

Predictions and Trends for Data-Driven Hiring in 2015



entelo

Finding the perfect candidate shouldn't be like pulling a rabbit out of a hat.

You already have the information you need to **find** your next hire and to **keep** the people on your team— all you need to do is take a closer look at the numbers.

Your organizational data holds the key to sourcing the best candidates, building a more streamlined recruiting process, and optimizing your hiring workflow.

We reached out to the biggest names in talent acquisition and asked them to share their view on data's influence and impact on hiring today. Here's what they had to say.





Marvin Smith

Talent Community Strategist

2015 will be the year of candidate engagement – but it don't come easy.

Ringo Starr wrote: “You know it don't come easy. Got to pay your dues if you want to sing the blues.” That lyric has never been more true than in the context of contemporary talent acquisition. If an organization is going to meet the goals of their workforce plan, then they will pay their dues.

Paying one's dues in 2015 will take the form of telling our brand stories using non-advertising methods, using tools and techniques to identify more of the talent supply in each target talent segment, creating a talent brand by becoming very transparent on the work itself, and finding new ways of identifying, engaging and nurturing target talent over longer time frame.

Things have changed. The days of being able to rely on advertising a job and having a supply of qualified candidates does not exist for the type of talent most of us need. It seems we are all looking for the same people and to thrive in this competitive environment, we must distinguish ourselves from other organizations. Instead of “only the best” will do, we now must be content with our fair share of available top talent. The best storytellers will win.

In an era of talent shortages, we need to make certain that we identify the majority of the talent supply in a particular talent segment. To do that, we need to use the tools and techniques to mine the extensive sources of talent data which allow us to identify more of the potential talent supply.

The talent data, sometimes referred to as big data, comes from gathering all possible sources, old and new, as well as aggregating the public and social information on those prospects. The best data aggregators will win.

No longer can we rely on just exposing our employee value proposition or employment brand to the potential talent audience, now we must market our talent brand.

The talent brand is the work itself and prospects are examining each opportunity in terms of how accepting that role would impact their career. If they accepted your opportunity, what would they learn and how would that knowledge benefit them in the long run? The most transparent organizations will win.

Candidate engagement will become more strategic as we think about managing our workforce over five to 10 year periods. This will give rise to building more talent pipelines and the creation of profession-based talent communities where the employees are the brand ambassadors between the company and the prospects. The winning organization is the one that is top of mind when the targeted talent decides to change jobs.

The anthem for talent acquisition in 2015 will be “You know it don't come easy,” because we must pay our dues in terms of talent identification, talent landscaping, harvesting talent data and engaging the key target talent. We can win if we put in the hard work.



Maren Hogan

CEO

Red Branch Media



Big data. I think the name might say it all but is a bit of a misnomer. Data can tell you lots of things, but it's the insights and context around that data that can actually affect the way your company hires.

Data-driven hiring is about uncovering the trends and insights that surround your hiring activities, like sourcing, job advertisements, attraction campaigns and referral programs. Obviously, there are data around more than these few categories but they tend to be the easiest ones to start with and measure because advertising and marketing have long measured similar categories and have the tools to work with.

Big data is helping in multiple ways around branding, most importantly when it comes to the language and channels that people use to hire more of the right people.

You'll see this called Futurecasting, talent mapping, even the darn-near antiquated "talent communities." The most obvious movement can be seen in the role of the employer brand.

Much in the way a consumer brand gears their marketing more toward a personal experience to the shopper, companies are gearing their employer brand toward specific jobseekers.

It's also become less about specific skills than about trainable culture fits, though not always. Big data is being used by talent acquisition directors to turn a funnel into a sieve.

When it comes to engagement, most companies are just starting to get the data into a place where they can use it. Vendors are creating apps that give deeper insights and recommendations so companies know what to do with the data they're simply sitting on, rather than be overwhelmed.

At Red Branch, we're hiring like crazy but one thing we've never strayed from is the "scare letter." In Omaha, Nebraska working at a startup is not part of everyone's frame of reference. We need applicants to understand just how hard it's going to be.

Our scare letter is an email telling applicants how hard it is while letting them know how fun it can be. It works for us because we eliminate those who aren't a fit right away instead of attracting those who might not be able to hang in such a fast-moving environment.

