



2021

TA TECHNOLOGY:

A YEAR IN REVIEW

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TA TECHNOLOGY:

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 filling time, and engaged with candidates in new ways. Every organization has undergone some type of transformation, and talent acquisition leaders are uniquely positioned 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 quickly. According to Aptitude Research, 62% of companies invested in new technology this year, but only 1 in 2 companies measured the ROI of their investments.

Companies are in the process of replacing their ATS, evaluating CRM solutions, and investing in everything from sourcing to onboarding. Aptitude Research has surveyed over 1500 companies and interviewed over 50 companies to learn more about what is driving TA technology trends.

This report is a summary of our research of top areas of TA technology that includes:

01	Conversational AI
02	High-Volume Recruitment
03	AI-Matching
04	Programmatic Job Advertising
05	Contingent Workforce Management
06	Exceptional Experiences
07	ATS Market

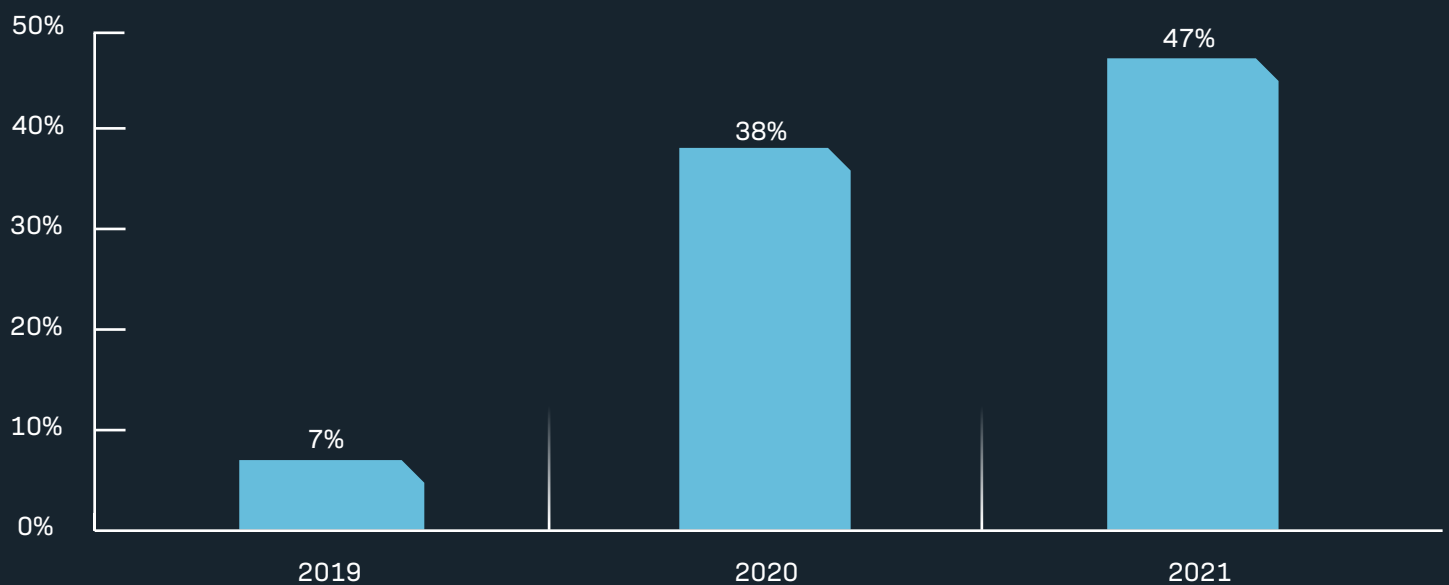


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CONVERSATIONAL AI

No longer an emerging category of TA tech, conversational AI is a critical part of the tech stack for enterprise organizations. Over the past year, companies have increased their investment in conversational AI, as well as the adoption across multiple areas of talent acquisition. In 2019, seven percent of companies were investing or planning to invest in conversational AI. In 2021, the number skyrocketed, with 47% of companies looking more closely at this market.

