



# DIGITAL TRANSFORMATION IN TALENT ACQUISITION

**JULY 2019 | BY: MADELINE LAURANO, APTITUDE RESEARCH**

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## INTRODUCTION:

The future of talent acquisition will be digital. To compete for talent across industries and to meet candidates' expectations, companies need to embrace digital technology to solve the challenges of today, and to build the infrastructure necessary to adapt quickly to the pressures of tomorrow. Business leaders recognize the impact of digital transformation and are encouraging talent acquisition leaders to rethink their approach to recruitment. According to research conducted by PwC in 2018, nearly 75% of companies stated that their CEOs are champions of digital.

Companies that are embracing digital technology are seeing a dramatic impact on both business results and talent acquisition outcomes. According to Aptitude Research's 2019 Talent Acquisition survey, companies with a digital transformation strategy were:



Source: Aptitude Research, 2019 Talent Acquisition survey, n=634

Despite the numerous benefits of digital transformation, talent acquisition has been slow to shift processes and adopt new technology. Too often, companies rely on antiquated practices and solutions that hamper their ability to work efficiently and deliver exceptional, modern experiences. **In fact, 1 in 4 companies surveyed have no plans for digital transformation (Aptitude Research, 2019 Talent Acquisition survey).** Many of these companies are confused by what digital transformation means for them, let alone where and how to get started.

The key to a successful digital transformation is dependent on a strategy as much as technology. Companies that have the right people with the right leadership underpinned by a robust change mechanism are better able to increase adoption and achieve results. **Unfortunately, only 32% of companies have the internal resources they need, and only 24% have the budget they need to support a change program in talent acquisition (Aptitude Research, 2019 Talent Acquisition survey).**

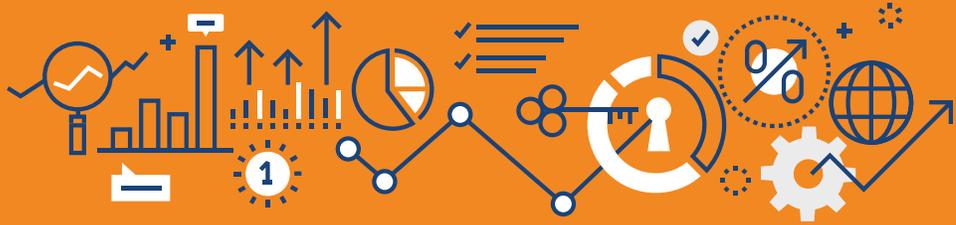
The pressure for digital transformation is mounting, and companies need to begin to shift their mindset and create a new conversation that extends beyond just technology. This report, commissioned by Alexander Mann Solutions, is designed to help companies:

- **UNDERSTAND THE CURRENT STATE OF DIGITAL ADOPTION**
- **BUILD A ROADMAP FOR THEIR DIGITAL TRANSFORMATION**
- **NAVIGATE A COMPLEX TECHNOLOGY LANDSCAPE**

### DEFINITION OF DIGITAL TRANSFORMATION

Digital Transformation is the use of digital technology to solve traditional problems in talent acquisition and to lay the foundations for a more agile operating model with the ability to adapt swiftly to the challenges of the future. It is the application of digital technology to processes, products, and brands to improve efficiencies, enhance the experience, deliver better intelligence, and mitigate risks.

## RESEARCH METHODOLOGY



**Quantitative Research:** Through a 2019 research study of over 600 global organizations across a wide range of industries and company sizes, Aptitude Research identified the key trends and challenges that customers are facing with digital transformation.

**Responses:** 634 Qualified Responses across North America, Europe and Asia Pacific.

**Job Titles:** HR and Talent Acquisition Director Level and Above

**Company Sizes:** SMB (250-999ees)=13%; Midmarket (1000-4999ees) =41%; Enterprise (10,000ees+) = 46%

**Qualitative Research:** Aptitude conducted a series of interviews with enterprise organizations in 2019 to learn more about how companies are implementing digital technology.

### KEY TAKEAWAYS:

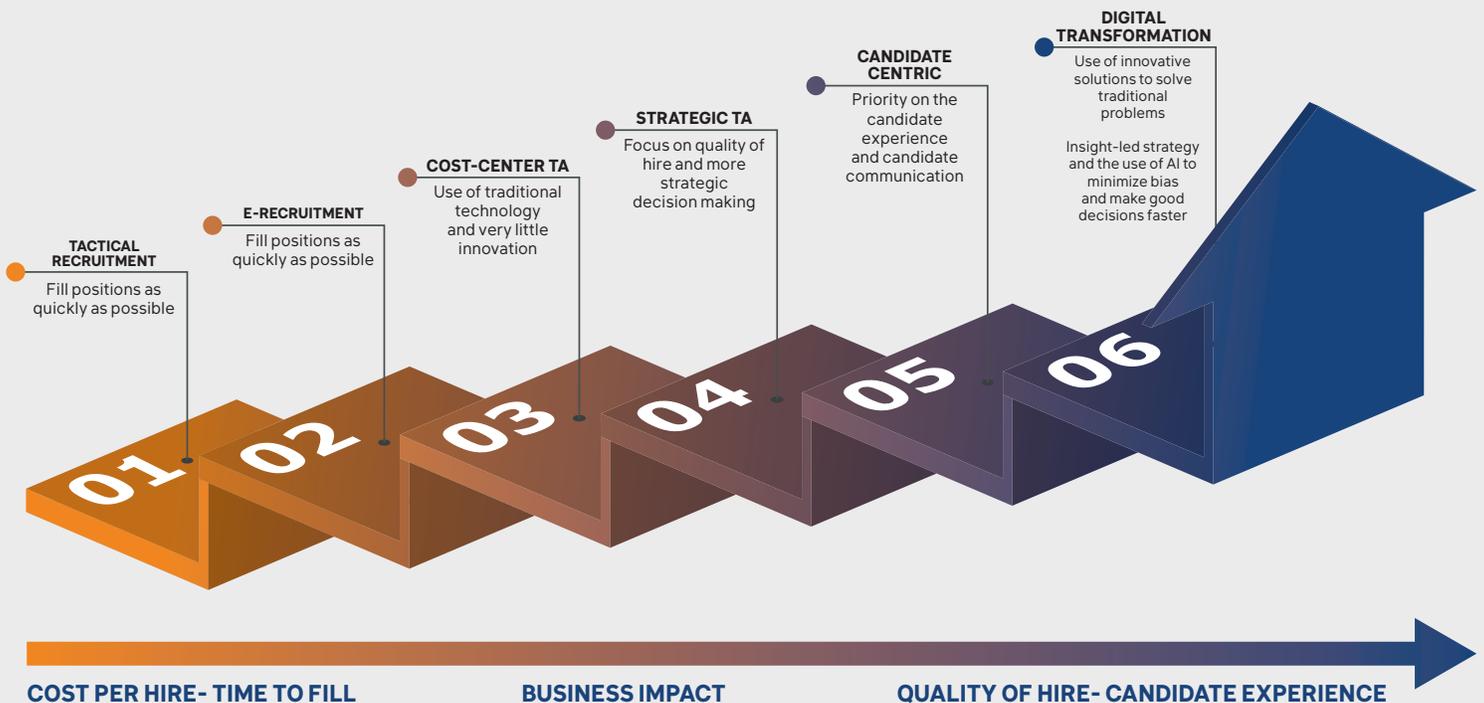
- 1. People are the Foundation of Success:** Digital transformation is successful when companies are prepared and have the right support to ensure consistency and adoption. Too often, companies focus on the technology and ignore the role of change management and the impact of existing services to enable a successful digital strategy. The design of digital transformation has to have the user at its center. It takes strong leadership, planning, and expertise to implement real change successfully, yet only 17% of companies in Aptitude Research's study stated that senior leaders were confident in their current strategies to support digital journeys. **Additionally, only 32% of companies have the internal resources they need, and only 26% of organizations have the budget they need to support digital transformation (Aptitude Research, 2019 Talent Acquisition survey).**

