



# Candidate Communication Isn't Enough if There's No Connection

## New technologies offer new ways to improve engagement with passive candidates

BY TALENT TECH LABS

Business leaders love data. And obviously it's incredibly important to generate, collect, and profit from user data—these data power many talent acquisition technologies and allow for entirely new business models and approaches—in staffing, that's not the end goal.

Talent Tech Labs would argue that the industry's main challenge today is not data, but rather engagement. The data-gathering part of the recruiting function has largely been solved, but staffing firms still face significant challenges in getting candidates to engage with them.

This article will look at why candidate engagement is so important for staffing success, why it is so challenging to engage candidates effectively, and which emerging technologies can help staffing companies develop engaging candidate experiences that can, in turn, boost their top and bottom lines.

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## Raw Data Are Too Raw

At the end of 2019, according to the U.S. Bureau of Labor Statistics, the unemployment rate in the U.S. was 3.5%. BLS also reports that there are more open jobs in the U.S. (7.3 million) than there are unemployed people seeking work (6.0 million). What this means is that the environment for recruiting is fierce, and companies are battling each other for good candidates.

Because the unemployment rate is so low, there are fewer “active” job seekers—individuals applying to jobs directly or using job boards. Companies are increasingly investing in trying to attract “passive” candidates—individuals who are already employed elsewhere but may be open to new opportunities.



Over the past few years, nearly the entirety of the U.S. workforce has been identified by companies that scrape social media, community sites, and other online and publicly available sources.

Companies that fall into the social search tools category identified by the Essential Elements of Staffing Technology specialize in aggregating these data and creating bespoke searchable talent databases—including candidates' contact information and robust personal profiles. Some of these companies include AmazingHiring, EngageTalent, Hiretual, and HiringSolved.

These databases, which function as a sort of talent search engine, may include hundreds of millions of records (the largest has more than 750 million talent profiles globally), essentially putting the whole of the U.S., and even much of the global, workforce at the fingertips of recruiters.

## Candidate Information Is a Commodity

Rich data sources on candidates are there for those willing to pay, but the industry still has trouble recruiting the best candidates. So why aren't staffing firms leveraging these data in recruiting? It turns out that they are—a lot—and that's kind of the problem.

An unintended side effect of the fact that there's so much data available publicly—including contact info—is that candidates have been besieged by recruiters. They're becoming numb to cold outreach.

Recruiters have observed that, increasingly, candidates on LinkedIn will opt not to update their profiles in an attempt to minimize contacts from recruiters. (Talent Tech Labs also has observed an increase in social search tools, which attempt to counteract this trend by enriching static profiles with links to other sites, updates on candidate activity, and additional personal data.)

In other words, the data on these candidates may be at recruiters' fingertips, but just because you know who these individuals are doesn't mean they want to work for your staffing company.

There are a variety of tools that have the data to answer a particular question, such as "Who are all the female product managers in California, and what are their relevant skills, social profiles, and email addresses?"

### CANDIDATE ENGAGEMENT

What is candidate engagement?

Engagement encompasses all the ways that a staffing firm can communicate—and otherwise stay in touch—with a candidate, throughout the application process and even beyond. It includes texts, emails, phone calls, talent pooling, creating digital channels for providing relevant information or content to candidates, and similar forms of direct candidate communication and marketing.

Where does candidate engagement fit into the Essential Elements of Staffing Technology? Mostly it falls under "candidate communication."

This article attempts to expand the definition of candidate engagement to include not just the methods you use to communicate with candidates but also the ways you form individual connections with them.



But the question that staffing companies are actually trying to answer is, “Who are all the female product managers in California who are most likely to be open to working with my firm, and how can the firm best engage them?”

Answering the first question is a technical challenge that involves scraping multiple data sources, aggregating the data, and curating the results. It's not easy, but it's a task that technology can easily help with.

Answering the second question is, arguably, more difficult. The ability to answer the question well is what separates the great staffing firms from the mere contenders.

To summarize: candidate information, increasingly, is a commodity—albeit a highly valuable and necessary one. The key to success thus is not just having the data, but having the strategy and tools in place that allow you to leverage the data to engage candidates effectively. So which tools and technologies can assist with candidate engagement?

Talent Tech Labs has been tracking the technology landscape for more than five years. One of the categories TTL has mapped out is candidate communication, which includes any technology involved in communicating and interacting with candidates. Providers in this category vary: from robust recruitment marketing platforms that offer everything from career sites to talent pooling; to niche, single-point solutions focused on one specific aspect of one specific form of communication; to chatbots. Here is a look at the ways different technologies can be leveraged and the emerging trends within each technology category that are relevant to candidate engagement.

## Leveraging Technology to Increase Candidate Engagement

There are three main ways to leverage technology to increase candidate engagement.

The first tactic is to increase the quality and relevance of the initial outreach to candidates. The theory is that if you make a higher number of higher-quality calls, you'll significantly increase response rates and, ultimately, conversions.

