Winning with Analytics in Talent Acquisition
- Creating Your “Unfair” Advantage
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win·ning
/ˈwiniNG/  

adjective

1. gaining, resulting in, or relating to victory in a contest or competition.
   "a winning streak"
   synonyms: victorious, successful, triumphant, vanquishing, conquering;
What Does “Winning” Look Like?

Excelling at recruiting enables the most capable organizations to enjoy 3.5 times the revenue growth and 2.0 times the profit margin of their least capable counterparts (Source - BCG)

<table>
<thead>
<tr>
<th>Topic in which most capable and least capable companies were compared</th>
<th>The impact that the most capable companies achieve over the least capable companies in...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Delivering on recruiting</td>
<td>... revenue growth: 3.5x, ... profit margin: 2.0x</td>
</tr>
<tr>
<td>2. Onboarding of new hires and retention</td>
<td>... revenue growth: 2.5x, ... profit margin: 1.9x</td>
</tr>
<tr>
<td>3. Managing talent</td>
<td>... revenue growth: 2.2x, ... profit margin: 2.1x</td>
</tr>
<tr>
<td>4. Improving employer branding</td>
<td>... revenue growth: 2.4x, ... profit margin: 1.8x</td>
</tr>
<tr>
<td>5. Performance management and rewards</td>
<td>... revenue growth: 2.1x, ... profit margin: 2.0x</td>
</tr>
<tr>
<td>6. Developing leadership</td>
<td>... revenue growth: 2.1x, ... profit margin: 1.8x</td>
</tr>
</tbody>
</table>
Talent Acquisition’s Mission!

.... Or as I like to say, “Recruiting With A Purpose!”

• To Source and Attract

• The Greatest Number of Qualified Candidates

• As Quickly as Possible

• For the Best Cost

• For the Most Critical Roles

• That Will Deliver The Greatest Performance

Adopt a data-centric mindset shift, Identify the question(s) you want to answer, Collect the relevant data, Interpret the results and Take Action!
The Analytics Pursuit

Types:

Descriptive – Metrics. Often, “Point-In-Time” or historical. These can be plotted to show trends.

Diagnostic – Looks for the correlation between variable

Predictive – Scenario oriented – i.e. “if we were to do X, then Y is likely to happen.

Prescriptive – What course of action should be taken
In a Nutshell - Descriptive vs. Predictive Compared

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Descriptive Analytics</th>
<th>Predictive Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Understand the Past</td>
<td>Gain Insights</td>
</tr>
<tr>
<td></td>
<td>Observe Trends</td>
<td>Make Decisions</td>
</tr>
<tr>
<td></td>
<td>Discuss</td>
<td>Take Action</td>
</tr>
<tr>
<td>Timeframe</td>
<td>Past and Current</td>
<td>Future</td>
</tr>
<tr>
<td>Metrics Type</td>
<td>Lagging</td>
<td>Leading</td>
</tr>
<tr>
<td>Data Used</td>
<td>Raw/Tabulated</td>
<td>Information</td>
</tr>
<tr>
<td>Data Type</td>
<td>Structured</td>
<td>Structured and Unstructured</td>
</tr>
<tr>
<td>Benefits</td>
<td>Understanding</td>
<td>Information &amp; Insights</td>
</tr>
<tr>
<td></td>
<td>Efficiency</td>
<td>Effectiveness</td>
</tr>
</tbody>
</table>

Getting started with Descriptive Analytics: https://en.wikipedia.org/wiki/Recruiting_metrics
An Example: What Descriptive Analytics Looks Like

Do you know your typical conversion ratios?
- By Job Function and by Geography?

Do you know typical conversion cycle duration?
- By Job Function and by Geography?
Another Example

Descriptive Analysis: Does SOH have an impact on Retention?

<table>
<thead>
<tr>
<th>Source</th>
<th>% Retained at 1 year</th>
<th>% Retained at 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intern Conversion</td>
<td>100%</td>
<td>92%</td>
</tr>
<tr>
<td>Referral</td>
<td>85%</td>
<td>69%</td>
</tr>
<tr>
<td>Job Board</td>
<td>45%</td>
<td>71%</td>
</tr>
<tr>
<td>Agency</td>
<td>33%</td>
<td>56%</td>
</tr>
<tr>
<td>Sourced by Recruiter (Passive)</td>
<td>29%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Why? – Do Interns and Referrals have a better picture of what it is like to work at a company and/or have stronger ties to the company to start with?
Remember – There is no “one size fits all approach.” Segmentation is critical. You need to define what success looks like at each stage for each type of job function.
Vendor Examples
By Category:

- **Sourcing Tools**: “People Aggregator”, Social Media Tools, Predictive Job Board Performance Analytics, Labor Market Analytics
  - Locate where the talent is

- **Attraction** – NLP and Sentiment Analytics
  - Understand what messaging candidates are responding to

- **Screening** – Resume Scoring and Matching, Chatbots
  - Identify the profiles that match best

- **Assessments** – Personality Tests, Skills Assessments Online Games
  - Predictive Behavioral and Skills tests

- **Interview & Engagement** – CRM, Marketing Platforms, Video Interviewing
  - Speech, Text, and Facial Analytics to determine motivation and engagement

- **Offer** – Reference Checking Analytics
  - Text analytics to predict quality of hire/performance

- **Retention** – Flight Risk and People / Workforce Analytics
  - Predict attrition and anticipate workforce/skills needed
The Promise of Talent Acquisition Analytics

- The Promise of Talent Acquisition Analytics
- Faster Processes
- Greater Candidate Understanding
- Higher Quality Hires
- Increased Interaction
- Engaging Candidate Service
- More Effective Communication
Considerations for Talent Acquisition

- HBR finding – Talent Acquisition Teams using analytics increased their recruiter’s ability to find qualified candidates by more than 50%
  - Decreased “Cost of Vacancy” / Increase “Time to Productivity” metrics

- Leveraging analytics tools to identify sources, resume match, and “fit” will objectively increase the amount of qualified candidates in the pipeline.

- When done well, the application of Talent Acquisition Analytics has been shown to have downstream benefits – i.e. reduced attrition, improved performance and engagement, and increased revenue per employee.

- Leveraging Talent Acquisition Analytics enables Recruiters to focus on the engagement and relationship building aspects of the role.
How To Begin & Considerations

Key Take-Aways:

• It starts with a “Mindset” shift – i.e. a desire to make as many of your decisions using as much data as possible.
  ◦ Skillset and then Toolsets come next

• Focus on business problems. Not data. Analytics always starts by asking a business oriented question that needs to be addressed.
  ◦ 3 Part Framework for the question: What?, So What? and then, Now What?
  ◦ The objective - Looking for patterns that you can leverage to your advantage

• 2 methods to get started – 1) Your own analysis work and 2) Leverage your vendors
  ◦ Follow this 4 step process to getting started on your own:
    ▪ Adopt a data-centric mindset shift, Identify the question(s) you want to answer, Collect the relevant data, Interpret the results and Take Action!

• Analytics is not a magic button to push. There are no guarantees

• It’s about leveraging the patterns and correlations in the data to be more right, more often and using that insight to make better decisions and take quicker action.
THANK YOU

Any questions

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