- 2. Companies Achieve Success When They Start Small:** The greatest mistake organizations make with a digital transformation is starting too big. Organizations should consider a focused approach with one or two areas of talent acquisition and even begin within a single early adopter business unit. According to research conducted by McKinsey in 2018, only 16% of companies stated that digital transformation had successfully improved performance, and 8 in 10 of organizations stated that digital transformation was too broad in scope. Organizations that can adopt agile project methodology, which has the user at its center, have a better chance of delivering a positive experience. Even more important than the initial project is ensuring that organizations have the budget and infrastructure to manage continual improvements, deliver incremental changes based on user feedback, and align business needs to a set of core design principles.
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- 3. Brand is a Critical Component of a Digital Strategy:** Digital transformation provides opportunities to show candidates and employees more about an organization and establish trust and partnerships. **Yet, only 29% of companies believe that brand plays an important role in digital transformation (Aptitude Research, 2019 Talent Acquisition survey).** When embracing digital technology, companies need to align their strategy with employer branding efforts and organizational culture, as well as consider the role of branding throughout the entire candidate journey from recruitment marketing to onboarding and new hire engagement. Consistency of messaging is critically important in a digital transformation.
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- 4. Most Companies are at the Early Stages of Digital Transformation:** Over 50% of companies in all regions said that they consider themselves to be in the early stages of digital transformation either just starting their journey or implementation process (Aptitude Research, 2019 Talent Acquisition survey). It is critical for these companies to develop a strategy to achieve success in adopting digital solutions. Industries that have the most mature digital transformation strategies in place include retail, technology, and manufacturing, according to Aptitude Research. Companies beginning the process should look at these industries for lessons learned and best practices. The real benefit and bi-product of digital are to enable relationships and human interactions.

# PART 1: DIGITAL TRANSFORMATION ROADMAP

As companies face increased pressure from the business, traditional processes and technology are no longer enough. Companies need to rethink how they are attracting, recruiting, and hiring talent, and digital transformation needs to be a strategic priority. **Yet, 1 in 4 companies have no plans for digital transformation (Aptitude Research, 2019 Talent Acquisition survey).** The reluctance to go digital is not necessarily a fear of change. Talent acquisition is no stranger to transformation. It has experienced several significant transformations over the past few decades, including the shifts to e-Recruitment, strategic talent acquisition, and a candidate-centric model (see Figure 1).

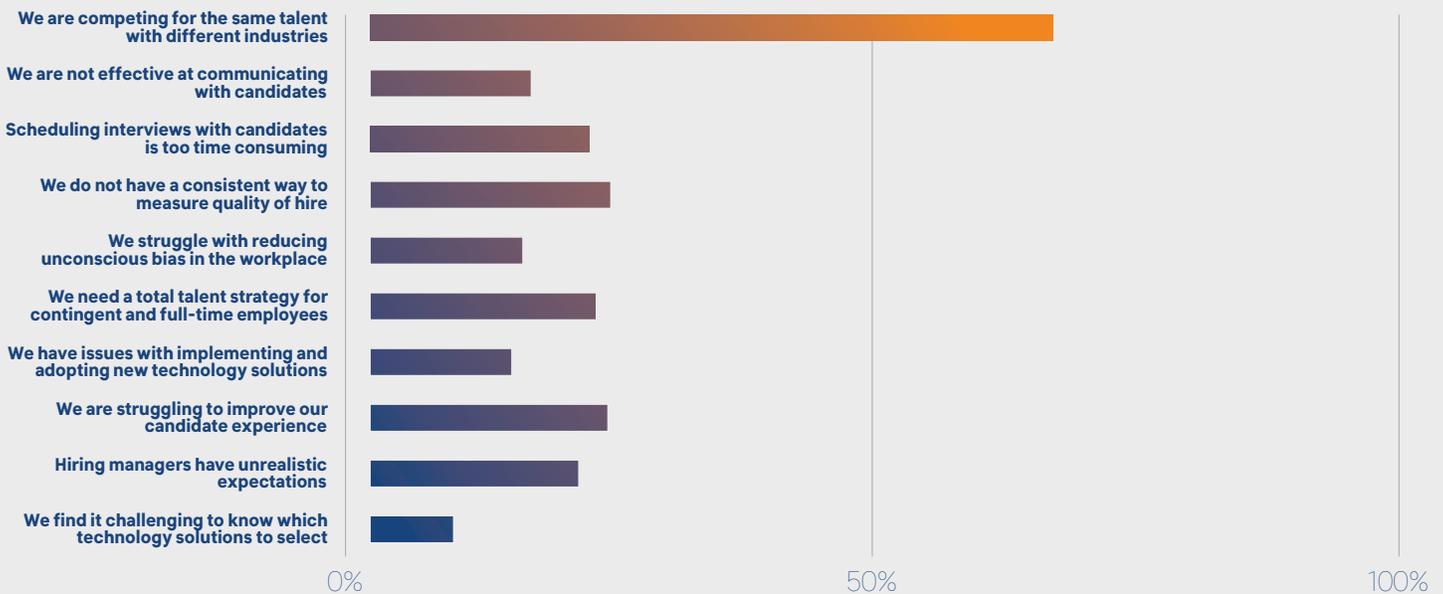
FIGURE 1: TALENT ACQUISITION TRANSFORMATION



