The New HR Roadmap to Transforming Talent Acquisition

How HR needs to rethink its partnership with IT and HR Operations to modernize recruiting

iCIMS iNSIGHTS

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By Adam Feigenbaum, iCIMS Chief Customer Officer

Siemens faced the challenge of effectively filling more than 35,000 roles worldwide to support its vision of long-term value creation. By powering its career sites' search engine with Google's machine learning (ML) natural language solution, Siemens increased the conversion rate of 2 million candidate searches to job applicants by a staggering 30%, creating a competitive advantage in attracting more qualified talent.

Make no mistake, human resources (HR) is embracing a new data-driven era. In the same way digital technology and big data revolutionized marketing—converting an analog, intuitive discipline into an exact science—it is transforming HR and talent acquisition (TA).

HR is evolving from using technology to count employees to making employees count, and recruiting is evolving from "post and pray" to proactively identifying, engaging, and nurturing talent. The pace of innovation is accelerating, as more venture capital[1] was invested in HR tech in the first quarter of 2019 than all of 2017. As a result, companies not investing in new HR technology are falling further behind, just as digital transformation is becoming a mandate.

However, the truth is **many transformation initiatives fail.**

According to McKinsey's latest global study on digital transformation projects, "less than 30% succeed.[2]" According to the 2019 Gartner CEO and Senior Executive Survey, CEOs and senior business executives report that Chief HR Officers (CHROs) are the least tech savvy members of their executive team relative to what they think will be needed in 2019/20.[3] As a result, challenges are magnified in HR transformation projects because Chief Information Officers (CIOs) and HR Operations (HR Ops) leaders are frequently left shouldering the responsibility of realizing value from their company's investment.

To better understand why HR digital transformation progress is often slow, we commissioned a survey of 500 IT and HR Ops executives. Our findings show the way for HR and TA leaders to more effectively partner with IT and HR Ops to successfully transform talent acquisition and create competitive advantages for hiring talent. ■

Key findings:

1. **Almost universal agreement that hiring is "critical to their organization's success":** All IT and HR Ops leaders recognize the impact of hiring on their organization, because there are few, if any, organizations not aggressively looking for talent with new skills to transform their company.

2. **The problem is "HR is IT's lowest priority":** This means that CHROs need to be more effective at demonstrating the return from HR digital transformation initiatives to CIOs and CEOs. Similarly, TA leaders need to explicitly show the value of investing in new technology to HR Ops leaders, because today, "recruitment is HR's lowest priority."

3. **HR Ops and IT leaders "struggle to stay ahead of tech changes impacting recruiting":** There is a technology lag as IT and HR Ops face a growing number of new technologies. This is only going to become more overwhelming as the pace of innovation continues to accelerate. To address this issue, TA leaders need to do a significantly better job articulating a digital strategy and prioritizing solutions that deliver the greatest return to the business.

4. **The majority of IT/HR Ops leaders plan to "increase their investment in recruiting technology in 2020," implementing new solutions to "source quality candidates and build talent pools":** The #1 challenge facing companies is finding qualified talent. To enable companies to evolve from posting and hoping the right candidate applies, IT and HR need to prioritize solutions to proactively source and nurture candidates, a far more effective way to land the right talent.

5. **The top criterion for evaluating technology is "implementation cost and time":** IT and HR Ops execs' top concern is implementing solutions on time and on budget. The truth is, they're not directly accountable for achieving business outcomes, such as meeting their organization's hiring goals. It is the responsibility of TA and HR leaders to realize their investment in digital transformation initiatives.

6. **HR leaders are seeking AI-driven solutions to "differentiate the candidate experience":** Although it's still very early and there is a great deal of hype, AI-driven solutions have emerged and they're improving the way companies hire and support talent. IT and HR Ops are focusing on applying the emerging AI-and ML-driven solutions to improve their candidates' experiences. For example, iCIMS' clients, such as RPM Pizza (Domino's), Southeastern Grocers, and Defenders have differentiated their candidate experience with AI-/ML-driven chatbots that respond to queries and schedule interviews and screenings while dramatically improving recruiters' productivity.

7. **The biggest capability gap for global companies is "standardizing recruitment across their global operations":** More than 60% of survey respondents support multinational companies, and their biggest need is for a single talent acquisition platform to support tailored activities across countries.

8. **60% of IT execs rely on best-of-breed solutions versus a single Human Capital Management (HCM) provider to deliver their HR technology strategy:** There is a misconception within HR that IT leaders prefer to rely on their single Human Capital Management (HCM) system, such as Workday or Oracle, for all their HR technology needs. In fact, 60% of IT leaders prefer to rely on a best-of-breed solution for recruiting.

The Five Keys to Successful Digital Transformation

Data-driven and tech-savvy CHROs and talent acquisition leaders are taking the lead in ensuring successful HR digital transformation. Here is what they know:

	TA and HR Responsibilities	**IT and HR Ops** Responsibilities
1. **Begin with your organization's data needs, rather than the technology's features and functionality.**	Successful transformation projects start at the end. First, identify the key metrics that your organization needs to track that will genuinely drive and improve the company's ability to find, engage, hire, and retain great talent. Today, only a minority of companies track cost per hire, and only about a third monitor whether their hiring practices lead to quality employees.[4]	Evaluate solutions based on implementation time and cost or features, identify the best tech solution that prioritizes collecting and analyzing the key data to provide actionable insights, specifically time and cost to hire.
2. **Develop a digital strategy, not a technology roadmap.**	Identify contemporary solutions to find, engage, nurture, and hire talent; otherwise, you're closing your company off to a large and growing talent pool, because the ways people find new job opportunities today—through social media, texting, and Google—are vastly different compared to just a couple of years ago. For instance, in 2019, 44% of job applications for iCIMS' 4,000 clients were submitted from mobile phones. So, any employer that doesn't lead with a mobile-first approach throughout the entire recruiting process is at a disadvantage.	Most companies evaluate technology solutions to meet their current processes, needs, and organizational structures. Instead, start with where the business wants to be three years from now, and develop a three-year overarching digital strategy—a roadmap—with key milestones, cost-benefit, and time-to-realize value. Select a technology solutions provider with the scale and flexibility to meet future needs.