Just get in there and do it! Before I was hiring on the regular, I had a lot more empathy than I do now. It's tough to learn new technology but once you get over that learning curve, it makes your life easier.

As human beings, we have this tendency to resist new things and it's ridiculous. Technology is freaking fabulous. Use it.



Lou Adler

CEO The Adler Group



Using new, unfamiliar tools to finish a job? That's like using a hammer and nail to paint the Mona Lisa – it's not going to be pretty.

Too many people in HR are using irrelevant, outdated information to make hiring decisions, and it will require taking a step back to fix what's broken in hiring – the under-appreciated use and application of data in HR.

HR doesn't understand big data. Heck, they don't understand little data! For one thing, HR isn't generally known for being data freaks, data analysts. Being an HR leader doesn't necessarily mean there's a process for building, learning, growing, and managing metrics to run your function – and the surprising thing is that there is no other function that works that way.

Marketers measure success through campaigns. Engineers create and iterate programs and products. Sales teams build funnels of potential customers. And the problem is that historically, HR hasn't had specific performance criteria and outcomes – they haven't had to use data in an

effective sense to measure whether or not HR employees are doing their jobs.

Being a data geek wasn't a prerequisite to moving into HR and recruiting leadership roles. Data is an unfamiliar realm and managing talent performance has become something set in stone by unreliable, irrelevant units like convention, gut feelings, and whatever the unanimous answer is to the question, "So how do you think we should do things?"

Applying historical data to HR systems isn't an accurate way to measure where a company will be. Data analytics on factors like the best sources of hires, the impact of referral advertising, and how a product's supply and demand influence location hiring, for example, should drive how companies determine future movements.

HR can play a critical, strategic role in a company, but HR leaders haven't yet taken ownership over the big picture, long-term impact of big data.



Andy Headworth

Managing Director Sirona Consulting

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For many in recruitment, 2014 was the year that changed the way talent, recruiting and HR leaders looked at making hiring decisions. This has come down to one thing – the availability of people data at all stages of the recruitment process. But just because the data is there doesn't mean recruiters will use it better in 2015, even though they should – and I wish they would.

With many companies struggling to identify, engage and hire the right talent they need, in 2015, I believe we are going to see a shift toward recruitment data being used to focus on intangibles such as culture fit.

The ability to assess a potential employee's culture fit before they join, will lead to better on-boarding, quicker team integration, happier employees and increased length of employment.

Recruiters are constantly focused on attracting talent, but not so much on improving employee retention or reducing attrition rates. Yet these are the areas that could greatly improve company efficiency and reduce recruitment spend.

Clever uses of data that provides indicators as to culture and brand fit are going to become increasingly more common next year.

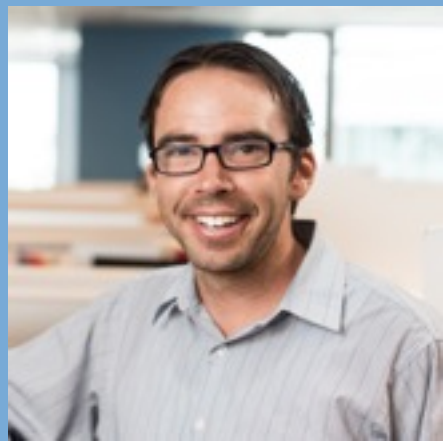
New tools like eiTalent with their culture fit assessment capability will change the way a recruiter manages their talent pools. Even LinkedIn has a new addition to their platform, using their huge amount of data to assess potential candidate culture fit.

By applying these types of tools, it will allow recruiters to focus on building better relationships with the candidates who are more likely to succeed in their organizations, therefore developing more resilient and accurate talent pipelines.

The one thing that is common to all recruiters – in-house and agency – is that they are sitting on large amounts of candidate data, yet they still spend huge amounts of money advertising and searching for more of the same. These are obviously fantastic sources of talent.

By using different data-based tools, not only can new candidates be found, but also trends, social insights and culture fit can be determined to significantly help and improve the recruitment process.

