



**NUCLEUS**  
RESEARCH

# THE REAL BENEFIT OF AUTOMATED RECRUITING

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## THE BOTTOM LINE

It is difficult to quantify the value of a faster hire for an organization beyond an assessment of increased recruiter productivity. Many organizations find it hard to rationalize the expense of recruiting software solutions and instead, opt for traditional resources such as online job boards and paper applications. This is due in part to the fact that they cannot visualize the direct benefits of the expedited onboarding time promised by many vendors. In a review of past ROI case studies, Nucleus found that the deployment of recruiting software shortens the hiring process by 5-7 days and pulls the timeline forward, allowing the process of achieving value to begin earlier and offering a clearer measure of the benefit of the hire.

## OVERVIEW

Organizations, especially those in industries that employ hourly workers, face the ongoing challenge of high turnover, resulting in a number of open positions to be filled at any given time. Unfilled positions are costly for organizations due to the steady loss of employee productivity during the time that they remain open. Using recruiting software to abbreviate the process of sourcing and onboarding a suitable candidate drives the time to value forward. Assuming that the value of bringing on new talent is equal to the cost of acquiring it, this can become a significant benefit

For example, if a retailer needs a specific number of employees to work a particular shift and has open positions, those gaps in employment become a continual area of lost productivity. Retailers that add recruiting software to the mix can cut the time for which value is lost by the retailer by up to 7 days, allowing it to quickly fill the positions and close the productivity gap faster than would be possible using more traditional recruiting methods. Assuming that the retailer is midsized with around 10,000 minimum wage employees at 100% turnover, the fully loaded cost of employees for the 7 days pulled forward is roughly \$8.4 million, accounting for the total value of the work output that would have been missing. This, combined with other specified benefits, gives managers a better overall view of the value that they are driving.

## WAYS TO REDUCE TIME TO HIRE

The inherent value of using recruiting software to scout and onboard talent lies not only in the acceleration of the hiring timeline, but in the benefits that it presents to managers who dedicate significant amounts of their time to conventional hiring practices. By automating certain processes, managers can focus on other value-added tasks such as training, invoicing, or helping out on the floor. Nucleus determined that a number of capabilities of recruiting solutions are particularly helpful in hiring faster and moving beyond the job board:

**Conversational AI.** Using artificial intelligence (AI) in the form of a chatbot, organizations are better able to capture, screen, and schedule interviews with candidates. The natural language interface engages users and aids hiring managers with discerning which candidate is the best fit for a given position. The automated nature of the scheduling process is also helpful in that it cuts the time exchanging e-mails between the candidate and employer for setting up an interview.

**On-Demand Interviews.** Vendors that offer on-demand video interviewing as a part of their platform remove the need for in-person or on-site interview scheduling entirely, thus decreasing the time to hire. The candidate is allowed to interview at their convenience, answering questions that are pre-set by the employer. The recording of the interview also helps managers to make faster and better-informed hiring decisions.

**Hiring Analytics.** Analytics functionalities help managers to keep track of hiring data and serves as a metric to filter resumes and better attract talent- and attract better talent- faster. Employers can analyze trends in the hiring process and separate and categorize the types of candidate skills that make a best fit for certain positions. Organizations can also extend their analysis into HR analytics, pulling data pertaining to overall employee performance and engagement to further aid with decision making.

## LOOKING AHEAD

When examining the benefits of implementing recruiting software solutions, it is apparent that customers and vendors alike have been focused on the value driven from the productivity of the recruiter, while the value gained from the perspective of the new hire is often overlooked due to a lack of specified benefits. However, to many CFO's, simply citing recruiter productivity is not enough to convey a return of investment for hiring practices. Nucleus found that the missing component of measured employee benefit from a faster hire interferes with a full analysis of the return of investment to an organization, proving that it is critical to having a measure of returned value that is not only accurate, but adequate in building a business case for recruiting software.