Unlike these other transformations in talent acquisition, digital is directly aligned to business priorities. According to research conducted by IDC, worldwide spending on technology and services to enable digital transformation is expected to reach 1.97 trillion in 2022. The benefits of digital are hard to deny. Consistency and higher user adoption help companies mitigate risks. AI and machine learning help to boost productivity and, built for purpose platforms, analytics, and mobile solutions are redefining the customer experience and improving customer retention.

While many areas of the business are quickly embracing digital transformation, talent acquisition has been slow to respond. Less than 50% of TA leaders understand the value of digital transformation, according to Aptitude Research's 2019 Talent Acquisition survey. When considering the top strategic challenges that organizations face including competing for talent across industries, improving quality of hire, and investing in a total talent strategy, digital is a great solution (see Figure 2). Yet, talent acquisition professionals are also facing many tactical challenges as well, such as scheduling interviews and calls. Digital technology enables companies to address both strategic and tactical challenges by providing a better candidate experience, leveraging real-time data to make better talent decisions, and ensuring data-driven decisions.

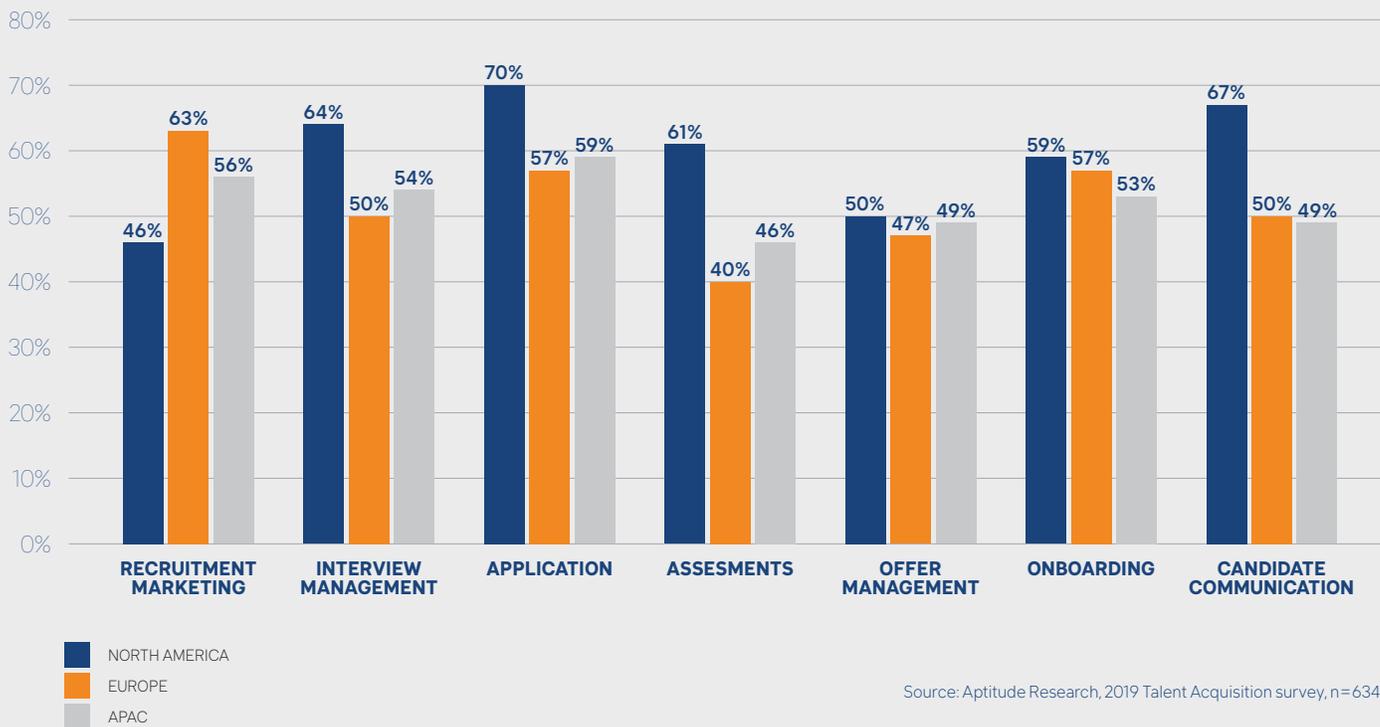
FIGURE 2: TOP CHALLENGES IN TALENT ACQUISITION



source: Aptitude Research, 2019 Talent Acquisition survey, n=634

According to Aptitude Research’s 2019 Talent Acquisition survey, companies that are using digital technology in talent acquisition are using it to support specific areas from recruitment marketing to onboarding yet, the adoption of digital varies from region to region. While Europe is using digital technology early in the process (recruitment marketing and application), North America has high adoption further down in the talent acquisition funnel, including interview, assessments, and onboarding. APAC countries have consistent adoption throughout all the processes. The most significant gap is in candidate communication with North American countries 17% more likely to be using digital solutions. Figure 3 illustrates the use of digital technology from region to region.

**FIGURE 3:** THE USE OF DIGITAL TECHNOLOGY TO SUPPORT TALENT ACQUISITION PROCESSES



Regardless of the region, the use of digital technology in talent acquisition is still a work in progress. Companies that are leveraging partners and outside expertise are better prepared to embark on a digital journey. The following pages of this report outline how companies are supporting their digital strategy through business outcomes, and execution.

**DISCOVERY:** The process of understanding and supporting organizations where they are at compared to other industries and competitors.

**OUTCOMES:** The impact on both the business and talent efforts.

**EXECUTION:** The roadmap and timeframe for digital transformation and process reengineering, along with executing the roadmap initiatives.

