



# Applicant Tracking Systems: A data-driven guide to making the right choice

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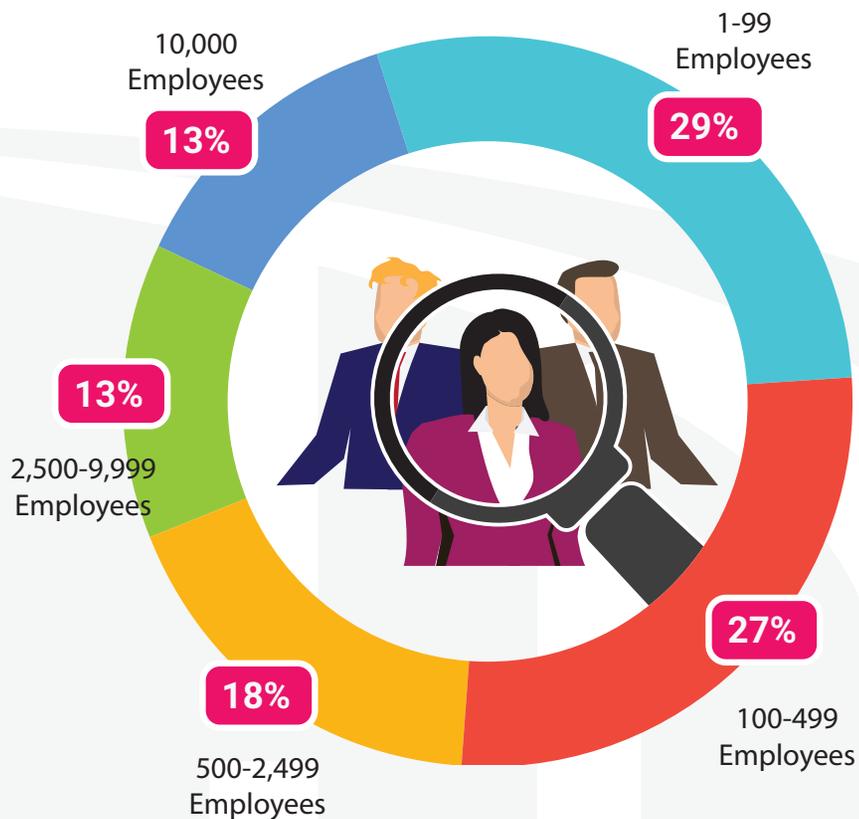
Today's job market is an ever-evolving environment as organizations find themselves competing for high quality talent and struggling to fill high-skilled jobs. Couple this reality with the fact that job growth has improved from the depths of the Great Recession, leading many people to reenter the job market. It's a great time to be looking for work. Still, many organizations are overwhelmed with applicants while also struggling to fill roles. How can companies effectively screen the volume of applications and resumes that flood in? According to industry data (compiled by Capterra) as many as 75% of recruiters and hiring professionals now use applicant tracking systems (ATS).

There are over 220 systems on the market today, and it's fair to expect that more systems will emerge. With such a crowded market, it can be very difficult to evaluate and select the right ATS for your organization. How are we supposed to make sense of this crowded market for a tool that so many professionals are already using? Are there some best practices for selecting or evaluating a solution your organization might be able to apply today?

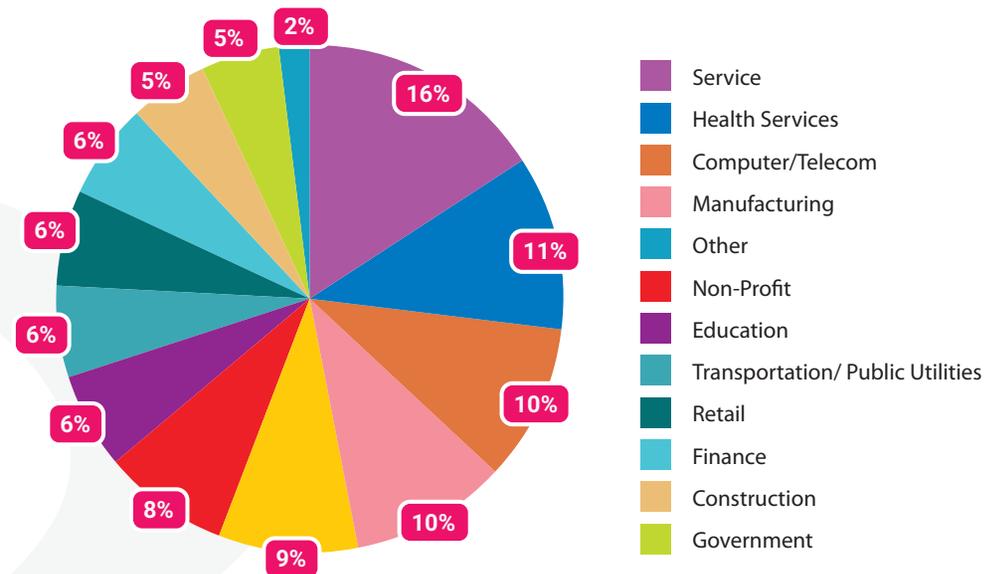
During the fall of 2016, Talent Management Software provider ClearCompany conducted a survey in partnership with HR.com to get a sense of HR and recruiting professionals' experiences selecting and using Applicant Tracking Systems (442 total responses). This report will give you an overview of both the benefits and challenges current users realize, then provide you with insight into how to select a system that will maximize benefits and minimize challenges.