Figure 1: *Enterprise Companies Investment in Conversational AI*





THE TOP TRENDS IN CONVERSATIONAL AI INCLUDE THE FOLLOWING:

1

Conversational AI Is an Intelligent Assistant:

Companies often think that candidates do not want to engage with conversational AI. The reality is that individuals are very familiar with conversational AI in their consumer and personal lives. Siri, Alexa, and other assistants help individuals get answers and guidance, and have become a part of daily life. Similar assistance plays a critical role in talent acquisition, offering candidates a “support team” as they go through various stages of their journey.

2

The ATS and CRM Markets Can't Compete:

Despite several acquisitions and ongoing discussions about conversational AI in the ATS or CRM solutions, only 30% of companies are looking at their existing providers for conversational AI capabilities. Many ATS and CRM providers partner with conversational AI providers even when they have their own capabilities. Conversational AI requires deep domain expertise and a commitment to continuing to innovate and enhance the capabilities and intelligence offered.

3

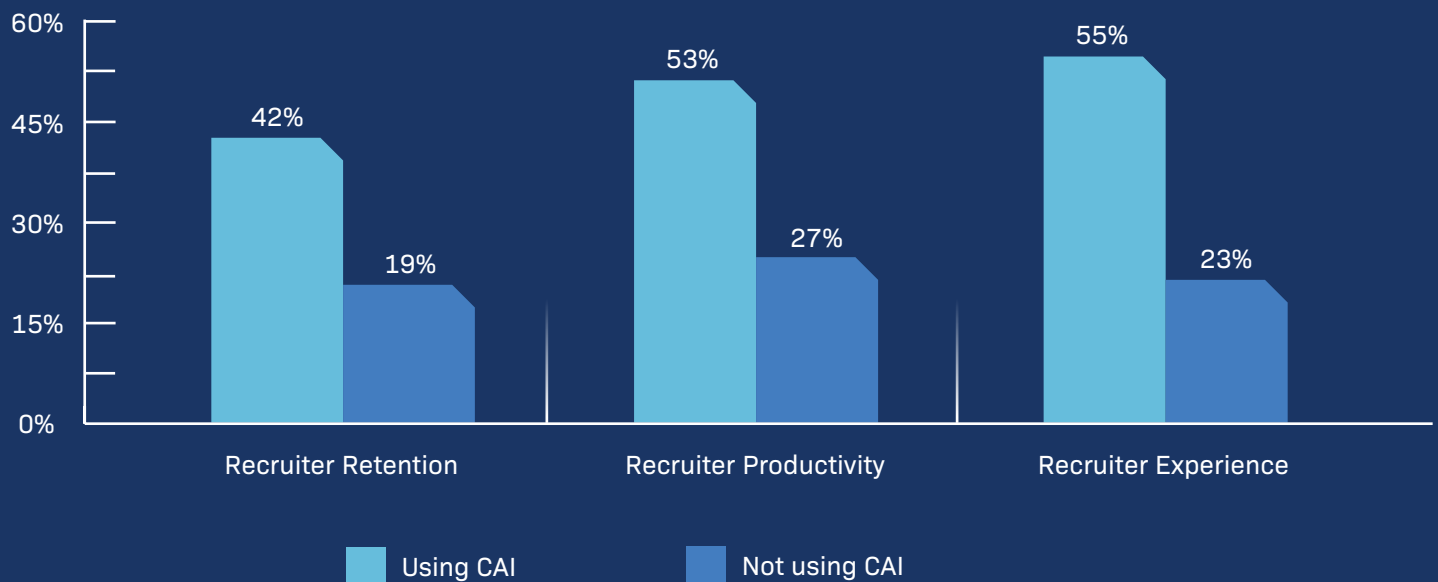
Conversational AI Is Completely Transforming High-Volume Recruiting:

Conversational AI is becoming the standard in high-volume recruitment. Currently, 65% of companies have some high-volume recruitment needs that include hourly, gig, volume of hires, and number of applicants. Conversational AI gives these companies a competitive advantage, helping them to compete for talent, fill positions quickly, and improve quality of hire. Companies are automating 90-95% of process, screening and scheduling in under three minutes, and hiring in two days.

4

Recruiters in Professional Hiring Also See Massive Benefits:

Recruiters are bogged down every day with repetitive tasks that keep them from doing the work they enjoy and the work that impacts the business the most – finding and meeting with more talented people. Companies in centralized, professional recruiting organizations state that 72% of recruiters are more likely to stay at their current job with the use of conversational AI, largely because time spent on administrative tasks is reduced by 50%.