Research has shown that average candidate response rates can vary from less than 0.5% to more than 30%—suggesting that success in this area can have a significant effect.

Recruiters can increase the quality and relevance of initial outreach by using data-driven analytics or algorithms to determine, in advance, the most likely candidates to convert—and then to craft an outreach method specific to those candidates. A firm might use the analytics included with a particular social search tool (Humanpredictions ranks search results by its proprietary metric of how likely an employed software developer is to be looking for a new job), utilize a specialized analytics supplier (Brightfield uses realtime data to build custom models), or build a model with resources available internally.

Improving the quality and relevance of initial outreach can have a significant effect on candidate response rates



The second way to leverage technology is to increase the quantity and quality of candidate interactions throughout the application process. There are four main goals in using this software:

1. It sets up a consistent flow of candidate communications designed to keep them informed about and engaged in the application process— ultimately reducing the number of candidates who drop out during the process and increasing the number of candidates who provide positive feedback about your firm.
2. It lets you track and communicate with candidates on assignment so you can place them on subsequent assignments.
3. It enables you to reactivate pools of passive talent or create talent communities that can serve as proprietary sourcing channels.
4. It fosters a positive experience for the high number of candidates who don't get hired directly.

Various candidate engagement tools can help recruiters increase the volume and value of their candidate interactions. A firm could use a straightforward candidate communication platform (such as Sense or TextRecruit), a (such as Allyo, Arya, Mya, or Xor), or some combination of them. These technologies are specifically designed to track and manage candidate communications and marketing.

The third way to leverage technology is to create a holistic candidate experience designed to make sure that different systems and touchpoints are in place and work together in a way that, from a candidate's perspective, is seamless and delightful.

This has less to do with specific solutions and more to do with the experiences of the candidate: How long does the application process take? Does a candidate need to upload information multiple times to multiple different systems? Does a chatbot screen a candidate before a sourcer collects the same information? Can a candidate quickly and easily get information about your firm or about the client company? Can you connect on the candidate's terms—say, by scheduling a video interview over text message? How likely is it that candidates you hire will recommend you to their friends? How likely is it that candidates you don't hire will recommend you to their friends?

The answers to these questions will highlight areas where you might use specific technological solutions, better integrate the systems you already have in place, or fix broken processes.



## Candidate Communication and Relationship Management

Candidate relationship management (CRM) software is predicated on the premise that candidates should be tracked, marketed, and sold to just like a client would be. These systems can be basic texting platforms, or multimodule recruitment marketing programs, or anything in between. This category of software is becoming almost ubiquitous in the world of corporate recruiting.

In staffing, which historically has been much more focused on technology that faces internal recruiters and corporate staff, it has only recently gained wider adoption—although its use in the industry has grown extremely quickly. ASA corporate partner Bullhorn says that the fastest-growing category of software in its vendor partner marketplace (a database of approximately 150 suppliers that integrate with Bullhorn) is candidate engagement software.

### Bots

Bots have garnered significant interest and investment from various stakeholders given their ability to automate internal processes, standardize systems, and scale conversations across millions of interactions. Bots have been used extensively in information technology and other industries to support help desk applications, but only recently have begun to be used widely in the world of staffing and recruiting. There are multiple forms a bot can take (e.g., chat, voice, or video). In staffing, the most common implementation is the chatbot.

The bots category is expected to evolve in two distinct directions. The first track is a category of bots that primarily are conversational interfaces for candidate interactions. These bots “talk” to candidates throughout the process, using basic form logic or more advanced “conversational” artificial intelligence, to capture candidate information, do basic candidate screening, schedule interviews, or provide feedback on the application process. The second type bot interacts on the back end with different corporate systems, updating records automatically, and acting more or less to integrate multiple back-office corporate systems.

One interesting trend TTL has observed is companies using chatbots as a sourcing tool. For example, Wade & Wendy is a chatbot that pulls passive candidates from its proprietary database of candidates. Mya has been used to refresh static databases of candidates. As the conversational capabilities of these tools expands, they will probably take on increasing importance throughout the process of engaging candidates.



## Social Search Tools Can Become Matching Systems

The need for candidate engagement has also caused suppliers of social search tools to further develop their offerings. These companies, which aggregate candidate information from across the web, were once used primarily for locating skills matches and candidates' contact information. Now, some of these suppliers are evolving into AI-based matching systems or CRMs.

For example, HiringSolved recently changed its business model to concentrate on candidate rediscovery (identifying prospects from within a company's system of record), with a stronger focus on its underlying matching technology and an AI-based "recruiting assistant." Entelo went to market and acquired a candidate engagement startup called ConveyIQ last August. These developments are likely driven by the underlying need to bridge the gap between simply knowing about a candidate and successfully engaging the candidate.

## Engage!

New technology means that candidate information is more readily available than it's ever been before. But having information matters less than using it well. In the future, the most successful staffing firms will be the ones that most effectively use that data to build *scalable* engaging candidate experiences across their companies.