

Turning your Big Data into Action



Never before has it been so easy to accumulate information. It has seeped into every corner of life and recruitment is no exception. In an era of big data, we're dealing quite literally with information overload. But as the saying goes, knowledge is power, not the buckets of information itself.

If anything big data, data analytics and people analytics, whatever you choose to call it, is certain to increase in importance because ultimately it can help HR to make faster and smarter decisions.

Talent acquisition professionals may think they have their data analytics in hand, with computer files full of candidate information; cost to hire figures, time to hire metrics, retention and attrition rates etc., but do these tell the whole story? Do we know why another two candidates declined or at which stage of the process they dropped out? Only with this level of information can an organisation truly plan for its mid to long term business needs.

So, how do you bridge the gap between big data and insight in hiring? The answer is of course, knowing what to do with the information.

An Economist Intelligence Unit survey of 418 global executives commissioned by KPMG found that 85% of respondents said their HR teams, although they collected multitudes of data, were still unable to use it to provide insightful and predictive analytics. They were more concerned with the past and the present i.e. immediate needs, and their analysis was pretty routine.



Needle in a haystack

Nowadays an unlimited amount of data and the means to analyse it are there for the taking, but without the skill to draw the right conclusions, HR will face a 'needle in a haystack' nightmare.

To avoid looking everywhere, not finding what you really need, or falling victim to information overload, it is important to know what you're looking for.

In the past, all recruiters had to go on were a hefty pile of CVs, lots of time and their gut feelings. Technology has revolutionised the former in the past several decades using ATS and other systems but the model of recruitment has remained much the same. You choose a short list and go down the same road as before. Big data analytics can provide you with the whole story, remove a lot of the guesswork and sidestep a lot of unconscious biases.

All of an organisation's HR data and metrics, including internal information on retention and attrition should be on one huge digital 'intelligence' platform because bringing all of the information together is the only way successful predictions can be made. Some of today's technologies can already make many of those predictions for you.



Learning to leverage

There is no doubt that learning how to leverage big data based on an organisation's individual needs is the key to talent acquisition for the most efficient, smart, cost-effective and timely recruitment from advertising through to on-boarding and beyond.

Data, which is both a challenge and an opportunity, is going to tell you where you're succeeding and where you're lagging behind and choosing the right metrics to focus on that is the first step. It's all about going beyond the surface level, diving deep.

Below are some of the key metrics to measure.

Time to hire

Because faster is still the leading factor in recruitment for obvious reasons, though smarter hiring is close behind, this metric is a must when collecting data and especially when assessing future needs. Organisations that have strong talent management processes, with talent communities and talent pipelines in place can move quickly by default. Record the time taken on each step of the process to determine where the gaps might be. An overall time to hire figure needs to tell you why as well as how long.

Cost per hire

How much does it cost to bring on board a new staff member from advertising to onboarding? There are many experts who believe that today this metric should be ditched in favour of a focus on quality hiring, because the long-term returns from a hiring success more than make up for it. Since time is money, the best way to lower cost per hire would seem to be recruiting more efficiently using other metrics from big data, combined with technology that can speed up communication with candidates.

Conversion rates

As mentioned previously, acceptance metrics are all well and good but it's equally important to find out why certain candidates refused an offer, dropped out, and at what stage. Without analysing this data in depth, the negatives are bound to repeat themselves in future hiring with knock-on effects on cost and time to hire. This data can be collected through surveys of candidates, new hires and current employees looking for advancement. An organisation needs to know how its recruitment process is being experienced.

Source quality

This is an easy metric to put together that can have huge benefits especially when it comes to quality hiring. Recruiters should be tracking each and every source from job boards to referral schemes and collecting data on how many candidates come through each source. Again however, just because hundreds may come through a job board, quality is not guaranteed. A handful might come through employee referrals that may be worth more than all the time spent online. These figures need to be tracked to see how far into the process candidates from each source reach. If an organisation sees that one particular source is producing better candidates, more resources could be directed there. Casting a net over the entire ocean is not necessarily the smart move. Recruitment is not always a numbers game so don't overestimate a particular source as more valuable because it yields more candidates.