Figure 2: Impact on the Recruiter Experience

5

Recruiters in Professional Hiring Also See Massive Benefits:

Most companies are familiar with the use of conversational AI to support sourcing, apply, and interview scheduling. But, the interest in this solution for onboarding and internal mobility has increased this year. Conversational AI is not only candidate-centric, it is people-centric. Nineteen percent (19%) of companies using conversational AI are leveraging these solutions in the new hire process and 12% in internal mobility. Remote recruiting is the primary driver for the increased demand in these areas. Most companies rely on their HRMS or ATS for onboarding capabilities, and while these solutions include workflows and forms compliance, they do little to enhance the new hire experience.

AI MATCHING

One area where companies are focusing their investment is on AI matching. With efficiency and DEI driving many of the technology decisions today, companies are looking closely at solutions that can lift the administrative burden on recruiters and help to reduce bias. Companies that leverage AI matching are two times more likely to improve diverse sources, three times more likely to improve time to fill, and three times more likely to improve quality of hire.



EFFICIENCY:

AI matching connects candidates to jobs so that recruiters do not need to go through hundreds or even thousands of resumes for each job. These solutions use experience, skills, and data to match and rank candidates – saving time for both recruiters and managers.



DEI:

With ethical AI, companies can reduce human bias in the decision-making process and level the playing field so every candidate has a fair opportunity.



QUALITY OF HIRE:

AI matching can help companies better identify the right candidates using artificial intelligence that uses pre-established criteria and qualifications.



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BELOW ARE SOME TRENDS IN AI MATCHING:

1

Ethical AI Is Not the Norm:

The role of ethics in AI is the most important consideration in AI matching and it is often the most ignored. Companies are looking for a quick fix to their recruitment challenges and tend to look at solutions that will save time and money without understanding the long-term implications on building a fair and equitable recruitment process. With adverse impact EEOC regulations and upcoming European regulations, companies must look at ethical AI in the hiring process and ask difficult questions to determine which providers will hold up.

2

Understand the Difference Between AI Matching for Sourcing and Screening:

Although, it may seem that the use cases are similar, AI matching for screening is more challenging than it is for sourcing. AI matching used to screen active applicants must pass the standards compliance. When an active applicant is being screened, OFCCP and EEOC compliance kick in and scrutiny is applied. It is looking beyond public information and understanding qualifications and data that a candidate provides to help inform decision-making. Companies need to consider this difference when evaluating providers.

3

ATS and CRM Providers Are Offering Efficiency:

AI matching requires deep domain expertise and a commitment to ethical AI, security, and compliance. Many ATS and CRM providers are offering matching capabilities as part of their core solution. They are enabling companies to quickly rank and score candidates, but are not always offering transparency around their algorithms or how decisions are being made. They also do not charge separately for these capabilities and do not get questioned on their methodologies. Companies interested in using AI matching to create a more fair and equitable hiring process should look at providers committed to both efficiency and ethics.

4

AI Matching Provides Value in Internal Mobility:

AI matching can provide tremendous value to internal mobility efforts. It can help companies understand their employees and identify the right opportunities for promotion and development. Many of the providers in the market are integrating with HRIS systems and talent management systems to help support internal mobility efforts.

5

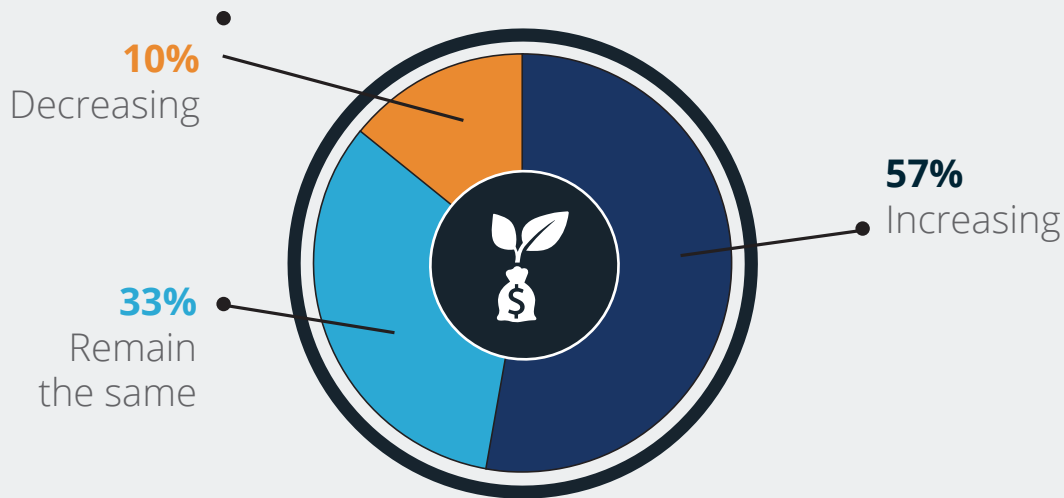
Transparency Is Critical:

Many providers use “black box algorithms” that are not transparent or shared with candidates. AI solutions should be fully transparent with candidates on how their information is being used and how decisions are being made. Transparency should include why candidates are shortlisted and ranked during the matching phase. AI also enables companies to share specific feedback with candidates through the process.

PROGRAMMATIC JOB ADVERTISING

Fortunately, some companies have recognized the challenges with traditional advertising models and have turned to a programmatic approach to deliver better results. A programmatic approach requires less work for recruiting teams and automates the process so that companies can make data-driven decisions around advertising spend. Aptitude Research found that for companies using programmatic job advertising, 90% are either continuing to invest or will increase their spend this year (see Figure 3).

Figure 3: *Investment in Programmatic*



Unlike traditional job advertising models that are slow and time-consuming, a programmatic approach solves an immediate need for companies today – greater efficiency. Companies state that the key driver for technology decisions is reducing time to fill and improving overall efficiency. By streamlining advertising and targeting the right candidates, the process of attracting and recruiting talent improves significantly.



TOP FINDINGS IN PROGRAMMATIC JOB ADVERTISING

1

Once They Start Programmatic, Companies Do Not Go Back:

Although adoption is low, companies that leverage programmatic advertising rarely go back to a manual process. The benefits across efficiency, spend and experience are too significant.

Fifty-seven percent of companies that are using programmatic advertising plan to increase their investment in 2021, while over 30% of companies are continuing the same investment.

2

Programmatic Does Not Require a New Budget:

The greatest misconception about programmatic job advertising is that companies will need to find new budget. A programmatic model is a cost-savings solution. It is designed to help companies reduce spend, make performance-driven decisions and replace ineffective advertising methods. When building a business case for programmatic job advertising, companies should focus on how to shift budget from what is not working and focus on the benefits of a streamlined approach.

3

AI is a Key Differentiator:

One of the strongest use cases for AI in talent acquisition is programmatic job advertising, yet not every provider has an AI-driven platform. AI helps companies go beyond real-time bidding and streamlines advertising. It uses historical and predictive data and intelligence throughout the campaign, optimizing performance in real-time. Currently, 27% of companies define programmatic advertising as an AI-enabled platform that eliminates humans from the negotiation.

4

Programmatic Requires Expertise:

Although some applicant tracking systems (ATS) partner with programmatic solutions – and CRM providers are starting to dip their toes in this market – the programmatic space is largely a stand-alone market. The companies that are offering the best partnerships focus their expertise solely on the programmatic model. Less than 20% of companies are looking at their primary ATS or recruitment provider for programmatic job advertising capabilities. For companies looking directly at stand-alone providers or an ATS partner, they must work with a truly programmatic solution not just doing job distribution.

