

IDC MarketScape: Worldwide Modern Talent Acquisition Suites 2022 Vendor Assessment

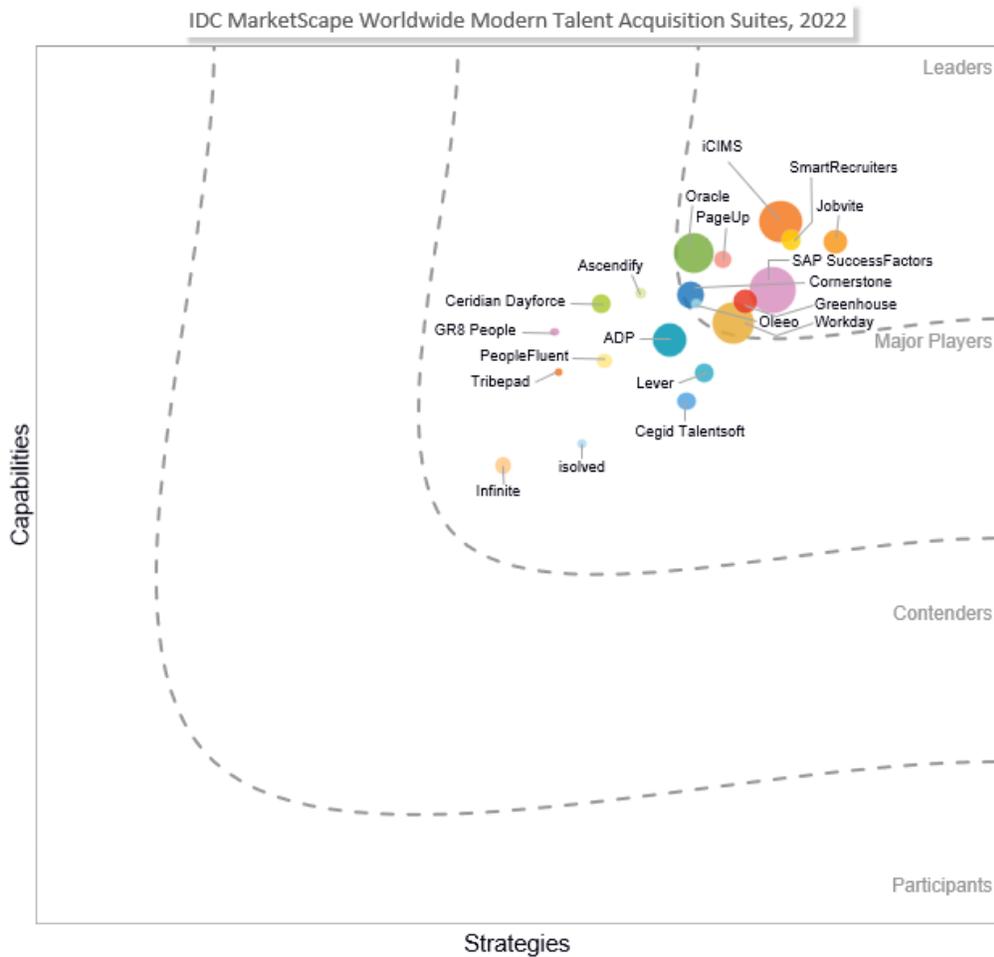
Matthew Merker

THIS IDC MARKETSCAPE EXCERPT FEATURES GREENHOUSE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Modern Talent Acquisition Suites Vendor Assessment



Source: IDC, 2022

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Modern Talent Acquisition Suites 2022 Vendor Assessment (Doc # US48357022). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Talent acquisition (TA) technologies and services are offered in abundance across a large variety of capability areas for recruiting. Talent acquisition specialist and talent management suite (TMS) vendors, while competing with each other, also contend with niche third-party solutions as they seek to engage clients in more technologies pushing the boundaries of innovation. At the same time, these providers need to offer robust integration with third-party applications that may offer similar services. This creates a competitor/collaborator ecosystem that is quite complex and difficult for clients to navigate.