It is no longer a problem finding people, thanks to the huge amounts of social media data now available to us all. The challenge comes from using the data available to make better-informed hiring decisions to improve retention and reduce attrition.



Ben Martinez

VP of Human Resources HireVue



Imagine a doctor asking your weight and taking your word for it instead of measuring your waist size to come up with a good decision on what your weight might be. This doctor would be making decisions without data.

Same goes with hiring. The more objective data you can obtain, the better the chances are your hire will be accurate. Enter data-driven hiring.

Using objective data to make your hiring decisions instead of gut feelings or your company's belief systems is how high-performing talent organizations operate.

When it comes to hiring, think about two types of objective data: Biodata, and cognitive or personality data.

Biodata is gathering data about life and work experiences from a candidate's past. Through pre-hire assessments or by simply scanning someone's Twitter feed or Facebook or LinkedIn, you can learn a lot about a candidate's thinking styles and interests. The more data you can get on a candidate, the more you can discuss and probe into during the actual interview.

Finding technology that gives you visibility to people's thoughts and comments they put online or social media will give you data to help in your hiring decision.

Cognitive or personality data is using questions and assessments to learn more about someone's personality. At a basic level you want to know if someone is an extrovert or introvert.

Have a good read on someone's personality type before you hire them. Wouldn't you want to know someone's preferred working style before they start at your organization?

Find a pre-hire assessment tool that will give you data on your candidate. Talk about their profile during the interview. Some recruiters think these are a waste of candidate's time, but so is hiring the wrong person because they do not fit in with the team they are working on.

Learn how to market your employer brand to attract top talent. Having an employer brand that does not match the actual employee work base and styles will not be lasting. Few company cultures can really live the values. It takes an active mindset of culture cultivation to really live the company's values.

A company with engaged employees should have no problem engaging with candidates. Start with your own employees and let them do the selling and attracting of top talent. If your current employees are engaged, they will attract and engage candidates.

Today and tomorrow's teams need to act like a recruiter, but think like a marketer. They need recruiters who know the employer brand and can market the employer brand. Recruiters need to be active on social media, technology and be a known thought leader. They need to have a pitch on their company the same way a sales rep has a sales pitch for their product.

Data is out there, you just have to go find it on candidates. The bold and fearless recruiters who want the top talent will go get the data.



Luan Lam

VP of Global Talent Acquisition
AppDynamics



The landscape of the talent acquisition function has morphed over the last decade to the highest level of sophistication.

These days, with the increase in search tools such as social networks and digital profiles in addition to the traditional job boards, talent acquisition teams across the globe have direct access to a large pool of talent. However, this has become an increasingly ineffective use of time to weed through every profile individually that usually ends up taking recruiters away from the most crucial task – the actual hiring of talent.

The need for speed in spotting the right talent becomes a necessity to elevate efficiency in the recruiting process. Hence, the concept of candidate intelligence was introduced.

In the 90's, companies started applying "business intelligence" by utilizing the right analytics for them to make informed business decisions. The same concept can and should be applied to the talent acquisition world today. Social recruiting platform tools provide talent acquisition professionals insight to their potential talent pool, like being able to assign the risk percentage of a candidate who is likely on the move for a new job.

This data is quite crucial since talent acquisition professionals can quickly and easily target the right candidates that would yield them the highest possible rate of success in closing.

Predictive analytics helps talent acquisition professionals maximize the hiring result with just the right amount of targeted effort.

A high-performing talent acquisition team is one that often utilizes data to execute against its aggressive talent acquisition strategy. Data is the strategy.

Without data, a talent acquisition team cannot perform at its best.

Having the right candidate intelligence helps decision makers across the organization understand the talent pool they should target, the messaging they should use to attract that talent pool into the company, and the company and job position value they should articulate to retain, motivate, and develop talent once they are on board.



Jim Stroud

Senior Director Randstad SourceRight



Big data has been quite the rage among several forward thinking companies over the past few years. I gave a presentation on how companies were leveraging big data back in 2012 and 2014. These were some of the examples I cited:

Harrah's Entertainment leverages insights from data to put the right employees in the right jobs and they create statistical models that calculate the optimal number of staff members to deal with customers at the front desk and at other service points.