Finally, we will provide a series of best practices for selecting and evaluating an ATS for your organization. These takeaways ought to be equally applicable whether you are looking to initiate use of an ATS or evaluating a replacement system so you can make informed choices about your options.

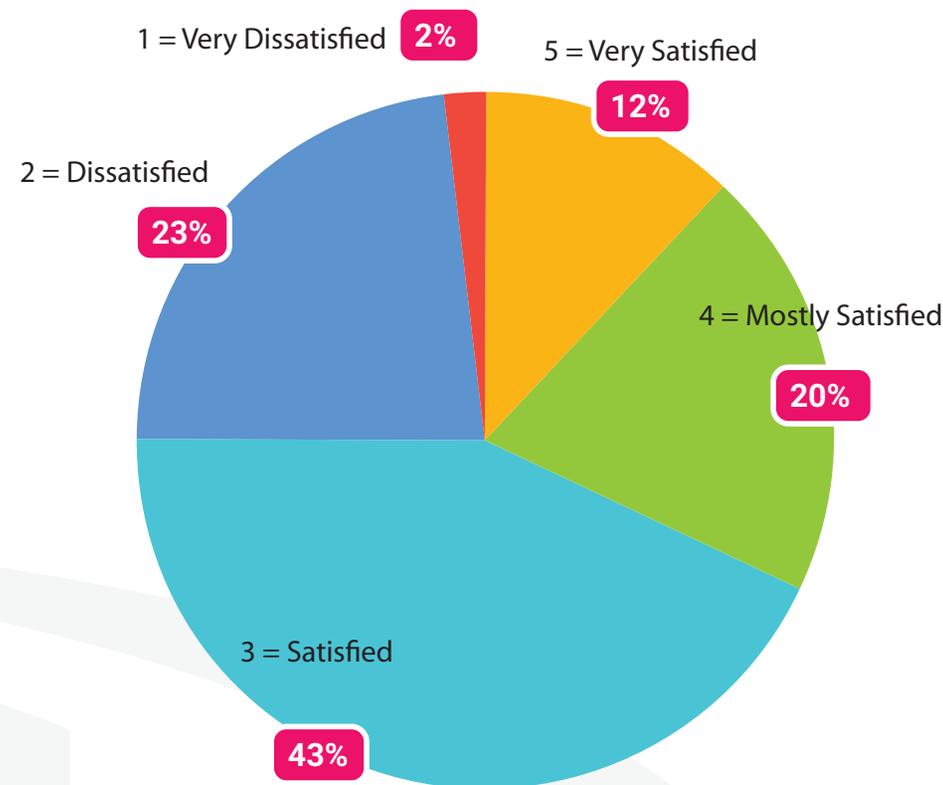
The survey participants by organization size:



The range of industries represented is very broad:



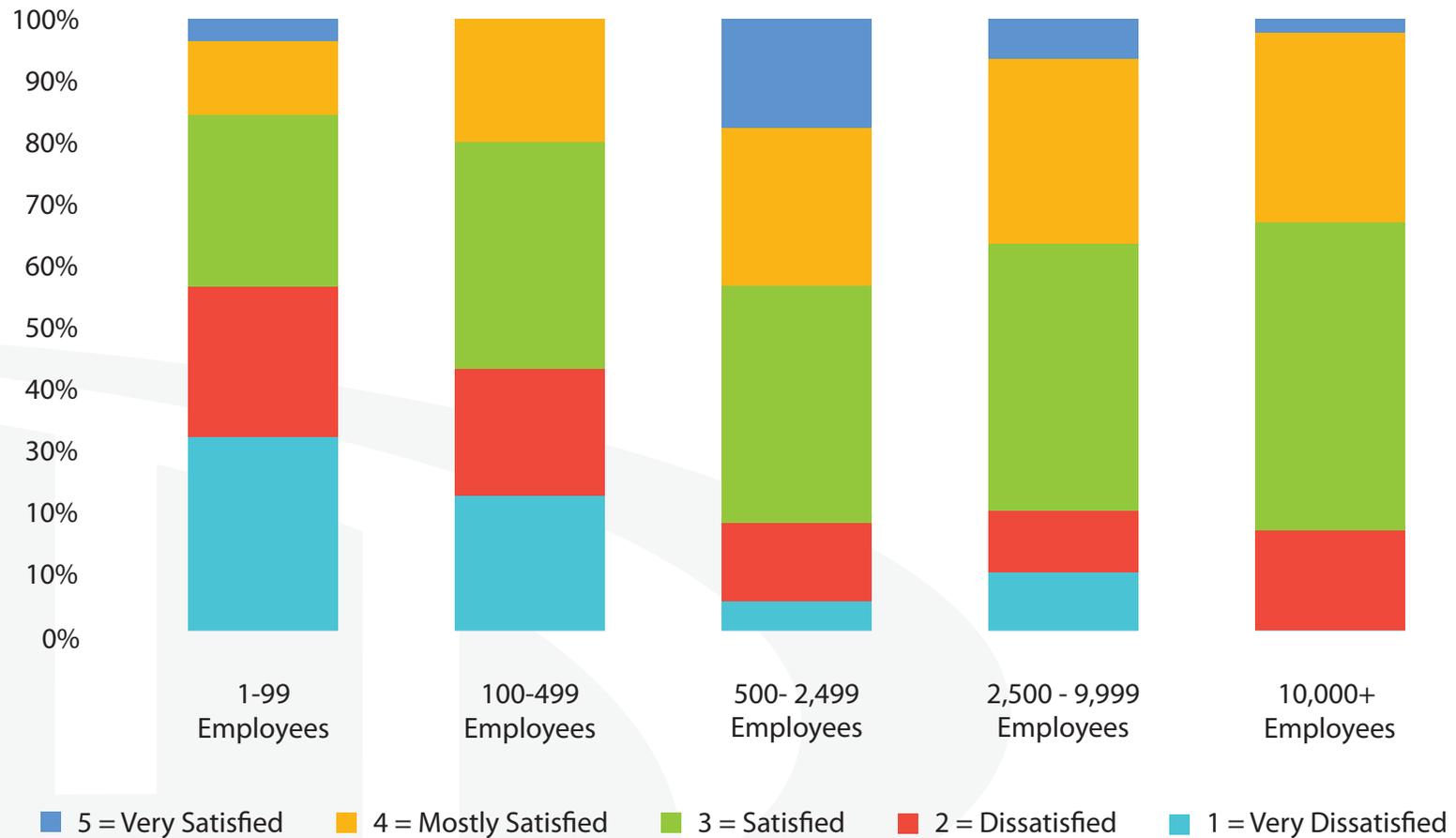
Satisfaction & Reported Benefits of ATS



75% of the survey participants report at least some level of satisfaction with their current ATS. There are not many other HR technology solutions that enjoy this broad level of support from internal stakeholders.

What's really interesting about the survey responses are the varied reasons respondents provided about why they are satisfied with their ATS.

Satisfaction sorted by the size of the organization reveals some interesting data.



ATS users in smaller organizations are substantially more satisfied with their experience than users in larger organizations. In fact, 81% of the participants from smaller organizations (fewer than 500 employees) say they are at least satisfied. Only 43% of the participants from larger organizations report the same level of satisfaction and not a single response from a participant from organizations with 10,000+ employees said they are “very satisfied.”

There are likely a number of causes related to a series of choices made by ATS users in the various organizations as measured by size, and the likely culprit for the disparity looks like complexity. For instance, 55% of participants in smaller organizations say their system is easy to use, but only 43% of the participants from organizations with 500+ employees can say the same. However, 25% of the participants in smaller organizations say their system is, “difficult to use,” and 22% of the responses from larger organizations had the same complaint. So ease of use – simpler configuration and solution – appears to drive levels of satisfaction up for ATS users. That’s a valuable lesson as organizations do two things – evaluate options and implement a solution. As we will discuss in our tips below, strive to purchase and implement the features and functions you truly need.

