APPLICANT TRACKING SYSTEM: A POWERFUL RECRUITERS' TOOL

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Abstract:

This article explores the transformative impact of Applicant Tracking Systems (ATS) on modern hiring processes. Traditional methods have been time-consuming and resource-intensive, prompting the need for AI solutions in the digital age. ATS, such as *Teamtailor*, have become integral to streamlining these processes, offering features that optimize the hiring journey.

ATS platforms enable efficient job advertisement creation and distribution, resume collection from various sources, and tailored candidate screening. The software facilitates communication and transparency throughout the hiring process, enhancing the candidate experience. It also offers customization options, allowing recruiters to tailor their workflows and stages.

The integration of AI-driven solutions, like the *Teamtailor* AI robot, further automates candidate evaluation, significantly reducing manual work. Candidates must adapt to optimize their applications for ATS screening, emphasizing skills and job requirements. This digital transformation extends to remote work, providing new opportunities and challenges for global candidates.

While the article underscores the benefits of ATS, it also raises questions about the potential for these systems to entirely replace human assessment. Nonetheless, the evolution of ATS aligns with the ongoing digital revolution, promising greater effectiveness (quality) and efficiency (productivity) in future talent acquisition.

Keywords:

Hiring, Applicant Tracking System (ATS), Human Resource Management (HRM), Digital Transformation.

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INTRODUCTION

The hiring process of candidates is a pivotal step towards achieving organizational success in the contemporary business landscape, where human capital represents a vital organizational asset [1]. Traditional approaches to hiring have evolved to align with the challenges posed by the contemporary digital era. At the same time, this process still consumes most of the time, money, and human resources available [2].

In line with global trends [3], digital tools have become omnipresent in hiring. One of the reliable solutions to optimize the process is the application of an Applicant Tracking System (ATS) that was made possible by spectacular technological advancements in the field of artificial intelligence (AI), that quite literally transformed e-hiring into AI-hiring [4] [5] [6].

Digital platforms such as ATS enable companies to efficiently craft job advertisements, collect applications, and screen candidates. Furthermore, digital channels, including social and professional networks as well as online assessments, are increasingly important for attracting talented individuals and assessing their capabilities. This is why up to 20% of small and medium businesses, 70% of large enterprises, and 90% of Fortune 500 companies are currently using ATS as a mandatory part of their hiring process. Hence, using ATS has become a necessity for all enterprises to systematically manage job applications while eliminating the chances of human errors [7].

Diverse research investigations have consistently revealed that the adoption of digital tools exerts a profound influence on the efficiency, impartiality, and caliber of recruited candidates [2]. Temporal resources invested in the hiring process witness substantial diminishment, accompanied by commensurate fiscal economies. Moreover, satisfaction among stakeholders notably improves, process governance reaches elevated levels, and easy access to informational resources is facilitated. Simultaneously, the channels of communication between hiring managers and upper-level management undergo marked streamlining.

ATS tools are typically a part of a larger Human Resources Information System (HRIS) [8]. A typical ATS has a user-friendly interface through which recruiters can perform the following tasks: (1) create and advertise open jobs, (2) collect resumes, (3) create a shortlist of candidates, (4) schedule interviews of shortlisted candidates, (5) manage the interview process and (6) make a job offer and facilitate the onboarding process of the selected candidate. Most of the ATS tools allow customization of each of these tasks in the hiring process and provide easy integration with emails and other business productivity tools, bringing efficiency to recruiters' workloads [9]. *Teamtailor* is one example of a multifunctional ATS tool.

2. HISTORY

Teamtailor was established in 2013 by Erik Andersson, David Wennergren, and Richard Johansson, as a means to disrupt the Human Resource Management (HRM) tech space by changing the way companies think about hiring. It helps companies streamline their hiring process by attracting the best talent and managing candidates, all in one place.

The overarching vision of *Teamtailor* is to result in a global employment landscape where individuals awaken each day with a sense of contentment in their professional pursuits. Quantitatively, *Teamtailor* boasts a clientele exceeding 7,000, while encompassing over 200,000 users, and extending its product offerings across more than 90 countries worldwide.

Nowadays, it takes more than a simple job posting to attract the right talent. Candidates are seen more like VIP customers, and the experience they have applying to a certain company will probably decide between taking the job or not. Hence, ATS can help attract, nurture, and hire top talent in one easy-to-use and fully-featured platform.

3. HIRING PROCESS WITH TEAMTAILOR

Many software solutions aid and streamline the hiring process within a company. Currently, the spotlight is on software that swiftly integrates artificial intelligence into the system, and one of them is certainly *Teamtailor*. In the following text, we will present some of the functionalities and specific features of this ATS software through subsequent steps [10].