JetBlue analysts developed a metric they call it the crewmember net promoter score and that monitors employee engagement and predicts financial performance of the company based on the engagement level of the employees. Pretty cool.

By keeping track of the satisfaction levels of delivery associates, a company called Sysco improved their retention rate from 65% to 85%, saving nearly \$50 million in hiring and training costs. Very impressive.

You ever watch those nature shows where animals are tagged and let loose in the wild, then scientists study their movements over time to learn more about them?

Sociometric Solutions did the same thing with the people at Bank of America. Long story short, they "tagged" workers with sensors and monitored things like worker movements, tone of voice, email-traffic data and weekly surveys on how productive employees felt. The end result? Bank of America was able to prove that more face-to-face interaction guaranteed higher productivity. As a result, the company revamped their cafeteria and productivity improved significantly.

It is a double-edged sword. On one hand, big data is wonderful because it informs my people decisions.

For example, let's say I want to hire retail workers for a location in Nowhere, USA. Imagine that I am having trouble retaining talent due to, well, location, and nobody likes the commute. After consulting my data, I notice that the employees with the longest tenure tend to work within a certain mile radius. Great! All I have to do is advertise opportunities to people in a certain area. But wait! The neighborhood I am targeting is in an affluent section of town and minorities in the next neighborhood over are not being notified of the opportunity. Oh no! I am being sued for discriminatory hiring practices! What are the odds of that happening in the future? Actually, the chances are pretty great that any number of unintentional consequences could happen as a result of using big data.

Doubt me? Google "big data" and "big discrimination" and see what you find. You can also try "big data" and "civil rights." I think what you find might amaze you.

Maybe you think its cool or kind of creepy, but either way, I fully expect companies to experiment more along this way in the future as a means of improving process efficiency. Who knows? Your employer may already be monitoring the productivity of the office by using special, ergonomic chairs produced by Herman Miller that measure the heat your posterior generates and movement. (Insert dramatic music here.)



Kyle Lagunas

Talent Acquisition Analyst Brandon Hall Group



Big data analytics enables high performance, but it doesn't guarantee it. Recruiters have always had a good reputation for embracing new tech to get a competitive edge, but that doesn't necessarily mean they'll use those tools correctly.

The problem lies in this: Recruiters and hiring managers aren't being held accountable for keeping track of detailed hiring data. While the tools exist to monitor that information, most companies don't leverage data analytics to evaluate the talent acquisition performance. Instead, performance data is anecdotal.

Though many applicant tracking systems allow recruiters to keep tabs on their top source of quality hires, for example, and most teams use their ATS primarily to move candidates through generic hiring workflows.

Big data is the catalyst for driving much-needed change. All that info on candidates, applicants, and employees is incredibly valuable to solving companies' problems with engagement, satisfaction, and retention, but it's lost every day.

It takes a top-down approach to establishing data analytics as part of the hiring process. Management teams should communicate to recruiters and hiring managers their responsibility for keeping track of candidate and employee statistics.

People talk a lot about how recruiters need to be marketers and sales people, but I'd argue recruiters need to be more like data scientists.

Recruiters: Get your feet wet, and start with what you know. Look at the source of your best candidates. Are they coming from job boards, social networks, or referrals? Track your hiring org's performance and KPIs, and other baseline measurements important to you, like site traffic, social engagement, email click-through rates.

Don't forget to track candidate activity, too. Lots of apps give recruiters insight into the actual employer brand as it manifests in real time – not just as an image they're trying to portray, but how that brand translates in an operational sense. This means being able to look at your brand as a number that decides how well recruiters are achieving their end goal – Does the employer brand attract more and better talent? If not, what changes need to be made?

Companies have the opportunity for tactical trial and error with their talent acquisition strategies. They have access to hard, statistical evidence and from there, can optimize efforts to attract more, better talent – and can use this data to make a stronger argument for bigger budgets!

Big data recruiting has massive opportunity to help companies find, engage, and retain talent. New tools and tech allow teams to get the best people in the door and keep them there, and recruiters no longer have to rely on their own anecdotal impressions as a "strategy." But the reality is that the industry is an early adoption stage.

2015 may be a good year for requisition management and social talent acquisition, but for big data? Not anytime soon.



