

# Recruitment Routine Automation: The HR Software Market Is Entering a New Age

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The March market overview of HR systems just recently published by C-News illustrated a substantial supply-and-demand imbalance in the HR automation market. As part of the research, IT and HR directors from different industries answered the questionnaire.

More than half of the respondents noted that while managing HR processes they have to combine several software types and use different data carriers, including hard copies.

The majority of mid-sized and large businesses have internal HR services with specialists responsible for staff searches and recruitment. Almost daily, they take applications from internal and regional branches; receive and store CVs; work with HR agencies; store comments; interview results, staff recruitment and dismissal statistics; analyze data to provide efficient searches, and more.

International companies traditionally implement the software used in headquarters into their Russian branches, but unfortunately these solutions do not cater to Russian specifics, and Russian HR managers try to pay no attention to this software.

The HR software market stagnation makes MS Excel one of the most popular tools for automation. Alternative solutions provided by jobsearch web sites do not allow the candidate database to be edited or enriched with candidates found from other sources. Recruitment specialists can not yet keep their databases in one program.

IT services that have to automate HR operations are forced to create their own systems because the market lacks mass products that satisfy HR requirements. According to C-News research, about 30 percent of IT directors use their own software developments for HR management. 70 percent of respondents are sure that companies cannot function well without HR systems, and therefore the cost of software acquisition and implementation is of critical importance.

Companies that develop HR software as their core business have also been analyzing the recent market trends, and their cooperation with HR departments of many national and multinational companies proves that a lot of routine HR processes need integrated multifunctional software effective for both corporate HR departments and recruitment agencies.

The C-News survey says the majority of HR and IT people do not see a future for their business without HR software and vote for an HR automation system as a necessity (68 percent of IT directors and 92 percent of HR directors). Only 28 percent of IT directors and 8 percent of HR directors say HR systems are good but not entirely necessary; they mention that HR management is not a core business for their companies. Any expensive program is in the risk zone from the point of view of financing and all the HR functions are to be easily outsourced, if necessary.

But the HR system price is in second place on the list of corporate obstacles on the way to automation.

The leader in the list of obstacles formed by HR directors is that the new program cannot be fully integrated with the existing software already implemented in the company (accounting programs, record keeping, CRM, etc.) Only a small percent of IT directors see a risk in implementation from this factor.

The winner in the IT directors' obstacles rating is resistance from personnel. Only 2 percent of HR directors think they will have to withstand resistance from personnel while implementing the new software.

The third obstacle from the point of view of both groups of respondents is indifference from executives. But HR directors, who would be the ones to benefit from the automation, care only half as much that they cannot sell the idea to the executives.

The survey shows that people expect the development of the HR software market in the not-too-distant future. It is in great demand today. And if the two parties with the highest stake — HR and IT — can withstand all the intercompany obstacles on the way to implementing a good program then they will act as the engine of market development and in the very near future we will see a new age for HR software.

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