5

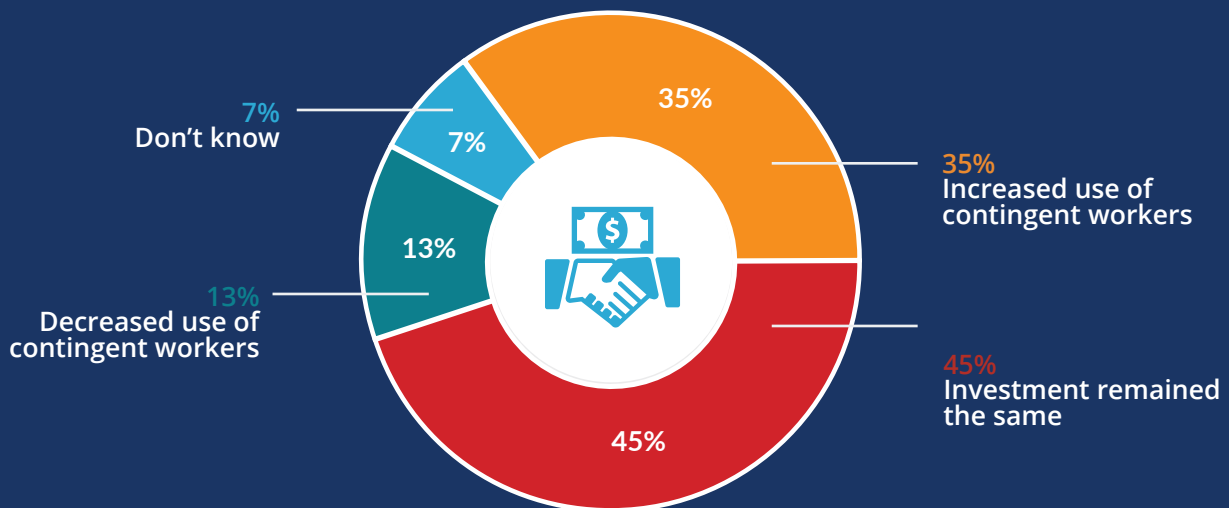
Programmatic Impacts both Marketing and Talent Acquisition Metrics:

Marketing and talent acquisition face many of the same challenges and strategies when it comes to identifying and attracting leads. Programmatic job advertising impacts both marketing and talent acquisition metrics, with companies seeing a two-fold improvement on job views and campaign effectiveness.

CONTINGENT WORKFORCE MANAGEMENT

Traditional employment has changed significantly over the past year thanks to changing business needs, globalization, and a new focus on workforce flexibility. Companies have had to adapt their workforce strategies overnight, and a contingent workforce enables organizations to be agile, engage highly skilled workers, and adapt quickly. The contingent workforce umbrella is expanding beyond temporary workers to include on-call workers, independent contractors, scope-of-work (SOW)-based projects, and freelancers. Aptitude Research found that 80% of companies plan to continue or increase their use of contingent workers in 2021.

Figure 4: *Investment in Contingent Workers*



BELOW ARE A FEW TRENDS IN CONTINGENT WORKFORCE MANAGEMENT:**Companies are shifting their technology for contingent workers this year.**

Thirty-four percent (34%) of companies are looking at other options for technology to manage contingent workers better. HR leaders can help influence these decisions if they understand the current landscape and available solutions.

**One in two companies don't know what they spend on contingent workers.**

One in two companies don't know what they spend on contingent workers.

**Technology needs to change.**

One in four companies state that technology is their biggest challenge in managing contingent workers. Companies are shifting their strategies and ownership to HR, yet still rely on legacy and outdated systems to manage these workers. HR needs a modern system that will provide greater visibility and capabilities designed for an extended workforce.