Gerry Crispin

Co-founder CareerXroads



Can we measure the impact of a candidate's experience on our recruiting practice is not the question. "Will we?" is the real question.

For more than a decade, our colleagues in marketing and sales have debated the value of measuring customer loyalty by asking, "How likely are you to recommend our company, product, service to your friends and colleagues?"

This metric has its detractors but it is a pretty solid indicator of employers' brand relationship and, in the intervening 12 years since Fred Reichheld introduced Net Promoter Score (NPS) in his 2003 Harvard Business Review Article, "The One Number You Need to Grow," the research has generally supported the hypothesis firms who raise their game with customers find NPS a valuable tool in measuring their success in doing it and, that companies with a higher NPS, perform better.

Can those in the talent space adapt the NPS approach to measure the candidate experience and an employer's brand relationship with its potential hires and measure their attitude, perhaps even predict downstream behavior?

It's past time we found out and caught up to our colleagues.

Bloggers have been speculating for years, but now more companies are learning that indeed they can measure the health of their candidates' experience and are attempting their version of NPS.

These pioneering employers, supported by independent research conducted annually since 2011 by the TalentBoard, are answering questions like these:

- What specific questions link candidates' experience to a positive or negative score and differentiates firms in a way that can be easily interpreted and compared?
- What are the common, and perhaps not so common, recruiting practices impacting candidates' attitudes and behavior?
- Does it matter? Is there a cost for doing it poorly? Is there a reward for doing it well?

Employers should consider calculating the added sourcing costs of replacing candidates lost to negative experiences or, conversely, the reduced cost of recruiting new candidates if candidates you turned down encourage their friends to apply.

Candidates' intentions to apply again or even to continue to purchase an employer's products and services were similarly affected by their experience.

In the future, it's not whether you can measure the experience of your candidates but whether you can afford not to.



Ryan St. Germain

CEO
Jobcast



Simply put, data is distinct pieces of information. It exists in many forms like numbers on a piece of paper, bytes stored in your computer's memory, or facts lodged in a person's mind.

Data impacts everything we do – including hiring.

Data-driven hiring often refers to a hiring process heavily influenced by “big data.” When talking about big data in relation to recruitment Tom Davenport offers the most useful definition. According to Davenport, the term big data refers to “the broad range of new and massive data types that have appeared over the last decade or so.”

The kind of data that is gathered in Facebook's graph, in Google's data centers, or by your very own ATS!

But, in reality, all smart hiring is data-driven. Smart hiring uses data from a broad range of sources to inform hiring strategy. External data to learn effective strategies, and internal data to measure results and improve performance over time. This is true even if some of that data is stored in the brain of an experienced hiring manager, not in “the cloud.”

An article in The Economist declares, “The problem with human-resource managers is that they are human.” The statement made me cringe.

The same article also quoted Peter Cappelli who pointed to “a case where the software rejected every one of many good applicants for a job because the firm in question had specified

that they must have held a particular job title—one that existed at no other company.”

Using hiring methods like this can eliminate fantastic candidates before they even reach the interview stage! Human bias and mistakes do lead to poor hiring decisions, and big data and technology can be used as a remedy, so long as there are smart humans there to oversee how it is used.

The future of data-driven hiring is one that empowers hiring managers, employers, and recruiters to make better decisions. To do that we need technology that gathers, categorizes, and analyzes employee, job seeker, and candidate data in a valuable way. To add value to the hiring process, data sets must be relevant, customizable, and easy to understand. They must empower, not overwhelm.

The top reason recruiters aren't using HR technology, after budget limitations, is that it's over complicated and cumbersome. Hiring managers do not have time to figure out overly complicated software or read 20 page reports on their Twitter talent pool.

The future of data-driven hiring is an improved, customized user experience and concise reporting – exactly why we focus so much on reporting, and user experience at Jobcast. If I'm right, the future looks bright!



Steven Rothberg

President and Founder College Recruiter



The proper use of data enhances the decision-making process for employers who are trying to improve their engagement with, hiring of, and retention of millennial talent. For decades, employers have relied upon the fundamentally flawed approach of asking candidates and sometimes even new hires how those people found out about the employment opportunity.