This study assesses modern talent acquisition suites vendors through the IDC MarketScape model. The research includes both quantitative and qualitative criteria that can be used to evaluate a vendor's offerings as well as current and future success in the marketplace. Twenty talent acquisition vendors were analyzed through buyer feedback and vendor interviews. Vendors were evaluated on various criteria categories (detailed in the Appendix section), including user experience, core applicant tracking system (ATS), candidate relationship management, recruitment marketing, analytics, internal mobility, and onboarding.

IDC individually examines talent management suite and talent acquisition specialist vendors in the concurrently released studies *IDC MarketScape: Worldwide Modern Talent Acquisition Suites Within Talent Management Suites 2022 Vendor Assessment* (IDC #US49199121, June 2022) and *IDC MarketScape: Worldwide Modern Talent Acquisition Suites, TA Specialist 2022 Vendor Assessment* (IDC #US49198921, June 2022). Within those studies, IDC examines some of the key characteristics of talent management suite and TA specialist vendors and how they enable successful talent acquisition.

As part of the research process, IDC engages with clients that are utilizing the technologies offered by the vendors in this study. Through those engagements, some common themes come to the surface. Observations and takeaways from speaking with clients from both TMS and TA specialist providers include:

- **Note that communication is critical.** A need for robust communications strategies applies to awareness of existing technologies and those planned in product road maps. Negative reviews of vendor capabilities were at times due to a lack of awareness of the options clients have with their vendor. Similarly, ensuring awareness of upcoming feature and quality-of-life improvements goes a long way in improving client satisfaction, knowing the vendor they are using is constantly innovating.
- **Grow with clients to gain market share.** At the enterprise level, movement across vendors is typically slower and harder to achieve when competing with an incumbent technology

provider. This is particularly true for TMS providers. As other incumbent suites are ingrained across the enterprise at that point, an apparent weakness in just one area, such as talent acquisition, may not be a strong enough business case for TA leadership to convince the C-suite to make a change. As such, there is inherent advantage for TA technology providers to gain clients in their early stages of growth and be with them along the journey as they reach the enterprise level.

- **Streamline pricing and full transparency to improve client perception.** Particularly for new clients, utilization of technologies in talent acquisition can be frustrating if users are frequently bumping into paywalls. The feeling of iterative cost increases is often viewed negatively. As such, an up-front and clear listing of pricing across various usage scenarios will avoid negative client feedback pitfalls while also demonstrating a culture of fairness and transparency.
- **Keep clients at pace with vendor innovation.** As innovation pace ramps up, vendors must ensure they are bringing their existing clients along the journey. Innovation is rampant in the talent acquisition space and is often viewed as a positive impact for clients. However, vendors must ensure that not only clients are kept knowledgeable of those new technologies/capabilities, but that they are resonating with feedback provided. Pressing on with feature updates while leaving frustrating quality-of-life issues in place demonstrates a disconnect with clients and leads to negative feedback.
- **Globalize talent acquisition technology and support.** Globalized talent acquisition is increasingly commonplace as the COVID-19 pandemic removed many remote work stigmas. With the newfound freedom from physical offices, companies are expanding their geographic reach in search for talent. Consequently, the need for more readily available customer support for talent acquisition platforms is critical to client satisfaction. Among clients surveyed, a follow-the-sun approach was the most well-received and is quickly becoming table stakes for customer support. If not already doing so, vendors should consider this model as their geographic reach in talent acquisition scales up.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The criteria for inclusion of vendors in this IDC MarketScape analysis are as follows:

- Vendors must offer a native talent acquisition system, including core capabilities found in a standard ATS (requisition management, job and distribution, career site, online applications, resume parsing, etc.), as well as advanced capabilities found in a best-in-class talent acquisition system (including any modules for candidate sourcing, prospecting, and pipelining; new hire onboarding, CRM, and robust reporting and analytics).
- Vendor offerings are part of a standalone talent acquisition solution or part of a larger talent management suite – and must be native, not white labeled.
- Vendors must manage a minimum of 10,000 job requisitions annually.
- Vendors must generate a minimum of \$10 million annually from their recruiting solution set alone.
- Vendors must have at least 50 clients using their recruiting solutions with 100-1,000+ employees.