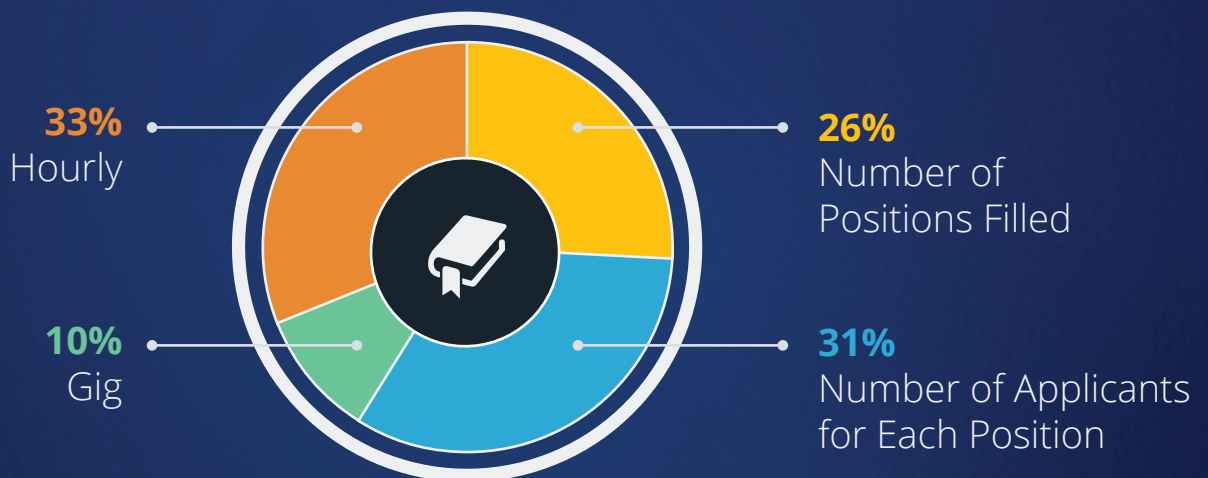
HIGH-VOLUME RECRUITMENT

High volume recruitment refers to the recruitment of a larger number of people within a relatively short period of time. The same survey from Aptitude revealed more than half of respondents define “high volume” based on the number of applicants for each position (31%) or the number of positions filled (26%) see Figure 5.

Industries outside of gig that might also employ high-volume recruitment include (but are not limited to):

- **Companies looking to scale business quickly or that have experienced sudden growth**
- **Customer service and call center representatives**
- **Healthcare staff**
- **Seasonal financial services (e.g., tax professionals, accountants)**
- **Data entry specialists and statisticians**

Figure 5: *Definition of High-Volume Recruitment*



BELOW ARE A FEW TRENDS IN HIGH-VOLUME RECRUITMENT:

1 Candidates Are Dropping Off at the Apply Phase:

The area where most candidates drop-off is the apply phase (43%). Companies are losing quality talent early in the process. Although companies have invested in interviewing and onboarding over the past year, recruitment marketing and easy apply continue to be a challenge in high-volume recruitment. Companies must rethink how they are attracting candidates and reevaluate the apply process to see why they are losing talent early. One in three companies state that the apply process takes longer than 30 minutes for high-volume roles, and one in two companies do not have a mobile-optimized apply process.

2 A Traditional ATS Is Not Enough:

Sixty-five percent (65%) of companies with high-volume recruitment needs are not satisfied with their current ATS. Most traditional ATS systems are designed for corporate hiring and lack capabilities to support high-volume recruitment such as programmatic advertising, scheduling, or communication. High-volume recruitment technology must be simple, intuitive, and mobile responsive. Eighty-two percent (82%) of companies with high-volume hiring needs are increasing their investment in technology this year.

3 Pay Is a Challenge:

Pay and wages have long been a topic of debate in high-volume hiring. According to Aptitude Research, 70% of companies believe they are losing talent because of pay. Companies with low hourly rates or companies that do not offer competitive rates will not retain talent. **Aptitude Research found that one in two candidates drop off when they find out the pay for a position, and 30% of candidates learn about pay during the apply stage.** Not disclosing pay until later in the recruitment process is not the solution. Companies must consider their approach to compensation and the direct impact on talent acquisition and recruiting efforts.

4 Quality Is as Important as Efficiency:

Companies face pressure to fill high-volume positions as quickly as possible. Efficiency becomes the priority for many organizations with high-volume needs. They want to improve and streamline the talent acquisition process to reduce time to fill. Despite this focus on efficiency, 61% of companies stated that quality of hire is the most critical metric for success. As companies focus on improving the time it takes to fill positions, they must ensure they are engaging and hiring the right talent.

EXCEPTIONAL EXPERIENCES

For many companies, improving the candidate experience starts with improving the employer experience. If recruiters do not feel motivated and supported in their roles, candidates will never have a positive impression of an employer. And ultimately the employer brand will suffer, the company will lose quality candidates, and there will be a negative impact on the business. Companies are more likely to achieve their business goals with an exceptional experience. Aptitude Research found that companies with positive candidate experiences were:



Fifty-eight percent (58%) of applicants who are screened out never receive a response
(Aptitude Research)



One-in-three recruiters are feeling more burned out this year than ever before
(Aptitude Research)



From job applicants who had applied over two months ago, **61%** had not heard back from the employers (2020 Talent Board Candidate Experience Benchmark Research)



BELOW ARE SOME TRENDS IN EXCEPTIONAL EXPERIENCES:



Sustaining an Exceptional Experience Takes Work:

Over 1,000 companies have participated in the Talent Board Candidate Experience Benchmark Research Program to date, but only five companies have won CandE Awards eight-to-nine times out of the 10 years since the program was founded — four North American companies (AT&T, Colorado Springs Utilities, Deluxe, and Lockheed Martin), and one in EMEA (Intel). In 2020 alone, employers had to navigate a series of external challenges including COVID-19, while also dealing with a cascade of resulting internal hurdles (budget cuts, reduced recruiting plans and talent investments, and shifts in business).