### Traditional Talent Acquisition vs. Digital Talent Acquisition

Below is an example of a traditional talent acquisition model and a digital talent acquisition model:

	TRADITIONAL TALENT ACQUISITION "We want to make sure we fill positions as quickly as possible with the best candidates that we can find."	DIGITAL TALENT ACQUISITION "We want to make sure our talent goals align with business goals to improve efficiencies, quality of hire, and the overall experience and brand reputation."	OUTCOMES FROM DIGITAL TALENT ACQUISITION
<b>RECRUITMENT MARKETING</b>	Rely on advertising agencies to help build the brand while waiting until candidates find a job and apply for a job	Leverage recruitment marketing solutions and proactive sourcing solutions to nurture and engage with talent before they apply using talent pipelines, campaign solutions, and various digital communication	<ul style="list-style-type: none"> <li>✓ Talent pipeline</li> <li>✓ Candidate conversion rates</li> <li>✓ Quality of applicant</li> <li>✓ Candidate experience</li> </ul>
<b>APPLICATION PROCESS</b>	Paper-based applications and online applications through an ATS system	Candidate profiles, pictures of applications and resumes that can be parsed in real-time, mobile apply, uploaded LinkedIn profile, video job descriptions	<ul style="list-style-type: none"> <li>✓ Candidate experience</li> <li>✓ Conversion rates</li> <li>✓ Time to fill</li> </ul>
<b>INTERVIEW MANAGEMENT</b>	In-person interview with little tracking or management	Self-scheduling, digital interviewing solutions, chatbots for scheduling and communication	<ul style="list-style-type: none"> <li>✓ Candidate experience</li> <li>✓ Hiring manager experience</li> <li>✓ Quality of applicant/hire</li> <li>✓ Time to fill</li> </ul>
<b>ASSESSMENTS</b>	Traditional multiple-choice skill assessments or personality assessments	Game-based assessments, interactive assessments	<ul style="list-style-type: none"> <li>✓ Quality of applicant/hire</li> <li>✓ Candidate experience</li> <li>✓ Conversion rates</li> </ul>
<b>REFERENCE CHECKING</b>	Calls to references	Automated survey sent out to references and collected through a digital platform	<ul style="list-style-type: none"> <li>✓ Hiring manager experience</li> <li>✓ Quality of applicant/hire</li> <li>✓ Time to fill</li> </ul>
<b>OFFER MANAGEMENT</b>	Offer letter generated through the ATS or emailed to candidates	e-Signature capabilities, mobile hiring manager apps	<ul style="list-style-type: none"> <li>✓ New hire experience</li> <li>✓ Conversion rates</li> <li>✓ Hiring manager experience</li> </ul>
<b>ONBOARDING</b>	New hire package sent to candidates or provided on the first day	Videos from hiring managers, e-Signature capabilities, chatbot communication, social media networking with peers and team members	<ul style="list-style-type: none"> <li>✓ New hire experience</li> <li>✓ New hire engagement</li> <li>✓ New hire productivity</li> <li>✓ New hire performance</li> <li>✓ New hire retention</li> </ul>
<b>CAMPUS RECRUITING</b>	Attend events and follow-up with career centers or through an email	Digital events management, communication through chatbots, SMS and video, game-based and digital questionnaires and assessments	<ul style="list-style-type: none"> <li>✓ Quality of applicant</li> <li>✓ Time to fill</li> <li>✓ Candidate experience</li> </ul>

## DISCOVERY

The discovery process involves understanding an organization’s level of digital maturity and determining how it can adopt practices and tools across the business. This stage requires organizations to have a solid understanding of the existing technology landscape, how it supports (or does not support) operations, and how all users engage with it. It is critical for companies to be clear on the business objectives and associated priorities for change and to establish core design

principles to guide decisions. Organizations also need the right team, people, and expertise to drive a successful program. Aside from budget constraints, companies stated that the most significant barrier to digital transformation is the lack of expertise, lack of governance, and lack of change management (see Figure 4). Organizations that can devise the right strategy, invest in change and program management, and bring in the right expertise have the best chance of successfully transforming their talent acquisition function.

Every company is at a different stage in its digital transformation and understanding what requirements, processes, and technology are in place is a critical part of this journey. According to Aptitude Research’s 2019 Talent Acquisition survey, nearly 50% of companies are just starting or are in the middle of their digital transformation strategy. Figure 5 shows the different stages of the digital transformation journey by region.

FIGURE 4: OBSTACLES TO DIGITAL TRANSFORMATION

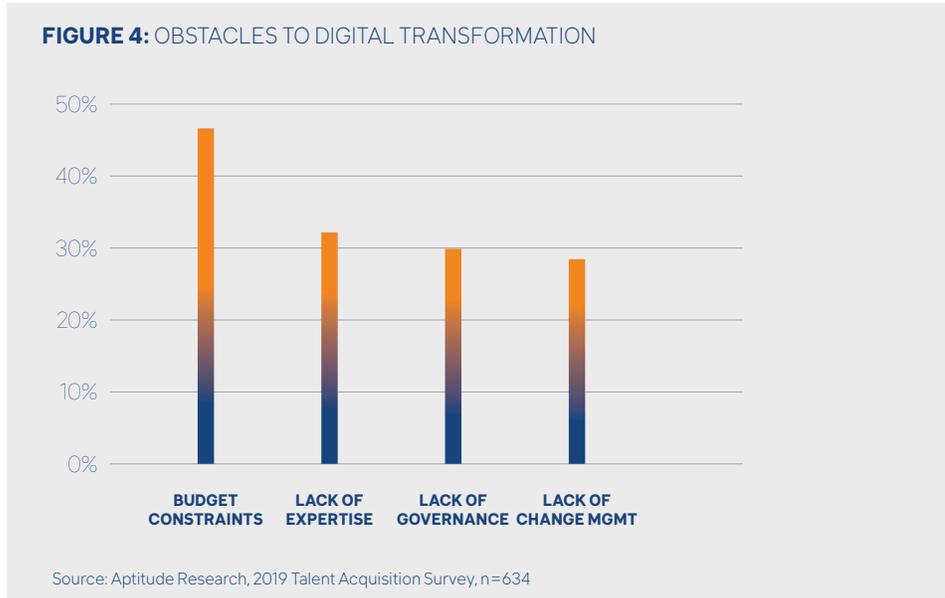
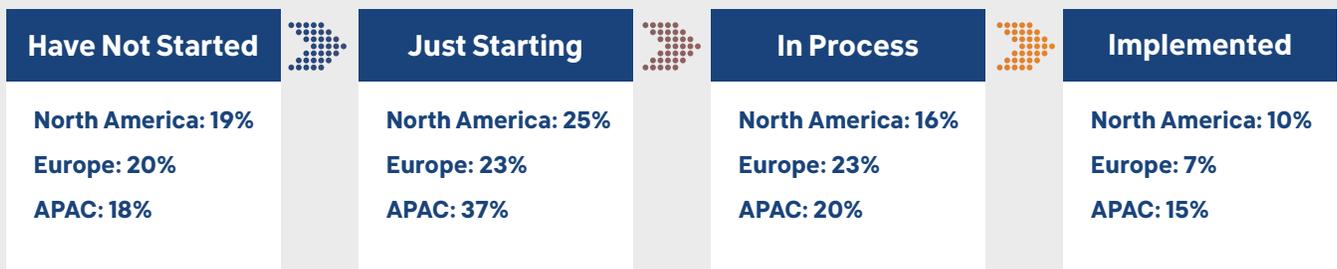


