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THE FOUNDATION OF TALENT ACQUISITION:

BACK TO THE BASICS
WITH INTEGRATION,
DATA MANAGEMENT,
AND AUTOMATION

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**If 2020 was the year
for reevaluating
talent acquisition,
then 2021 is the year
for rebuilding it.**

INTRODUCTION:

The past year's events have forced talent acquisition leaders to rethink their strategies and embrace change to prepare for the future of work. Companies implemented remote recruiting models overnight, reduced time to fill, and engaged with candidates in new ways. Every organization has gone through some type of transformation, and talent acquisition leaders are in a unique position to help influence this change. **If 2020 was the year for reevaluating talent acquisition, then 2021 is the year for rebuilding it.**

As companies look ahead, speed has become the new currency for the future of work. Talent acquisition success is measured by its ability to adjust to change. And talent acquisition leaders face pressure to adopt the latest technology innovations in a short time. **In fact, 44% of companies have implemented new recruitment technology during this pandemic.** While this focus on speed has created opportunities, it has also presented challenges with technology adoption and optimization. As a result, only 3% of companies are using all the functionality in their ATS, and only 2% are using all the functionality in their recruitment marketing platforms. By moving too quickly, many companies neglect the technical elements needed to support talent acquisition technology investments.

For talent acquisition technology to be effective, companies need to take a step back. They must look at change through a new lens, one that focuses on delivery over speed. They must build a solid foundation of talent acquisition technology that includes integration, data management, and automation. When a strong foundation is laid correctly, it supports every aspect of talent acquisition so that organizations can build upon what is in place. In this regard, the foundation is not an after-thought but instead deserves the highest focus and attention to detail.

Based on data collected in September and October of 2020, this report will provide an overview of the foundation of talent acquisition and take an in-depth look at the challenges, strategies, and questions to consider for integration, data management, and automation.

aptitude research Methodology

Aptitude Research conducted the research cited in this report in September and October 2020.

Quantitative Research: 404 Global Responses of Talent Acquisition Director Level and above across all industries and with 1000ees and above.

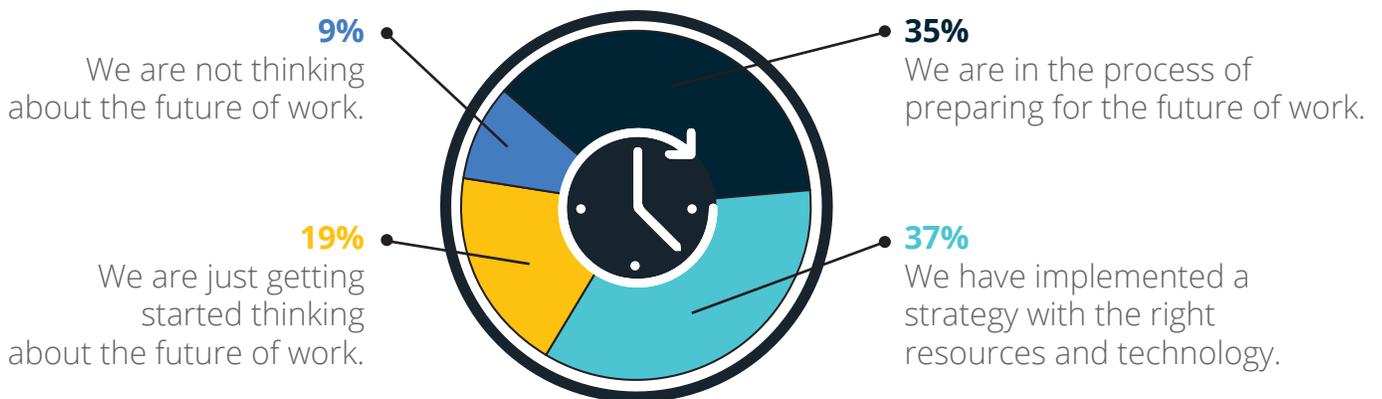
Qualitative Research: A series of interviews with companies to understand their strategies for implementation, data management, and automation.



GETTING BACK TO THE BASICS

Every company is at a different stage in preparing for the future of work, and 62% of companies are still beginning to evaluate the solutions they will need to deliver success (see Figure 1). These companies must look closely at the technology they have in place and the structure supporting this technology.

What stage is your company in preparing for the future of work?



Source: Aptitude Research, 2020 Talent Acquisition Study, n=411

Figure 1: Future of Work Maturity

Many companies' challenge is that the talent acquisition technology landscape has increased in complexity over the past few years. With new providers entering the market and traditional providers expanding their capabilities, navigating the landscape, and determining which providers can add value is overwhelming. **Many companies want to move quickly to prepare for the future and make quick decisions on innovation without thinking about the fundamentals and technical elements of how these solutions will get implemented and adopted. This shortsighted view of talent acquisition technology can ultimately impede change.**



Before companies look externally at providers, they must examine the reality of talent acquisition technology, including:

Talent Acquisition Technology Investment Continues to Increase.

Although some technology investment has slowed down over the past year, one in four companies are increasing their investment. Companies are looking at providers to support the challenges they face but often do not consider how they will work with the existing technology infrastructure.

Many Companies Still Struggle with Adoption.

According to Aptitude Research, only 3% of companies adopt all the ATS functionality and only 2% in their recruitment marketing platforms. While it may seem easy to blame the provider, many of these challenges with adoption result from the lack of planning and resources available at the company.

Companies are Relying on Too Many Providers.

The talent acquisition technology landscape is more complex than ever before. Companies are using, on average, ten or more providers to support their recruitment needs, and many of these solutions are not providing value. Companies are quickly embracing new systems, and the result is an unmanageable talent acquisition technology stack. Additionally, only one in two companies measure the ROI of their investments.

This current state of talent acquisition technology creates confusion for buyers. Companies evaluate providers in terms of strategic initiatives but often neglect the technical side of talent acquisition technology. Companies need a new approach to evaluating, implementing, and adopting technology. They need a strong foundation to build their technology stack and to keep it upright in the face of change.

WHAT IS THE FOUNDATION?

The modern talent acquisition technology stack includes three major systems (CRM, ATS, and onboarding) and an ecosystem of solutions to enhance the value of integrated talent acquisition. When combined, these categories represent a holistic approach to strategic talent acquisition that must be supported by the right foundation.

The foundation layer supports the talent acquisition technology stack and includes integration, data management, and automation. Companies with a foundation that consists of these three areas are more successful with technology implementation and adoption.



Integration:

The practice of successfully integrating new talent technology into existing talent acquisition technology and HR technology. Without integration, companies lack consistency in experience, data, and delivery.