ADVICE FOR TECHNOLOGY BUYERS

The burden of choice for talent acquisition technology buyers is evident through the sheer volume of solutions providers offering solutions that range from a complete end-to-end hiring life-cycle enablement to those that target very specific capabilities that assist with just a single piece of the process. When reviewing applicant tracking system vendors, buyers should consider the following:

- **Consider and compare talent management suites or talent acquisition specialists.** A critical question for buyers of talent acquisition technologies is whether or not the solution needs to be part of a broader suite of capabilities, such as learning and performance management, or if the route of a TA specialist vendor is the right path. To answer this question, buyers need to consider current capabilities of existing vendors in use (if any) and understand the current gaps for their organizations. If a gap exists for additional talent management solutions, buyers should consider TMS vendors. If only talent acquisition is the critical gap area, a specialist provider may be the answer. Adding to that complexity, some TMS providers offer talent acquisition as a standalone solution. When evaluating those vendors, buyers should examine how much prioritization is given to innovation of their TA solutions to ensure a bespoke provider for one talent management area is providing due attention to its technology. A vendor in this scenario should have a product road map as robust as a TA specialist. Buyers should consider and compare the road maps of both types when making a purchasing decision.
- **Align geographic needs to global talent acquisition capability.** Organizations' workforces are increasingly dispersed geographically as remote work is much more widely accepted. As such, talent acquisition professionals within those organizations are also often dispersed, in addition to the talent they are seeking to recruit. Buyers of talent acquisition technologies should consider vendors that offer a strong global reach in terms of accessibility options for candidates, such as language selection, but also in terms of customer support availability for recruiters. A 24 x 7 follow-the-sun approach often receives the highest marks for customer service, but only if it is the right type of support. A generalized help desk cannot always provide the level of granularity in support of customer needs. As such, frequent access to product experts leads to improved service outcomes and reduced disruption in productivity due to technical issues. Buyers should assess vendor customer service strategies through these lenses.
- **Assess communications strategy.** Vendors in this space are constantly innovating, often with robust product road maps for the short term and the long term. However, a critical gap area based upon client feedback on vendors in the space is a lack of effective communications of new features and quality-of-life updates. When assessing vendors, buyers should examine what strategies they undertake to keep clients informed of new products and capabilities. A highly personalized update process via account manager relationships resonated the most for clients that provided high marks for vendor communication and new feature adoption.
- **Consider digital adoption platforms.** Talent acquisition vendors update their platforms at varying paces, with some taking a quarterly approach while others are as frequent as biweekly. Particularly in the case of frequently updated platforms, buyers should consider vendors that offer partnerships with digital adoption platforms (DAP). DAPs provide technology users with guided interactive support in the utilization of new features and workflows. A frequent source of frustration from clients within the talent acquisition space involves updates that are either unexpected or too complicated to disseminate to recruiters to utilize effectively. Implementation of DAPs improves client feedback on update adoption and ensures recruiters are using all the tools available to them from their vendor to improve outcomes.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Greenhouse

Greenhouse is positioned in the Leaders category in this 2022 IDC MarketScape for worldwide modern talent acquisition suites.

Greenhouse takes a streamlined approach to its product segmentation for talent acquisition solutions. The "Recruiting" product includes ATS and CRM functionality that includes intelligent search capabilities to fill pipelines and robust analytics to measure success. The "Onboarding" product includes two layers of functionality: standard onboarding services, such as document collection and introductory materials, and Greenhouse Welcome, an application launched in May 2021 that is focused on new hire experience. Welcome provides a personalized experience that is designed to excite and quickly integrate new hires into the organization, improving hiring outcomes and retention rates.

Greenhouse's go-to-market approach is centered on four main differentiators: structured hiring, modern interface, hiring ecosystem, and the Greenhouse Hiring Maturity Methodology. Structured hiring focuses on recruiter and hiring manager alignment on goals, clearly defining the attributes of a successful candidate based upon job description, skills, and experience. The process is standardized to provide consistent workflows that evaluate candidates fairly and consistently based on their skills and experience. This accelerates time to hire and time to fill and encourages organizations to adhere to a consistent process founded on data. Greenhouse's modern interface is designed as a collaboration tool to improve accessibility across all stakeholders in the recruiting process. The hiring ecosystem references Greenhouse leveraging the vast talent acquisition technology landscape to enable clients a high degree of customization across its ATS but also point solutions. Finally, the Greenhouse Hiring Maturity Methodology is designed to help clients evolve their internal processes and strategies for recruiting, moving clients from chaotic and inconsistent hiring practices to systematic and strategic.

