

# Talent Acquisition Technology: Expansion, Maturity, Cost Concerns

## Research Summary



Brandon Hall Group Research  
June 2018

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## Demographics - 2018 Talent Acquisition Technology Study

**295** Total Responses



**31** Countries

- **77%** US/Canada
- **15%** EMEA
- **4%** APAC
- **4%** Carribean/South America



**31** Industries

Top 5: Healthcare,  
Technology/Software,  
Consulting, Manufacturing,  
Education

Small, Mid-Size, and  
Large Organizations



**35%**

Under 500  
employees



**27%**

501-4,999  
employees



**38%**

5,000+  
employees

- 27%** HR/Talent Management Head or Professional
- 18%** Executive/Senior Leadership
- 18%** Talent Acquisition Head or Professional
- 17%** Learning/Leadership  
Development Professional
- 8%** Head of Learning/ Leadership Development
- 6%** Business Unit Operations Management
- 3%** Technical/Production Role
- 3%** Non-HR/Individual Contributor

## Key Findings

- The top two talent acquisition technology priorities for 2018 and 2019: Candidate experience (**44% of organizations**) and Onboarding (**41%**)
- Cost (**64% of organizations**) is the biggest barrier to satisfaction with talent acquisition technology.
- Talent acquisition technology buyers favor HCM suites over best-of-breed solutions by a **2-to-1** margin.
- Despite the cost concern, between **one-fifth and one-quarter** of organizations plan to purchase emerging technologies within the next 18 months.
- Buyers want more analytics/reporting (**79%**), integration (**77%**) and support (**72%**) from solution providers.
- Organizations with a more strategic approach to talent acquisition technology are **at least 50%** more likely to see yearly improvement in key performance metrics than those at lower levels of maturity.



## Executive Summary

Talent acquisition technology is dramatically changing. The market is fueled by increased demand, interest in Artificial Intelligence (AI), the proliferation of providers, the competitive labor market and the need to make talent acquisition more efficient and effective.

Businesses seek to improve their talent acquisition technology strategy, roadmap, implementation, systems integration and predictive analytics while dealing with increased costs, challenges with technology selection and dissatisfaction with current solutions.

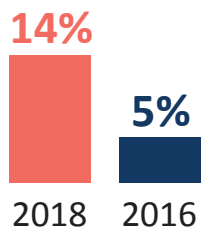
Over the past two years, buyers have become significantly more sophisticated about talent acquisition technology. In Brandon Hall Group's 2018 Talent Acquisition Technology survey, almost three times as many organizations are at the highest level of sophistication (Level 4) than in the previous survey two years earlier. Level 4 organizations have a fully developed technology strategy and roadmap, with technology deployed for all processes in a fully integrated fashion that allows for predictive analytics.

Meanwhile, the number of organizations without talent acquisition technology dropped by 60% and organizations without a formal technology strategy dropped by 65%.

The Brandon Hall Group Talent Acquisition Technology Maturity Model (next page) illustrates where organizations are with their technology for sourcing/recruiting, evaluating/interviewing and onboarding. The research shows a strong correlation between organizational performance and a fully developed talent acquisition technology strategy.

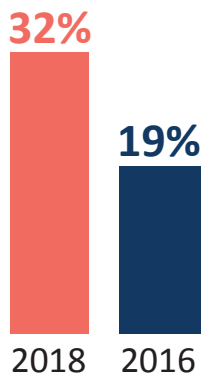


## Comparison of Talent Acquisition Technology Maturity Levels: 2018 vs. 2016



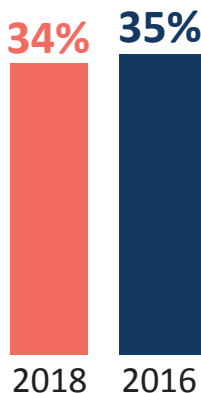
### Level 4

Has a talent acquisition technology strategy, and a roadmap, and the technology is deployed for all processes in a fully-integrated fashion and allows for predictive analytics.



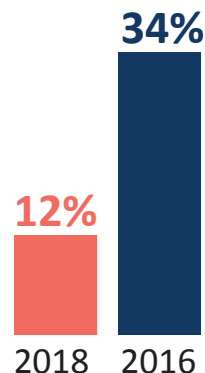
### Level 3

Has a talent acquisition technology strategy and roadmaps. Talent acquisition technology is deployed for most processes in a consistent and integrated fashion, but predictive analytics is not enabled.