Data Management:

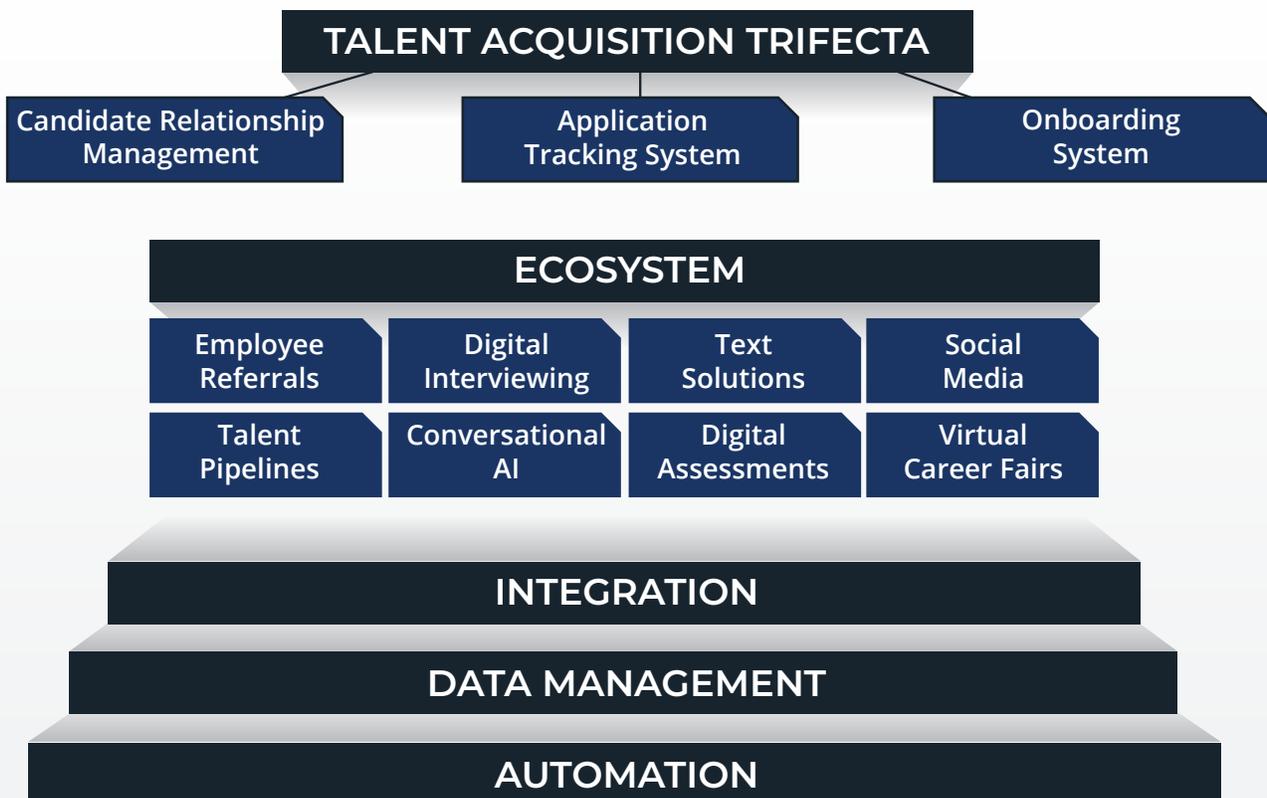
The practice of collecting, maintaining, and using data securely and efficiently to drive talent decisions. Without proper data management, companies face issues with data accuracy, data quality, and trust.



Automation:

The practice of making a system or process operate automatically through technology. Without automation, companies face inefficiency through manual processes.

Figure 2: Talent Acquisition Tech Stack



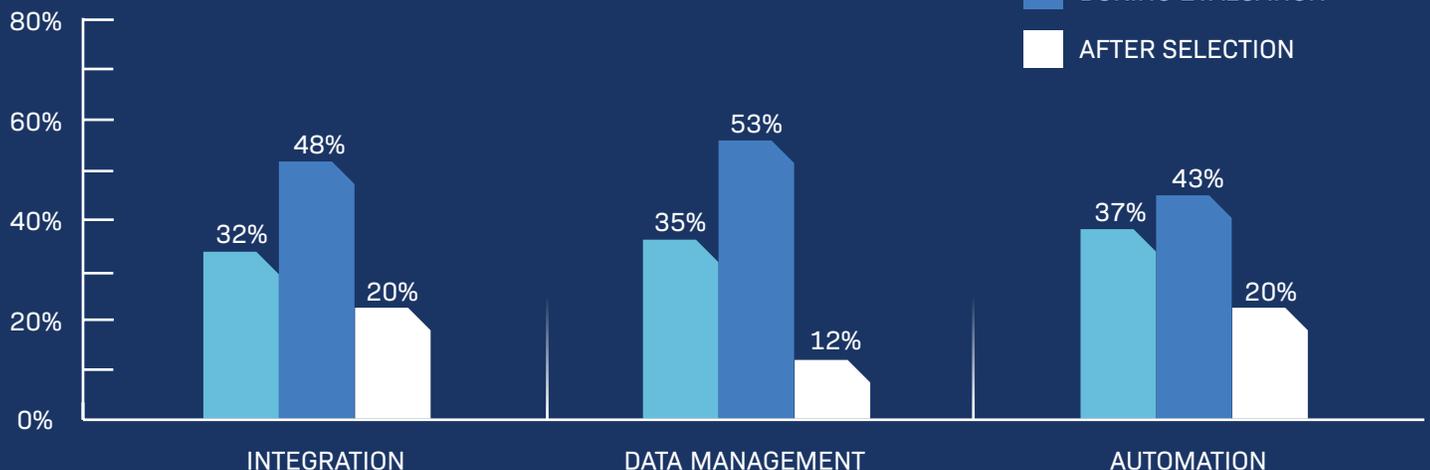
WHAT MAKES IT WORK?

Aptitude Research identified several characteristics of companies with a strong foundation for talent acquisition technology. It is interesting to note that one in two of these companies are just getting started preparing for the future of work and have not yet implemented a strategy. These companies are slowing down and thinking through every element of talent acquisition technology to support change. They are favoring delivery over speed.

Proactive Approach: Companies with a strong foundation in place are also companies that consider integration, data management, and automation before evaluating providers. **When asked what they would change about their approach to technology, every company interviewed for this report stated that they would start on their foundation before sending an RFP.** Unfortunately, most companies do not consider the foundational layer until during the evaluation and after implementation (see Figure 3). Less than half of companies ask these questions in advance, and talent acquisition often has little input. The foundation should be part of the key requirements when evaluating providers, and companies that start this process early can see greater success.



Figure 3: *Timeframe for Considering Foundational Elements*



Clear Ownership: Companies with a strong foundation have clear ownership of integration, data management, and automation, and they also have clearly defined roles. Without a strong foundation, talent acquisition may have an internal conflict with IT or key stakeholders around these critical areas. By establishing a clear vision and outlining responsibilities in advance, companies will have a much smoother process. Thirty-four percent (34%) of companies have a dedicated operations role on the talent acquisition team involved in these decisions.