3.1. CREATING AND ADVERTISING OPEN JOBS

Writing a job advertisement allows the recruiter to take the first step in communicating with potential candidates – articulating our expectations, required qualifications, and what our company offers. It is crucial that the advertisement is clear, readable, and outlines specific responsibilities. *Teamtailor* employs a universal format for job postings with various sections (i.e. salary range, working mode, industry, etc.), and provides the option to include images to enhance visibility. Figure 1, shows a segment of the job advertisement layout.
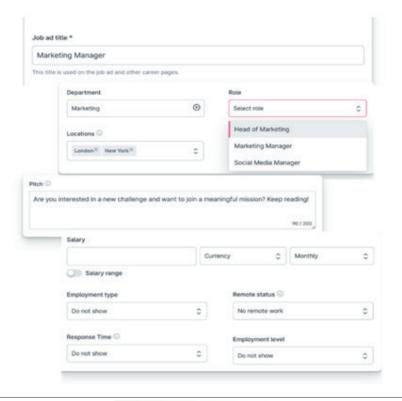
Figure 1. Segment of job advertisement.

A recruiter can create an application form that suits job requirements and is tailored to the position. Additionally, alongside the provided options, there is a possibility to mark what is mandatory or optional in the application. Hence, it is possible to create additional questions, apart from standard application form, which include:

- Yes/No answer to a question;
- Multiple choice between several answers;
- Range that allows a selection of a value on a scale of choice;
- Text that allows writing the answer on a multi or single line;
- Video that allows the candidate to record themselves answering our question(s); and
- File, where candidates can upload a range of documents.

A recruiter can also enable a chat function for all the candidates who have questions regarding the position, thereby reducing the risk of missing out on potential talent applications. It is important to note that all applicants receive an automated personalized message confirming the receipt of their application.

The next step is to create the right recruitment flow for the hiring process by adding and editing the Stages for the candidates. *Teamtailor* gives a preset process (i.e. inbox, reviewing, interview, etc.) that can be customized to fit specific job requirements.

The time frame represents a key variable in the hiring process. With the help of the platform, a recruiter can set a timeline for the entire process as well as for each phase. Additionally, there is an option to enable all applicants to see which stage of the process they are in, who is responsible for hiring, and when they can expect a response. Transparency is a value increasingly appreciated by candidates that positively impacts their experience, and therefore increases the chance of subsequent job acceptance.

3.2. COLLECTING RESUMES

In addition to the job advertisement being visible on the organizational career website, *Teamtailor* is integrated with other advertising platforms such as *LinkedIn, Jooble, HelloWorld,* and more. By utilizing a single platform, users gain the capability to collect applications from multiple sources and have them all consolidated into one database.

3.3. CREATING A SHORTLIST OF CANDIDATES

When collecting applications, a recruiter can streamline the screening process by providing specific commands to the software. Automation is the greatest asset for anyone involved in recruitment and selection. "Trigger" and "Smart Move" are two significant options that make operational tasks enjoyable.

A recruiter can add a specific trigger for each phase of the hiring process, and once they are set up, everything proceeds automatically. *Teamtailor* gives the option to set triggers for the following array of activities such as: a) Sending messages, b) Adding candidate notes, c) Sharing resumes with colleagues, d) Smart move (that will be described further), e) Smart schedule for interviews, f) To-do list, g) Asking for feedback, h) Sending NPS surveys, i) Nurture campaigns, and j) Sending surveys.

Within the "Trigger" option, particular attention should be paid to "Smart Move", which enables the following:

- Move to stage: the candidate will automatically be moved when they meet the criteria;
- Match all/any questions: the decision to trigger the move if all or any of the answers are matched;
- Questions/answers: what questions and answers should trigger the move;
- Apply to the possibility of limiting the trigger to a specific section of candidates (e.g. to exclude internal candidates); and
- Delay: adding a delay to the trigger means the move will hold for the set amount of time.

Furthermore, *Teamtailor* is advancing its platform by developing an AI robot, in alignment with global technological advancements. The robot contributes by parsing, identifying, and recommending applicants. When an application seems promising, it will be tagged as 'AI suggested.' Drawing insights from the history of nearly a million anonymous applications, the robot has acquired the ability to distinguish a promising application from the rest of the data based on the information provided.

When the system identifies a strong candidate, a recruiter can set a trigger that automatically moves him/her to the next phase, such as scheduling an interview. In line with specific requirements for various job positions, the recruiter just needs to establish sound criteria and let the software work on its behalf.

