

eBook

# A buyer's guide to applicant tracking systems

Rethinking your approach to recruiting

greenhouse





# Contents

Introduction

**Why recruiting matters 03**

Step 1

**Understand why you need a new ATS 05**

Step 2

**Work out a budget 06**

Step 3

**Make the case for a new platform 07**

Step 4

**Know what to look for 09**

Step 5

**Talk to other customers 15**

Step 6

**Pick your winner 16**

**ATS evaluation worksheet 17**

**ATS glossary 20**

## Introduction

# Why recruiting matters

**We realize that if you're in the process of shopping for an applicant tracking system (ATS), you probably already see the value in recruiting.**

We think it's important to take a moment to look at the broader market so you can fully understand the implications of the decision you're making.



## There's a shift taking place in the workforce

Employers no longer control all the information – today's candidates are savvier than ever, and they can research everything from your company's salaries to your snack selection before even stepping foot in your office. They're also highly connected and not afraid to share their opinions with their networks, especially when they have a negative experience. That means creating an outstanding candidate experience should be one of your top priorities as an employer.

HR departments are changing, too. We've heard countless CEOs say that talent is their company's greatest asset, and talent acquisition and people operations have gotten the memo. In order to prove to executives that these departments are not simply service functions but drivers of organizational change, they need to equip themselves with data and insights. They need to understand which recruiting metrics matter most and regularly communicate that information to the executive team.

According to Bersin by Deloitte, US companies are spending 7% more than they did year-over-year on recruiting, and their cost-per-hire has increased by 20%. The US Department of Labor estimates that the cost of a bad hire can equal 30% of the employee's first-year earnings. Making good hires isn't just an HR concern – it's a business concern.

Many software solutions treat recruiting as a nuisance – something that you need to get out of the way as quickly as possible so you can focus on other things.

We want to make it as easy as possible for companies to implement recruiting best practices, so we built them right into our product. We've created a framework for structured hiring so recruiters can easily partner with hiring managers, and everyone involved in the hiring process understands exactly what their role is and why.

**The Greenhouse approach to recruiting is different. We've designed Greenhouse to be more than a simple ATS.**

We've optimized reporting and insights to help identify inefficiencies and optimize the process. And we've included visualized reporting and analytics so it's never been easier to share real-time status updates.

There has never been a more exciting time in the working world, but change has also never come this fast. Let us help you be the driver of change in your organization.





## Step 1

# Understand why you need a new ATS

Whether you're shopping for your first ATS or upgrading to a more powerful system, the search for any new technology always starts with a big question: Where do you want it to take you? Set aside your immediate recruiting challenges for a moment to think about your company's long-term dreams.

Wherever you want to go, you'll need great hires to get there. We work with hundreds of companies every year, and the organizations who land the best candidates are the places where everyone, from the office admin to the CEO, sees recruiting as a key part of their job.

You may already have a strong recruiting culture at your organization, but most companies wrestle with it. The good news is that the right ATS makes it easy to harness the power of collaborative recruiting, allowing everyone on staff to contribute to your company's success.

## 5 ways to create a recruiting culture

### Get your CEO on board

If executives consider recruiting a top priority, the rest of the organization will follow suit.

### Start a referral program

Source great talent and get your whole company involved in recruiting at the same time.

### Have a strong brand

Having a mission statement helps define your company culture.

### Give everyone a voice

All the members of your company should be on your ATS to submit feedback.

### Reward recruiters

Call out and reward those who are helping with recruiting efforts!



## Step 2

# Work out a budget

As you work out how much you can invest in your new ATS, put the cost in the context of how much you're currently spending on recruiting.

If you're already paying for job ads, agencies, internal recruiters, and interviewers' time and salaries, the ATS will be a fraction of your overall recruitment budget. Don't worry about investing a few dollars more in a system that will make a meaningful difference.

In general, spending more on an ATS will:

- Allow interviewers to give more comprehensive feedback on candidates
- Give you more pre-packaged reports on your hiring pipeline
- Provide more reports to track the effectiveness of your sources
- Streamline hiring tasks
- Allow you to structure your interviews
- Integrate more aspects of the hiring process
- Provide better support from the software's vendor
- Improve your recruiting performance

All of which will ultimately speed up your hiring and ensure you're offering the job to the right person. Even the prevention of a few bad hires can pay for an ATS several times over.