Reporting on Strategic KPIs: Only 31% of companies have reported on strategic KPIs this year. Companies with a strong foundation are two times more likely to report on KPIs because they have the data they need and the right structure in place.

WHAT IS THE BUSINESS IMPACT OF A STRONG FOUNDATION?

Companies often neglect the foundational elements of talent acquisition in favor of more obvious value drivers, including candidate experience, diversity, equity and inclusion initiatives, employer brand, and internal mobility. They evaluate providers in terms of these priorities and often ignore the infrastructure that will enable results. Companies with the characteristics of a strong foundation (proactive approach, clear ownership, and strategic KPIs) could see improvements to both key metrics and long-term value drivers.

A strong foundation enables organizations to deliver on their strategic initiatives consistently. **By focusing on the foundation, companies are not favoring technical over strategic. The foundation is the pathway to achieve both.** It ensures that new capabilities are optimized and adopted so that recruiting teams are engaging with candidates, lifting the administrative burden, and improving the organization’s overall talent brand.

Companies with a strong foundation (proactive approach, clear ownership, and strategic KPIs) could see improvements to both key metrics and strategic initiatives (see Figure 4 and Figure 5).

Figure 4: *Improvements in the Following Key Metrics*

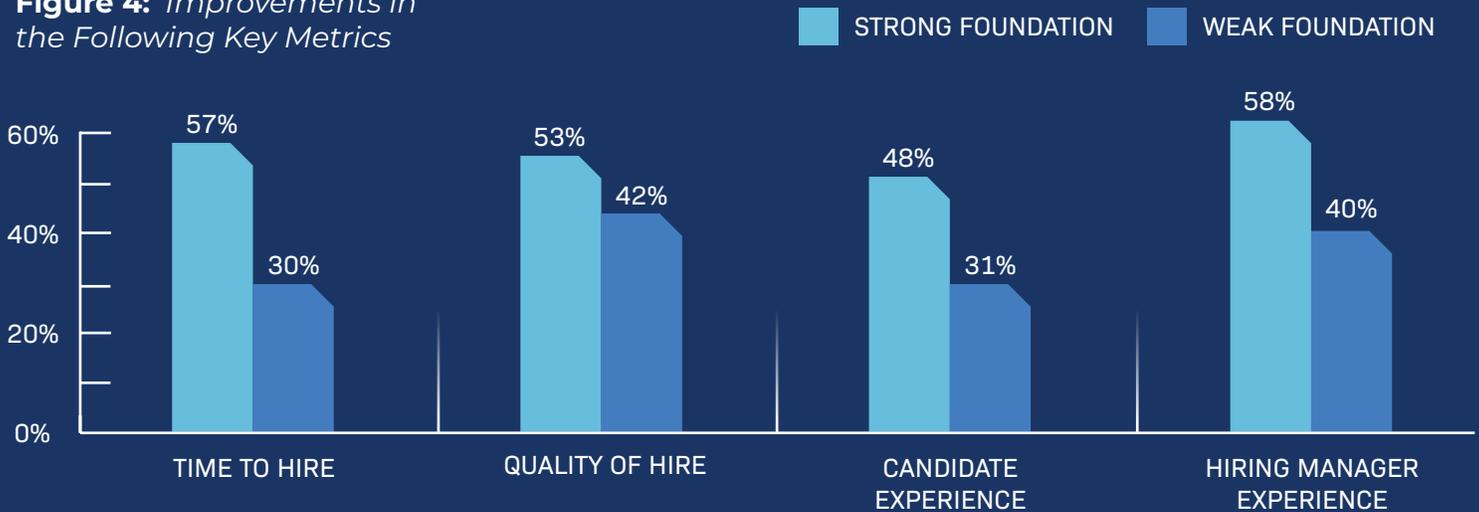
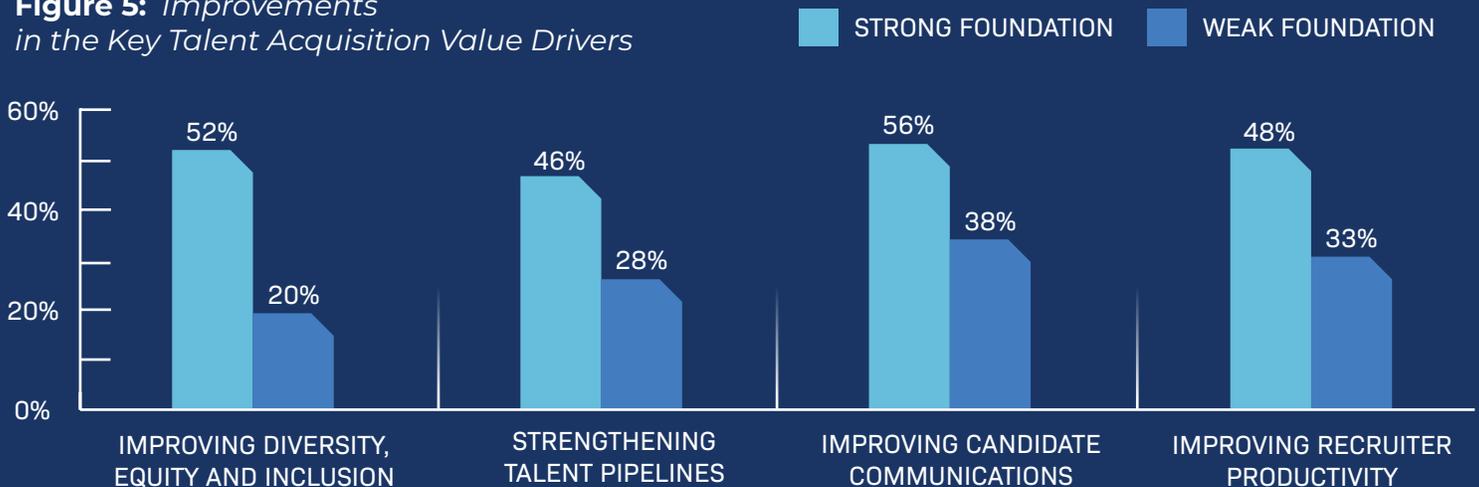


Figure 5: *Improvements in the Key Talent Acquisition Value Drivers*



This report's following pages will provide an in-depth look at integration, data management, and automation. These areas are not independent of each other. They are interconnected, and companies need to consider their approach to all three.