3.4. SCHEDULING INTERVIEWS OF SHORTLISTED CANDIDATES

Once candidates who match the required profile are selected, the next usual step is an HRM interview. This represents a significantly smaller pool of selected candidates and it is essential to keep them constantly informed about their status in the process. Candidates often express dissatisfaction with the lack of feedback, and with an ATS, we can effectively address this issue while saving a significant amount of time. There is an option to pre-create messages for each stage, which can be sent to everyone, using predefined placeholders for personalization (i.e. name, surname, the position they applied for, etc.).

For candidates who progress further in the hiring process, *Teamtailor* can efficiently utilize smart interview scheduling. Recruiters no longer need to make phone calls or send emails to candidates. Instead, he/she can link with a calendar and send candidates a scheduling link, allowing them to book interviews at times that suit them. A gesture of common courtesy with a profound positive candidate experience.

3.5. MANAGING INTERVIEW PROCESS

Every hiring process can vary depending on the advertised job position. With the Interview Kit option, a recruiter can provide all the guidelines for that process, including important questions to ask candidates, ensuring transparency and objectivity among hiring team members. The Evaluation section will further assist in identifying the most important skills and traits for that position. Hence, *Teamtailor* contains the Job Match Score section, indicating the percentage match of candidates to our desired profile. If the hiring process involves any form of psychological or technical testing, *Teamtailor* collaborates with various platforms integrated with the software, eliminating the need to seek an additional vendor and conserving available resources (e.g., *PerformanSe, Pipplet,* etc.).

3.6. MAKING A JOB OFFER AND FACILITATING THE ONBOARDING PROCESS OF THE SELECTED CANDIDATE

The process of sending job offers can also be automated through ATS software. It is necessary to activate the "Job offer" option, which appears on the profile of each candidate in the database.

Specifically related to this option, there is also the "Job offers approval flows" option, if multiple people must approve the offer before being sent to the selected candidate. To send an offer, one has to select the position for which an offer, salary, start date, and other relevant details are sent. There is an option of adding custom fields to the job offers to ensure all relevant information is included. These fields include short text, long text, number, date, multiple-choice, and single-choice (e.g. the number of vacation days, or a text field to list any other perks). With the option of "To-dos," one can create tasks for new hires and improve the onboarding process. For both of these options, a template can be saved and used each time with only minor modifications.

4. ADDITIONAL FEATURES

Teamtailor is primarily designed to enhance the hiring process, but it's important to mention a few additional features that add to its significance. Research indicates that candidates are increasingly applying for vacancies using mobile devices, so they have tailored their application to accommodate and streamline this mode of applying. All the crucial statistics and analyses of this important process will no longer require manual calculation; instead, they will be automatically displayed. These include information such as the type of device candidates use for application (computer, tablet, or phone), the platform they came from, the average time needed for each step of the hiring process, the approximate time from advertising to hiring, and the average duration of interviews.

Furthermore, candidate data protection is a priority for such software. *Teamtailor* uses the EU General Data Protection Regulation (GDPR) requirements as the basis for product development. Hence, each GDPR can be customized to comply with the laws of the country in which this software is used.

5. CONCLUSION

Based on the brief overview of the existing ATS software solutions, it's evident that the lengthy and cost-intensive hiring processes are enhanced and optimized by *Teamtailor*. The primary focus of current employees shifts to candidate experience and assessment, rather than operational tasks that used to consume most of their time. Several key features offered by this software include: a) the hiring process is conducted online and collaboratively; b) collaboration and communication among team members are streamlined; c) the ability to send messages to candidates and/or individuals responsible for the hiring is provided without leaving the software used for the process; d) all necessary information for the hiring process is concentrated in one place that enables quick and easy navigation; e) reports are generated using thorough data analysis to help facilitate informed decisions; and f) job postings are done once and automatically appear on various social media platforms.

In summary, the approach of recruiters and candidates during the hiring process is undergoing drastic changes. Applicants will need to fully tailor their resumes and applications to software systems, paying ever greater attention to the skills and job requirements found in the job description. Recruiters in return must further develop their skills in talent attraction and assessment.

Remote work has become a regular mode of employment, providing new opportunities and challenges for candidates worldwide. The significant revolution of artificial intelligence present in ATS software will evolve toward resume and candidate screening, further facilitating the selection of the right person. In the future, it remains to be seen whether an ATS can completely replace human skills and integrate all assessment systems, diminishing or even eliminating the need for human assessment.

6. ACKNOWLEDGEMENTS

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