## Did you know?

CTOs of fast-growing companies often spend 50% of their workday on recruiting and hiring.

### Step 3

## Make the case for a new platform

Even the best-designed software will be a waste of money if your team isn't ready to use it. If management is already sold on the benefits of moving to a new recruiting platform, you're golden. Skip ahead to Step 4.

If you still need to get sign-off, we recommend you start by talking to an influential hiring manager. Share some of the ways a better ATS can help them meet their goals, including efficient team-building, keeping their staff happy and making interview training a snap.

In that conversation, call out the current hiring problems your company faces that can be addressed by a new ATS.

Next, create an executive summary laying out the amount currently spent on recruiting, highlighting the impact hiring bottlenecks are having on the company. If your team is already using a clunky or outdated ATS, explain where the platform is failing. Buy-in from management often happens quickly when they understand the strategic benefits a new ATS will bring.

25% of companies say a bad hire has cost them more than  
**\$50,000**  
in the last year.

# Common pain points

**Need a few ideas for your executive summary? Here are some common pain points that the right ATS can address:**

Low (or low-quality) response to postings

Employees not making enough referrals

Employees not sharing open positions on their social media networks

Internal candidates not having an easy way to apply

Lack of clearly scoped jobs allowing unqualified candidates into pipeline

No measurement of quality and efficiency of sourcing

No accountability system for tracking potential future candidates

Clunky online application process makes company look bad

Poor scheduling system means interviews take forever to set up

Interviewers winging it, leaving key questions unasked

Subjective interview questions make apples-to-apples comparison of candidates more difficult

Giving feedback on candidates is a hassle

Compiling interviewers' feedback is time-consuming

Decisions/offers not documented in a systematic way

Management unable to see (or share) current status of open reqs



## Step 4

# Know what to look for

Most applicant tracking systems have product specialists standing by to show off their wares, either in person or online. Set aside about an hour for each demo, and bring the included worksheet with you. We recommend keeping the following topics in mind during the evaluation process:

## Usability

In the past, ATS platforms were built solely for recruiters. The modern ATS is meant for everyone in the organization (not to mention the applicants themselves). As you kick the tires of a potential ATS, consider the perspectives of all the people who will be relying on it.

Candidates, for example, expect a seamless journey from the job ad to a completed application. Hiring managers want an easy way to set up reqs and move candidates through screenings and interviews. Interviewers need tools to prepare for their interviews and score candidates afterward. Executives will want an easy way to approve offers and get a bird's-eye view of the hiring pipeline. And everyone needs to be able to refer candidates and check on their status.

## Quick tip

A great way to test usability is to ask the product specialist to show you how their software handles your most common hiring tasks and scenarios.

## Sourcing

There is no one magic solution when it comes to sourcing. Finding top talent means you need a dynamic and multi-pronged strategy of continuously experimenting with varying techniques for different roles.

You'll need a platform with a variety of sourcing features and integrations that easily highlights your top-performing sourcing channels per job to increase your return on investment.

Have a referrals program or want to start one? Check out five great





ways to boost referrals at the bottom of the next page.  
Your platform should provide visibility into the referral pipeline for both recruiters and employees and make it as easy as possible for

Studies show that hires from employee referrals **cost less, work harder and stick around longer** than those from job boards or agencies.

employees to make referrals.

If you work with agencies, you really have to understand and report on the quality of the candidates submitted through the agency vs. the candidates that come in through your internal recruiters. You'll also want a platform that lets you grant appropriate levels of access to agencies.

## Five ways to boost referrals

### 1 Communicate significance

Remind employees that great people make a great company.

### 2 Have a closed-loop process

When an employee makes a referral, keep them in the loop (hint: your ATS should do this).

### 3 Respect referrals

Treat referrals like VIPs so employees are confident their contacts will have a positive experience.

### 4 Gamify it

Reward employees for submitting referrals. Try a referral board, prizes or raffles to encourage employees to participate.

### 5 Throw recruit-a-thons

Have a fun and informative event to help employees understand how to “hack” their networks to find candidates.