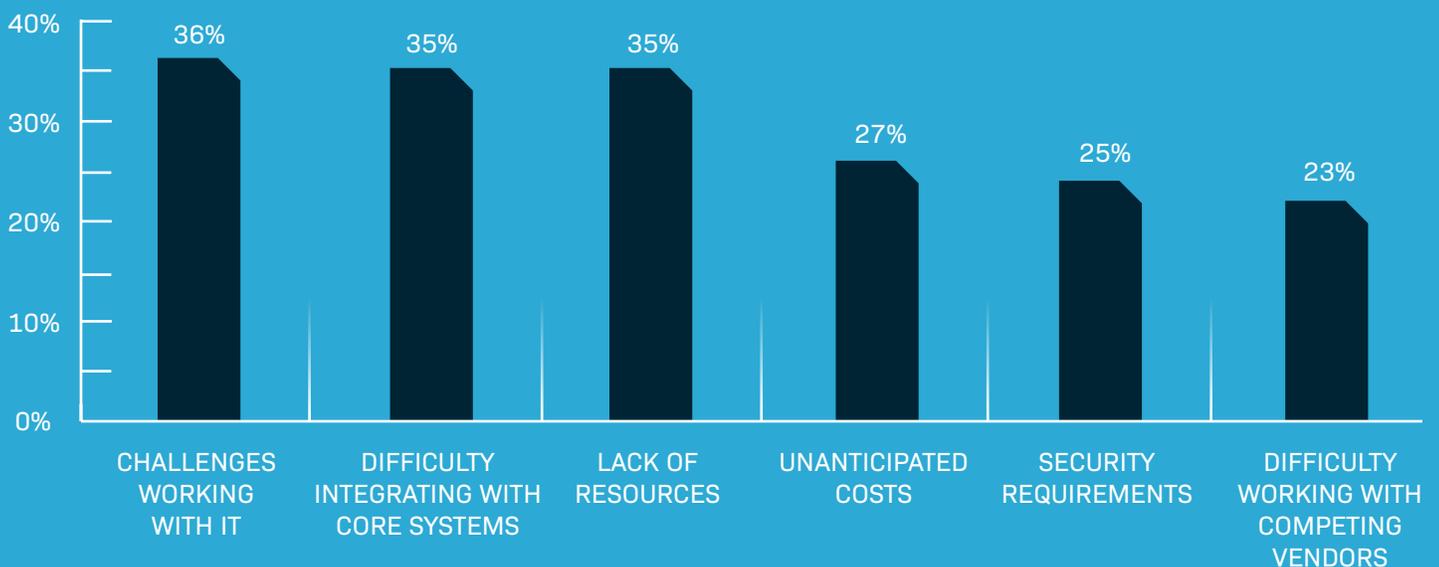
INTEGRATION: IMPROVING COLLABORATION

Integrating talent acquisition and HR systems have significant benefits in providing consistent data, enabling a better experience, and eliminating manual processes. Yet, integration has long been a point of frustration for many talent acquisition professionals investing in new technology. Many companies lack the dedicated resources and underestimate the needs and expectations of IT to build integrations. Providers downplay the challenges of working with partners and the willingness to work with their competitors. And IT and HRIT are typically preoccupied with other priorities. **In fact, 1 in 3 talent acquisition professionals surveyed said that IT views talent acquisition integrations as a low priority.** If a talent acquisition team does not conduct due diligence and collect proper documentation from their providers, it is challenging to get IT to prioritize these projects.

TOP CHALLENGES

Companies expect “seamless integration” when they invest in a new system that often becomes a complicated and time-consuming endeavor. Regardless of how many years of experience, integration is problematic. When asked the top challenges when integrating talent acquisition technology, companies identified working with IT, difficulty integrating with core systems (HRMS, ATS), lack of resources, and unanticipated costs as the top challenges (see Figure 6). These challenges stem from the company's integration process more from the vendor's ability to support integration.

Figure 6: *Top Challenges with Integration*



To overcome these challenges and build a strong foundation for the future, companies must establish a clear strategy and ownership for integration.

KEY STRATEGIES

Integration typically takes two forms: flat-file or API integration.



Flat-File Integration:

At this most basic level, integration is a flat-file transfer, where the source or destination data is a flat-file. Flat-file integration works with smaller data sets and requires that companies run a report and export data in a CSV file.



API (Application Programming Interface) Integration:

APIs are sets of requirements that determine how one application can communicate and interact with another. They allow one system to access features or data from other applications or operating systems. Open APIs are available for public use and do not require certain licenses or payment gateways, while Partner APIs have restrictions. Some companies use middleware to allow isolated systems or functionalities to interact.

API architectures can vary depending on their functionality and can include:

REST (Representational State Transfer) is a commonly used API category that is not dependent on a specific protocol. It offers a flexible integration option that allows companies to use a standardized set of requirements.

SOAP (Simple Object Access Protocol) is an API that connects different platforms through HTTP and XML. The requirements for SOAP are more rigid (and less flexible) than REST.

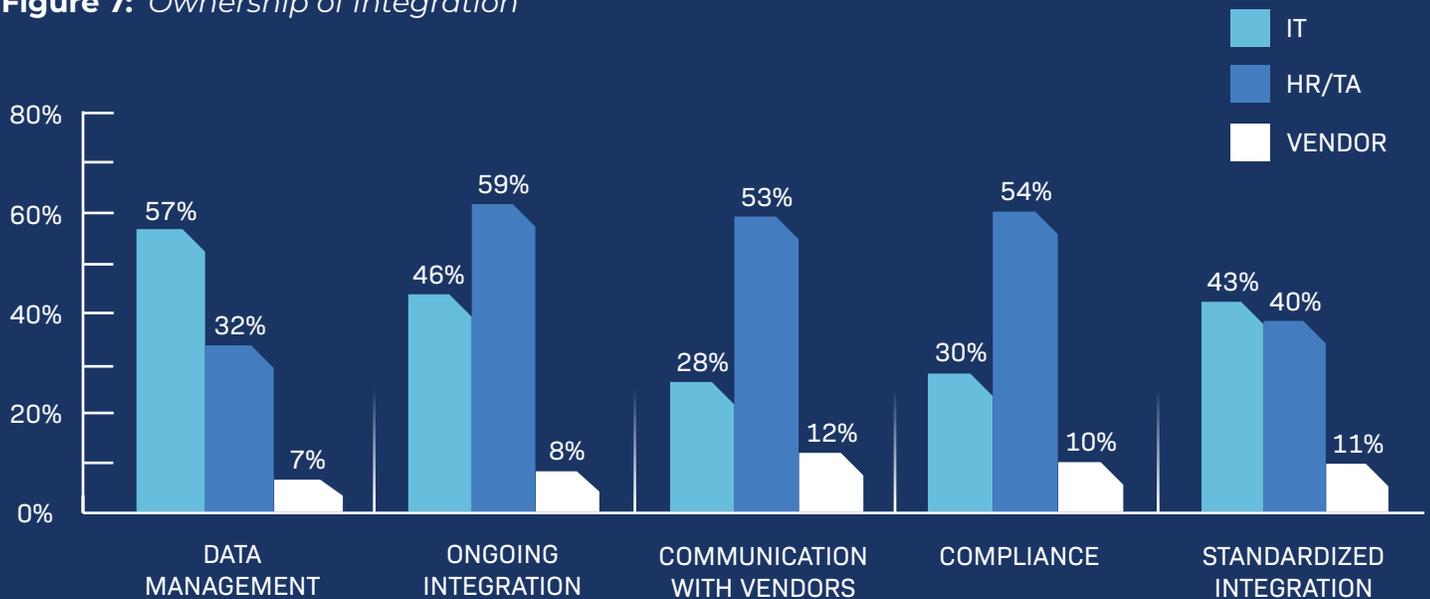
In fact, 1 in 3 talent acquisition professionals surveyed said that IT views talent acquisition integration as a low priority.