4. "Your Approach to Hiring Is All Wrong," by Peter Cappelli, Professor of Management, Wharton. Harvard Business Review, May, 2019.

		TA and HR Responsibilities	**IT and HR Ops** Responsibilities
3.	Create a deployment— not just an implementation— plan.	Go live is not the finish line, but the beginning of user adoption, optimization, incremental innovation, and the drive to realize value using actionable insights. Develop a deployment program beyond the technology solution, such as providing recruiters with the essential marketing skills they will need to create search engine-optimized job descriptions and content.	The easier part is the technology implementation. The key to success is user adoption. Go beyond implementation by helping to ensure your partners in TA and HR have a deployment program and the resources to drive user adoption, optimization, and innovation after go live.
4.	Automate workflows.	Although your priorities will be sourcing and hiring great talent, don't ignore using technology to automate all the administrative and mundane tasks that, today, consume recruiters' time, preventing them from focusing on higher-value activities.	Select a TA technology provider with an inclusive and agnostic platform that seamlessly integrates additional third-party ("point") solutions, such as background checks and candidate screening. Otherwise, organizations end up with shadow IT in HR, or home-grown solutions, such as recruiters using personal phones to text candidates.
5.	Use a best-of-breed solution for talent acquisition, not an HCM solution's recruiting module.	Most IT leaders prefer to rely on a best-of-breed solution rather than on an HCM solution's applicant tracking module for recruitment. Talent acquisition is far more similar to marketing than to the HR systems designed to process payroll, benefits, performance management, and other employee-based workflows. As a result, the market for best-of-breed recruiting solutions is growing four times faster than recruiting modules within an HCM suite.[5] First, select a talent acquisition platform that easily integrates your preferred (point) solutions for complementary yet essential applications (such as candidate screening and background checks) so you can manage your entire recruiting process in a single system. Second, select a best-of-breed TA platform that integrates seamlessly into your HCM solution, which will provide real-time analytics of your workforce in a single place.	First, evaluate best-of-breed providers' longevity and track record, in addition to their products, features, and cost/time to implement. As with any high-growth sector, new talent acquisition tech providers are acquired or disappear completely, and employers are left with legacy or unsupported solutions. Second, partner with a best-of-breed provider with strong partnerships and technical integrations with HCM solutions (such as ADP, Workday, and Ultimate Software), to provide a single candidate system of record that is seamlessly integrated into your company's employee system of record.

5. IDC's Worldwide Talent Acquisition Technologies and Services Forecast, 2017–2021.
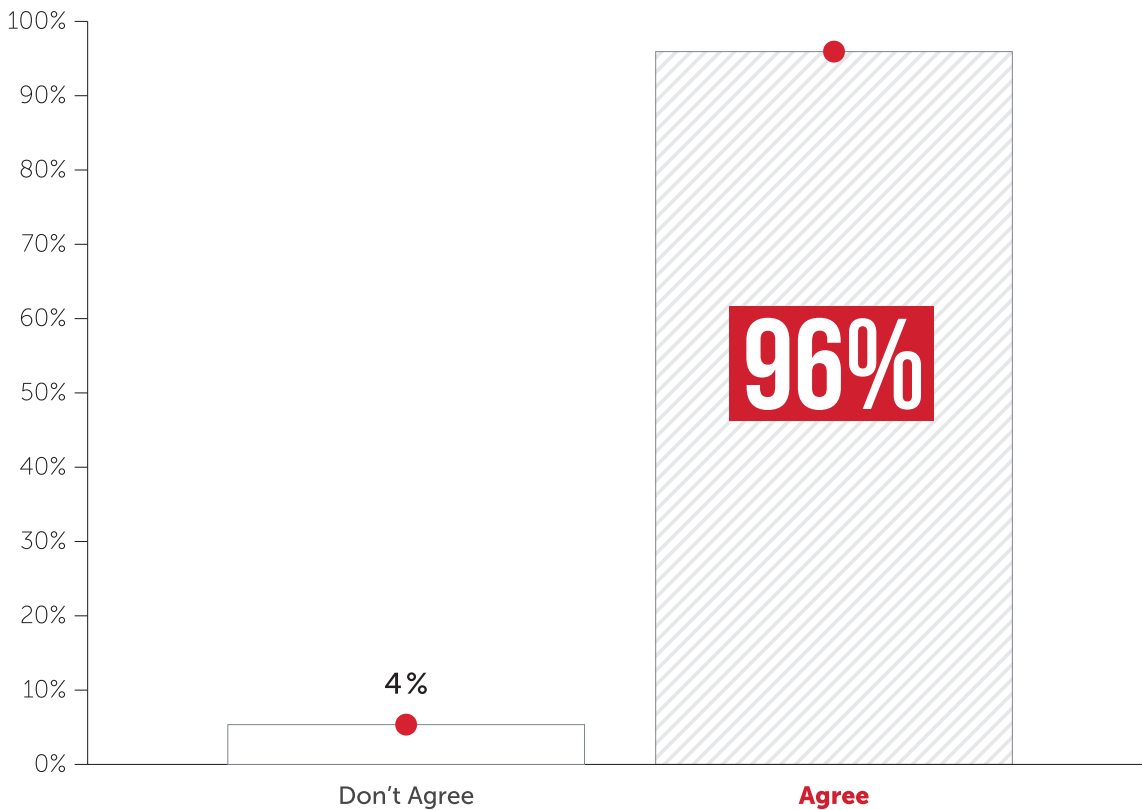
Detailed findings:

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1] Almost Universal Agreement That Hiring Talent Is Essential to Their Company's Success

Q *How strongly do you agree/disagree—It is critical to my organization's success that we are on target with our hiring goals?*

There are few, if any, organizations that are not aggressively looking for talent with new skills to transform their company. From old-line auto manufacturers seeking to deliver autonomous vehicles and cars-as-a-service to a whole new generation of farmers using drones, smart sensors, and weeding robots to increase yield and reduce cost, the future will be won by organizations with the best talent.

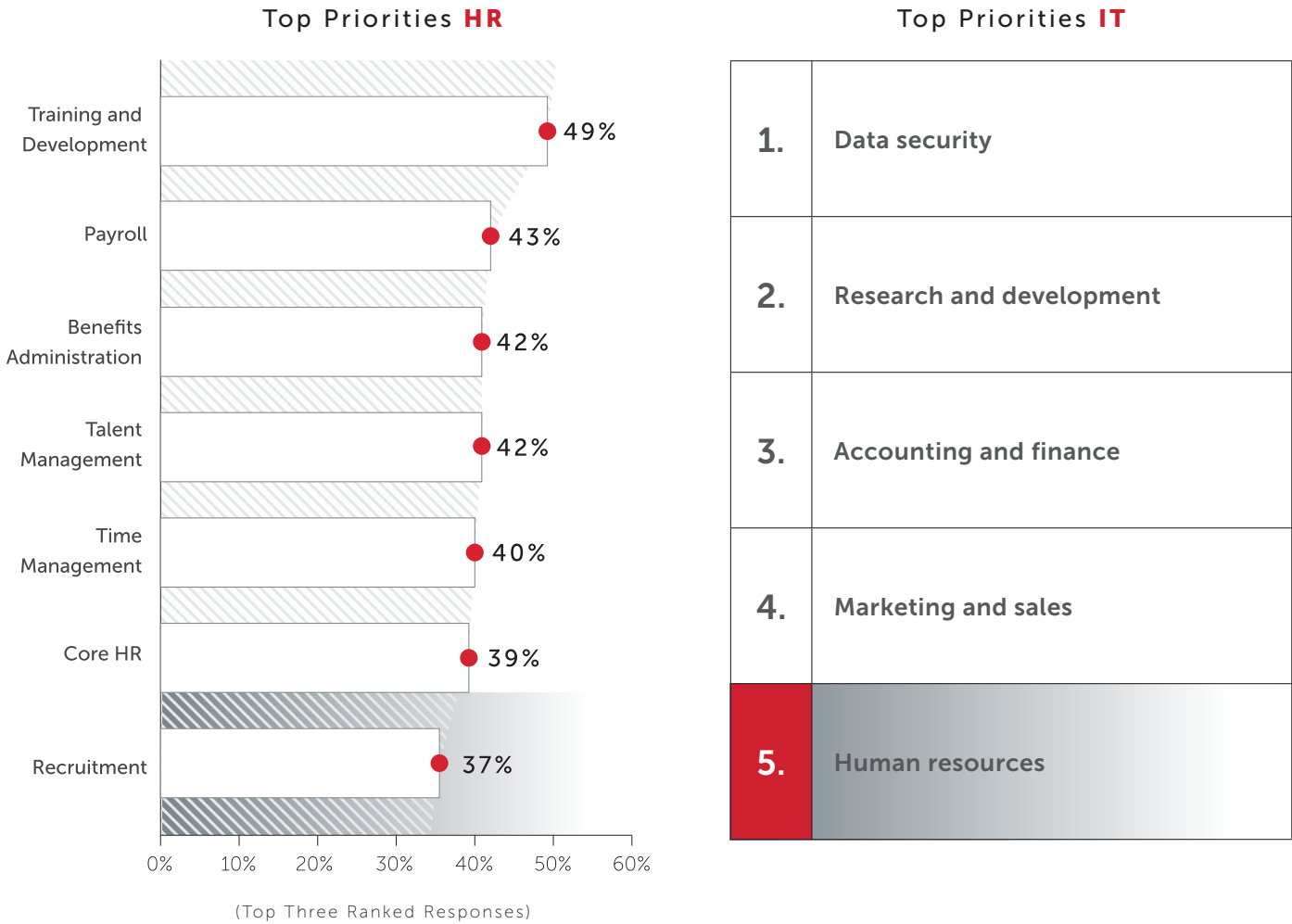That's why, for the first time ever, CEOs' #1 priority today is "hiring and retaining employees," surpassing "disruptive technologies" and "fear of a recession," according to The Conference Board's most recent global C-suite study.[6] That's because increasingly an organization's future success is more about the abilities of its people than the products it makes.