That improper use of data is flawed because the vast majority of candidates don't know or care about their source of hire. Employers who rely upon the ability and willingness of candidates to self-identify their sources of hire are going to be misled about what sourcing, hiring, and retention strategies and tactics are most effective and that leads to a misallocation of resources. Some of the most effective strategies and tactics will be cut in favor of some of the worst.

There's an old story about a buyer of advertising saying he knows half of his advertising works but he doesn't know which half. Until a couple of years ago, most of the employers advertising their job openings on College Recruiter were like that. Today, most of our clients are gathering and using data to drive their decisions, measuring engagement and effectiveness through identifying how many of their target audiences are seeing their ads and are clicking through to the employer's site to apply. And then they're allocating more resources to the most effective and efficient sources, and fewer resources to the ineffective and inefficient sources.

This data-driven approach seems to be accelerating as more talent acquisition professionals become better and more comfortable with the use of data.

Although many and perhaps most talent acquisition leaders are now using data to improve their tactical decision making such as where to advertise their job openings, few are using data to improve their strategic decisions.

This data includes insight into where to locate a new facility, whether to proactively increase salaries in response to changing labor market conditions, and how to adjust their onboarding and training programs to improve the performance of new employees.

Human resource leaders often talk about wanting that proverbial "seat at the table," meaning that they want to be part of the strategic decisions made by their organization. Yet some of those same leaders fail to bring to that table strategic information. They talk about reducing their cost-per-hire and want a pat on the back for efficiently making use of the organization's resources but don't understand that everyone in an organization is expected to make efficient use of their resources. That's tactical. Those who deserve a seat at the table need to think and contribute strategically. For talent acquisition, that would include thinking about and contributing information about the likely change in the labor market both locally and globally.



Suzy Tonini

Social Media, Sourcing, Career Intelligence Lead
Careeradex

Careeradex

While there are certainly many applicant tracking systems and workforce analytics out there, the tricky part will be in understanding the importance, or lack thereof of, each data point. Ideally, recruiters and HR will need to be able to understand big data visualization on candidate discoveries and insight.

However, according to a report published last year by McKinsey, this data interpretation will not be an easy task. “A significant constraint on realizing value from big data will be a shortage of talent, particularly of people with deep expertise in statistics and machine learning, and the managers and analysts who know how to operate companies by using insights from big data.”

In reality, the majority of hiring organizations don’t have enough data to perform meaningful analysis, but when they do, big data can transform recruiters and HR from “reactive” to “proactive.”

Leveraging big data allows companies to find talent competitors might have missed, improve candidate sourcing and selection, speed up the hiring process, reduce costs, enhance the “candidate experience,” increase acceptance rates, glean compensation analytics and pay real market salaries, boost quality of hire and employee retention – all of which equate to significant competitive advantages.

Not only are company culture and employer branding of utmost importance in attracting top talent, but there will have to be a shift in mindset on how to attract the very people who can analyze the data.

Data scientists possess a unique and powerful expertise in programming, mathematics, and strategy consulting, enabling them to generate value from large amounts of data.

According to the study, by 2018, the U.S. alone could face a shortage of up to 190,000 people with analytical skills, and a shortage of 1.5 million managers and analysts with the know-how to use big data to make effective decisions.

This shortage of key talent will force companies to rethink recruiting strategies, meaning companies should now consider cross-training existing employees who have the potential of learning statistical methods, partnering with university graduate programs to hire undergraduate interns, and hiring candidates who may not fit the job description 100%, but who are a good culture fit and have the potential of growing with your company.



About Entelo

Entelo is a new and better way to recruit. The Entelo platform leverages big data, predictive analytics and social signals to help recruiting organizations find, qualify and engage with in-demand talent.

Entelo Search gives unprecedented access to rich profiles of over 20 million candidates, each filled with data from social sites such as Github, Dribbble, Quora, Twitter, and more. Entelo Sonar finds candidates for you by analyzing over 70 variables to tell you when a candidate is ready to change jobs.

Entelo gives companies a competitive advantage in building great teams. To learn how leading companies like ESPN, Facebook, GE, Salesforce, and Target are building their teams using Entelo, visit www.entelo.com.

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