Greenhouse continues to expand its solution and geographic footprint as part of its product road map. In January 2020, the vendor established a new EMEA base location in Dublin, Ireland, and is subsequently increasing its presence in the region through strategic client wins. In October 2021, Greenhouse acquired Interseller, enhancing CRM functionality with outbound sourcing automation capabilities launched in May 2022. The vendor continues to grow its partner ecosystem to allow clients accessibility to over 400 integration partners for improved flexibility as they build custom technology stack solutions.

Strengths

- Clients enjoy the modern look and feel of the platform for recruiters, hiring managers, and new hires.
- Greenhouse Welcome is a strong addition to the vendor's toolkit, offering bespoke onboarding technology in line with market demand for enhanced new hire experience.
- Greenhouse's streamlined product approach to recruiting and onboarding provides easy-to-understand pricing structures for clients and avoids the pitfalls of unexpected paywalls.

- Greenhouse's strong SMB footprint positions the company well to expand further into the midmarket as these client organizations continue to grow.
- The product road map aligns well with market needs, focusing on areas such as elevated user experience, workflow optimization, and automated sourcing capabilities (through Interseller acquisition).

Challenges

- Clients report that hiring manager learning curves are longer than desired post implementation.
- Clients would like to see greater application of demographic information through analytics in areas such as rejection reasons and time to hire.
- Administrator experience would benefit from improved flexibility in configuration and integration.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC defines talent acquisition as those functions that serve to attract, source, engage, and assess candidates as well as to select, hire, and onboard new employees. The scope of talent acquisition has

rapidly expanded in recent years, and the function itself has evolved accordingly – as has its technology requirements. As a result, the core recruiting system, the applicant tracking system (ATS), has evolved to meet demand for broader capabilities and deeper functionality. Competitive solutions in this category offer far more than applicant tracking to include modules for new hire onboarding, candidate relationship management, and internal mobility. This IDC study represents a vendor assessment of modern talent acquisition suites among vendors that offer TA solutions as a standalone solution or as part of a broader talent management suite.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Modern Talent Acquisition Suites, TA Specialist 2022 Vendor Assessment* (IDC #US49198921, June 2022)
- *IDC MarketScape: Worldwide Modern Talent Acquisition Suites Within Talent Management Suites 2022 Vendor Assessment* (IDC #US49199121, June 2022)
- *The Evolving Landscape of Talent Acquisition Buying Personas* (IDC #US48386321, December 2021)
- *Modern Metrics for Talent Acquisition* (IDC #US48245221, September 2021)

Synopsis

This IDC study assesses modern talent acquisition (TA) technologies provided by vendors through the IDC MarketScape model. The research includes both quantitative and qualitative criteria that can be used to evaluate a vendor's offerings as well as current and future success in the marketplace. Twenty talent acquisition vendors were analyzed through buyer feedback and vendor interviews. Vendors were evaluated on various criteria categories (detailed in the Appendix), including user experience, core ATS, candidate relationship management, recruitment marketing, analytics, internal mobility, and onboarding.

"Talent acquisition technologies and services are offered in abundance across a large variety of capability areas for recruiting," says Matthew Merker, research manager, Talent Acquisition and Strategy at IDC. "Talent acquisition specialist and talent management suite (TMS) vendors, while competing with each other, also contend with niche third-party solutions as they seek to engage clients in more technologies pushing the boundaries of innovation. At the same time, these providers need to offer robust integration with third-party applications that may offer similar services. This creates a competitor/collaborator ecosystem that is quite complex and difficult for clients to navigate. Assessment of vendors across the capability and strategy criteria within this IDC MarketScape provides buyers with a guide to point them in the right direction and ask the right questions."

About IDC

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