According to Aptitude Research, 28% of companies are still using flat-file transfers for their HRIS and ATS and 33% for their CRM and ATS. As companies build a strong foundation, investing in providers with Open APIs should be a key consideration.

Companies that are building a strong foundation should also consider the following strategies for integration.

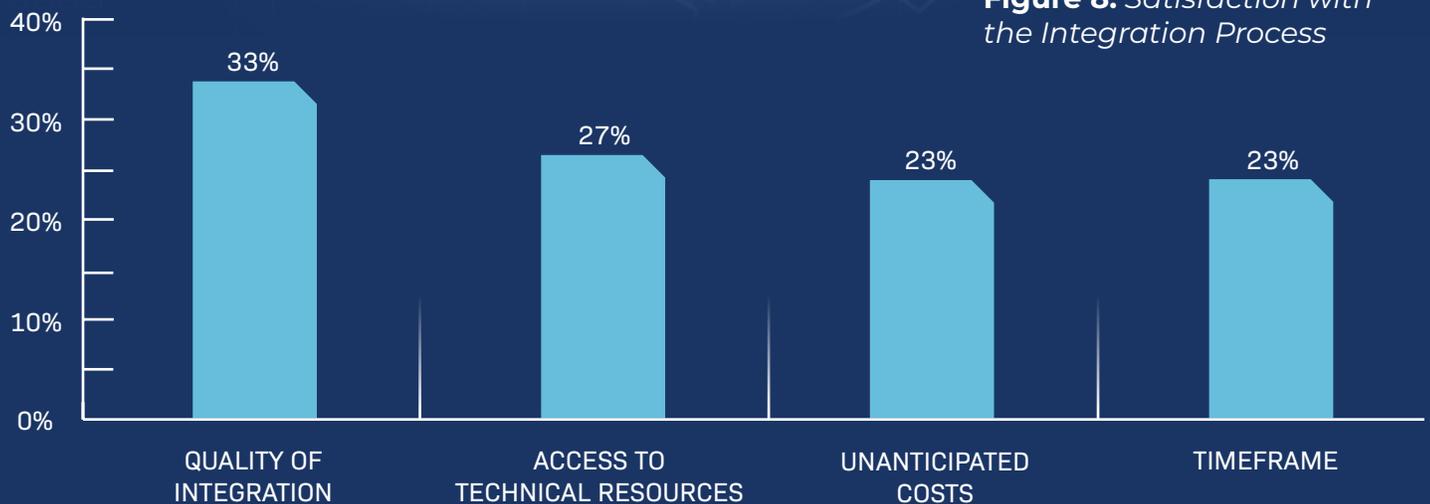
Establish Clear Responsibilities: Companies should establish clear ownership and responsibilities for integration. For most companies, IT plays a critical role in integration but often does not collaborate with talent acquisition and HR during this process. Forty- percent (40%) of talent acquisition leaders feel that IT prioritizes its own needs over recruitment needs. Many companies also place responsibility on their providers for integration support. IT is primarily responsible for data management, ongoing integration, and integration toolkits, while talent acquisition/HR is mainly responsible for ongoing integrations (see Figure 7).

Figure 7: *Ownership of Integration*



Involve Operations: According to Aptitude Research, 34% of companies have an operations role on their talent acquisition teams. Talent acquisition operations at many organizations are involved in managing the integration process and these decisions. Operations professionals have many of the technical skills to help facilitate integration and work with IT while also representing the talent acquisition team's functional needs.

Measure Results: Integration is a continuous process. Companies must continually evaluate the quality of the integration, partnership with providers, costs, and security. When asked how satisfied companies are with their integration, respondents were least satisfied with timeframes, communication with providers, and costs and most satisfied with data security and the quality of the integrations (see Figure 8). Companies should communicate these concerns with all key stakeholders, including IT. As companies look to different systems, finding a provider that is an active partner in the integration process should be a key consideration.



QUESTIONS TO CONSIDER WHEN EVALUATING PROVIDERS

01

What other talent acquisition providers do you currently integrate with, and can you provide examples and documentation?

02

What are your standard integrations with third-party providers?

03

Do you offer support for web service API integrations that meet standard web logic?

04

Do you provide integration toolkits for administrators?

05

What type of support do you offer before, during, and after the integration process?

06

Does the HRIS vendor certify these integrations?