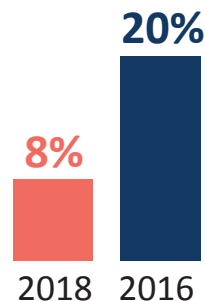
### Level 2

Loosely defined talent acquisition technology strategy, despite the absence of a technology roadmap. Talent acquisition technology is deployed for a limited number of processes in a consistent, yet non-integrated fashion.



### Level 1

Formulating a talent acquisition technology strategy. Technology is not yet in place but will be in the future.

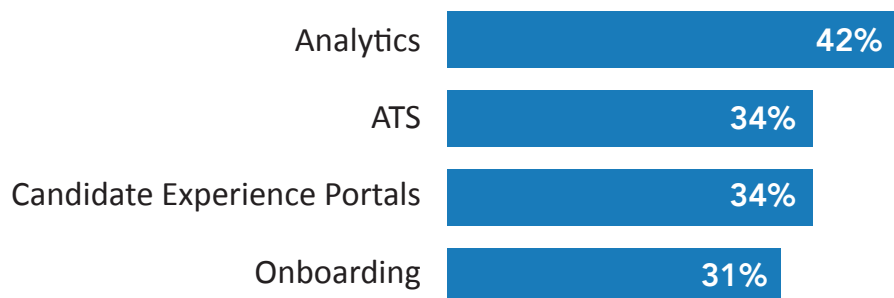


### Level 0 (Non-existent)

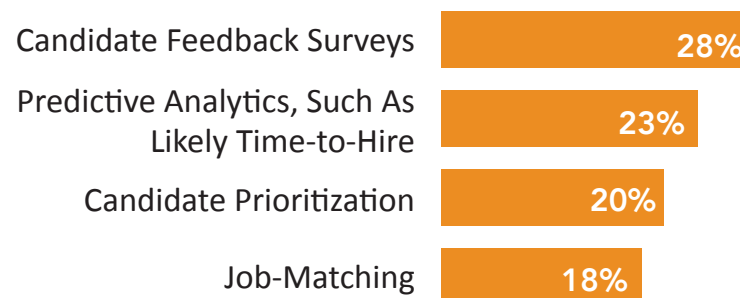
No talent acquisition technology in place, with no plans to implement.

About one-third of organizations intend to purchase “traditional” solutions in the near future, with somewhat fewer opting for “emerging” solutions. The demand is influenced by organizations’ top 2018-2019 technology priorities — candidate experience, onboarding, and diversity and inclusion — plus dissatisfaction with some current solutions.

## Organizations Planning to Acquire Traditional Solutions (Next 12 Months)



## Organizations Planning to Acquire “Emerging” Solutions (Next 1-2 Years)



Source: Brandon Hall Group 2018 Talent Acquisition Technology Survey (n=145 to 163)

Cost is the reason 64% of organizations are dissatisfied with their talent acquisition technology. About one-third say the barriers to satisfaction are integration, change management, user experience and candidate experience. Accordingly, more than 60% of organizations seek providers competent in reporting and dashboards, integration, intuitive user-centric interface, customer support, user training and implementation.



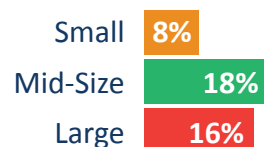
The remainder of this report analyzes top findings and trends from the talent acquisition technology research survey, conducted February-May 2018.

## Mature Technology Strategy Correlates with Strong Business Metrics

Brandon Hall Group's Talent Acquisition Technology Maturity Model shows the bulk of organizations are either developing their technology strategy or are stable in implementing technology for most or all of their processes. Few organizations are at either end of the model.

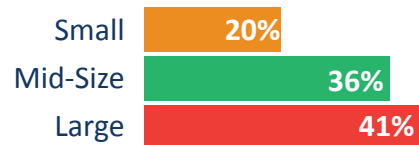
However, the size of the organization impacts maturity levels. Larger organizations tend to be at the higher end of the scale while smaller organizations are more likely at the lower end of the scale. Several factors could influence this trend. Higher-volume hiring organizations need technology to manage and identify candidates, and larger organizations can more easily absorb the cost.

### Talent Acquisition Technology Maturity Level by Size of Organization\*



#### Level 4

Has a talent acquisition technology strategy and roadmap. The technology is deployed for all processes in a fully integrated fashion and allows for predictive analytics.



#### Level 3

Has a talent acquisition technology strategy and roadmaps. Talent acquisition technology is deployed for most processes in a consistent and integrated fashion, but predictive analytics is not enabled.

Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey (n=259)

\*Organizations at Level 0 were skipped out of the subsequent technology-related questions.  
Small = 1 to 499 employees, Mid-size – 500 to 4,999 employees, Large = 5,000+ employees

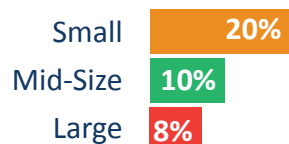


## Talent Acquisition Technology Maturity Level by Size of Organization\*



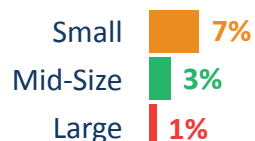
### Level 2

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### Level 1

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### Level 0 (Non-existent)

No talent acquisition technology in place, with no plans to implement.

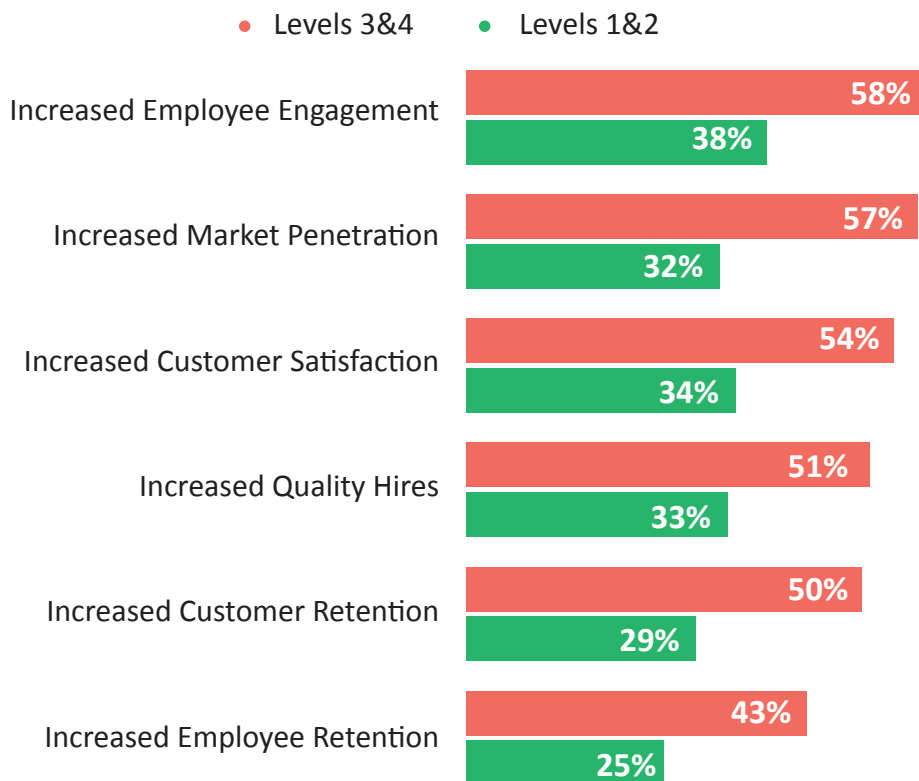
Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey (n=259)

\*Organizations at Level 0 were skipped out of the subsequent technology-related questions.

Small = 1 to 499 employees, Mid-size – 500 to 4,999 employees, Large = 5,000+ employees

The impact of talent acquisition technology maturity extends to business and talent metrics. Organizations at higher levels of maturity (Levels 3 and 4) were at least 50% more likely than those at Levels 1 or 2 to see improvement in employee engagement, quality hires, employee retention, market penetration, customer satisfaction and customer retention over the past year.

## Percentage of Organizations Seeing an Increase in KPIs in Past Year (By Talent Acquisition Technology Maturity Level)



Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey (n=52 to 53 Levels 3 and 4; 76 to 77 Levels 1 and 2)

