White Paper

HIRING MANAGERS GOING DIGITAL

HOW APPLICANT TRACKING SOFTWARE BOOSTS EFFICIENCY

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In this article we break down how hiring managers benefit from utilizing an applicant tracking system to streamline the hiring of new employees. Other factors such as training hiring team members in effective interview procedures, or onboarding a new hire when they start with the company are two other areas that should define processes for the Hiring manager or department head, but we will not be discussing these in this paper.

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HIRING MANAGERS

Teams rely heavily on their hiring managers for input into each new hire. Recruitment team members are not experts on the requirements for each role, they rely on hiring managers for their expertise. Attracting and retaining quality hires is pivotal for the success of any one organization, establishing effective communications with hiring managers is essential.

One bad hire can mean huge costs for an organization. Without effective processes of selection and strong communication with hiring managers

this process is easily broken. We want to know what happens when our hiring managers are not given the tools to succeed.

Example costs include:
- Screening and interview times
- Onboarding and training time
- Severance costs related to letting an employee go
- Cost of hiring a replacement employee
- Communication with others regarding the new hire i.e. hiring leads, department heads, etc.
- General administration costs

It is estimated that the average cost of recruiting, hiring and training a new employee is close to **$4,000.** Hiring the wrong employee in round 1 means that this figure doubles with two hires, and triples with three and so on. These are expensive mistakes that can be eliminated with efficient procedures and training championed by hiring managers.

Carrying out these effective processes require that hiring managers are given the right tools to manage their teams. So, how can we best streamline the hiring process for hiring managers – **let's compare methods.**

PEN AND PAPER vs. THE ATS

METHOD #1 Some HR recruitment teams copy all resumes for their hiring managers, leaving them to read and comment on each of the paper resumes and then return the papers to the HR team. Others send the resume via email to the manager who in turn opens each resume, reads the resumes, and comments in her/his own way. Often there are multiple batches of resumes distributed either in hard copy, or electronically via email.

METHOD #2 This method is becoming more common among organizations. A company installs an applicant tracking system (ATS). The system allows the recruitment team member to assign one or more hiring managers, department contacts, or department heads to a job list when posting the job.

Most ATS systems are flexible in what can be viewed and managed by the hiring team member. For example, hiring managers may not need to see all applicants that are in a new workflow step – the recruitment team member can prequalify the applicants such that the hiring team only read and analyse the more qualified applicants. Those who are not as qualified may be placed in a rejected workflow not accessible for view by the hiring team.

It may also be optional for the hiring manager to be able to move an applicant to a hired workflow. For example, most companies are interested in having the hiring manager move applicants from a workflow such as pre-screen to interview. Very seldom do companies allow the hiring managers to search the entire database of applicants for privacy reasons. Nor are hiring managers able to see other job lists unassigned to them.

As hiring managers are reviewing resumes they are able to make notes on each of the applicants based on their perception of skills, or appropriateness to the role. These notes are open to the recruitment team members, and in fact, the recruitment team and the hiring manager can work online at the same time by both logging into the ATS. A full history of the applicant is captured by the system regarding number of jobs applied to by date,

title, and status of the applicant for that opening. This history allows each HR team member and hiring managers with view rights the ability to see a full history of that applicant.

All of the activities above can be completed using any computer with a current web browser such as Google Chrome, IE, Firefox, or Safari. Most current systems allow any HR or hiring manager the ability to work using a mobile tool such as a smartphone or tablet. For hiring managers, who spend a good deal of time in a field role, this means they are able to work with the system from any location that has access to the internet.

When applicants apply to any job list that is assigned to a hiring manager, most systems do a good job of alerting the hiring manager that they have a new applicant who has come into their list.

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COMPARE AND CONTRAST

So in reviewing methods #1 and #2 there are some basic conclusions that we can draw. In method #1 the task of reviewing a great deal of paper resumes or email resumes can be cumbersome and time consuming. Comparisons between the applicant files can be challenging. It is easy to misplace resume files or simply lose them. Notes are also challenging to keep on any applicant, as is the history of that applicant.

Method #2 means easy access to applicants at anytime from anywhere, allowing simple processes for sorting and capturing notes on each applicant. There are no concerns of applicant information being lost or misplaced, and all history and notes are readily available for view. In addition, hiring managers are typically reminded if they have not yet viewed their job list, or the associated applicants and in turn are able to act on the work required.

The integration of an ATS into method #2 removes all of the clutter, allowing for fast access to applicants and a review of subsequent decision making related to new hires. This type of tracking improves efficiency and ensures that less errors in the hiring process occur. For example, access to a complete applicant history may ensure that a bad hire is eliminated by reading through that history. That same history is challenging to document in the case of paper or email files.

Additionally, reports on who was hired, time to hire, time of hire, and assigned recruitment and hiring teams members are easy to access at any time. This is often the crux of determining where the faults in the hiring process can be identified and eliminated in order to streamline processes and further reduce costs. Method #2 helps identify faults in the hiring process that can be eliminated using this reporting. If hiring managers are delaying the review process repeatedly this may translate into the loss of several good hires – steps that can easily be eliminated with a simple reminder to these hiring managers.