6. The Conference Board C-Suite Challenge™ 2019.

2] The Problem Is That HR Is IT's Lowest Priority; Compounded Because Recruitment Is HR's Lowest Priority

Q *Within your HR technology investment strategy, which of the following are the biggest priorities?*

Top Priorities **HR**

Category	Percentage
Training and Development	49%
Payroll	43%
Benefits Administration	42%
Talent Management	42%
Time Management	40%
Core HR	39%
Recruitment	37%

0% 10% 20% 30% 40% 50% 60%

(Top Three Ranked Responses)

Top Priorities **IT**

1.	Data security
2.	Research and development
3.	Accounting and finance
4.	Marketing and sales
5.	Human resources

For IT leaders, HR is their lowest priority, and for HR Ops (the team assigned within IT to support HR), recruiting technology is the lowest priority. Although this prioritization by IT/HR Ops reflects HR's traditional role of tracking and processing employees with benefits, payroll, and time management systems, it means that TA leaders in particular need to do a significantly better job of making their business case for increased support from IT and HR Ops.

3] Because Technology is Rapidly Evolving, 70% Plan to Increase Investment in Recruitment

Q *Agree/disagree–my organization struggles to stay ahead of technology changes impacting recruiting?*

Q *How are your organization's technology investments in recruitment expected to change between 2019 and 2020?*

Unable to Keep Up With New Recruititing Tech

Don't Agree 21%
Agree **79%**

(Top Three Boxes)

Plan to Increase Investment in Recruititing Tech

Decrease 2%
No Change 27%
Increase **70%**

(Top Three Boxes)
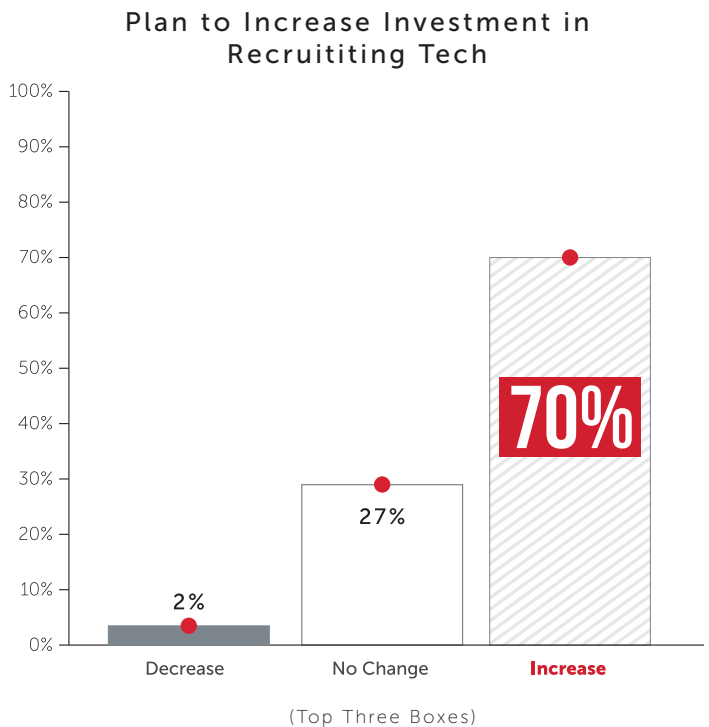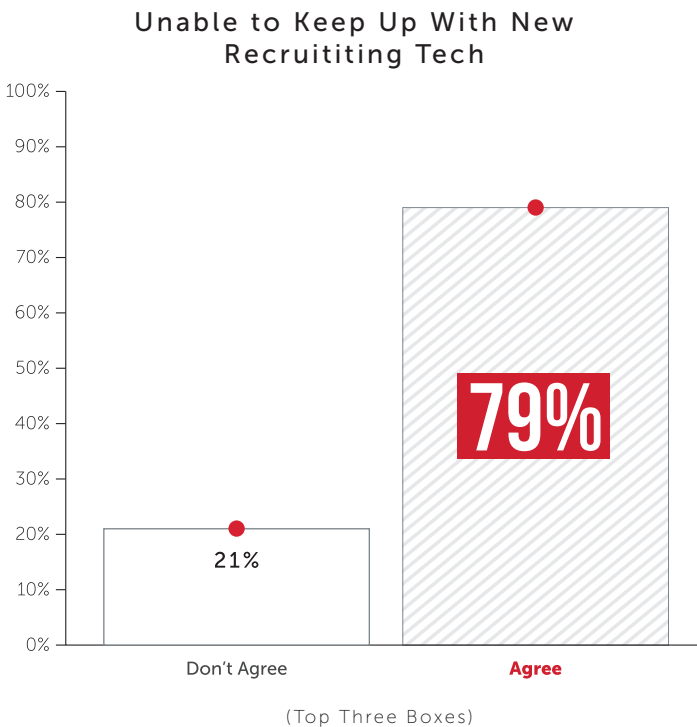
Nearly 80% of IT and HR Ops leaders are unable to keep up with the growing array of new technology solutions in recruiting today. It's only going to get more challenging, because the pace of technology innovation is accelerating. According to HRWins by LaRocque LLC,[7] venture firms invested an estimated $1.741 billion in HR tech in the first quarter of 2019 alone, which is $1.1 billion more than was invested in all of 2017. Companies not investing in their future are falling further behind, because new digital technologies provide companies with a competitive advantage in talent acquisition.