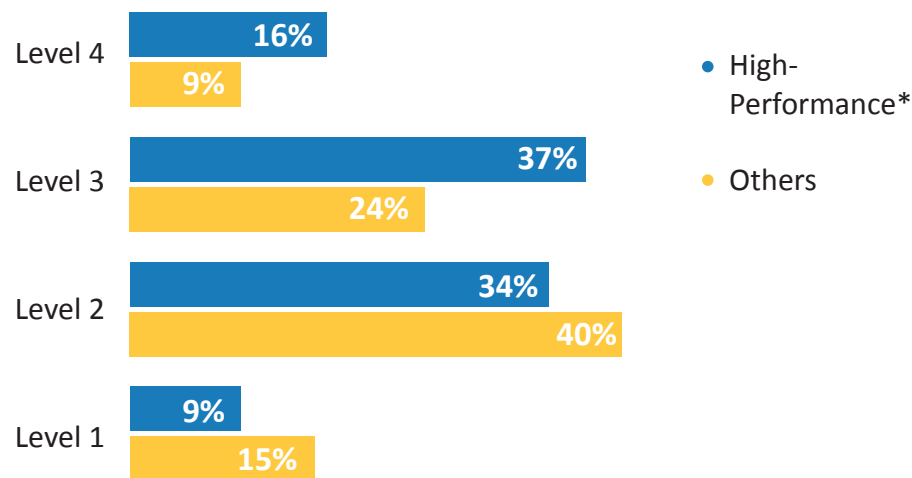
Further evidence of maturity levels' impact on performance is that high-performing organizations (those with increased year-over-year KPIs) are nearly twice as likely to be at a higher level of talent acquisition technology maturity.

Being at a lower level of technology maturity may result in:

- Candidates dropping out of the application process
- Increased time needed to find the best candidate
- Candidates dropping out at the interviewing/hiring stage.

Organizations must be agile to compete for talent in this tight market. Talent acquisition technology matched to the current and future needs of the business enables this agility.

## Maturity Level of Talent Acquisition Technology Use Linked to Organizational Performance



Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey (n=32 high-performance; 114 others)

\*High-performance organizations are those that have seen an improvement in their key performance indicators over the past year.

## Candidate Experience, Onboarding are Top Technology Priorities

Over the next 12 to 24 months, the top three talent acquisition technology priorities are: candidate experience, onboarding, and diversity and inclusion. These results are fairly consistent across different organizational sizes with the exception of the focus on diversity and inclusion, which is more prevalent for large organizations.

Candidate experience is defined as candidate reactions to, and impressions of, the organization as an employer. It includes all aspects of talent acquisition, starting with employer-candidate communications through pre-boarding.

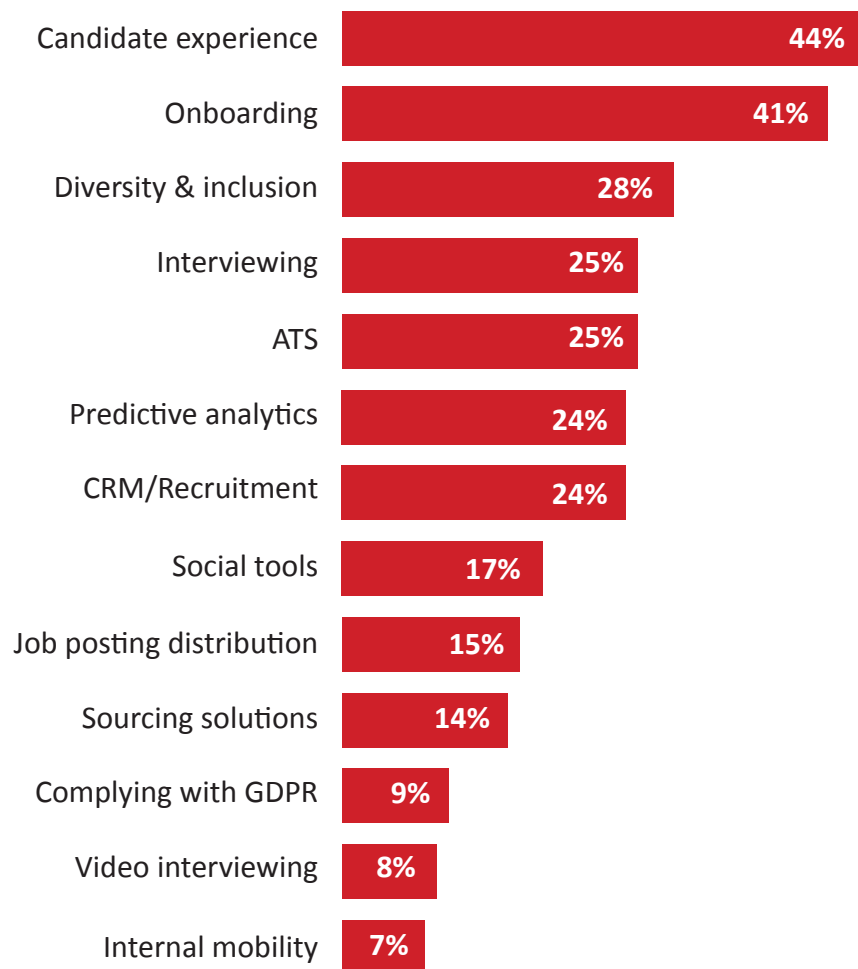
### The emphasis on candidate experience is based on:

- Its influence on the decision to work for the organization
- Perceptions of the corporate and employer brand
- The decision to be a customer.