# Specific Benefits & Challenges



Applicant Tracking Systems are perhaps the most prevalent HR Technology available. As such, there are an abundance of both benefits and challenges found by end users.

The table below organizes the answers of all of our participants by things people like about their current ATS, and on the right-hand side of the table we list the things people do not like about their current ATS.

What do you like most about your ATS?	Percentage of Responses by answer	Percentage of Responses by answer	What do you like least about your ATS?
It helps me keep candidates organized	60%	32%	It does not have enough of the features that I need
It is easy to use	50%		It does not have good reporting/analytics functionalities
It saves time	36%	27%	It is buggy
It has good reporting/analytics functionalities	28%	21%	I cannot use it to effectively communicate with candidates
It creates efficient follow up with candidates	25%	18%	It is difficult to use
It has reduced my time to hire	23%		It provides a bad candidate experience
It helps with interview scheduling	21%	17%	Other
It allows me to better understand my talent pipeline	20%		It has bad customer service
It provides a good candidate experience	20%	10%	It wastes my time
I like everything about my ATS	16%		It has too many features
It has good customer service	15%	8%	It is not worth the money that I spend
It provides a positive ROI	14%		
It helps me hire better people	12%	7%	
It allows me to passively source high quality talent	12%		
It has increased my quality of hire	10%	6%	
Other	8%		

As you can see, most of the benefits the participants identified are process or feature oriented. This same focus on features is likewise reflected by the top answer to the question about what participants do not like about their ATS - their system lacks enough features or functionality the participants need.

The specific feature or set of functions participants like is reporting and analytics at 28%. Conversely, 27% of the participants specifically identify reporting and analytics as something they do not like. This is an area that generated significant levels of satisfaction one way or the other. Candidate experience is another area where the positive and negative responses were close: 20% say their ATS delivers a positive candidate experience, but 17% say their ATS delivers a bad candidate experience. These are both areas we will cover below in the tips and suggestions section of this report.

Further, in a likely reflection of the level of dissatisfaction with ATS, customer service was seen as a benefit by only 15% of the survey respondents currently using an ATS. But only 10% of the responses to things participants do not like said customer service.

# Suggestions and Tips to Help Select the Right ATS for Your Organization

So what are we to do? The data from this survey suggests high levels of overall satisfaction with only a pair of qualities – keeping candidates organized and ease of use.

What's notably missing in both the options and comments is much mention or concern about the business benefits of applicant tracking systems. Three options to the questions about what participants like about their ATS that reflect direct business benefits: ROI (14%), hiring better people (10%) and improving the quality of hires (12%). Saving time did earn mention on 36% of the survey responses. But none of these business benefits appeared more than 50% of the time, and most appeared as a choice on less than 20% of the responses.

These responses should prompt ATS users, both current and prospective, to understand the business purpose for the system within their specific organization. As you will see in the tips below, connecting the rationale for your ATS to the business needs of your organization represents some outstanding advice from many of the survey participants.

Imagine one of your peers was starting the process of looking for the right ATS for their organization. What one thing would you want them to know as they launched their search?

Respondents offered an interesting combination of due diligence, strategic planning and understanding of business needs.

Based upon responses from HR practitioners who have recently evaluated and selected an Applicant Tracking System, here are five strategic tips we recommend incorporating into your process:

## Strategic Tips – Directly from the Survey

**Tip #1** – Set Specific business goals and define success clearly for the stakeholders.

Understand your organizational needs and make sure that the system will do what you need it to do.

Really understand what you want out of the system. Are you looking just for recruiting or also the hiring process?

Ask themselves what is most important to the organization, candidate experience? Manager experience? Recruiter experience? and evaluate each of the possible ATSs through that lens.

What is the objective or end result that they want to achieve from this system?

To understand what you want your ATS to do for you and what analytics you want to measure - these are important to know BEFORE you start shopping and implementing.

Another way to approach this important strategic step is to ask and answer two questions:

- 1. Once our ATS is implemented and fully functional, what will success look like?**
- 2. What are the top 5 most important functionalities?**

Defining success should include how you envision an ATS supporting organizational needs and helping to achieve organizational goals. Once you have that answer pinned down, you need to look carefully to understand how you'll know you've been successful. So what key performance indicators might be impacted? What precise business benefits do you expect (shorter time to hire, more efficient interview process, better quality hires, reduced early stage turnover within the first 180 days)? There are many other potential business benefits, and there are no right or wrong answers. It's just imperative that you understand how the ATS will benefit your organization's bottom-line, particularly if you do not have approved budget.

