Recruiting technologies and services continue to multiply and fragment, creating opportunity for talent acquisition suites to reduce confusion for buyers through holistic solutions.

Reducing Tech Stacks and Improving Outcomes with Holistic Talent Acquisition Solutions

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Introduction

Talent acquisition (TA) continues to elevate as a strategic priority for organizations, resulting in niche technology vendors emerging at a rapid pace while existing vendors innovate and expand their offerings. Service providers in areas such as recruitment process outsourcing, contingent staffing, executive search, and background screening are also expanding their toolkits, capitalizing on increasing demand and pursuing a larger market share. Consequently, buyers of these technologies and services are faced with complex purchasing decisions as they seek to understand which vendor or combination of vendors to utilize to enable a holistic and effective recruiting operation.

While technologies and services become more varied and complex, so too do the purchasing processes of organizations seeking to enhance their talent acquisition capabilities. With increased visibility as a critical element of business productivity and success, TA professionals within organizations now face more complex approval processes in the purchasing process. The traditional buying personas of recruiting divisions or HR leadership are now joined by adjacent leadership functions. These may include chief marketing officers (CMOs), chief procurement officers (CPOs), chief information officers (CIOs), or chief diversity officers (CDOs). The new "approval by committee" process for technology or services adoption hinders the flexibility of TA professionals to rapidly adjust to changing market dynamics.

Against this backdrop, TA buyers often seek opportunities for streamlining tech stacks, opting for one-stop-shopping solutions where possible. Particularly around applicant tracking system (ATS) providers, buyers want to have expanded suite capabilities that limit the need to engage third parties for tactical solutions. Among TA buyers, 36% of talent acquisition professionals seek better core and advanced features as part of their ATS (IDC's *Talent Acquisition Buyer Survey,* November 2021). A goal of this desire for expanded suite solutions revolves around reduction of existing

AT A GLANCE

KEY TAKEAWAYS

» 75% of talent acquisition (TA) professionals expect to spend more on TA technologies and services in over 10 different capability areas.

» Fragmentation in the TA technology market is confusing for buyers, with niche vendors frequently entering the competitive field.

» Streamlining tech stacks for talent acquisition can improve recruiter experience, data quality, and quality of life for personas such as IT and procurement.

tech stacks to provide a holistic solution. Tech stack consolidation is viewed as a top priority in the selection of new vendors by 24% of TA professionals (IDC's *Talent Acquisition Buyer Survey,* November 2021).

While consolidation is a goal of buyers within the space, that does not reflect an interest in downsizing the number of capabilities utilized by an organization's recruiters. Now more than ever, organizations recognize the importance of a strong talent acquisition function enabled by the right technologies and support services to improve agility in talent attraction and retention. In fact, 75% of TA professionals expect to spend more on TA technologies and services through 2022 and beyond, identifying over 10 different capability areas as a priority (IDC's *Talent Acquisition Buyer Survey*, November 2021). Examples of capabilities include candidate relationship management; candidate assessments; diversity, equity, and inclusion (DEI); contingent staffing; and recruitment marketing. An interest in tech stack consolidation while still expanding capabilities creates a strong opportunity for the suite provider.

Definitions

» **Applicant tracking system (ATS).** The ATS is a critical system of record for recruiters that acts as a repository of candidate information and tracks a candidate's journey through the hiring process. ATS providers often include multiple other recruiting functions to clients, providing a suite approach that includes capabilities such as recruitment marketing, candidate relationship management, and analytics.

» **Candidate relationship management (CRM) system.** CRM systems provide a means for recruiters to enhance the tracking of candidates that basic ATS functionality provides. These platforms provide a means for communication with existing candidates while nurturing potential future candidates. CRM systems are critical tools to ensure recruiters can maintain a healthy talent pipeline and ensure a faster hiring capability.

» **Vendor management system (VMS).** An essential element of contingent staffing, vendor management systems consolidate functions such as contracts, hiring, and management of temporary and contingent labor. A VMS reduces the complexity of staff management while creating an audit trail to ensure compliance and reduce liability. Contingent labor information is stored within a single system of record, usually cloud based.

Benefits of Talent Acquisition Suites

Consolidating talent acquisition technologies and services with a suite approach provides the following tangible benefits to organizations:

» **Improved data accuracy.** A strong data integration capability is critical for organizations that use technologies and services from numerous vendors for a particular function. As such, fragmentation within the vendor landscape makes maintaining the reliability of data integrations more difficult and time consuming. Consolidation of capabilities, where possible, under a single source of record reduces time spent on ensuring proper transfer of data across systems and provides assurances to recruiters that the information they are working with is accurate and easily transferred to the next steps of the hiring life cycle. Additionally, the IT department's workload is reduced because there are fewer technologies and integrations to manage for the recruiting function.

» **Reduced procurement functions.** Each vendor utilized by an organization requires contractual agreements as a core element of the partnership. Expansive tech stacks that often can exceed a dozen providers lead to additional overhead for procurement offices and organizations' contract negotiators. Reduction in the number of vendor relationships provides relief to those functions, enabling them to focus on other business imperatives.

» **Single-source customer support.** Having a limited number of service providers for the talent acquisition function also reduces the number of touch points with third-party vendors for customer services and technical support. This provides a more streamlined process to reduce downtimes of technologies while providing greater relationship/partnership building between organizations and their vendors. A deeper understanding of organizational needs through primary usage helps vendors determine how best to support them while aiding in strategic expansion of capabilities to enhance recruiting capability.

» **Comprehensive analytics.** A holistic suite vendor has the benefit of improved visibility into all data points that are pertinent to an organization's recruiting function. As such, analytics dashboards are better able to provide a holistic picture of critical metrics for talent strategy.