Onboarding continues to be one of the biggest priorities for employers. With unemployment rates dipping below 4%, it has never been so difficult and expensive to compete for quality candidates. When employers hire new talent, they do not want to lose them but that's exactly what is happening. Our latest research indicates that on average, 10.2% of new hires voluntarily resign during their first year of employment. The use of effective onboarding practices, especially assimilation and onboarding technology, improves employee engagement, reduces new-hire attrition, improves the new-hire experience and facilitates process management. It is no wonder that organizations prioritize onboarding.

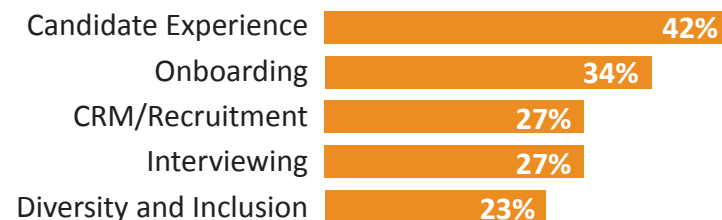
## Talent Acquisition Technology Priorities, 2018-2019



Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey  
(n=204, Small = 62, Mid-size=62, Large=80)

Note: Respondents could select up to three priorities.

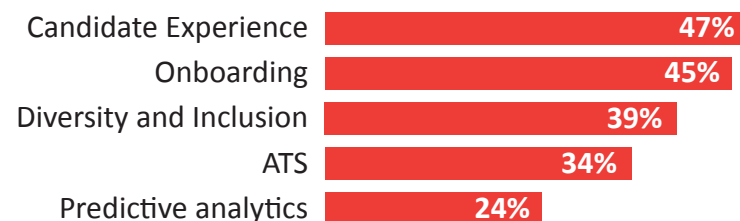
## Top 5 Talent Acquisition Technology Priorities, Small Organizations (1 - 499 employees)



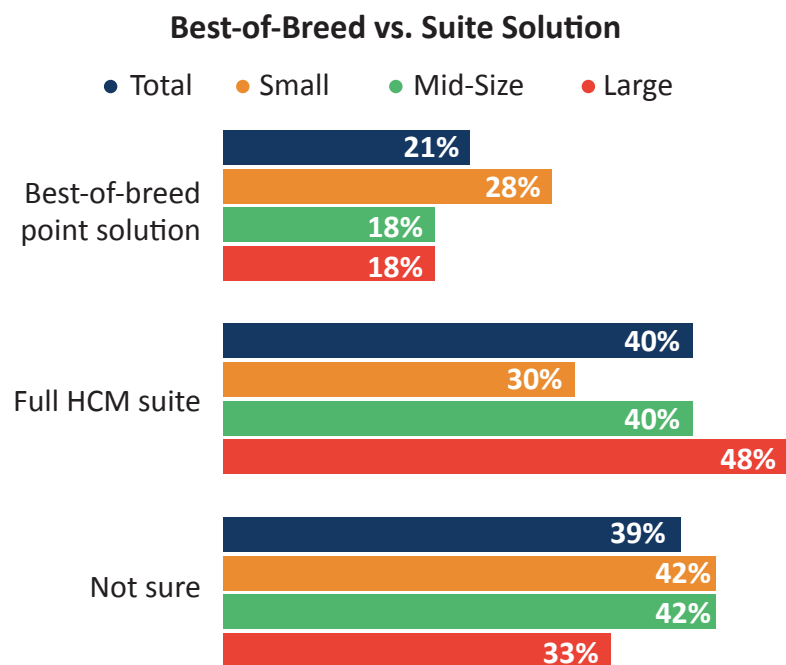
## Top 5 Talent Acquisition Technology Priorities, Mid-Size Organizations (500 - 4,999 employees)



## Top 5 Talent Acquisition Technology Priorities, Large Organizations (5,000+ employees)



## Appetite for Emerging Solutions Grows, with Preference for Suites



Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey  
(n=151 total, 47 small, 45 mid-size, 54 large)

Most organizations consider basic talent acquisition technology solutions, like an ATS, important or critical to their business. But many organizations deploying those solutions are dissatisfied and one-quarter to one-third seek new or replacement solutions. The most likely “traditional” solutions or functionalities to be acquired within 12 months are: analytics, the ATS, candidate experience portals, onboarding and candidate feedback surveys.