Companies Should Start With the Employer Experience:

Candidates will not have a positive experience if recruiters are unhappy and disengaged. If hiring teams are overworked and overwhelmed, the candidate experience will be negatively impacted. Today's recruiting and hiring teams are facing an experience crisis and remote work has created additional stress. **According to Aptitude Research, recruiters spend up to 16 hours per week scheduling calls and 10 hours looking for candidates in their ATS. Additionally, 32% of recruiters surveyed are looking for other career opportunities.** Companies that want to improve their external experiences need to look internally first.



Communication Is the Biggest Missed Opportunity:

Candidates want to understand their progress and know where they stand. Companies need to better communicate with candidates earlier in the process when they are first researching the organization, provide a process indicator during the application process, and communicate next steps post-application. Currently, 58% of candidates do not receive any response (Aptitude Research).



Exceptional Experiences Directly Impact the Bottom Line:

A poor candidate experience impacts business performance, including brand and customer retention. Organizations that have improved talent acquisition experiences over the past year have seen improvements to NPS scores, customer retention, and employer brand. Companies that provide a more engaging and human experience see a direct impact on business performance, including a two times improvement on NPS scores.



Companies Are Increasing Their Investment in Automation:

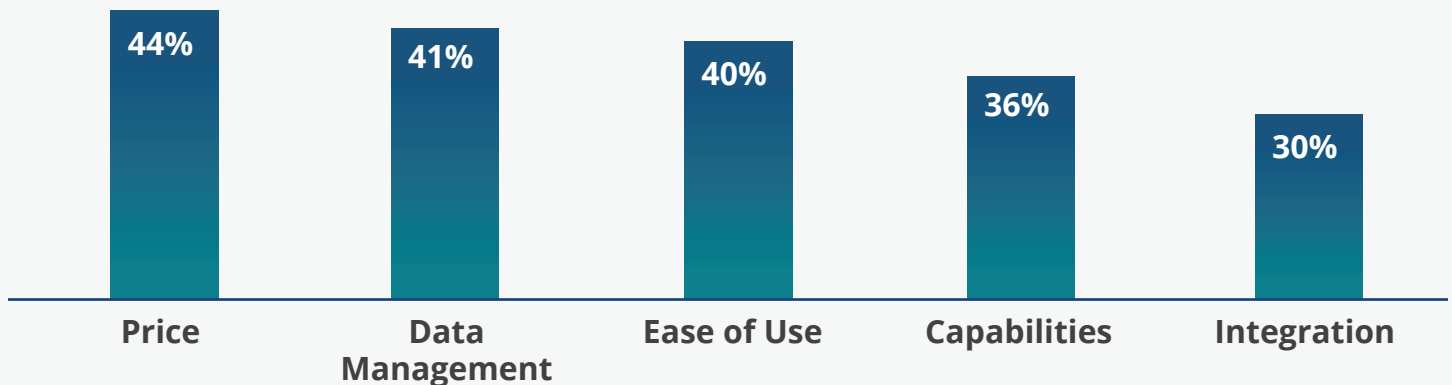
Automation can help improve experiences for both employers and candidates. While not new to recruiting, automated processes continued to increase this year to support leaner recruiting teams and more applications, especially with machine learning and other smart technologies. The reality is that most candidates who are interested in a job will research and apply, but never move forward. Most will have little to no human interaction and will be dispositioned automatically. Automation can help provide a fair and equitable experience, and allow companies to provide consistent communications to every candidate.

ATS MARKET

The talent acquisition systems market is not the commoditized market that it was a few years ago. Every provider is moving in a different direction in terms of priorities, capabilities, and roadmaps. Some providers are building out more robust TA functionality, while others are moving into talent management and employee experience. TA buyers must look beyond functionality and consider true partnerships in both the product and the vision. They must dig deeper and ask the tough questions to determine if a provider will be able to partner for the long-term.