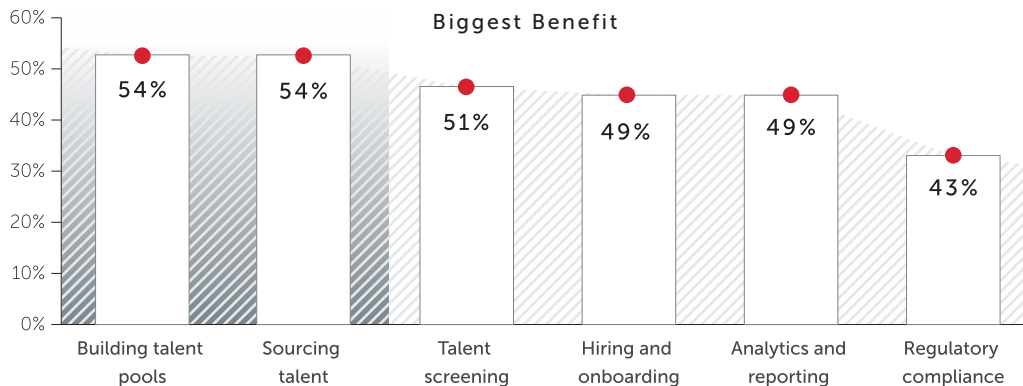Therefore, it's not surprising that 70% of IT and HR Ops leaders stated that they are increasing their investment in recruiting technology solutions this year. Now is the time for TA and HR leaders to proactively partner with their IT and HR Ops counterparts to chart their vision for modern talent acquisition.

7. https://www.workforce.com/2019/08/15/venture-capital-funding-frenzy-over-hr-technology-on-record-pace/

4] Solutions to Source Talent & Build Talent Pools Are the Priority

Q *Which of the following areas would benefit the most from incorporating technology solutions into your hiring practices in 2020?*

Biggest Benefit

Category	Value
Building talent pools	54%
Sourcing talent	54%
Talent screening	51%
Hiring and onboarding	49%
Analytics and reporting	49%
Regulatory compliance	43%

The #1 challenge for companies has been, and will continue to be, finding more qualified candidates. It makes complete sense that HR Ops/IT leaders' top technology priorities are to "source talent" and "build talent pools."

Build talent pools to improve hire rates

Finding qualified talent is evolving from posting and waiting to proactively engaging top targets and inviting them to stay in touch by joining your talent pools. In the same way marketers utilize a customer relationship management (CRM) solution to engage consumers, employers must use a candidate relationship management solution to engage with a database of qualified people who previously expressed interest, along with former employees and talent that their recruiters have proactively identified. The key to success is staying top of mind with your target candidates by sharing your latest news, insights, and alerts to let your talent pool know about a position that is an ideal fit.

To source more qualified candidates, build a Google engagement strategy

Google is a rapidly growing source of high-quality candidates. In 2019, iCIMS' 4,000 clients experienced a 93% jump in applications from candidates coming directly from Google to their career sites to apply. Establishing a direct link between your applicant tracking system and Google will ensure the search engine detects and displays your jobs as soon as they're posted to your company's career site, so candidates can bypass any middlemen job sites. The jobs will be tailored to your candidate's specific interests, including location, salary, responsibilities, and experience. Google for Jobs filters key criteria, including salary, commute time, and hours, so include your estimated salary range. The more information you provide, the better your ranking will be within Google's search results.

Google + iCIMS

2018 vs. 2019
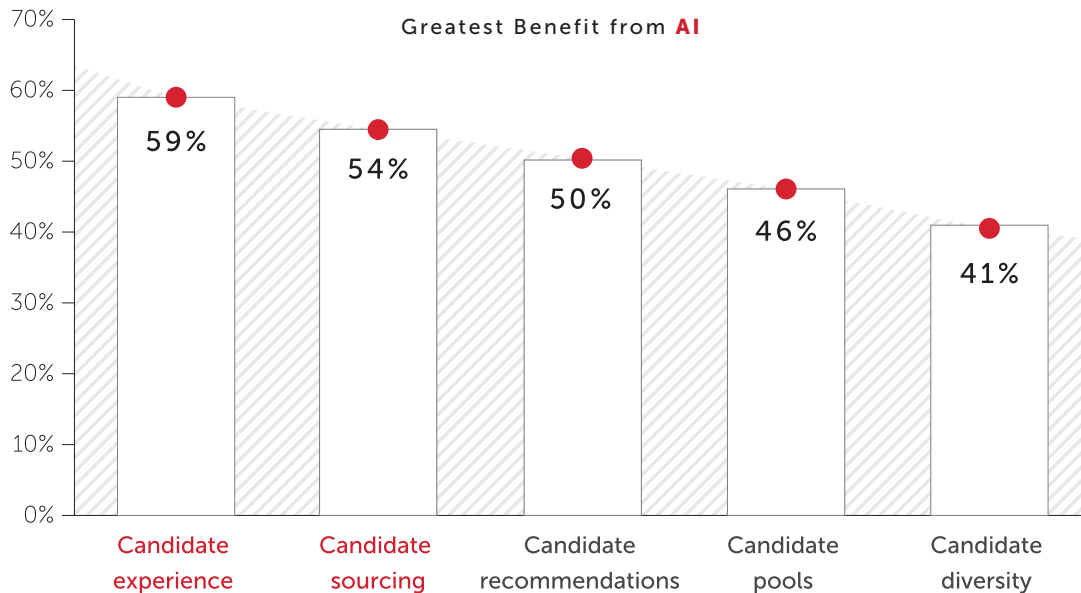
Applications
+93%

Traffic
+56%

Hire Rate
~3x other sources

5] Apply AI-Driven Solutions to Differentiate Your Candidate Experience

Q *Which of the following do you believe would be the most important application(s) of AI solutions (solutions that utilize machine learning or predictive analytics) to improve your organization's recruiting?*

Greatest Benefit from AI

Candidate experience	59%
Candidate sourcing	54%
Candidate recommendations	50%
Candidate pools	46%
Candidate diversity	41%

While we are in the early stages of the burgeoning field of AI-/ML-driven solutions, IT and HR Ops are focusing on applying these solutions to improve the candidate experience because that is the leading area where companies are seeing the biggest return on investment.