For emerging solutions, one-fifth to one-quarter want to purchase within the next 18 months: predictive analytics functionality (such as time-to-fill), candidate prioritization (based on job specifications) and candidate-to-job matching. The actual demand for these emerging solutions might be higher; from 33% to 47% are unsure of their plans.

Among organizations understanding what technology they want, there is a two-to-one preference for HCM suites (which include talent acquisition) versus best-of-breed. Having a full HCM suite typically reduces integration issues and provides a comprehensive view of HCM analytics. It should be noted that nearly two-fifths are unsure of their preference.

## High Costs Discourage Technology Implementation

The biggest obstacle to satisfaction with incumbent technology solutions is — by a wide margin — the cost of the solution (64%). Other factors also influence dissatisfaction, such as the inability to integrate the solution with multiple systems (38%), change management (36%), user experience (34%) and candidate experience (33%). Bottom line: organizations are conservative in acquiring new technology, mainly due to its cost.

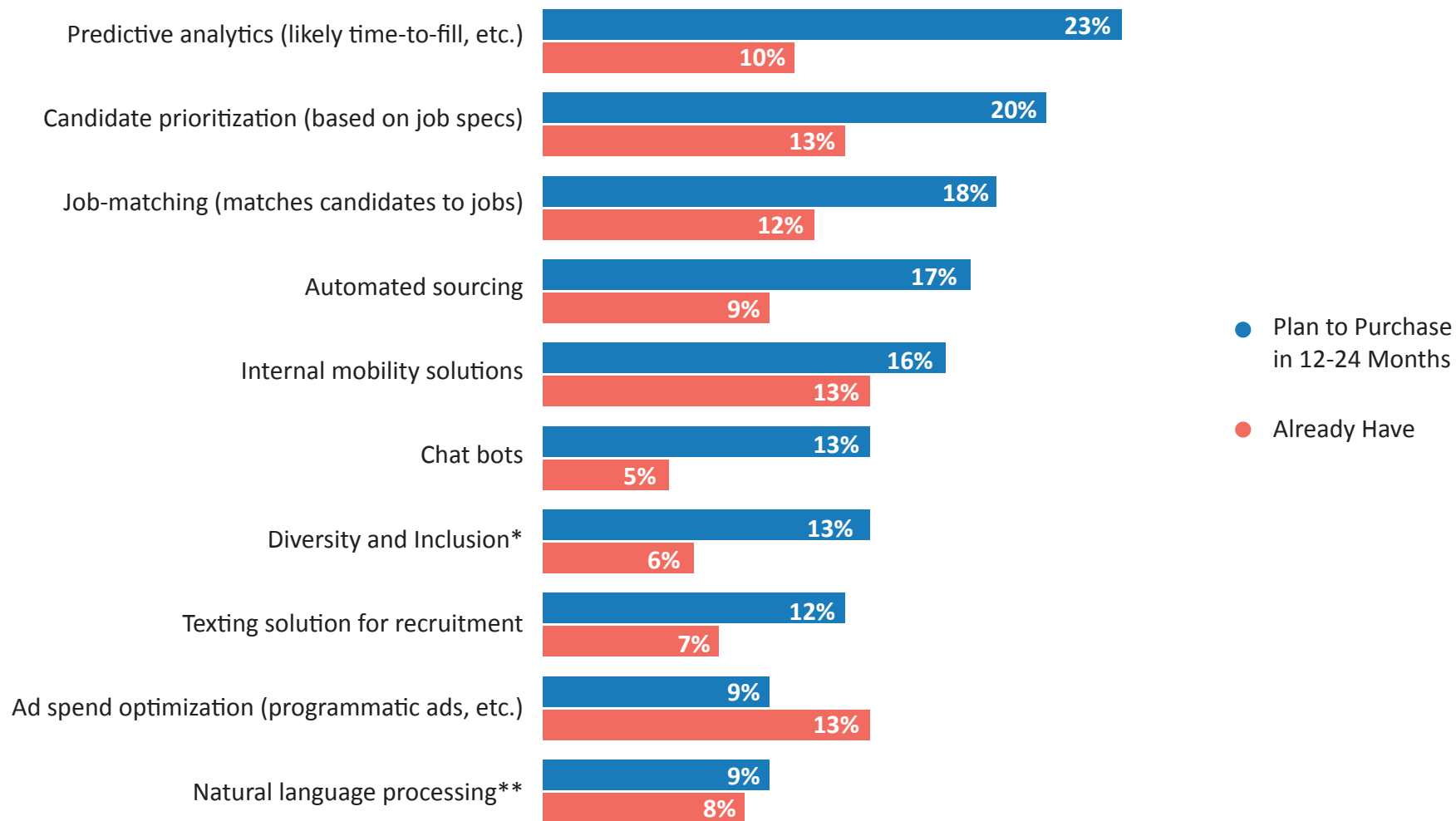


Importance, Satisfaction and Intent to Purchase  
TA Functionalities, Solutions

	Essential/ Critical	Satisfied/ Very Satisfied*	Intend to Acquire in 12 months
<b>ATS</b>	<b>77%</b>	<b>58%</b>	<b>34%</b>
Job posting distribution	73%	62%	23%
<b>Onboarding</b>	<b>72%</b>	<b>49%</b>	<b>31%</b>
<b>Analytics</b>	<b>69%</b>	<b>47%</b>	<b>42%</b>
<b>Candidate experience portals</b>	<b>68%</b>	<b>48%</b>	<b>34%</b>
Interviewing tools/features	65%	53%	25%
CRM	60%	45%	25%
Social recruiting	59%	48%	26%
Employee referral solution	56%	50%	23%
Scheduling	56%	56%	12%
Sourcing	56%	40%	17%
Offer extension functionality	51%	55%	12%
Candidate feedback surveys	43%	41%	28%
Event management	36%	50%	9%
Video interviewing/screening	34%	47%	15%

Source: 2018 Brandon Hall Group Talent Acquisition Technology Survey  
(n=171 importance and satisfaction; 163 intend to acquire)