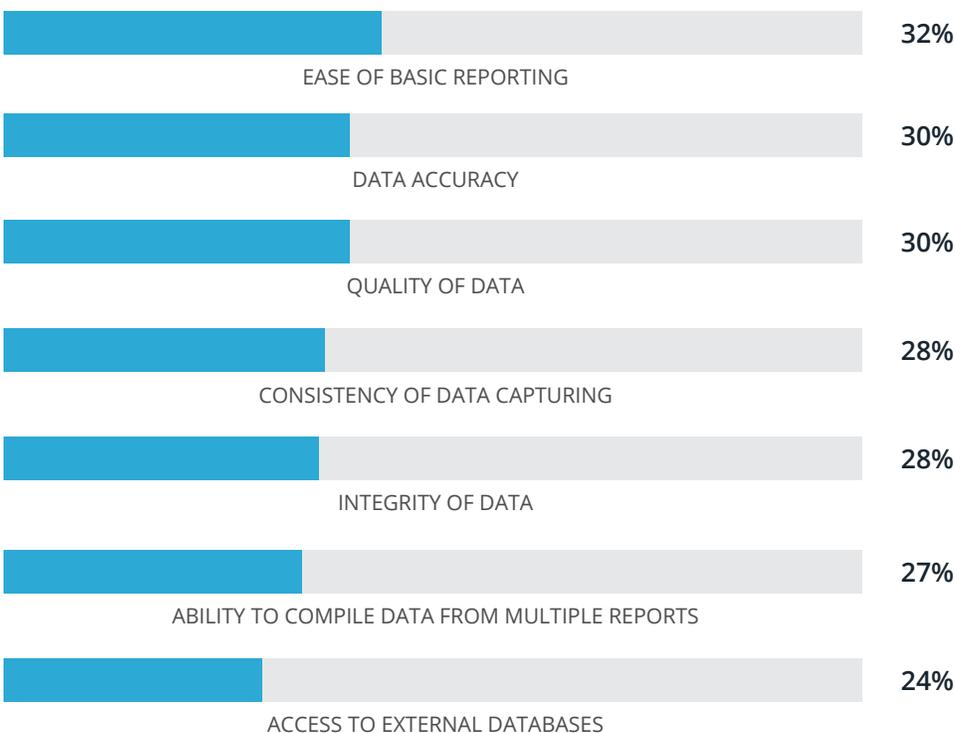
DATA MANAGEMENT: FOCUSING ON QUALITY

According to Aptitude Research, 82% of companies state that data plays a critical role in driving talent acquisition decisions. The right data can help to design more efficient processes and help organizations understand their candidates better. Creating and maintaining data in other systems often takes time and is prone to error, especially in fast-moving businesses. Companies must manage this data from multiple systems, including internal data (data from its systems) and external data (data from publicly available sources such as social media, job boards, and economic data). Companies must also consider both structured and unstructured data. Structured data is highly organized and formatted, so it is easily searchable in databases. Unstructured data, on the other hand, has no organization or pre-defined format. **Managing this data and ensuring accuracy, integrity, and quality are critical parts of talent acquisition technology strategy.**

TOP CHALLENGES

Data management requires consistent attention and focus. Unfortunately, when companies are leveraging ten or more recruitment solutions, cleaning data can quickly become a full-time job. The more companies ignore data, the more challenging it becomes to manage. The primary challenge companies face is not necessarily having too much data, but rather issues with accuracy and consistency. Companies need to focus on both strategic elements of data management (accuracy, consistency, integrity) and tactical elements (basic reporting, exporting and importing data, access to databases). Aptitude Research found that less than one-third of companies are very satisfied with these areas (see Figure 9).

Figure 9: Satisfaction with Data Management



Managing this data and ensuring accuracy, integrity, and quality are critical parts of talent acquisition technology strategy.

KEY STRATEGIES

Companies must consider both the strategic and tactical elements of data management.

The strategic elements of data management include:

- Data accuracy refers to whether the data values stored are the correct values. Data values must be represented in a consistent form.
- Data integrity refers to the consistency of data and the safety of data for regulatory compliance.
- Data consistency refers to how data is used in different systems. Consistency is important for integrations and backups.
- Data quality refers to how easily the data can be processed and includes the accuracy, integrity, and consistency of the data.

The tactical elements of data management include:

- Importing and exporting data easily (only 24% of companies are satisfied with this process).
- Ease of basic reporting that includes the ability to run reports view reports, and analyze reports.
- Access to external databases that include social media, economic data, and job boards.
- Ability to compile data from multiple sources and multiple systems during integration.

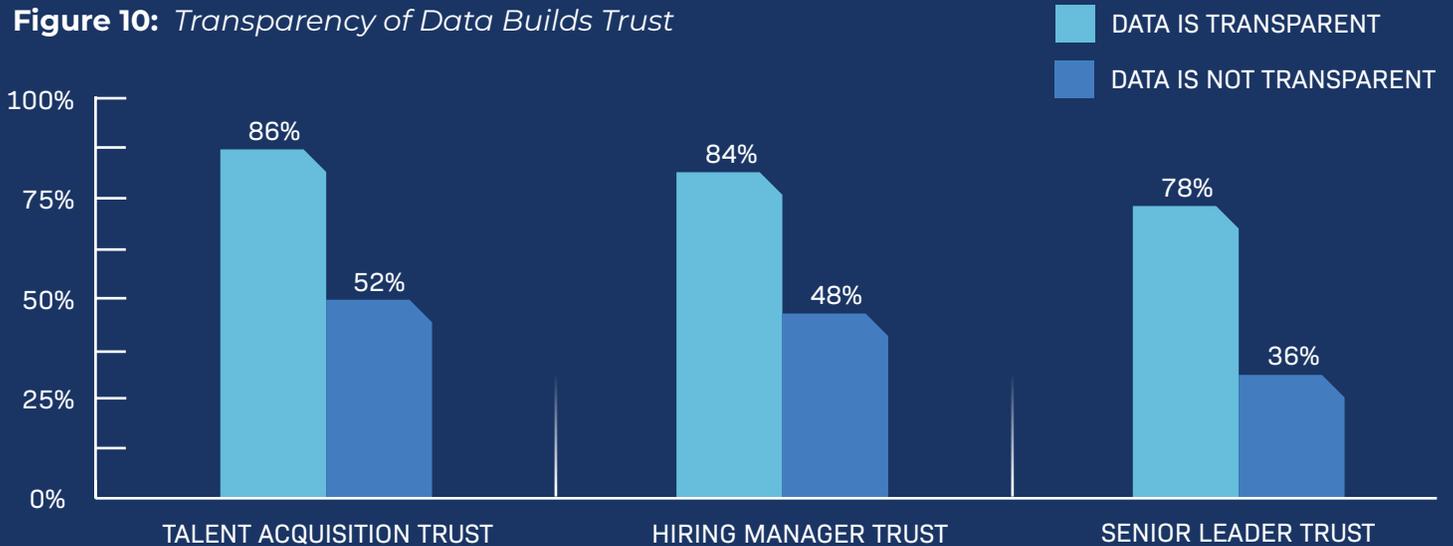
Companies that are building a strong foundation should also consider the following strategies for data management:

Check Data Frequently: Without a clear vision or strategy for data management, companies do not clean-up their data or check for accuracy often enough. **1 in 2 companies are measuring data accuracy and data quality once a year or longer.** Many of the recruitment activities and systems are dynamic and change constantly. Companies need to ensure that they have a process for data refresh and enrichment. Companies should build a practice for measuring quality more frequently and also define the metrics for quality. Some metrics (in addition to accuracy) may include:

- **Error Rate:** Errors that may arise when using multiple systems.
- **Number of Empty Values:** Any missing information from the data set.
- **Time to Value:** The amount of time it takes to get value from the data.
- **Data Refresh:** Data that is refreshed and enriched as changes occur in recruitment systems.

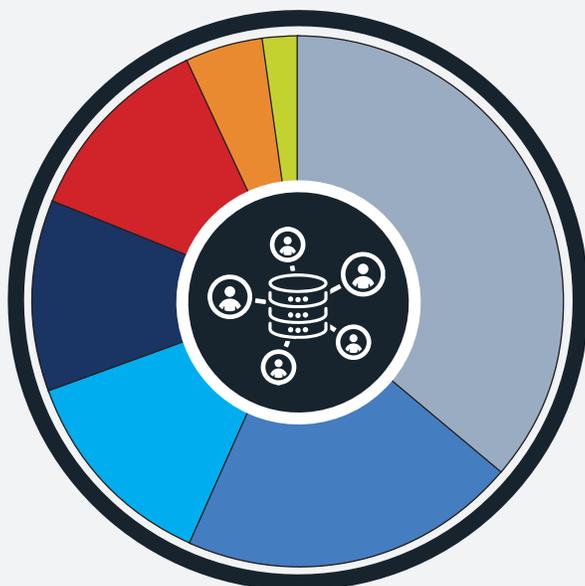
Ensure Transparency: Data transparency is the ability to easily access and work with data no matter where it is located and that the data reported is accurate. Data transparency is critical because it creates trust. Transparency of data becomes even more critical when evaluating AI solutions and capabilities. Aptitude found that when data is transparent, it increases the trust in talent acquisition leaders, hiring managers, and senior leaders. With data transparency, 84% of talent acquisition leaders stated that they trust the data, and 78% of senior leaders trust the data (see Figure 10 on the next page).