AI-/ML-driven solutions are differentiating the candidate experience for iCIMS' clients in 3 essential areas:

Job Matching

Integrating Google's AI-driven talent solution into a leading global healthcare company's career website increased applications by 41%.

Candidate Engagement

Regis Corporation, which hires tens of thousands of employees annually, slashed time to hire by automating tasks, including screening candidates and scheduling interviews.
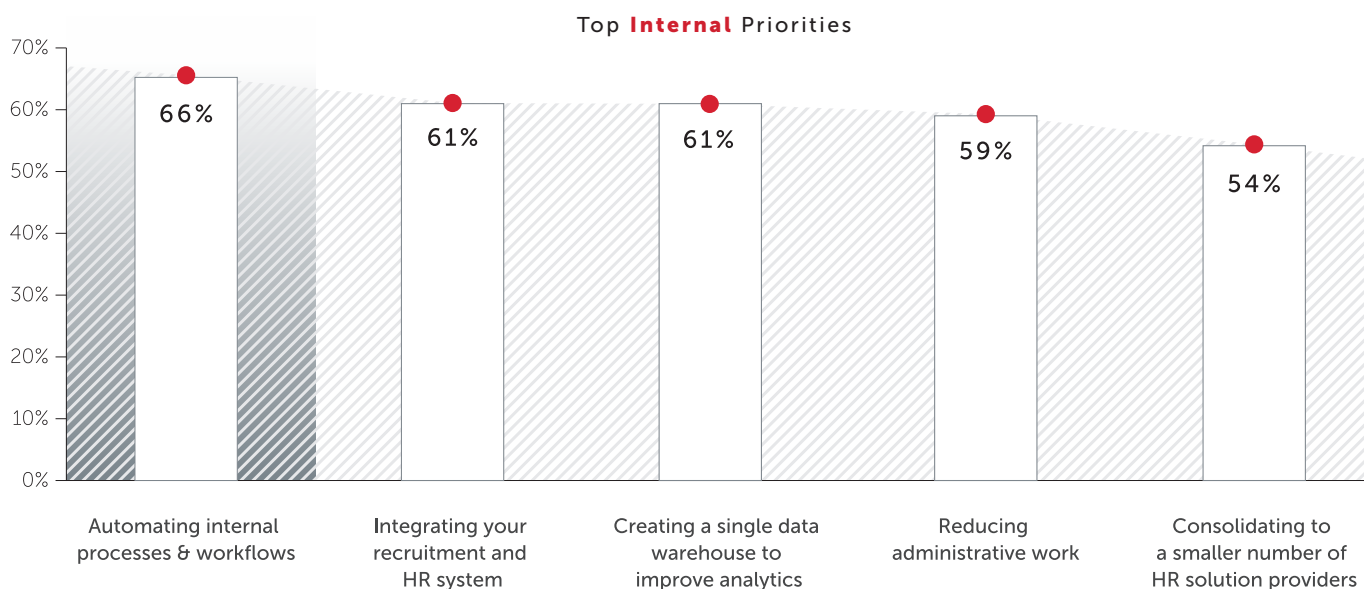
Productivity

By using AI to automate and personalized text messaging at scale, CDW saves recruiters hundreds of hours, which they reinvest back into sourcing and engaging candidates.

6] To Drive Productivity, Automate Processes and Workflows

Q *When it comes to your organization's investments in technology solutions to drive internal productivity, which of the following are the biggest priorities in 2020?*

Top **Internal** Priorities

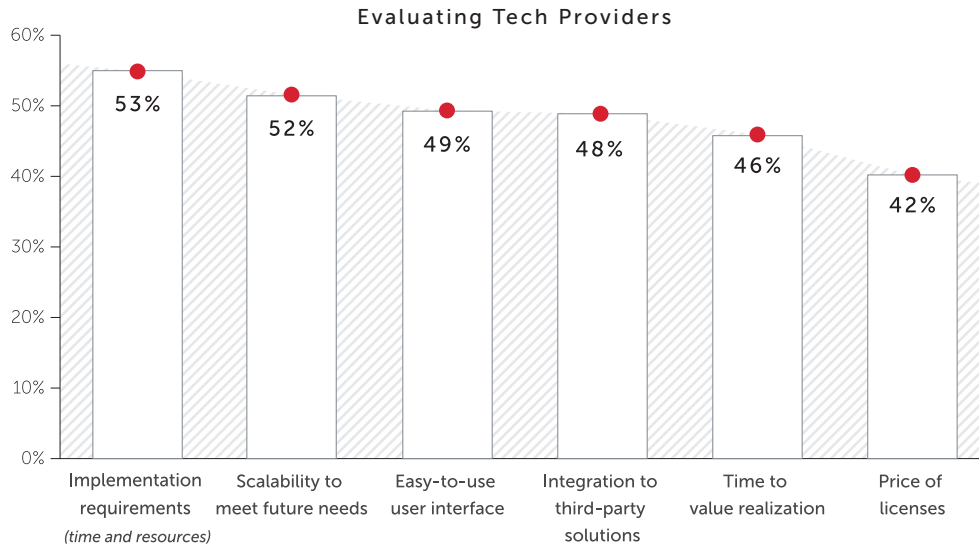|				
66%	61%	61%	59%	54%
Automating internal processes & workflows	Integrating your recruitment and HR system	Creating a single data warehouse to improve analytics	Reducing administrative work	Consolidating to a smaller number of HR solution providers

(Top Three Ranked Responses)

HR is under constant pressure to deliver greater impact to the business at lower cost. Driving productivity and eliminating time-consuming, mundane tasks is one of the key components of a TA leader's business case for increased investment in new technologies. IT and HR Ops leaders are focused on automating processes, workflows, and data transfers between systems, including talent acquisition and HCM platforms. Their lowest priority is to consolidate the number of solution providers, because talent acquisition and HR are increasingly complex areas, which is a consistent theme in this study.