## Reviewing

The platform needs to make it easy for you to quickly review and triage candidates. That will increase the number of candidates flowing through the interview process, and it also improves every candidate's experience. Even the people you reject will appreciate you doing it in a timely way.

40% of candidates report an  
“unacceptable time lapse”  
between an initial conversation  
about a position and any  
follow-up conversation.

While testing the software, see how many applications you can review at once. Is it easy to see what you need in each application at a glance so you can process them quickly? The most useful ATS have built-in tools to make reviewing actionable, letting you add notes about the candidate, contact them or advance/reject them as you go.

## Running the interview process

One of the biggest improvements an ATS brings is optimizing the interview process. Too often, interviewers are pulled into a conference room at the last minute, handed a resume and expected to assess a

candidate's worthiness after half an hour of small talk.

With an ATS that's focused on performance, hiring managers can collaborate with recruiting to create in-depth interview kits that guide every question an interviewer asks. This helps ensure you get the same, comprehensive data on every candidate, and allows an apples-to-apples comparison of each person. Then, when the time comes for interviewers to give their feedback, the ATS should offer a simple candidate scorecard that streamlines the assessment process and makes it easy to rate a candidate's skills and alignment with company values.

“A recruiting culture can only blossom if the processes and the tools **don't suck.**”

**Binh Tran**  
Founder of Klout

This data-driven approach scales smoothly, lowers stress on hiring managers and moves people through the pipeline more efficiently. When trying out any ATS, pay particular attention to the way it handles this flow of candidates through the system. The best platforms are built to continually move candidates forward until they are either rejected or offered a job, preventing anyone from falling through the cracks.

## Pipeline metrics

It can be hard for companies to get basic information on how their hiring is going. An ATS should offer built-in reports that give everyone a front-row seat on the hiring process. At a basic level, that means providing a complete picture of all the candidates who have been considered for a position, including outcomes from phone-screens, interviews, take-home tests, and rejections or offers that have already taken place, along with a run-down of hiring activities scheduled in the future.

During your demo, check that the ATS generates reports on the things that matter most to you. If employee referrals are key to your hiring strategy, ask to see a breakdown of which team members are bringing in the right candidates. If your top priority is speeding up the hiring process, ask for a report that lays out time-to-hire for each req.

## Integration

We all have our own approaches to hiring, along with our favorite tools for getting the job done. Your recruiting software should integrate with the applications you love, from scheduling apps to video-interviewing platforms and take-home testing systems.

Bring a list of your top tools to your ATS demo to see how many of them can be integrated with the software.



## Support and services

You're going to have a lot of questions about whichever ATS you choose, especially in the first few months. Make sure your vendor takes support seriously.

## Deployment

A new ATS will bring quite a few changes to your hiring process – getting it up and running typically includes a job board integration, data migration and a lot of staff training. There will be big differences in the level of set-up assistance each ATS vendor provides.

## Data and security

Your ATS will house some of your company's most sensitive data, so keeping it safe is essential.

## Questions to ask a vendor

How secure is your platform?

What types of pre-packaged reports do you offer?

Who are some of your customers?

How intuitive is the platform?

What types of metrics and analytics does your platform include?



## Step 5

# Talk to other customers

After testing software, you've likely narrowed the field down to a few contenders. You're almost there. Now it's time for you to research the vendors themselves.

No one wants to spend a year customizing a piece of software, only to have the vendor go belly-up. Don't be afraid to ask some tough questions to make sure your ATS will grow with you and be responsive to your needs.

Next, read through product reviews on directory sites like Software Advice and Capterra, and look for mentions of the company on Twitter. It also doesn't hurt to check the Better Business Bureau's online reviews.

Be sure to get references from the vendors themselves.

When you talk to the references, ask about set-up time, ease-of-use, support and any unexpected problems they've faced with the software. If they had to do it all over again, would they make the same choice?



## Questions to ask a reference

How long did it take to set up the ATS?

How easy is the ATS to use?

Have you faced any unexpected problems with the software?

If you could go back, would you choose this ATS again?

## Step 6

# Pick your winner







## Congratulations!

You're now the proud owner of a powerful new recruiting tool.  
Go forth and hire!