Managing this data and ensuring accuracy, integrity, and quality are critical parts of talent acquisition technology strategy.

Figure 10: Transparency of Data Builds Trust


Find a Partner for Data Maintenance: Companies need to establish ownership and maintenance for data. Support may include internal resources, third-party consultants, or solution providers. Planning for support should be an important first step. **According to Aptitude Research, 57% of companies rely on IT, 32% on talent acquisition, and 7% on their solution providers to support data management.** Companies that have a dedicated operations role are better positioned to manage and maintain data.

Additionally, companies must consider the systems with the most valuable data to drive decisions. According to Aptitude Research, companies stated that the following systems in Figure 11 have the most valuable data to support their talent acquisition decisions.


Figure 11: Systems with the Most Valuable Data

- 37% CRM
- 21% HRIS
- 13% ATS
- 12% LINKEDIN
- 12% ASSESSMENT
- 05% INTERVIEW
- 02% OTHER

QUESTIONS TO CONSIDER WHEN EVALUATING PROVIDERS

- 01 How do you help companies resolve errors?
- 02 What data does your system need to operate effectively?
- 03 Do you provide transparency on data?
- 04 Can your data integrate with my existing systems?
- 05 Does your solution automate the connection of data from external sources?
- 06 What type of post-sales support do you offer?
- 07 How often do you clean your data?
- 08 Where do your sources of data come from?
- 09 Do you offer backup of all customer data?

AUTOMATION: ENABLING A BETTER EXPERIENCE

Automation is only successful with quality data. The increased demand for recruitment automation results from the need to be more efficient and improve the overall experience for recruiters and candidates. Recruitment automation streamlines the talent acquisition process to support a better candidate experience and provide the consistency and structure that is often missing from talent acquisition. **According to Aptitude Research's 2020 Talent Acquisition survey, companies investing in automation are two times more likely to improve quality of hire and the candidate experience.**

Most companies' challenge is that they are still confused by what should be automated and how to improve performance through automation. While automation has transformed many other business areas, including marketing, supply chain, and sales, recruitment is still immature in its adoption of these solutions. Only 27% of enterprise companies are only planning to automate more than 50% of their talent acquisition processes this year, and the majority of those companies are just automating the application process.

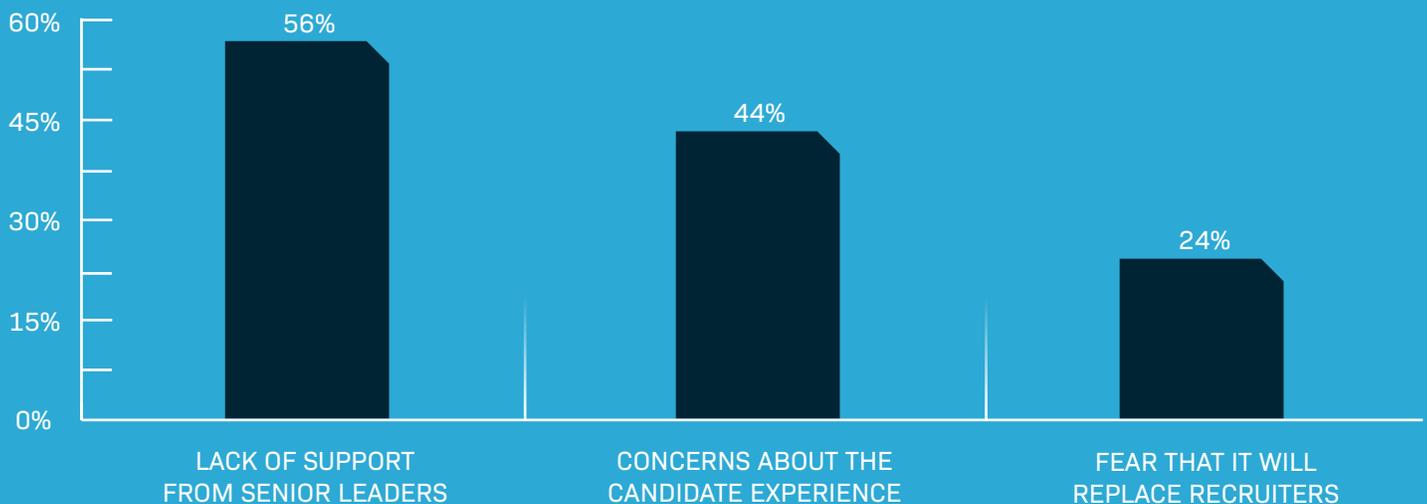
Companies investing in automation are two times more likely to improve quality of hire and the candidate experience.

TOP CHALLENGES

When it comes to automation, most companies do not know where to start. The perception is that the value is for recruiters. And the benefits to the candidate are too often ignored. Recruitment automation plays a critical role in communicating with candidates, personalizing the recruitment process, and building trust between candidates and employers.

As the competition for talent intensifies, companies need to prioritize the impact of recruitment automation on the candidate experience and ensure that candidates are moving along the process with ease. Companies that do not have internal support have an incredibly difficult time building a case for automation. When asked about the top challenges with automation, companies identified a lack of support from leadership, concerns about the role of automation on the candidate experience, and fear that automation will replace the role of the recruiter (see Figure 12).

Figure 12: *Challenges with Recruitment Automation*



Source: Aptitude Research, 2020 Talent Acquisition Study, n=411

KEY STRATEGIES

Automation is effective when it extends through the entire recruitment process, from recruitment marketing to onboarding. Companies looking at automation should consider their current technology stack and what solutions they might need for the future. Automation can help personalize content and messaging, de-bias job descriptions, automate referrals and internal mobility, and provide consistent candidate engagement during the attract phase of talent acquisition. It can provide AI for candidate matching and automate the interview, assessment, and screening process during the recruit phases. And finally, it can automate onboarding through forms completion, tasks, and engagement.