As administrative tasks are increasingly handled by technology, TA leaders will have more opportunity to rethink their teams' roles and up-level skills. For instance, recruiters can develop their marketing skills to create more powerful content to nurture passive candidates and craft job descriptions specifically optimized to be found through searches on Google.
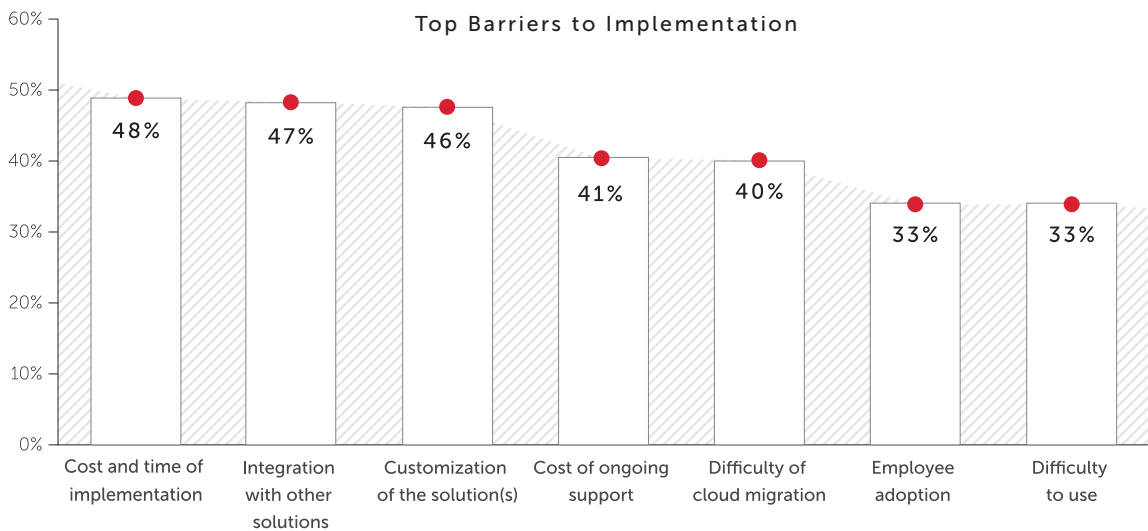
7] Top Criterion When Evaluating New Providers Is
"Implementation Cost and Time"

Q *Which of the following are the top criteria you use to evaluate providers of technology solutions?*

Evaluating Tech Providers

- Implementation requirements *(time and resources)*: 53%
- Scalability to meet future needs: 52%
- Easy-to-use user interface: 49%
- Integration to third-party solutions: 48%
- Time to value realization: 46%
- Price of licenses: 42%

Q *Which of the following are the top barrier(s) to implementing technology solutions at your organization?*

Top Barriers to Implementation

- Cost and time of implementation: 48%
- Integration with other solutions: 47%
- Customization of the solution(s): 46%
- Cost of ongoing support: 41%
- Difficulty of cloud migration: 40%
- Employee adoption: 33%
- Difficulty to use: 33%

Successful digital transformation projects are based on a very clear understanding of drivers and areas of responsibility between HR/TA and IT/HR Ops. The study found that IT and HR Ops leaders are focused on implementation, and successfully going live on time and on budget. Therefore it is the responsibility of TA and HR leaders to set the digital vision and key data requirements, along with driving deployment and adoption to realize the value of their company's investment.

8] IT Execs Prefer Best-of-Breed Solutions for Recruiting

Q *Which of the following human capital management (HCM) solutions do you rely on for your organization's recruitment technology needs?*

Chart:
- Other: 4%
- Single HCM suite: 36%
- Best-of-breed integrated into HCM: 60%
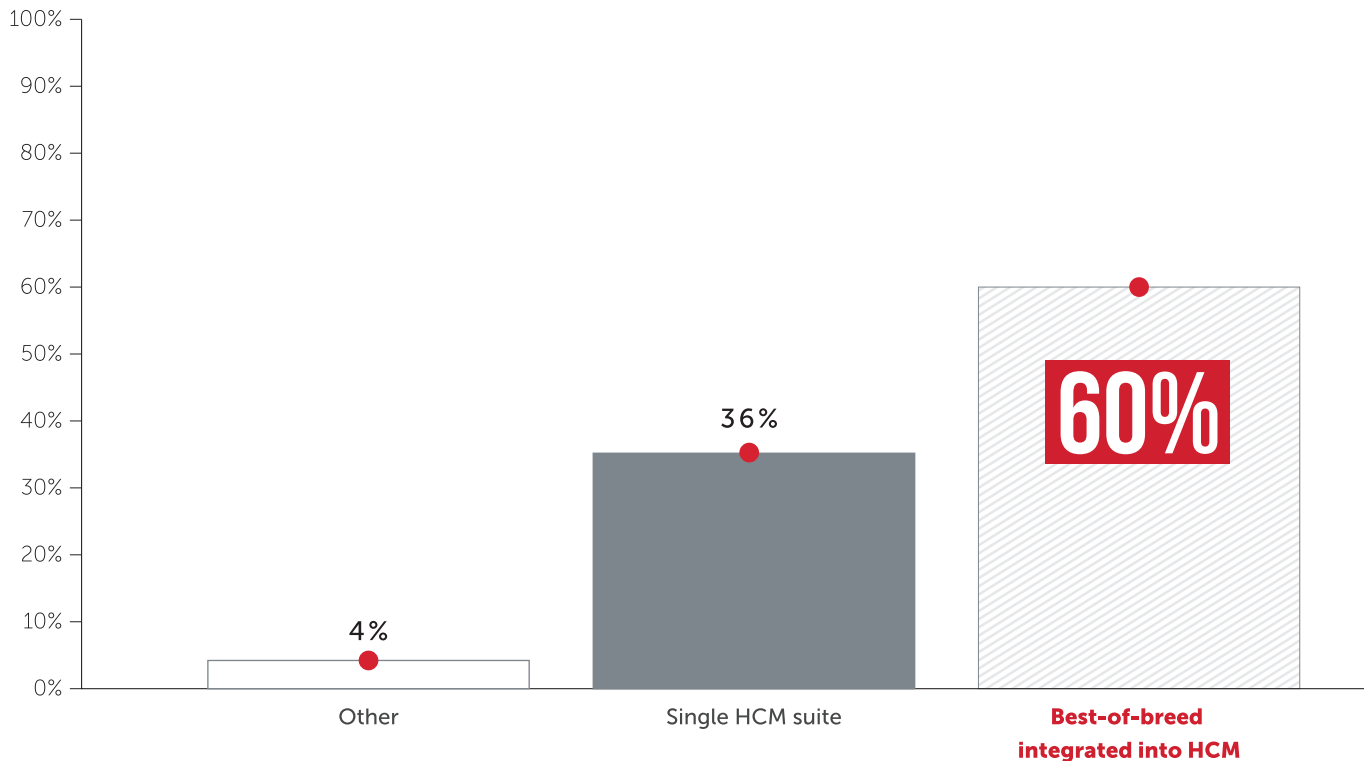