## Intent to Purchase Emerging Solutions/Features



Source: Brandon Hall Group 2018 Talent Acquisition Technology Survey (n=145 to 150)

\*Includes functionalities such as candidate name anonymization to avoid unconscious bias, likely to be diverse analytics, etc.

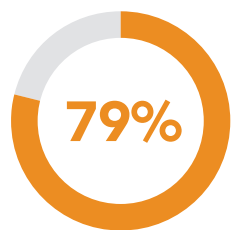
\*\*This feature is used to improve copy in job postings, etc.

## Buyers Want More Analytics, Integration and Customer Support

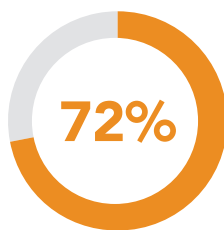
Talent acquisition technology buyers want reporting and analytics, integration, intuitive interface functionality, customer support, user training and implementation from their providers. These requirements align with their 2018-2019 priorities (candidate experience, onboarding and D&I), their barriers to satisfaction with solutions (integration) and intent to purchase solutions (analytics).

Interestingly, only 37% consider GDPR (General Data Protection Regulation) compliance an essential or critical provider competency, perhaps because only a few (5%) believe it will negatively impact their organization. The majority think there will be no impact (33%), they don't know if there will be an impact (36%) or are unfamiliar with the regulation (17%). About 9 percent feel it will have a positive impact on their organization.

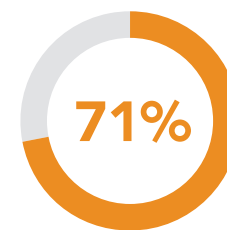
### Most-Cited Essential or Critical Provider Competencies



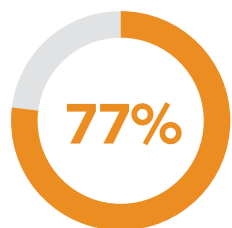
**Reporting and dashboards**



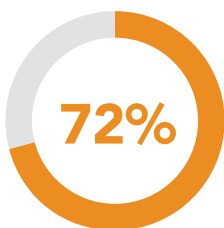
**Intuitive user-centric interface**



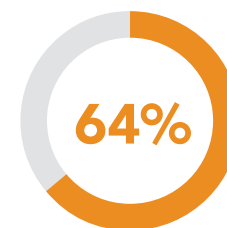
**User training**



**Integration capabilities**



**Customer support services**



**Implementation services**

Source: Brandon Hall Group 2018 Talent Acquisition Technology Survey (n=140)



When it comes to talent acquisition technology budgets, organizations are more likely to increase. Organizations currently spend an average of 12.6% of their HR budget on talent acquisition technology with more than one third (37%) budgeting between 1% and 5%, half (51%) budget from 6% to 20% and 11% budget 21% and over.