FIGURE 5: STAGES OF DIGITAL TRANSFORMATION



Source: Aptitude Research, 2019 Talent Acquisition Survey, n=634

Regardless of what stage an organization is on in its digital journey, leadership will need to consider how the key components of People, Process, Experience, Technology, and Brand work together to deliver the most effective, scalable solution. Below are some questions that organizations should ask themselves when going through the process:

## PEOPLE

**ORGANIZATIONAL READINESS:** What resources does your organization have in place? What support do you have from senior leaders?

**CULTURAL READINESS:** Is your organization onboard with digital transformation? Does your culture support the change needed for digital technology?

**SKILLS AND CAPABILITIES:** What skills and capabilities do you have at your organization? What skills and capabilities do you need to invest in to enable a digital strategy?

**CLIENT-CENTRICITY:** Does your organization design have user needs and customer experiences at its heart?

## PROCESSES

**CONSISTENCY:** Are your processes consistent throughout the entire lifecycle? Are they consistent throughout your organization?

**WORKFLOW:** What workflows do you have in place? What has or has not worked in the past? What does the journey look like from each audience?

**OBSTACLES:** What obstacles have you faced in the past by selecting and implementing technology-enabled processes? Who do you need to influence to overcome those obstacles? If not, how do you go about building the right relationships and bringing the right stakeholders on the journey with you?

**CHANGE MANAGEMENT:** What change management strategies do you have in place, and what process engineering will need to occur? What change management strategies will you need to consider for the future, and how do you operationalize your teams differently to prepare for continuous, incremental change? What is the best way to explain the benefits of change to impacted audience groups as early as possible in your transformation? Have you included representation from affected groups as part of your design process?

**EXPERIENCE:** Are you keeping things as simple as possible for end-users to promote adoption? When moving tasks online, have you taken steps to ensure that users are always presented the right interface? Is the user experience intuitive and can users access support easily from within the interface?

## TECHNOLOGY

- GOVERNANCE:** What governance do you have in place, and is it suited to what you want to achieve from a digitalization standpoint? Do you need your teams to think differently, or break from the norm to drive a more agile, design-focused program?
- RISK AND COMPLIANCE:** What are the chances of investing in digital technology? What are the risks of not investing in digital technology? How can your IT and Technology teams be changed from a blocker to progress, to a key supporter and enabler? What's your strategy to engage this critical group if they are not already on the journey with you?
- CAPABILITIES:** What capabilities would you like to see in a digital provider? What does the product roadmap include? Have you established clear ownership of technology relationships within your organization? Have you budgeted for continuous evolution and change, and ensured your teams could focus on this?
- INTEGRATION:** What core systems do you have in place that will remain as part of the solution? What will you need to integrate with core systems to deliver a digital technology solution? Are you clear on options for integration within your organization and can your digital providers accommodate this in a viable way as part of the procurement process?
- EXPERIENCE:** Are you prepared to be realistic in terms of the technical limitations you may encounter when designing your experience? How are your digital providers supporting you with the design-thinking process?

## BRAND

- CONTENT, VISUAL IDENTITY AND MESSAGING:** Does your organization have the right brand visual identity and consistent voice across all regions? Do you have market mapping or Employer Value Proposition messaging globally? How has this been applied to the process, technical interfaces, communications, and personal interactions?
- RESOURCES:** What resources do you have in place to support a consistent brand and experience as part of your transformation program and design sessions? What support do you need from external providers? Do you have a team in place to support continuous incremental change?
- ROLES:** Do you have a clear understanding of candidate personas and the experience throughout the recruitment process? Do you have a clear understanding of how you need to engage with them?

**CANDIDATE ENGAGEMENT:** Are candidates being engaged with consistent, relevant messaging throughout their experience with your organization and is the content relevant at every stage from recruitment marketing to onboarding?

**EXPERIENCE:** How will you measure candidate sentiment with your organization? How are you going to determine what is working and what impact your solution and process have on candidates or any user? What is your mechanism for feedback, and how will you use the insights and feedback you collect?

**BUSINESS OUTCOMES**

Companies that invest in a digital transformation see a significant impact in not only their talent acquisition function but in their overall business results. Measuring and demonstrating ROI is a critical part of any technology decision, but too often, it is considered after the fact. **Over 60% of companies said that demonstrating ROI is a key criterion in decision making (Aptitude Research, 2019 Talent Acquisition survey).** The ROI analysis looks at the financial value of an investment in a digital solution and weighs the costs and benefits. The ROI should also examine what the payback period is for seeing ROI. For most organizations making this investment, the approach often focuses on consolidating spend from multiple tools, technologies, and services into more effective solutions. Companies that invest in digital transformation solutions see the following benefits outlined in Figure 6.

**FIGURE 6:** BUSINESS IMPACT OF A DIGITAL STRATEGY



Source: Aptitude Research, 2019 Talent Acquisition survey, n=634

## CASE STUDY | CAMPUS RECRUITING: A GLOBAL ENERGY COMPANY

The case study below describes a leading energy company based in Europe, developing oil, gas, wind, and solar energy in more than 30 countries worldwide. With an aging workforce and rapidly changing talent market, this organization looked to its graduate program to ensure a steady pipeline of talent. Recruiting close to 200 graduates and 300 interns each year, it realized that its current process was lagging behind its peer group and was not in-line with the future-looking messaging of the company, or the expectations of candidates.