Companies use Greenhouse to optimize how they find, interview and hire the right talent. From strategic sourcing to customizable interview kits, Greenhouse offers a technology platform that helps organizations of all sizes improve their recruiting performance. Find better candidates, conduct more focused interviews and make data-driven hiring decisions using Greenhouse.

If you're in the market for a new ATS, please drop us a line!  
We'd love to show you what Greenhouse can do for you.

## A few companies that use Greenhouse:

# ATS evaluation worksheet

**A best-in-breed ATS will include a robust set of features to make your company great at recruiting.**

We've put together a list of all the features you need to source great candidates, run an effective hiring process, pull meaningful reports and more. This checklist will come in handy when you evaluate your ATS options.

In addition, the ATS glossary digs a bit deeper into each feature, so you can better understand and articulate your needs. Feel free to fill out this interactive PDF yourself and forward it along to an ATS representative, or you can use it to frame your conversations with management.



Add ATS:

Add ATS:

Source candidates	Greenhouse			Notes
Careers site integration	✓			
Multi-brand job boards	✓			
Internal job board	✓			
Online/mobile apply	✓			
Employee referral portal	✓			
Agency portal	✓			
Job ad creation and distribution	✓			
Application review and triage	✓			
Social media sharing	✓			
LinkedIn posting	✓			
LinkedIn recruiter system connect	✓			
<b>Interview and collaborate</b>				
Interview planning/custom workflows	✓			
Interview kits	✓			
Candidate scorecards	✓			
Diversity features	✓			
OFCCP/EEO compliance	✓			
Mobile application	✓			
Private notes	✓			
Interview scheduling via Google, iCal, Outlook	✓			
Task management	✓			
@Mentions	✓			
Interviewer tags	✓			

Add ATS:

Add ATS:

Manage	Greenhouse			Notes
Talent pool management	✓			
Candidate profile	✓			
Bulk editing of candidates	✓			
Auto-merge duplicate profiles	✓			
Email templates and workflows	✓			
Bulk editing of jobs	✓			
Auto-responders and alerts	✓			
Offer creation and management	✓			
Offer approvals	✓			
Bulk creation/sending of offers	✓			
Reporting and insights				
Basic reporting bundle	✓			
Source quality dashboard	✓			
Team performance management	✓			
Milestones	✓			
Analytics	✓			
Platform configuration and data				
Integrated third-party apps	✓			
Developer center	✓			
Basic premium settings	✓			
Custom roles permissions	✓			
Single sign-on	✓			
Bulk editing of users	✓			
Office-specific configuration	✓			
Advanced developer tools	✓			
Data retention package	✓			
Enterprise security configuration	✓			



Appendix

# ATS glossary



## **@Mentions**

The @Mentions feature helps interviewers, hiring managers and recruiters easily communicate about particular candidates. When a user includes an @name within a note on a candidate profile, Greenhouse automatically sends an email to that user with the contents of the note and a link to the profile.

## **Advanced developer tools**

Advanced developer tools offer organizations even more flexibility and control. These include advanced career site integrations, a developer sandbox for testing and a fully API-driven job board.

## **Agency portal**

The agency portal allows organizations to source candidates from staffing agencies, collaborate with agencies in a streamlined way and report on which agencies are delivering the most and highest quality candidates. Agency recruiters can submit candidates through the agency portal and track their status within the recruiting process

## **Analytics**

Greenhouse offers enhanced reporting, which lets users create advanced reporting capabilities and visualizations with all of their raw recruiting data.

## **Application review and triage**

Application review and triage helps users review the applicant inbox by quickly evaluating all pending applications, add notes, @mention colleagues, and seamlessly advance or reject candidates.

## **Auto-merge duplicate profiles**

The auto-merge duplicate profiles feature detects and merges candidate profiles into a single record automatically.

## **Basic permission settings**

Greenhouse has several user types, as well as policies and permissions, that can be set for your company. Basic permission levels include basic user, interviewer, job admin, site admin and super admin. Additional permissions can be set around specific jobs, such as for access to salary data, private notes, job offers or approvals.

## **Basic reporting bundle**

The basic reporting bundle helps companies determine pipeline movement, time-to-hire and the source of top candidates to ensure data-driven decisions.

