome anything—including automation tech—that improves an employer's ability to treat them with respect, streamline and speed up processes (especially during the application and interview/assessment phases), and respond to them quickly at every stage of their journey.

*Multiple responses were allowed.



Regarding the other reasons respondents haven't considered a chatbot—particularly **cost** (23%), **feels impersonal** (17%), and **doubts about functionality and reliability** (13%)—these are far less valid than they might have been when chatbots were a fledgling technology. Over the past several years, costs have fallen, functionality and reliability have risen, and high-quality chatbots, especially AI-based options, feel quite human and personal (as pointed out above). As TA teams look for innovative ways to reduce their workloads and improve the candidate experience, they'll look more closely at the business case for chatbots, which answer many of their concerns convincingly.

Conclusion

Conversational AI Chatbots Make All the Competitive Difference

Timely and consistent candidate communication is a definitive differentiator for better candidate experiences. For the past 11 years, candidate experiences that earn the highest ratings from job seekers in Talent Board's research have consistently featured superior communications from recruiters and hiring managers. TA teams that are committed to solid communication at each stage of the candidate journey give their companies a major competitive advantage in attracting and hiring qualified people.

But for many companies today, engaging candidates continues to be a primary challenge. As mentioned earlier, candidate communications is demanding and time-consuming work, especially for TA teams that are busy and managing overwhelming numbers of job requisitions at once. Candidate communications requires incredible skill and an unrelenting effort to

sustain consistently over time, which means that recruiters need to be able to make the time to improve candidate communications and scale that improvement during times of high-volume hiring.

TA teams of any hiring volume today must rely on the right recruiting technologies at virtually every stage of the recruiting process to ensure timely and consistent candidate communications – in particular the implementation of chatbots and conversational AI. Even though only 31% of our survey respondents said they had implemented a chatbot, another 26% said they were considering it. And for good reason: more than half of our respondents said that their chatbot, including those with conversational AI, has significantly improved candidate satisfaction or positive sentiment.

As Bersin's [Conversational AI in Recruiting](#) piece points out, "Candidates like interacting with intelligent chatbots," citing Talent Board's research findings that job seekers who were able to ask a chatbot questions consistently rated their candidate experiences higher than those who did not, and candidates who communicated with a chatbot were 80% more likely to increase their relationship with the employer (i.e., apply to other jobs, refer colleagues and friends, and even purchase that company's products or services). The Bersin piece goes on to state, "Surprisingly, conversational AI can address the need to be seen and heard that is currently lacking in so many application processes. **Interaction with a conversational AI at the start of the application process can move completion rates to as high as 90%.**"

All of these benefits help to free up recruiter time and enhance their productivity while accelerating the overall hiring process. And they help the humans be human and build relationships with candidates, which in the end is the ultimate competitive difference in today's hiring market. Chatbots and conversational AI are vital recruiting technologies helping companies hire qualified talent more effectively and improve the quality, frequency, and consistency of their candidate communications.

The benefits of implementing conversational AI chatbots are clear:

1. They **dramatically improve** the **responsiveness** of candidate communications.
2. They **enhance** the overall **quality** of the candidate experience.
3. They **automate** candidate communications, particularly for companies with hiring **volume** and **scale**.



ABOUT SENSE

Sense delivers a leading AI-powered talent engagement platform that helps recruiting and talent teams personalize their interactions with talent at every stage of the recruiting process. More than 700 organizations including Amazon, Dell, Kelly Services, Kindred Healthcare, and Sears rely on Sense to accelerate hiring, strengthen their employment brand and exceed recruiting targets—all while delivering a personalized candidate experience. For more information, visit: www.sensehq.com.



ABOUT TALENT BOARD

Founded in 2011, Talent Board and the Candidate Experience Awards is the first non-profit research organization focused on the elevation and promotion of a quality candidate experience. Talent Board delivers annual recruiting and hiring industry benchmark research that highlights accountability, fairness and the business impact of candidate experience. Learn more about Talent Board at: www.thetalentboard.org.