### This company wanted the following:

- A robust and innovative graduate and intern program to pipeline talent needed for the future
- A targeted competency-based recruitment program
- The use of robotics and automation to ensure digital transformation
- A candidate-driven recruitment process
- The use of data to measure effectiveness and ROI
- Increased candidate and user experience

To achieve these goals, this company partnered with Alexander Mann Solutions. Together, they created a strategy to build a flexible recruitment model, create a standardized process to improve the candidate experience and redesign global assessment centers where full assessments can be conducted from iPads (increasing attendance to 36 candidates per day). It also needed support with implementing world-class technology through Sova assessments and HireVue digital interviews. Alexander Mann Solutions' partnership with the energy company helped to create a digital strategy with the following outcome and results:

✓ Increased application volumes and quality hires per year

✓ Blended online assessment that provided a more objective, skills-based and holistic evaluation

✓ Video interviewing that saved 50% of the time previously required to screen candidates

✓ Digitalization of Assessment Centers allowed for faster wash-ups and increased data protection

✓ Perceived increased level of candidate engagement with 97% of completion rate for online assessments

✓ Reduced lead time and cost per hire

## EXECUTION

Digital transformation fails when organizations try to do too much too soon. **Seventy-eight percent of companies believe that digital transformation should be broad in scope (Aptitude Research, 2019 Talent Acquisition survey)**. As a result, they are not starting small and strategic. The belief that more is better is the most significant mistake organizations make when embarking on their digital transformation journey. Companies that take an iterative approach are 52% more likely to have successfully implemented their digital transformation strategy, giving them the foundations they need to continue to meet future demands in a more agile way.

Companies successful at digital transformation share several characteristics, including;

**Leveraging strategic partnerships:** Companies with a successful digital transformation strategy were 2X more likely to use third-party expertise and partners for support rather than internal resources (see Figure 7).

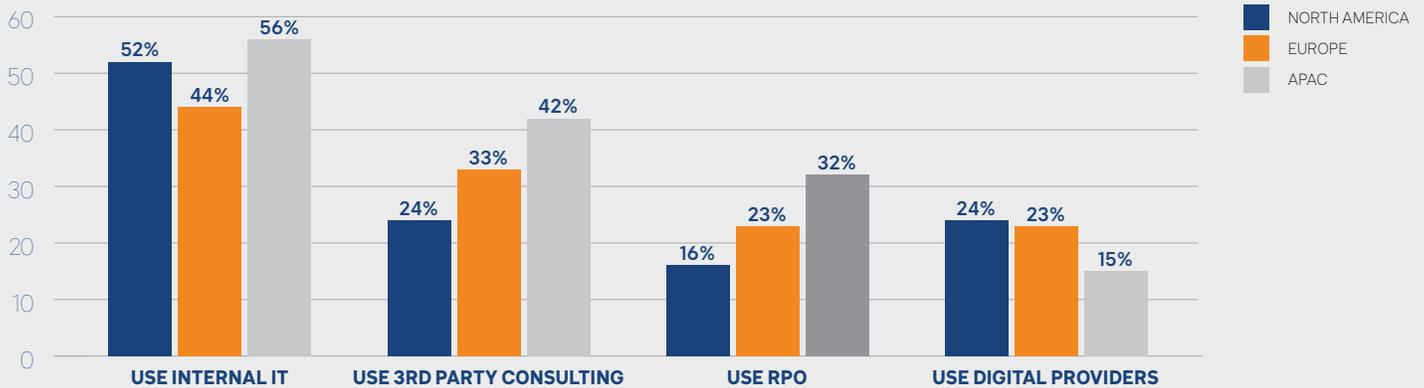
**Starting small:** Companies that take a long-term approach were more likely to implement a digital transformation strategy. Being iterative in the process allows companies to adopt solutions more effectively and stay agile to changes in expectations.

**Creating change management strategies:** The lack of change management is a significant barrier in a digital strategy. Companies that ensure their businesses are prepared for change by investing in a substantial change and communications team are more likely to have their new solutions land and to deliver more effective continuous improvement projects.

**Incorporating brand and experience:** Brand is a critical part of the digital strategy that often goes ignored or does not receive the right focus and investment. Brand and experience can create more consistency, a better candidate experience, and better quality hires. A brand and experience strategy includes candidate personas, Employer Value Proposition (EVP) messaging, digital advertising, digital job descriptions, engaging communication, digital assessments, onboarding communication, content on culture and values, and new hire recognition. Brand also plays a critical role in the design thinking that goes into the candidate experience.

**Ongoing adoption:** Digital transformation does not stop once the technology is implemented. Adoption is an ongoing effort that takes targeted support and user engagement. A sense of ownership in a solution also helps drive adoption. Companies need to invest in ongoing leadership and support for continuous improvement to drive adoption post-implementation. More importantly, companies need to listen to users and communicate changes being made based on that feedback.

FIGURE 7: SUPPORT FOR DIGITAL STRATEGY



Source: Aptitude Research, 2019 Talent Acquisition survey, n=634

## PART 2: DIGITAL TRANSFORMATION TECHNOLOGY

Once organizations have a strategy and roadmap for digital transformation, they can begin to consider the business requirements needed to navigate the digital talent acquisition technology landscape. The shift to digital technology must start with a robust discovery followed by defining the business requirements, agreeing on the desired business outcomes, and using this information to support decisions on new technologies. When a company is ready to think about investing in digital technology, it is essential to understand that the digital technology landscape differs significantly from the traditional technology landscape in both structure and objectives as outlined in Figure 8.