When asked about the top pain points in talent acquisition technology, companies identified price, data management, ease of use, and product capabilities. Additionally, one in three companies identified integration as a top challenge. These challenges are a result of the complex nature of talent acquisition technology and the number of solutions in place. On average, companies are using ten or more talent acquisition solutions and 51% of enterprise companies use more than one ATS. This complexity results in companies overspending without being able to strategically manage data.

Figure 6: *Top Pain Points With TA Technology*



BELOW ARE KEY TRENDS IN THE ATS MARKET:

1

Skills Are the New Hiring Currency:

Skills are becoming a critical component of how recruiters and hiring managers evaluate candidates and how candidates present themselves to employers. Skills can provide more accuracy and relevance to a role than past experiences, and help companies make more informed hiring decisions. Many of the larger providers included in this report have made considerable investments in a skills framework to support both talent acquisition and talent management. A few of the best-of-breed providers have also focused on strategic skilling to support recruitment and internal mobility.

2**DEI Is a Differentiator:**

Given the importance of DEI's influence in driving technology decisions, it is surprising that more providers are not invested in supporting companies reduce bias and improve diverse hiring. Very few best-of-breed providers have a dedicated role for diversity and inclusion, and others make vague blanket statements to imply that DEI is part of everything they do. The providers that make impacts in DEI have demonstrated a commitment in their leadership, product, use cases, and customer service delivery.

3**Onboarding is at a Standstill:**

Onboarding capabilities still include forms management, tasks management, and socialization. Companies need some way to automate forms, automate tasks, and engage new hires in a portal. Although the experiences have improved, the fundamental capabilities of onboarding have not changed in the past decade. And some of the ATS providers throw in onboarding modules for free in order to win deals – devaluing their products. Most of the innovation in onboarding is coming from the conversational AI providers today that offer a better experience and efficiency.

4**All CRMs are Not Created Equal:**

Every provider is looking to check the box on CRM or recruitment marketing capabilities, but this is not an apples-to-apples market. Every solution looks different and includes different strengths and/or weaknesses. Only a few providers have competitive recruitment marketing platforms that can support career sites, CRM, talent pipelines, analytics, and communication. These providers have acquired leading players in the market to strengthen their platforms. The remaining providers in this report either have limited CRM capabilities or are including CRM and recruitment marketing in their roadmaps for the future.

5**Internal Mobility Is Still Unknown:**

Internal mobility becomes more of a priority when hiring slows down and companies start to look at retention strategies. The events of 2020 have forced companies to look at internal mobility more closely. In fact, 58% of companies surveyed for this report are using or planning to use internal mobility capabilities this year. Internal mobility is comprised of two levels. The first level includes capabilities to engage with internal talent through career sites, job postings, and communication. The second level of internal mobility includes a full talent lifecycle approach, and consistent experience from recruitment to succession planning, career development, and performance management.

CONCLUSION

The talent acquisition technology landscape is changing, and companies must consider solutions that will improve both the recruiter and candidate experiences, provide greater efficiency, and ensure a fair and equitable hiring process. We are excited about the future and below are of the topics we plan to cover in 2022:

- **Talent Measurement**
- **Internal Mobility**
- **Recruitment Marketing/CRM**
- **Humanity in the Workforce**
- **Assessments**
- **AI in Recruiting**

ABOUT US



Aptitude Research is a leading human capital management (HCM) research and advisory firm. Our in-depth research and vendor assessments help HR leaders develop a deep understanding of the HCM technology landscape, including talent acquisition and engagement, to ultimately make better purchase decisions.

Our flagship research, The Aptitude Index Report: Talent Acquisition Systems (2021), delivers a comprehensive look at talent acquisition trends and technology. This knowledge, combined with our consulting and advisory services, enables companies to save time, money and improve the recruiting, hiring and workforce management experience.

Founded by leading analyst Madeline Laurano and based in the Boston area, Aptitude Research provides a wealth of HCM expertise to companies, vendors and investors. View our recent and upcoming research at www.AptitudeResearch.com or connect with us on [Twitter](#) or [LinkedIn](#).

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