Sourcing gets the highest share (43%) of their budgets and onboarding will see the greatest percentage (36%) of organizations increasing their budget.

The length of time a technology solution is in place also plays a role in purchase intentions and budgeting. A slightly greater percentage of organizations do not have onboarding solutions in place compared to other solutions (18% onboarding vs. 13% evaluating and 12% sourcing) and onboarding solutions tend to be in place for a shorter time than sourcing and evaluating solutions (32.7 months vs. 37.2 and 38 months on average). This may explain why organizations are more likely to increase their budget to fill that need.

## Allocation and Expectations TA Technology Budget

	Average Allocation	Expectations for 12 - 18 Months
		Increased Spending
Sourcing (search, recruit, market, track)	<b>43%</b>	<b>22%</b>
Evaluating (interview, screen, assess)	<b>31%</b>	<b>22%</b>
Onboarding (offer, pre-board, on-board)	<b>28%</b>	<b>36%</b>

Source: Brandon Hall Group 2018 Talent Acquisition Technology Survey (n=76 to 80)

## Time in Place for TA Technology Solutions

	Average # of months*	Not in place	1 Year or Less	1+ to 3 Years	3+ Years
Sourcing (search, recruit, market, track)	<b>37</b>	<b>12%</b>	<b>16%</b>	<b>34%</b>	<b>37%</b>
Evaluating (interview, screen, assess)	<b>38</b>	<b>13%</b>	<b>17%</b>	<b>33%</b>	<b>37%</b>
Onboarding (offer, pre-board, on-board)	<b>33</b>	<b>18%</b>	<b>21%</b>	<b>32%</b>	<b>30%</b>

Source: Brandon Hall Group 2018 Talent Acquisition Technology Survey (n=133)

\*Average calculated on range mid-points.

## Key Takeaways

- Increase your organization's talent acquisition technology maturity level one step at a time. Evaluate your talent acquisition practices, develop a strategy in alignment with those practices and organizational goals, then devise a technology roadmap. Be aware of implementation time, integration requirements, change management requirements and training.
- Consider emerging technology/functionalities such as recruitment texting, predictive analytics and job matching when purchasing new talent acquisition technology. These solutions help make your hiring process more efficient and effective.
- Seek talent acquisition technology providers that provide extensive support during implementation, integration and training. These are considered some of the most essential provider competencies.
- Evaluate the candidate and user (recruiter, admin etc.) experience with the talent acquisition technology before purchase. User experience impacts technology adoption and candidate perception of the organization.



## Brandon Hall Group Research Methodology



## About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and almost 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

## Authors and Contributors



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**Richard Pachter** ([richard.pachter@brandonhall.com](mailto:richard.pachter@brandonhall.com)) edited this report. He is the Content Manager at Brandon Hall Group and is responsible for editing all types of content related to research. He has experience as a journalist, copywriter, editor, marketer, blogger, and social media marketing manager. He also served as the business books columnist for the Miami Herald for more than a decade.

**Emma Bui** ([emma.bui@brandonhall.com](mailto:emma.bui@brandonhall.com)) is the Graphic Design Associate at Brandon Hall Group and created the graphics and layout for this report.

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In today's volatile and global business climate, managing talent for high-performance plays an increasingly crucial role in an organization's growth and future success. Effective talent management is a top priority in organizations everywhere because, while organizations recognize the need to obtain and retain people with the very best skills, they continue to struggle to implement effective strategies to do so. HR and Learning professionals need to be able to successfully define organizational talents needs and skills, identify talent strengths and career goals, and align organizational needs to individual needs. Rethink your strategy, validate your assumptions, transform your business, and optimize your time with the use of reliable data, tools, and guidance.



PLAN



ATTRACT



DEVELOP



PERFORM



RETAIN



OPTIMIZE

### GET HELP WITH YOUR HR SERVICES MANAGEMENT & DELIVERY

As described in the employee lifecycle, processes are linked to employee transactional processes (e.g., compensation, benefits, compliance, contingent workforce management, etc.) via workforce planning and analytics.

- Policies/Process/Procedure
- Payroll
- Expense Management
- Benefits & Compensation
- Contingent Workforce Management
- Compliance
- Time & Labor Management

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- Executive Management
- Team Development
- Measurement & Analytics
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- Technology Selection, Management & Integration
- Organizational Structure
- Measurement & Analytics
- Change Management
- Budgeting & Forecasting

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