FIGURE 8: KEY COMPONENTS OF DIGITAL TECHNOLOGY IN TALENT ACQUISITION

### TRADITIONAL TALENT ACQUISITION

- DATA CENTER
- COST-CENTER
- REACTIONARY
- PROCESS-DRIVEN
- SILOS
- OPERATIONAL

DISCOVERY  
OUTCOMES  
EXECUTION

### DIGITAL TALENT ACQUISITION

- CLOUD-BASED
- STRATEGIC
- AGILE
- DATA-DRIVEN
- ECOSYSTEM
- BRAND-FOCUSED

With a growing number of digital providers and segments related to talent acquisition, it is evident that this is a high-growth industry. While new solution providers offer tremendous opportunity for organizations, evaluating and selecting the right digital providers is becoming increasingly difficult. Organizations must look beyond feature and functionality and begin to examine criteria that enables true partnerships, including customer support, demonstrated ROI, and the overall leadership and strategic direction of the provider. For traditional technology investments, most companies would rely solely on RFPs and demos. For digital technology investments, companies are thinking more strategically when evaluating providers, especially given the fact that this landscape changes, and many of the startups will get acquired in the next few years.

When looking at criteria from region to region, the leadership style of a provider was the most critical for European companies. For companies in APAC and North America, customer references and customer support were the most vital, respectively. Although RFPs were not a top criteria, companies in APAC ranked them higher than companies in Europe and the United States (see Fig. 9).

**FIGURE 9:** FACTORS INFLUENCING DECISION MAKING FOR INVESTING IN DIGITAL TECHNOLOGY

	NORTH AMERICA	EUROPE	APAC
CUSTOMER REFERENCES	33%	33%	41%
PRODUCT ROADMAP	19%	24%	40%
LEADERSHIP	29%	46%	34%
DEMO	25%	27%	24%
RFP	11%	12%	23%
DEMONSTRATED ROI	25%	30%	22%
CUSTOMER SUPPORT	33%	33%	20%

Source: Aptitude Research, 2019 Talent Acquisition survey, n=634

As companies evaluate digital providers and navigate through a complex and confusing landscape, prioritizing partnerships and customer support is a critical differentiator. In doing so, organizations need to ensure that they have clear ownership of the provider relationships and that these providers continue to deliver excellence.

**The following pages of this report will help to answer the following questions:**

- What are the key drivers of digital transformation?
- What does a digital talent acquisition framework entail?
- What is the landscape for digital transformation in talent acquisition?

## KEY DRIVERS FOR INVESTING IN DIGITAL TECHNOLOGY

**Stand-alone providers are not enough:** The stand-alone talent acquisition system is no longer enough. Aptitude Research found that two out of five companies are still unhappy or indifferent with their provider. Talent acquisition systems are designed to help companies manage both the tactical and strategic elements of talent acquisition, but companies need to invest in an ecosystem of solutions to support their hiring needs. This ecosystem includes solutions across the entire candidate lifecycle from programmatic advertising and recruitment marketing to candidate selection and onboarding. These solutions generally require some form of integration between platforms for a successful end-to-end digital solution as no one platform incorporates everything.

**New technology is overwhelming:** Ten years ago, the talent acquisition technology market was comprised of several hundred providers offering very clear products in very clear categories such as background screening, job boards, Applicant Tracking Systems, assessments, and onboarding. Today, the market has grown exponentially, and thousands of providers have entered with new technology companies announced each month. Additionally, the lines have been blurred. Many of these providers offer several solutions in talent acquisition or have created new categories of technology. This situation makes the buyer's decision more complicated, and many companies are finding that they have procured multiple platforms with overlapping technology. On average, companies are investing in 15 different talent acquisition solutions, according to Aptitude Research.

**Competition for talent has increased:** The top challenge companies are facing is the competition across industries for the right skills, and the right skills keep changing. The competition for talent is intense, and organizations in every industry and company size are impacted. Organizations need a strategy that begins with attracting talent early and engaging candidates through onboarding and beyond.

**New terminology in the talent acquisition market:** The talent acquisition landscape is now defined by a new taxonomy including AI, machine learning, robotic process automation, and Natural Language Processing (NLP). While companies are still confused by what these terms mean and how they help to improve decisions, they do play a role in decision-making. Education still needs to happen as companies learn to manage what these capabilities include.

**Candidate Communication:** Companies have made some small improvements in candidate communication including providing transparency on the application process (34% of companies compared to 11% from last year) and making information available to candidates (39% compared to 24% last year). It is no surprise that many companies are also relying more heavily on new channels of communication, including bots, text, and video. Companies using bots to communicate with candidates were two times more likely to fill positions in two weeks (Aptitude Research, 2019 Talent Acquisition survey).

## TERMINOLOGY

### AI - Artificial Intelligence

AI is not a product. It is a feature. Products that incorporate AI have algorithms within them that describe the fact that AI underpins the way the technology operates. AI is when a level of cognition is applied to the task so that the "machine learns" and therefore can repeat AND refine the task next time around. AI can span from a basic form to highly evolved.

### Machine Learning /

#### Machine Learning Applications

Machine Learning is the most basic level of AI in which a computer is programmed to learn (like a human). It does this by processing thousands of items of data to build up a more precise picture (over time) of "what good looks like" / "what's the emotion being expressed" / "what something is" etc.

### Robotic Process Automation (RPA)

RPA is when a series of tasks typically conducted by a human being are replaced by a robot performing the task (or some of the task) time and time again.

### Natural Language Processing (NLP)

NLP is a form of Machine Learning in which the computer interprets language (written or spoken) in the way a human would – appreciating context, tone and data structures so that it can interpret and make sense of what is being said or asked.

## THE DIGITAL FRAMEWORK

To navigate the digital landscape, companies must understand that talent acquisition is its suite of solutions and deserves its technology stack. The current framework for talent acquisition technology includes a combination of AI-driven solutions, RPA, digital technology, and core workflow systems, which are all delivered by people that enable change.

This talent acquisition framework describes the complexity in which talent acquisition operates and the critical role that digital plays in this environment. Several years ago, the most significant trend in HCM was the integrated talent management suite or a way for organizations to build consistency throughout all of their talent processes. Although this integrated model has provided tremendous value to the overall business, many recruitment functions and candidates have lost their way. By focusing solely on broader talent management, these technologies have failed to address the growing complexities of talent acquisition and the importance of a positive candidate experience.

The digital talent acquisition framework extends across all areas of talent acquisition. When powered by a strong brand and change management strategy, it can help companies improve how they identify, attract, select, and hire talent. Figure 10 illustrates how companies are leveraging digital capabilities across the modern talent acquisition landscape. The definitions of each category are listed on the following page.

**FIGURE 10:** TALENT ACQUISITION DIGITAL FRAMEWORK



## CORE PROCESSES

As organizations leverage digital technology, they must evaluate and transform traditional processes and ways of working. Digital technology requires organizations to question the effectiveness of outdated practices, including reactive sourcing, manual screening and interviewing.

