

## Technology Trends: The Good, The Bad, and the Ugly



President of The Adler Group, a training and consulting firm that develops leading-edge recruiting strategies. See Lou's bio below.

by Lou Adler

### *Dateline Chicago, October 2004, HR Technology Conference*

This is a story of missed opportunities, lack of vision, not enough courage, and hope for the future.

For the hope part, I'll reach back to Ben Franklin's pivotal role in shaping the United States. There is a lesson to be learned from his early efforts to unite 13 colonies to achieve economic and political power. The moral: Too much independence leads to anarchy, not enough independence to bureaucracy. In our world, we need to find a middle ground in order to get more from technology.

Human Resource Executive's annual HR Technology conference is an event every recruiter and recruiting manager should attend. For one reason, you need to know what's happening. For another, your voice needs to be heard. Technology is the key to making hiring top talent a systematic business process.

Unfortunately, having just spent the day talking with some of the most HR technology savvy people around, it became clear that this industry has little direction. My hope for a technology solution to make hiring top talent a systematic process is not progressing as rapidly as necessary. In my mind, this is the fault of the users of technology -- you the customer, not the vendors. By and large the vendors here can do whatever is necessary to make their technology work wonders. They just need more guidance and direction.

But let me set up the big picture first on how technology solutions evolve. Stay with me on this, because you're part of this Darwinian-like story.

It has to do with survival of the fittest. Great technology emerges through a give-and-take struggle between great technology and great customers. Each is fighting for their voice to be heard. This is how next-day package-delivery service came into being through the extensive use of bar codes. This is how Wal-Mart's crossing docking system emerged as the way to minimize the need for physical locations. This is how factories figured out to produce Six Sigma quality.

The technologists could not have had the rapid acceptance and achieved the outstanding performance of their offerings without great customers pushing and challenging them every step of the way. Somehow these great technology-savvy customers are missing when it comes to recruiting solutions.

### **The Good**



NOTE: There were 169 exhibitors at the 2004 HR Technology Conference

At the show, **two vendors stood out as great examples of meeting customer needs**. The first one, WetFeet, an ATS vendor, has just announced among its offerings their interview scheduling module. This simple solution allows candidates to automatically schedule their own interviews without recruiter involvement. The process was designed to meet the needs of its largest customer, Federated Department Stores, to minimize the time required to hire 30,000 or so people each year. The big bottleneck was manually scheduling interviews. In the first week alone, 1,100 interviews were scheduled without a person involved. This represented a 30% to 40% time-savings alone.

This is just a small example of how a customer pushed a technology vendor to another level of performance. How many of you have gotten your ATS vendor to solve some of your difficult productivity challenges like this?

Aside from scheduling interviews, another big time-consuming task is looking through resumes, separating the good from the bad. Each ATS vendor has a resume filtering solution, some better than others. Unfortunately, even for the better solutions, user adoption rates are generally low. Rarely do more than 30% to 40% of recruiters use the searching functionality properly. Looking through the resumes of unqualified solutions is both unnecessary and more time consuming than scheduling interviews.

**The solution offered by People Filter is worth checking out. They've combined a robust search engine with a marketing approach to induce less active candidates to apply. Their search engine does a good job of separating**

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the good from the bad. The system then sends an automatic email to each good candidate with a compelling offer to apply online filling in a short questionnaire.

The combination of a few relevant questions and a conceptual search engine quickly gives recruiters a short list of the top people to call. The beauty of this is the staged processing. Asking less active candidates to do anything more than email a resume in the first step is inviting them to opt-out. People Filter asks them to opt-in with a compelling message. This is an example of great technology combined with great marketing.

### The Bad and the Ugly

In my mind, too many of the top ATS vendors have taken their eyes off the target. Improving the effectiveness of their systems to increase recruiter productivity and improve the quality of candidates should be the goals.

However, many seem more interested in improving the processing speed of unnecessary functionality (e.g., posting bad ads faster), offering more of the same inefficiencies with different languages, or going off in different directions entirely.

Some vendors, for example, are adding performance management capability, some have launched a searching arm, others are moving into the contingency labor market, or the exempt market, and others have offered outsourcing options. At one level this problem is attributed to the ATS business model itself. The market is just not big enough to support all of the vendors, and there is no one vendor that appears will ever dominate the market. Even the largest ATS vendors are relatively small, \$50 million in annual revenues, so growth must be in new product offerings, not market share.

I don't see things getting better. The market is too fragmented for any one vendor or one customer to dominate. Actually some of the big ERP vendors like PeopleSoft and SAP could be stronger, but their offerings seem to be lacking at this time. I attribute part of this problem to the lack of a strong technology-savvy customer base to lead the vendors to better solutions. Good customers can drive better and better solutions each year. This is not happening. This represents a major opportunity for you to participate and help add direction to the industry.

### The Opportunity

Despite the portends of doom, there is hope. This is where Ben Franklin comes into the picture. He was the first of the founding fathers who advocated more unity among the colonies. His "Join, or Die" cartoon (the one with the snake cut in pieces) was the start of a vigorous campaign in the 1750s pushing the idea that the colonies would not survive as independent states. The relevant point here is that recruiters and companies alone will have little impact on how recruiting technology will advance. However, groups of recruiters and companies can have great power to shape the future. You need to get yourself and your companies involved in the technology evolution. Here are a few ideas on how to start.

- **Take our [ATS diagnostic review](#).** This will give you a quick sense of how your ATS performs and how much it's costing to your company every day. You'll also get invited to our online October 27, 2004, conference call and receive a copy of our report on how ATS are dealing with less active candidates.
- **Become a great user of technology.** This means you must spend your own time learning how to better use your own ATS. It means you train other recruiters in your company how to use the ATS. It means you get invited to the meetings with your ATS vendor on changes that will be implemented in the future. It means you fight for changes you think are worthwhile. This will give you visibility and leverage.

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- **If you can't get heard, leave.** Top recruiters are in demand at every company in the country. In my mind, too many corporate recruiters have settled into a rut of acceptance of the status quo and mediocre performance. Be selective. Don't work for companies that have not fully embraced technology. I know that good recruiters are now leaving companies that use ineffective and cumbersome ATSs, or won't accept offers from companies that aren't progressive. Before accepting an offer make sure you know what system they're using, how many requisitions you'll be handling, and how involved you'll be with hiring managers. Don't accept an offer that's a setup for failure. Your actions speak louder than words. That's how you'll be heard.
- **Send me a list of your favorite ATS and your biggest complaints** ([lou@adlerconcepts.com](mailto:lou@adlerconcepts.com)). We'll make sure your views are heard by the vendors. They want to listen. Let's increase the volume.

Technology has not been fully utilized in the recruiting industry. The fault is our own. The ATS vendors have the capability to make the recruiter's job more effective and more satisfying. However, for a variety of very sound reasons, they're moving on a path that offers little promise of improvement. It doesn't have to be this way. But without your active involvement the promise of a better future, will just be promises. The war for talent should already have been won. Unfortunately, we're still fighting the same battles year after year.

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