» **Improved recruiter experience.** Recruiter enablement is critical to the success of an organization's talent attraction strategy. Without the right tools and services, recruiters can easily be hindered in efforts to find, engage, and hire talent. An element of frustration for recruiters can come in the form of varied vendors for niche tasks that span the hiring life cycle. The increased number of customer service touch points, platform log-ins, and data transfers slows recruiter productivity. Consolidation where possible reduces administrative burdens and allows recruiters to elevate to a strategic role.

> As the talent acquisition technology and services vendor landscape continues to multiply, TA buyers are seeking to streamline tech stacks where possible to improve outcomes.

Considerations

While the benefits of suite approaches are apparent, challenges will remain for organizations going this route. For example, suites may reduce tech stacks, but niche providers will still be needed, especially as organizations grow beyond small and medium-sized businesses (SMBs) into midsize and larger enterprises. Additionally, integrations with human capital and talent management solutions will still be required when engaging one-stop-shopping solutions for recruiting. These two factors can lead to data integrity challenges as candidates move through the hiring life cycle and as new hires transition to onboarded employees.

Often, one-stop-shopping solutions will also utilize partner ecosystems to fill capability gaps. While this may not increase a tech stack from a procurement perspective, it may complicate areas such as customer service and data integrations. Buyers must consider the extent of the holistic offering and how effective it will be in reducing the number of vendors needed to provide an end-to-end solution.

Key Trends Impacting Talent Acquisition

Additional trends within the talent acquisition space to consider include the following:

» **Start-up proliferation.** As expansive as suites may be in their approach, it is rare for a vendor to cover every conceivable aspect of a holistic talent acquisition function. This lack of coverage for specific aspects of the TA function has led to the rise of numerous start-ups that seek to fill the gaps in niche areas such as compensation intelligence, talent marketplaces, and advanced technologies such as AI-powered candidate matching. Consequently, acquisitions are occurring rapidly as well, with a competitive market driving larger TA providers to purchase technologies — rather than develop organically — to speed capability expansion.

» **Organizational needs assessments.** As the TA market continues to grow in both suite and niche capabilities, organizations increasingly rely upon vendors to help them understand exactly what they need to fulfill their talent goals. This may be a combination of technology and services, which may also include strategic advisory services in more complicated areas such as DEI initiatives. Vendors in this space have a unique opportunity to assist organizations in their journey to cultural, technological, and skills-based maturity.

Considering CEIPAL

Understanding the value-add of a consolidated solution, CEIPAL developed the Total Talent Acquisition Platform. The platform provides candidate sourcing, relationship management, recruitment marketing, applicant tracking, and analytics within a single solution. Users benefit from a consolidated source of information to measure outcomes and develop recruiting strategies in an agile and responsive way.

Beyond direct sourcing, CEIPAL also offers a native vendor management system. The ProcureWise solution provides recruiters with contingent staffing options in tandem with the vendor's permanent hiring platform. Recruiters are provided a dual view of permanent and contingent candidates to quickly hire for hard-to-fill roles and thus reduce potential for productivity disruption.

CEIPAL's diversity, equity, and inclusion solution, DEI-TECH, utilizes AI algorithms that provide in-depth analysis of diversity across permanent and contingent workforces. As the importance of DEI continues to grow for organizations, the ability to understand DEI metrics across permanent and temporary staff in a holistic way is a leading-edge view that will likely continue to spread in adoption across most organizations, particularly at the enterprise level. This solution also includes compensation intelligence and measurement, a particularly hot topic for organizations today as pay transparency becomes more ubiquitous across the private sector.

Challenges

CEIPAL provides a wide breadth of capabilities within its suite solution, which will resonate with buyers interested in reducing tech stacks, data integrity challenges, and procurement complexity. Success in this market is not without its challenges, however.

The TA market is packed and highly competitive across technologies and services. Consequently, it is not uncommon to encounter buyers who have had poor experiences with one-stop-shopping proffered solutions that ultimately require a

gradual increase of tech stacks after implementation. Those past experiences will lead to additional onus for CEIPAL in the competitive proposal process to underscore one-stop-shopping viability.

CEIPAL targets enterprise-level clients, which can be a challenging market segment to penetrate as the removal of incumbent technologies from larger organizations is often a difficult task. However, if legacy technologies are patchworked over years of integrations and troubleshooting, enterprises may find appeal in a "clean slate" approach to a more direct holistic solution that offers improved reliability of data and stability of operation.

Conclusion

This IDC paper has discussed the challenges of a fragmented talent acquisition technology and services ecosystem and the potential advantages of consolidation of recruiting capabilities within end-to-end suite solutions. Adoption of those solutions has the potential to improve areas such as data integrity, customer service, and talent analytics, but vendors that offer those services will face increased onus to prove viability as the market continues its rapid evolution.

About the Analyst

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Matthew Merker is a Research Manager for IDC's Talent Acquisition and Strategy service. Mr. Merker's core research coverage includes the evolution of ATS platforms, candidate relationship management, and talent acquisition technology strategies. Blending services and technology, Mr. Merker's research focuses on the improvement of candidate and recruiter experience as the war for talent continues to adapt to the new paradigm of work.

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CEIPAL is an integrated recruitment platform that combines your full-time and contingent workforce to transform businesses into talent powerhouses. Our AI-powered SaaS platform provides full-lifecycle management of the talent acquisition process. It leverages advanced technology to analyze vast amounts of candidate and employee data, providing actionable insights for meeting hiring goals and executing talent strategies. With robust solutions for pipeline curation, candidate engagement & marketing, applicant tracking, and workforce management, CEIPAL helps staffing firms, MSPs, and corporate hiring teams of all sizes to attract and retain the best available talent. To learn more visit www.ceipal.com.

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