**Sourcing:** The art of sourcing includes relationship-building activities, and the science of sourcing involves measuring and evaluating the most effective source of hire. Traditional sourcing focuses on leveraging data that an organization already has available while digital sourcing also looks at external candidates that might be a good fit. Companies need a digital approach to sourcing that leverages technology and analytics to conduct the research necessary to identify and attract the right talent. The strategy for digital sourcing needs to be insights-driven and enabled through platforms that incorporate intelligence to help automate candidate identification and the assessment of suitability to a role and the organization.

**Recruitment Marketing:** Recruitment marketing involves all the activities that connect the brand to the right person at the right time and with the right message. Similar to a corporate marketing strategy, recruitment marketing involves the use of digital tools for influencing, attracting, and nurturing talent. These tools improve communication with candidates (via chatbots, text, and video) through a CRM and provide employers with insights on the effectiveness of their strategy and campaigns.

**Application Process:** This stage of recruitment includes the activities when someone applies for a job or actively initiates interest. Digital technology can help to improve the candidate experience by ensuring that the candidate is offered the right channels, whether that's a formal application, a job preview, or a means by which they would like to learn more about an employer.

**Screening:** With the increasing improvement in AI sourcing tools, getting to the right candidates first is easier than ever before. Although screening is considered a tactical area of recruitment, digitizing the screening process can have a positive impact on candidates when it is handled creatively and digitally. Screening tools can host many forms of digital content which can give candidates a better understanding of the role and the culture of an organization. These tools can better engage candidates and help them become more informed, which can also assist them to self-select in or out of a process. Organizations that make a strategic investment in these solutions can expand their global reach, improve the candidate experience, and strengthen the quality of hires by ensuring they are reaching the most relevant candidates first.

**Assessment:** Pre-hire assessments encompass the tools and technology that enable organizations to evaluate if a candidate has the right skills and behaviors to perform a job. These assessments are most often a combination of subjective tests and objective tests used to determine with greater accuracy the ability for someone to perform successfully. Today, companies of every size are providing objectivity to the hiring process by leveraging digital pre-hire assessments consistently throughout their organizations, from executive-level positions to front-line workers. Over 30% of companies are considering game-based assessments this year, according to Aptitude Research.

**Interviewing:** Interviewing is a staple of any talent acquisition process and often the deciding factor for hiring a candidate. Surprisingly, few recruiters and managers are trained on how to give a good interview. Additionally, few organizations have a standard approach for how interviews are conducted. When recruiters and managers have digital interviewing tools, they can improve the candidate experience and make interviewing and evaluation easier for hiring managers. Digital interviewing platforms, both on demand or live interviewing, can help ensure better consistency within an organization when it comes to interviewing and evaluating candidates. Many of these platforms also provide technology to help automate interview scheduling and provide functionality for hiring managers to submit interview evaluation forms and feedback online. Coaching the hiring community on best practice interviewing and ensuring they understand their role as brand representatives is critical to success.

**Offer & Onboarding:** Once an organization decides on a candidate, offer letter management, and negotiation begins. Hiring can bring frustration since an organization may lose a candidate during this process. Organizations must continue to provide a positive candidate experience and communicate with candidates throughout this process. Digital technology can help bring much of what was traditionally paper-based to a more automated, online approach with a mechanism for ensuring the candidate has transparency. When new hires have a positive onboarding experience, they are more productive on their first day, and they are more likely to stay with their new employer. Unfortunately, for many companies, they invest heavily in the sourcing and recruitment stages of the talent acquisition process and then ignore their candidates once they have accepted their offer. When onboarding goes well, the benefits directly impact organizational success. When onboarding goes badly, the overall employee morale and engagement of an organization is at risk. Digital onboarding includes three necessary processes: forms management, tasks management, and engagement.

## THE DIGITAL LANDSCAPE

With so much happening around new technology in the talent acquisition industry, keeping up with it all can be overwhelming. Alexander Mann Solutions' clients do this with The Hive, which is designed to help organizations navigate the noise and the complexities in the talent acquisition and HR technology landscape. Hive stands for Help, Innovate, Validate, Execute. It is a digital gateway to help clients understand the art of what is possible through the effective use of technology. Providers have to meet specific criteria for product and customer support (see below).

SOURCE		RECRUITMENT MARKETING & ENGAGE		SELECT & ASSESS		TRACK	
INSIGHT		AI		ONBOARD			

## KEY RECOMMENDATIONS

Companies need to be thoughtful and strategic before embarking on a digital journey. The most successful organizations start small and build on what works. Companies that invest in partners are able to gain support and measure their effectiveness. Below are some key recommendations to consider:

- **Identify what is most critical to your organization** to build a business case for digital technology and better manage the process.
- **Know your current technology, resources, and budget** so you can have the right expertise to evaluate proposed solutions and make informed decisions on those that will drive the most value.
- **Complete a competitor analysis** to ensure that you understand where you stand in relation to your competitors, as this can be powerful information to support your business case with senior leaders.
- **Identify the current business problems** related to talent and identify where digital technology can help solve those business problems.
- **Map all initiatives** to desired business outcomes and calculate the ROI and payback period of your digital investment. Remember to do this upfront and ensure you are very clear on how to get the data to measure this once the solution is implemented.
- **Invest in strategic partners** to help drive change within your organization and ensure success.
- **Ensure that brand is a key component** of the digital strategy.
- **Don't be afraid** to discard traditional implementations methods. A more agile approach to implementing digital technology with the user at the center of design increases adoption rates. New technology will have an inevitable impact on the way you operate and how your people perform in their roles. It is essential to consider all users as part of your design.



## **ABOUT ALEXANDER MANN SOLUTIONS**

We are passionate about helping companies and individuals fulfil their potential through talent acquisition and management. Today, over 4,000 of our talent acquisition and management experts partner with more than 100 blue-chip organisations, operating in 40 languages, and over 90 countries.

We deliver a distinctive blend of outsourcing solutions and - through Talent Collective - a full range of consulting and specialist services. We provide unrivalled experience, capability and thought leadership to help clients attract, engage and retain the talent they need for business success.

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Aptitude Research Partners is a research-based analyst and advisory firm focused on HCM technology. We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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