Quality of hire

The measurement of an employee's accomplishments is often subjective. Is it quantifiable to look at how long an employee has stayed with an organisation, or would a better measure be of how long it takes for an individual to become productive? Whilst different businesses, cultures and hiring managers will have differing ideas, we believe that one of the most effective ways of gathering this data is through the use of objectives. Right from the beginning of the recruitment process try writing a job description defined by the aims of the role, as opposed to supplying candidates with the more conventional description of tasks, competencies and responsibilities. Post-hire, the quality is much more measurable as differences between the objectives provided and actual performance is easier to track.

Source to close

This is one of the most common metrics in recruitment but like everything else in life, you generally get what you pay for. Instead of seeking to reduce costs, this metric should be weighed up against data on how much a quality hire contributes to the company's bottom line. By using data collected internally on existing employees and their contributions to profitability, it is easy to estimate the cost-benefit metrics. The big data already acquired through the recruitment process can aid in this effort because HR will have already have gleaned the insights to predict how they fit, how they are likely to perform, how long they are likely to stay and what they expect from the job.

Two steps ahead

We have five top tips for staying ahead of the competition with people analytics...

1. Gather metrics on key employees - Who might leave/stay based on various trends can put big data to use in predicting future needs. This then puts an organisation in proactive mode. How satisfied or productive are your employees? What do they want? Where is the company lagging/succeeding? What are the retention/attrition/absence rates? There are a multitude of metrics that could be designed to glean these figures. But without proper analysis they are just information on paper.

2. Don't forget retention - In addition to the metrics listed above, remember that data can help retention, which in turn reduces the need for frequent recruitment drives. This is what costs businesses the most, not only in terms of going through the hiring process again and again but for the effects it has on existing employees and the knock-on effect to profitability and branding. By tracking attrition across each department, position, pay grade and more importantly the reasons why, businesses can stem the flow with proper analysis. Does the data show that you're hiring due to attrition or to growth?

Before recruiting, another important metric to have at hand is diversity data. Again gather all the information to establish how diverse your organisation is. The results can then be either a selling point or damaging to the employer brand.



3. Ask 'why' - Probably the most important question when gathering any information. You might have ton of data telling you that X number of employees are dissatisfied or that Y number are happy, but without knowing the reasons why, the information will not prove useful for predictive analysis.

Analyse data to find out why trends have emerged, correct problems were necessary and then translate it into a useful narrative that furthers business goals. It is how an organisation can evolve rather than stagnate.

4. Know your culture and aims - A clear picture of your organisation's culture and aims helps you to know what is required from future candidates so they can hone in on certain traits and characteristics on their human intelligence platform.

Future needs can also be identified from economic and industry data, global events and demographic trends. That's not to say an organisation should be compiling data on everything under the sun, which would be counterproductive. Each organisation will have different needs and should focus on those.

5. Update regularly - All metrics should be updated regularly for data analysis to work properly but are guaranteed to save time and money in the long term and transform an organisation from reactive to proactive mode.

Fascinating figures from IBM show that **90%** of all the data in the world has only been created in the past two years. This means that there is much more to come and knowing how to connect the dots is more important than ever.

No going back

More tools will appear on the market as things progress. Learning to use them and translating what they spit out will become a necessity for every recruiter as it will affect the entire process. Talent acquisition will become a holistic approach that is not compartmentalised into a just a candidate's education, experience and skills and the recruiters intuition on character. It will no longer be a 'hit and miss' process.

Management author Daniel Pink in his book Drive, spoke about the disconnection between “what science is telling us and what businesses do”. Well big data is where business meets science and business is the one that will have to adapt to survive.

There are some interesting examples out there that already prove that those who have are reaping the benefits. Josh Bersein, Founder and Principal at Bersin by Deloitte, wrote in an article in Forbes that Xerox had reduced attrition rate at its call centres by over 20% by figuring out, using big data, that those with experience in the business, even though they cost more to hire, did not perform any better than those without, that social media users stayed with the company longer as did creative rather than inquisitive types.