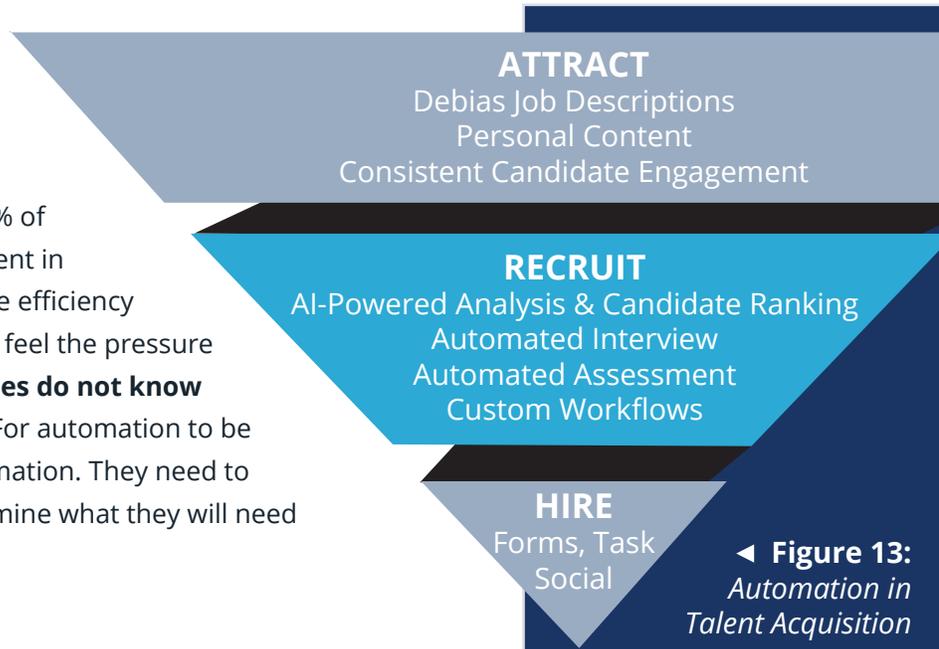
Companies that are building a strong foundation should also consider the following strategies:

Define the Scope: After the events of 2020, 55% of companies are planning to increase their investment in automation this year. Companies want to improve efficiency and the overall experience, and many companies feel the pressure to do more with less today. **Yet, 73% of companies do not know what they are currently automating already.** For automation to be effective, companies need a clear scope for automation. They need to examine existing technology solutions and determine what they will need moving forward.

A strategy for automation should include:

- **Discovery:** Companies need to understand their current level of maturity and determine what to automate.
- **Business Outcomes:** Companies need to carefully outline the costs and benefits of automation and estimate when they would like to see a payback on their investment.
- **Execution:** Companies that start off doing too much too fast face obstacles. Aptitude Research's 2019 Digital Transformation report found that companies that take an iterative approach for automation see more significant results.

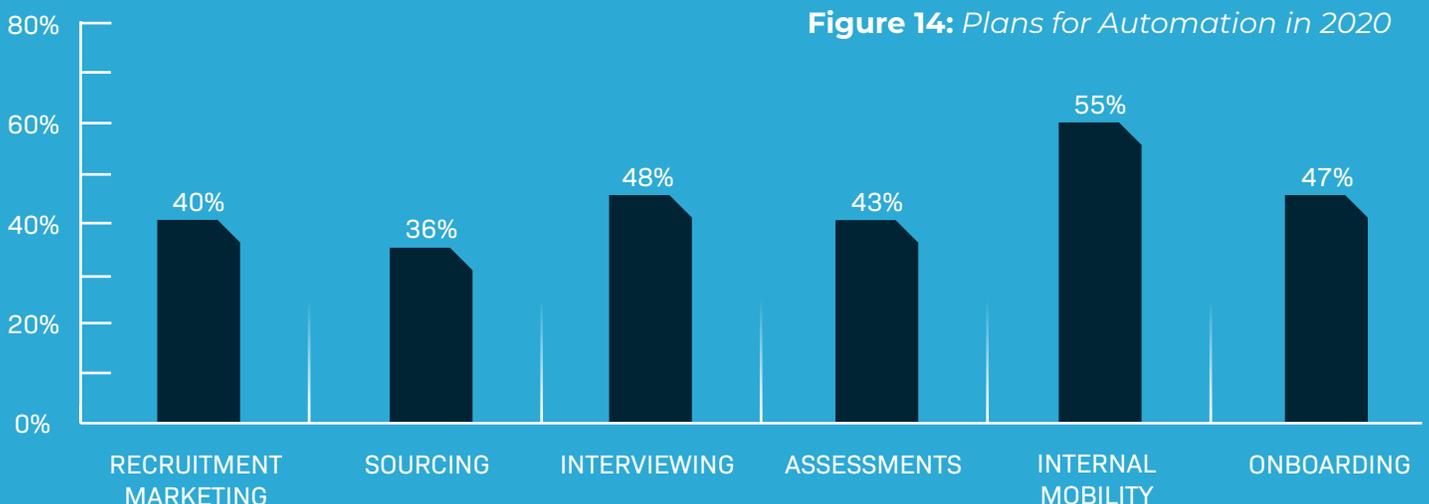
Create Consistency: The key to recruitment automation is ensuring that the candidate has a consistent experience throughout every stage of the recruitment lifecycle. When companies use the right provider, recruitment automation moves the candidate through the process and saves recruiters' time. Companies should consider what they plan to automate now and in the future. Figure 14 reveals what companies are planning to automate in the next year.



◀ **Figure 13:** Automation in Talent Acquisition

73% of companies do not know what they are currently automating already

Figure 14: Plans for Automation in 2020



Consider a Provider with Expertise:

Automating recruitment processes and investing in automation requires solution providers with expertise in this area. Consider providers that have committed their product development and support teams. Companies should look at their existing providers as well as other providers in the market.

QUESTIONS TO CONSIDER:

01	What processes do you automate? What are you planning to automate?
02	What is your release schedule?
03	How do you demonstrate measurable ROI?
04	How do you mitigate bias?
05	How do you improve the candidate experience?

KEY RECOMMENDATIONS:

A strong foundation keeps talent acquisition upright. It supports talent acquisition technology strategies through change while providing stability to ensure that processes and solutions are effective and optimized. As companies prepare for the future of work, they need to build their support in integration, data management, and automation. Looking ahead, building a strong foundation needs to be a priority. Below are some key recommendations to consider:

Establish Roles and Responsibilities: Foundational elements can create frustrations when there is a lack of ownership and leadership. Companies should establish clear roles and responsibilities between IT and talent acquisition/HR. Talent acquisition operations professionals can act as a champion and leader through this process by bridging the gap between key stakeholders and managing the process.

Leverage Providers: Too often, the blame is placed on IT or HR when integration, data management, and automation go wrong. Companies should look at their providers and partner with them in these areas. Many partners have experience and toolkits that can provide support in building a stronger foundation.

Start Early: Companies with a strong foundation are those companies that started to think about integration, data management, and automation even before they invested in technology. Companies should determine what challenges they faced in the past and include that experience in how they think about the foundational layer moving forward.

ABOUT US



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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