By asking and answering these two strategic questions and following the advice of current ATS users, you can start your evaluation process on the right foot.

**Tip #2:** Link the features and functionality of the system you select to your current business needs, processes and systems. Make sure the ATS you select has the functionality to work well within your business environment.

Identify the way various stakeholders will use the ATS within your organization, reporting requirements, candidate experience requirements, etc. Weight these requirements (knock out if the ATS cannot meet, strongly preferred, nice to have).

They all have pros and cons. Look for a system that has the most flexibility for communicating both with the applicants and with the hiring managers. Look for one that allows both individual and group communication between groups.

Flashy features are only good when they help your organization. You don't need an ATS that 'does it all.' You need an ATS that does what you need it to do.

Be sure your ATS is a good fit for YOUR company and intended purpose. Do not purchase features you do not need or understand how they will benefit your organization.

Look for ease of use and functionality and do not buy more than you need in your organization.

Look for simplicity and the functions you need.

1) Create a clear 'need' vs. 'nice to have' functionality list before starting, to help control costs and assess products. If possible, purchase a base system that you can add modules to as you grow and as your recruiting/talent management department requires more features. 2) If you are a high-volume recruiting company, very critically assess the system's capability to allow you to post jobs and collect applicants without having to open a requisition folder.

An important aspect to ensuring you have the features and functionality you need to achieve your organizational goals is to select the feature set that truly meets your needs. As the survey results showed us, a lack of features and functionality can result in dissatisfaction with your system. On the other hand, you don't want to buy features you really don't need. So take the time to make a list of "things we have to have" and "things we'd like to have" as you initiate your evaluation process.

**Tip #3:** Evaluate the system from the applicant's perspective in full to ensure you deliver the candidate experience you desire.

It has to provide a quick and simple interface for the applicants.

Make sure they understand how to set it up from the applicant perspective.

**Tip #4:** Ask specific questions about how the system integrates with your existing HR technology systems and other vendor systems you may be considering.

The ATS must be fully integrated with your HRIS in order to gain the most benefit. It must be able to work with your job/position structure, incorporate Comp & Ben info for internal candidates, etc., and at the end of the process be able to smoothly convert the candidate info into the core of an employee record. If not, you're in the land of double data entry with its inherent risk of mistakes.

Consider how the ATS is able to integrate with your HRIS system.

Make sure to ask about how the ATS integrates with your current HR software. Having an ATS that communicates with your calendars, with your email, and your HR software will significantly reduce wasted time throughout the hiring and onboarding process.

Many organizations now have complex HR technology applications and challenges. Adding complexity or bringing on a new system that doesn't integrate with your current systems is a recipe for disaster. So test and re-test and ask lots of questions about the ATS you are evaluating and the specific current HR technology tools you are using.

Finally, a big part of the reason to add new systems is to improve the quality of the data you can use. Make sure that you can get the kind of reports that are important to your organization as part of the evaluation of integration and functionality.

**Tip #5:** Clearly understand customer service and implementation models.

Look for something that is user friendly, and you can get reviews on. A lot of time companies will let you demo something and make promises that won't be kept. See if there are any other companies using the ATS you're interested in and get their feedback.

A lot will be said to sell the ATS by the sales team that may not actually come to fruition. Make sure that you have someone on the implementation team that will remain a main contact throughout the relationship and that there is backup of all decisions made because there is high turnover and/or movement in these roles.

Be clear about what you want your ATS to do before you start implementation - most importantly reporting and analytics. Know that anything you change during or after implementation has a high cost.

Once the sale is made, many vendors go through a very strange metamorphosis. They go from helpful, transparent, easy to work with partners into distant, hard to reach and unyielding and inflexible ogres. Don't let that happen to you. Ask for and then actually check references! Also – go to social media and search for the vendors you are evaluating. Read the traffic, comments and posts from current users and compare what current users say to what the sales reps tell you. You'd be surprised at the quality and quantity of information that is readily available in social media about companies.

# Conclusion

An ATS can make a big difference for your HR and recruiting teams and organizations. How you approach evaluating new or existing systems will help determine if that difference is positive or negative. In order to avoid the problems the participants in our survey identified, the five tips we offer for evaluating an ATS should help you ask better questions which, in turn, will provide you better and more constructive answers. Armed with better quality information, you can make more fully-informed decisions that help connect your ATS to your business objectives and the needs of all of the stakeholders and help you manage and hire better quality candidates.