## **Bulk creation/sending offers**

The bulk creation/sending offers feature easily creates and sends offers to multiple candidates on multiple jobs simultaneously.

## **Bulk editing candidates**

The bulk editing candidates feature makes it easy to reduce manual candidate management tasks.

## **Bulk editing of users**

Easily make changes with the bulk editing of users feature. Grant access to specific jobs, maintain permission consistency and re-send invites to users who haven't signed in yet.

## **Candidate profiles**

Provide contact information, resumes, links to social profiles and websites, and an activity feed tracking all email and internal communications with the candidate. From the candidate's profile, users are able to schedule interviews, view candidate progress, move candidates between stages and review scorecard feedback.

## **Candidate scorecards**

Candidate scorecards help interviewers objectively evaluate candidates, guaranteeing useful, focused feedback on the attributes that truly matter. Admins can create specific hiring criteria for each job to more effectively structure the hiring process. Hiring teams can easily distinguish between all candidates through standardized, structured feedback from interviewers.

## **Career site integration**

The career site integration feature offers a variety of ways to integrate your career site, including a fully Greenhouse-hosted job board, embedding your job board via iFrame within your site and leveraging an API to create your own custom pages.

## **Custom roles permissions**

Custom role permissions allow organizations to define new types of user roles that can be assigned by job.

## **Data retention package**

Data retention packages copy all emails to a local address and include an anonymization API, SMTP relay and the restriction of resume sharing.

## **Developer center**

The developer center is a self-serve portal for your developers to utilize Greenhouse APIs or integrate them into their own systems (for example, our webhooks, data extraction APIs and job board APIs).

## **Diversity features**

Diversity features help organizations make unbiased decisions about candidates by concealing each candidate's personal information, such as their name. Companies can also support unbiased decision-making about candidates through anonymous coding tests. They also include anonymous take-home assessments and data collection (API only) to help companies make unbiased decisions.

## Email templates and workflows

Email templates and workflows provide built-in, customizable email templates for candidate communications, rejection letters, offers and internal communications.

## Employee referral portal

The employee referral portal allows employees to refer candidates, subscribe to alerts about candidates they've referred and track their referrals throughout the hiring process.

## Enterprise security configuration

Enterprise security configuration includes security features such as SMTP to allow customers to send email without a third-party, restricted file settings to reduce the risk of viruses being added to the system, and configurable session timeouts, which reduce the risk of a recruiter/admin's account being accessed accidentally.

## Integrated third-party apps

Greenhouse offers a partner ecosystem of over 300 third-party application integrations, which allows for even more customization of the platform. Partner applications include sourcing, skills testing, video interviewing, e-signatures, background checks, HRIS and onboarding, among others.

## Internal job board

The internal job board enables companies that are posting jobs to allow employees to view and apply to roles only available to internal candidates.

## Interview kits

An interview kit is a configurable interview preparation package. Each kit includes an overview describing the purpose of the interview, the candidate's resume and cover letter, the live job posting, how to sell the job, the responsibilities of the job and a scorecard to collect feedback, ensuring recruiters and hiring managers assess every candidate for the right skills and qualities.



## **Interview planning/custom portals**

Creating a structured hiring process ensures cross-team collaboration, a positive candidate experience and hiring the right candidates. Interview planning empowers users to set up custom interview plans by job, department or office. Greenhouse helps configure interview stages, create interviews within each stage and assign specific interviewers to each interview. Users can drag and drop additional stages or interview types such as take-home tests and video interviews into their interview plans.

## **Interview scheduling via Google, iCal and Outlook**

Greenhouse scheduling allows recruiters to schedule interviews through Google, iCal and Outlook. Scheduling also allows recruiters to request candidate availability, schedule multiple interviews at once and send reminders about upcoming interviews from within Greenhouse. Interview kit links are automatically generated and attached to calendar invites, so your interviewers are always prepared.

## **Interview tags**

Interviewer tags help interview teams easily identify which interviewers are best suited to conduct specific types of interviews (culture, behavioral, take-home tests, etc.). This feature is especially useful for large teams scheduling interviews across dozens or hundreds of staff members.

