

Selecting an Applicant Tracking System

The Right Process is the Key to Success

In today's demanding business environment, some organizations have discovered that their recruiting and hiring process is not working effectively. Many companies have an applicant tracking system (ATS) in place, but the system may not meet their needs and the recruiting staff might not be using it. Organizational and procedural problems can further complicate recruiting and lead to bad hiring decisions. How can you identify and deploy the ATS that best fits your specific recruiting needs, encourages the efficient use of your staff resources, and helps you hire the best candidates?

A client came to us with a problem: The organization's recruiting and hiring process was not working for them. It was taking too long, the candidates brought in to interview were not right for the job, and staff involved in recruiting and hiring often failed to understand their responsibilities. Sometimes applicants were kept waiting when hiring personnel missed a communication, giving the applicants the sense that the organization was one they wouldn't want to work for.

This was not a unique case. Complex organizations sometimes find themselves ill-equipped to handle one of their most basic needs, that of employing the right people for crucial business functions. Applicant tracking systems were developed to help iron out the difficulties, but the early success of ATS's led to a plethora of products — there are more than 100 ATS systems available today — and a jungle of vendors competing for market share. How can you find the best system for your needs?

Our client had purchased an ATS, but it wasn't meeting anybody's needs and many of the key recruiting personnel were simply not using it. The problems ran deeper than software, though. The client's internal organization was out of sync; recruiters did not have the specialized knowledge to understand the needs of the business. The recruiting procedures were unclear. The client needed to revamp their recruiting organization, define their recruiting procedures clearly, and adopt an ATS that was the best fit for their purposes. They needed a better way to post job notices on the internet, attract the best candidates, put them through the organization's internal hiring process, make the right decision, and get the new hires settled into their jobs.

Thus, what started with the client's simple question — how can we improve our recruiting operation? — turned into a nest of interconnected issues.

We began by asking the client to form a steering committee of six people who would have the main decision-making authority. In addition, because recruitment and hiring touch on the entire company, we sought input from multiple areas of the organization — not just Human Resources, but functional divisions, compensation groups, and so on, all of whom have an interest, direct or indirect, in employment decisions. It was particularly important to get "buy-in" from technology groups; ultimately, their support would be vital to the functioning of the ATS.

For the applicant tracking system to be fully and consistently used, every affected group needed to accept it and understand its importance. And every group had to be willing to make the changes in their operations necessary to implement the new system. All in all, about forty people became involved.

The next step was to gather information from these participants about what specifically was needed in an ATS. Small-group workshops revealed the reality of the organization's recruiting operation and envisioned an ideal solution — "As Is" versus "To Be." In carefully planned sessions, we discussed how a hiring process should look: pre-selection considerations, publicizing an opening, screening applications, interviewing candidates, and so on through the entire life cycle of a hiring decision. We drew up a list of requirements in three areas:

Functional, i.e., what must the ATS do, and what features should it have?

Technical, i.e., what technological criteria must the system meet?

Vendor qualities, i.e., reputation, financial stability, pricing, etc.

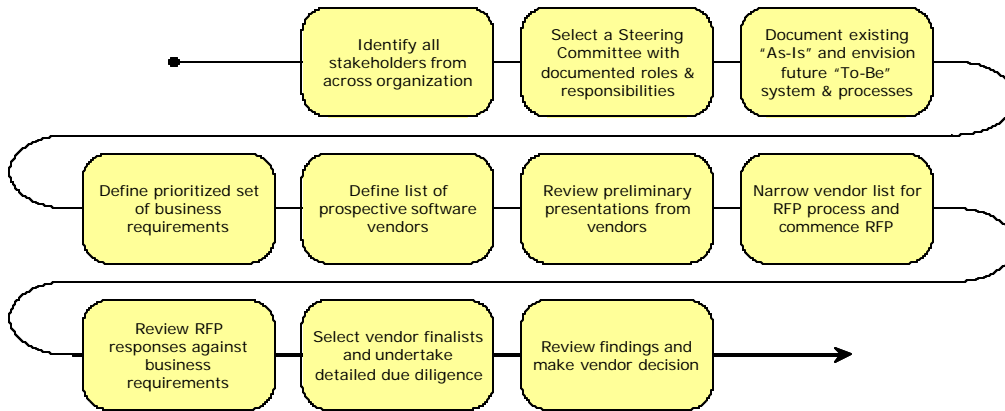
We asked our participants to rank each criterion in each area and assembled a prioritized list of "must haves," needs,



Key Points

- There are many Applicant Tracking Systems (ATS) available
- The roll out of an ATS can be difficult because the needs of many users from across the organization need to be met
- It is critical to define a selection process that incorporates the needs of the organization but ensures effective decision making

Steps to Selecting the Right Applicant Tracking System



S O L U T I O N S
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and wants. Then we looked for vendors.

A market analysis identified twelve vendors who appeared to offer suitable products and services. We invited each to give a brief presentation and then narrowed the field to eight. RFPs were sent, and upon reviewing the eight proposals, we narrowed the field again to three finalists and brought them in for full-day presentations based on a detailed script that we developed. Customer reference calls helped us narrow the choice to two, at which point we performed due diligence by carrying out an in-depth investigation of the products' security and maintainability, checked into the vendors' financial situations, and scrutinized the contract terms offered by each.

The final decision was a close call; while the two vendors were equally strong overall, the first was stronger in certain areas and the second, in others. Here the decision-making structure became particularly important. The client could have bogged down in arguing the fine points of the selection as one person or group stressed the strengths of Vendor A and another argued the strengths of Vendor B. In such situations, the worst outcome of all is when no decision is made.

Because we had spent time early in the project to put a good process in place — the selection criteria were identified and weighted early on, and all critical participants understood them clearly — the client ended up making a good decision. The process worked.

Four key lessons learned:

Choosing and implementing an ATS is not a trivial issue. Recruitment and hiring decisions are always important and

sometimes contentious within an organization. Companies should invest in the right ATS to help with these crucial functions.

To make the right choice of an ATS, your organization needs to have a process in place. If you don't do it right, you could invest in a system at a high cost and discover, down the road, that your employees are not using it, the product is not delivering what you were promised, or you are getting dinged for vendor service charges every time something needs to be modified or fixed.

The ATS market is relatively new, but there are many different products and vendors out there — some good, some not; some reliable and stable, some not — and you need to find the best fit for your needs, implement the system, and teach your employees to use it effectively.

Finally, it is important to be aware that no ATS is a panacea. No product will ever be perfect, and for sure, no software system will magically compensate for inadequacies in an organization's recruiting structure. However, through a diligent market analysis, and by applying a disciplined and carefully designed process, you will find the ATS that helps build maximum efficiency into your organization's recruiting and hiring functions.

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