Most companies spend years and invest millions implementing and tailoring HCM solutions such as Workday, SAP, or Oracle, so there is a misconception that IT is predisposed to making that one HCM solution work for all of HR. Our study found that 60% of IT leaders rely on best-of-breed recruiting solutions. We see this preference reflected in market share, as best-of-breed TA providers are growing faster than HCM solutions.

A core HCM solution is ideal for processing employees, payroll, benefits, and tracking performance, but talent acquisition is far more like marketing. That is why companies have largely separated back office and front office workstreams and technologies. In the case of recruiting, companies need to attract 100 times more candidates than employees by engaging candidates across social media and every type of marketing channel, in the same way brands engage consumers. As a result, companies use, on average, 24 different applications for recruiting. They're all must-haves, and they all change frequently. That's why IT leaders prefer best-of-breed solutions in talent acquisition—because they provide the scale, flexibility, and tools to compete effectively for talent.

Survey Methodology

The survey was conducted by Wakefield Research in partnership with iCIMS (www.wakefieldresearch.com) among 500 U.S. HR Operations and IT executives who have influence over TA and/or HR software solutions at their companies, between August 7 and August 16, 2019, using an email invitation and an online survey. The margin of error was +/- 4.4 percentage points for the total sample. +/- 6.2 percentage points for each sample individually.

About the author
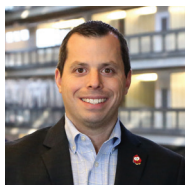
Adam Feigenbaum
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Adam joined iCIMS shortly after it was founded in 2000, and through a variety of leadership roles in sales and marketing, helped build the company into the world's leading best-in-class talent acquisition software provider enabling more than 4,000 companies to hire 4 million candidates annually.

About iCIMS

iCIMS is the leading recruitment software provider for employers to attract, engage and hire great people. iCIMS enables companies to manage and scale their recruiting programs through an award-winning end-to-end talent acquisition platform and an ecosystem of nearly 300 integrated partners. Established in 2000, iCIMS supports more than 4,000 customers, including nearly 20% of F100 companies hiring 4 million people each year. iCIMS is the largest software provider dedicated to talent acquisition. For more information, visit www.icims.com. ◼

Appendix

Gartner "The Tech Savvy of Various Executive Team Roles, Relative to What Is Needed"
CEOs and senior business executives report that Chief HR Officers are the least tech savvy members of their executive team relative to what they think will be needed in 2019/20.

The Tech Savvy of Various Executive Team Roles, Relative to What Is Needed From Them
Percentage of Respondents

Legend: ■ Strong ■ Sufficient ■ Lacking ■ Weak

Role	Strong	Sufficient	Lacking	Weak
Chief information officer (CIO) (n = 407)	64%	27%	7%	
Chief information security officer (CISO) (n = 330)	57%	31%	10%	
Chief data officer (CDO) (n = 254)	54%	34%	9%	
Chief strategy officer (n = 303)	47%	41%	11%	
Chief financial officer (CFO) (n = 467)	44%	39%	14%	
Chief marketing officer (CMO) (n = 389)	44%	38%	14%	
Chief operations officer (COO) (n = 411)	43%	41%	15%	
Other C-level role (n = 80)	41%	44%	11%	
Chief sales officer (CSO) (n = 362)	35%	41%	17%	6%
Chief risk officer (CRO) (n = 294)	32%	47%	16%	5%
Chief supply chain officer (CSCO) (n = 307)	29%	46%	21%	5%
Chief legal officer (n = 380)	19%	46%	25%	9%
Chief HR officer (CHRO) (n = 445)	18%	43%	30%	9%

Base: Have the role
Percentages may not total 100% due to rounding
Source: 2019 Gartner CEO and Senior Business Executive Survey
Q. How "tech savvy" is each of your executive team members, relative to what you think will be needed in 2019/20?
ID: 385368

Source: Gartner "2019 CEO Survey: The Year of Challenged Growth," Mark Raskino, 16 April 2019