## **Job ad creation and distribution**

The job ad creation and distribution feature enables organizations to publish their jobs to paid and unpaid job boards. With the ability to run and test job ad campaigns across several boards at once and generate unique tracking links for all jobs, organizations can quickly report on performance.

## **LinkedIn recruiter system connect**

The LinkedIn recruiter system connect feature provides the ability to sync a candidate's LinkedIn information to their Greenhouse profile. It also enables LinkedIn Recruiter users to import LinkedIn prospects into Greenhouse. When recruiter system connect is enabled for a Greenhouse candidate, their LinkedIn profile and Recruiter activity (InMails, notes, etc.) will be pulled into the LinkedIn tab in the Greenhouse profile for easy access. When sourcing on LinkedIn using LinkedIn Recruiter, if the user sends an InMail to a prospect and the prospect accepts the InMail and leaves the “give person your contact info” checkbox checked, Greenhouse will automatically create a corresponding prospect profile.

## **LinkedIn posting**

The basic LinkedIn integration enables companies to post their jobs directly to LinkedIn and utilize limited listings.

## **Mobile app**

The Greenhouse mobile app includes optimized interview kits, scorecards, interviewer feedback submission, offer approvals, pipeline management and reporting.

## **Multi-brand job boards**

Multi-brand job boards allow multi-brand organizations (for example, a holding company with several distinct operating businesses) to host individual, brand-specific job boards that can be managed from the same account.

## **OFCCP/EEO compliance**

The Office of Federal Contract Compliance Programs (OFCCP) is responsible for ensuring that employers doing business with the federal government comply with nondiscrimination laws and regulations. Greenhouse ensures its customers are OFCCP and Equal Employment Opportunity (EEO) compliant by providing a structured hiring process that focuses on the removal of bias and, when needed, complete candidate anonymity. In addition, if audited, Greenhouse provides aggregate compliant reporting in full detail.

## **Offer approvals**

The offer approvals feature allows users to set up approval processes for new offers and provides a proper audit trail for tracking.

## **Offer creation and management**

Offer creation and management lets users build offer letter templates, automatically generate new offer letters or trigger an approval process from within Greenhouse.

## **Office-specific configuration**

Office-specific configuration enables organizations with multiple locations to standardize email templates, offer letter templates and other relevant communications configured for each location.

## **Online/mobile apply**

The online or mobile-apply feature accepts candidate applications through a fully, partially or self-hosted job board. Greenhouse facilitates a great candidate experience by empowering candidates to easily apply in just one click through their LinkedIn profile, Google, Dropbox or Indeed.

## **Private notes**

Private notes allow hiring managers and recruiting teams to collaborate on private information such as salary data and job offers. Access to private notes is set through user permission controls and can be configured per user for each role.

## **Reporting by milestones**

Reporting by milestones enables organizations to have custom interview plans with standard reports across jobs with non-standard pipelines.

## **Single sign-on**

Single sign-on (SSO) allows companies to integrate a third-party SSO tool such as Okta, OneLogin or Ping.

## **Social media sharing**

Social media sharing allows employees to post company jobs on social media as either a one-off or via configurable automated scheduling. Social post timing and frequency can be set up for each social network. Each post will generate unique tracking codes, allowing organizations to report and track on the efficacy of each source, author and post.

## **Source quality dashboard**

The source quality dashboard provides a holistic view of the quality of candidates from each source, such as agencies and social media referrals. See how many candidates are acquired in a given period and how far they've progressed in the interview process.

## **Talent pool management**

With talent pool management, users can more effectively manage and track candidates. Search resumes, filter profiles and add candidates via email. Greenhouse also helps users track prospects, which are candidates not yet active in an interview process.

## Target performance management

Team performance management helps hiring teams understand and track their performance with activity reports. Easily see how many candidates have been sourced, screened, interviewed and hired by an individual, team or department.

## Task management

Greenhouse lets you track task lists that trigger alerts, automated communications and workflows. Task management helps teams collaborate and see tasks within each stage, including applications to review, interviews to schedule, scorecards due and offers to be approved.





Greenhouse is *the* hiring software company.  
We help businesses be great at hiring through  
our powerful hiring approach, complete suite of  
software and services, and large partner ecosystem –  
so businesses can hire for what's next.

To learn more, visit  
**greenhouse.io**