An assigned system administrator can easily add and delete hiring manager or department head users or add new users, along with assigning those rights to workflow or other system tools.

Now that we have defined how the more manual processes compares to the ATS process, one of the biggest objections that we hear is the ability for hiring managers to accept working with yet another system. So, how might organizations encourage their hiring members to buy in to using the ATS versus a manual distribution system?

Again, there are two methods that can be used to gain hiring manager adoption of an ATS. We at HireGround have seen both methods, and we prefer the second method, but for the sake of options we will describe both of these.

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ADOPTION OF THE ATS

METHOD #1 The organization purchases and installs an ATS with Hiring manager functionality, along with a license for each manager. In turn the organization delivers user manuals to all managers along with training for all as well. It is mandated that all use the ATS to evaluate their new hires, and each manager is given clear instructions as to how to complete these tasks.

METHOD #2 As above the organization purchases and installs an ATS, but purchases only a small block of hiring manager licenses. A select few hiring managers are then chosen to test the use of the ATS and act as a pilot for the company. Often the buy in comes directly from these selected users, as they see the advantages of the software tool, and therefore sell it to others in the organization.

As other hiring team members buy into the new process, blocks of licenses are purchased as needed. As above, a clear guideline for use of the system is still very necessary and this should be in place prior
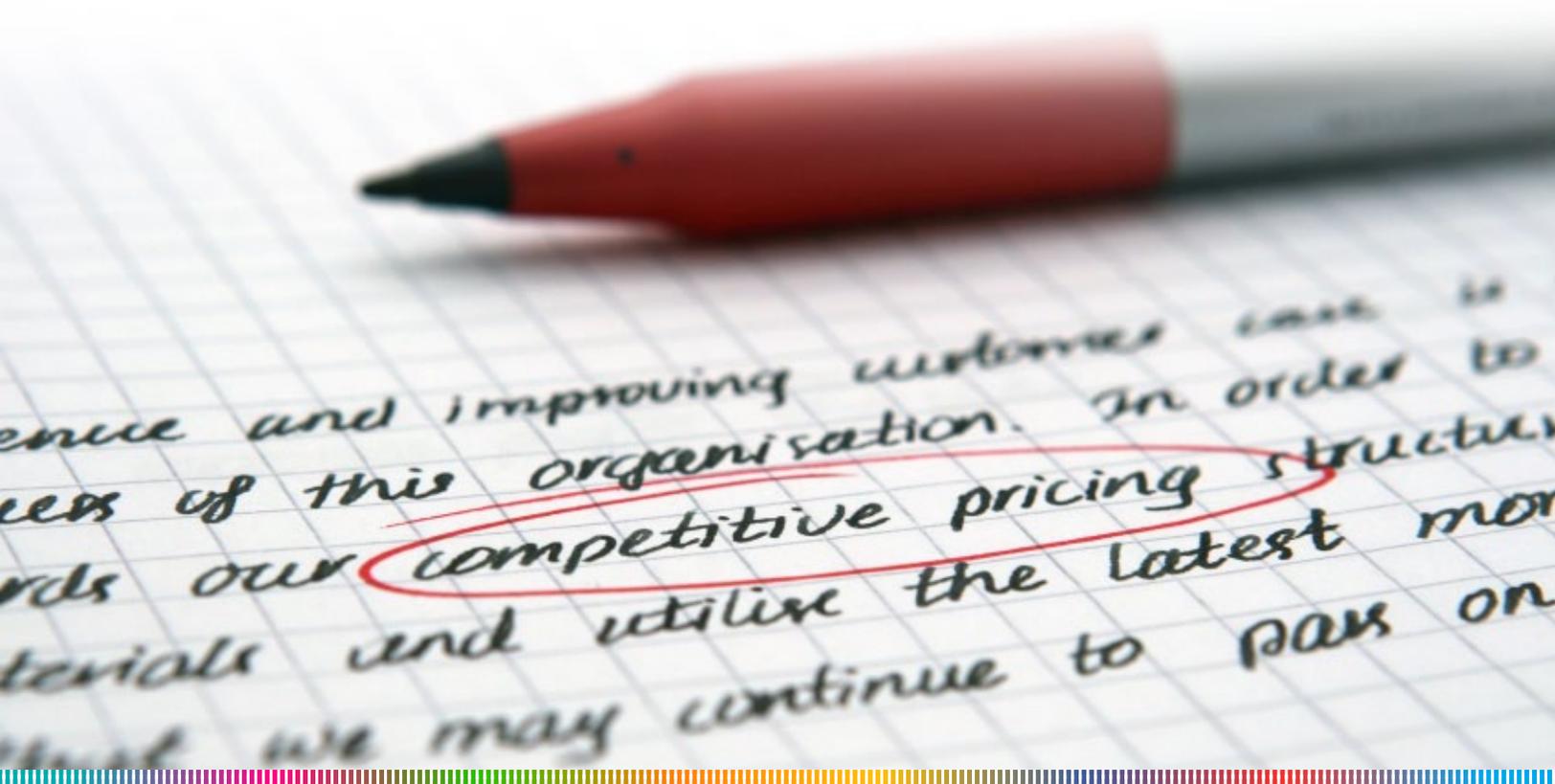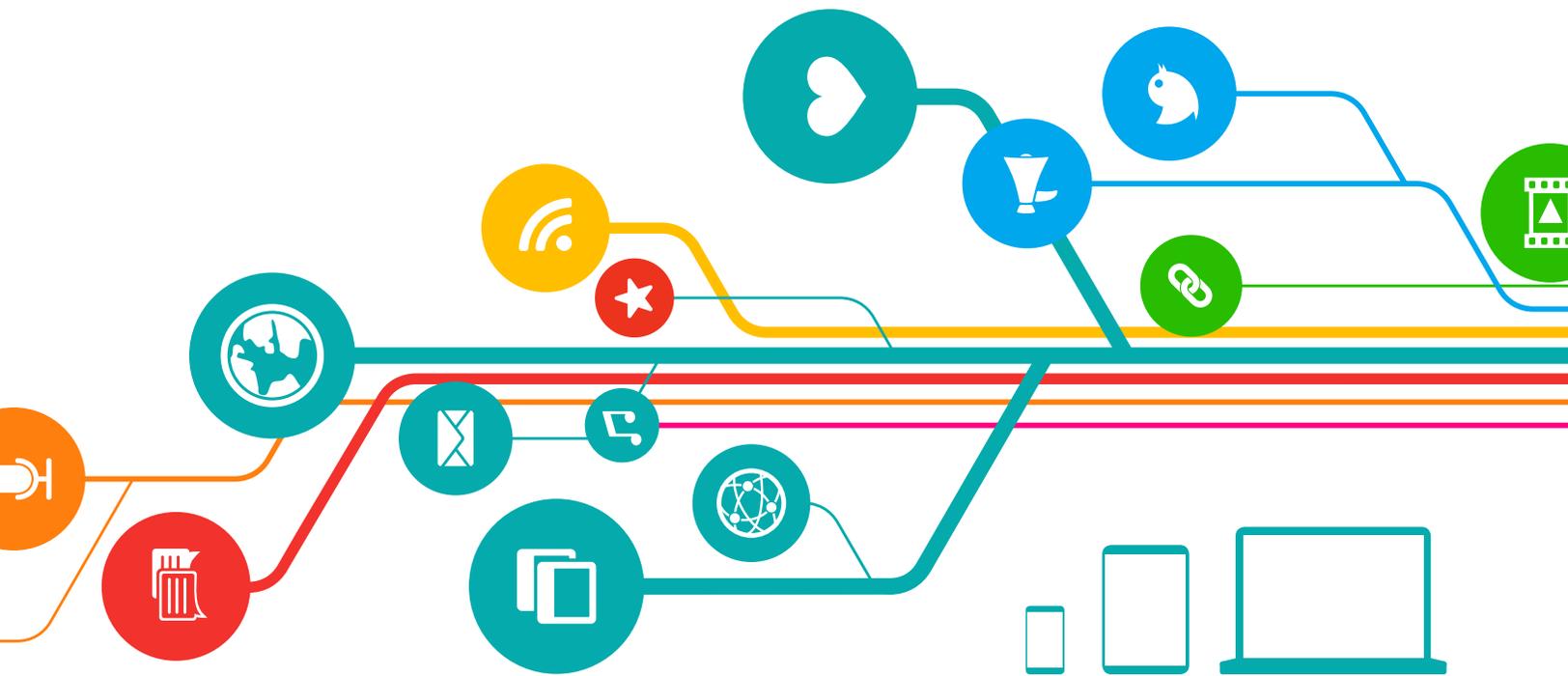
to any user accessing the online tools for reviewing applicants.

Some typical guidelines that should be in place would outline rules for using the system, along with privacy guidelines related to the applicant data, interview methods, communication methods, and the like.

With method #1 the mandated approach means possibly many disgruntled hiring managers who do not feel that they have been part of the process in determining the use of the ATS. Some will initially refuse to use the system causing conflicts. Others may never buy in to its use and block an otherwise profitable adoption of a new hiring system.

With method #2, we have seen organizations reward those who use the ATS, as they set an example of how an ATS can streamline and save costs for the organization as a whole. Rewards can come in various forms, but even a simple acknowledgement of proper use of the software tool may be adequate. For many organizations, the access to the ATS and ownership of a hiring manager license is seen somewhat as a status symbol. It becomes important to own a license to the ATS, along with an understanding of how it will simplify the hiring process for the company at large.

IN SUMMARY

L ooking at Applicant Tracking Systems in relation to hiring manager use, we have outlined some solid reasons for its use, along with two methods of adoption. These are fundamentals that hopefully will help an HR team determine their approach to use of an ATS as a tool to accommodate hiring managers within their organization.

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