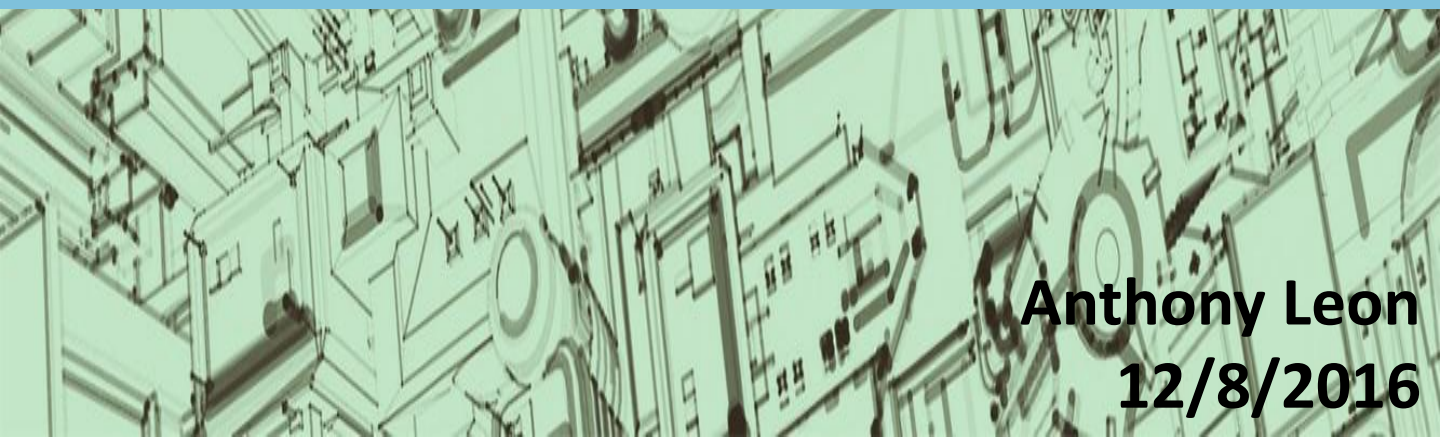# HR Analytics:
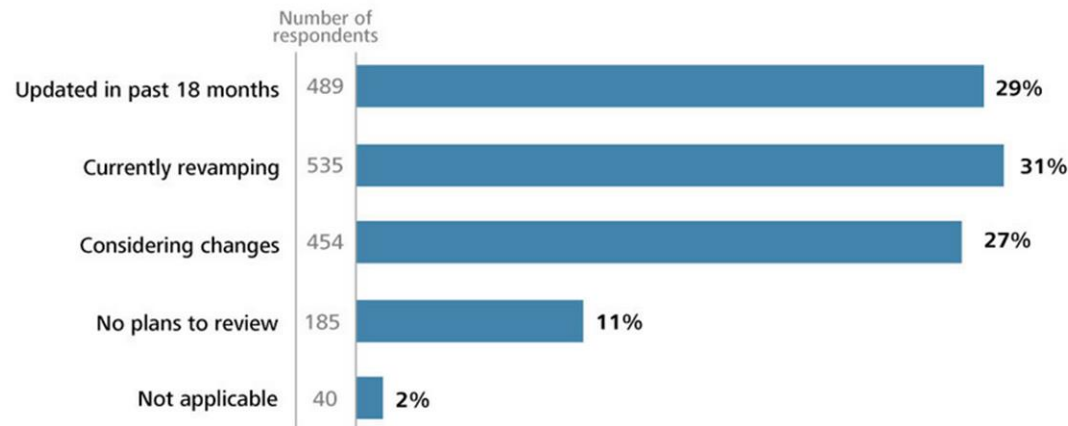
Talent Acquisition

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12/8/2016

Introduction

"When did you last revamp or reengineer your talent acquisition process and strategy?"

Number of respondents

Updated in past 18 months	489	29%
Currently revamping	535	31%
Considering changes	454	27%
No plans to review	185	11%
Not applicable	40	2%

Many organizations are currently or considering revamping and changing their talent acquisition strategies

HR Analytics is becoming increasingly important as new technologies, software and new methods of data collection are revolutionizing the HR function. One area in which analytics tools are particularly flourishing is the talent acquisition space. With an increasingly competitive talent market, talent acquisition presents itself as an area in which analytics tools can greatly supplement decision making for these 3 reasons:

➢ There are many measurable, verifiable metrics to measure in terms of sources of talent, candidate qualifications, and the efficacy of the recruitment process[1]

➢ There is an abundance of sources from which to collect data (Online sources, interviews, etc.)[2]

▶ With the increased importance of sourcing the correct talent, the opportunity to use analytics tools to make better decisions is quite compelling

Given these reasons, talent acquisition presents itself as an opportunity for organizations to build their analytics capabilities while driving measurable business outcomes and improvements to their organization. As evidenced in the above graphic, many organizations are already undertaking these changes or considering changes in the near future.

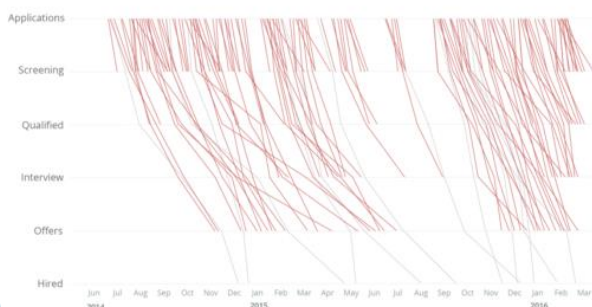# What are the Key Metrics in Talent Acquisition?

One of the key issues in successfully leveraging analytics tools in HR is finding quantifiable and verifiable metrics to study. While this is difficult in areas such as training, there is an abundance of highly objective metrics in talent acquisition.

Key metrics are noted on the right.

Analytics software and packages allow for the visualization of large amounts of data. With these tools, HR professionals can go beyond data measurement and begin to find key trends and form predictive algorithms to optimize talent acquisition.

VISIER software visualizes the recruitment process

- ▶ Leakage: At what stage and time period are people dropping from the recruitment process?[3]

- ▶ Sources of Talent: Where are candidates being sourced from and which pools are most effective?[4]
  - ▪ Powerful analytic tools allow for finding trends along talent pools by demographic, geographic region, education level, etc.

- ▶ Candidate Profiles: What are the competencies and attributes of the most effective hires and the traits of those who remain with the organization?[1]

- ▶ Return on Investment: How much does it cost to hire candidates with different profiles? What stage of the talent acquisition process is the most costly?[5]

- ▶ Time to Hire: Are there seasonal trends? Are there significant time delays at different stages in the acquisition process?

Pipeline Funnel of Applicants for Abandoned vs Overall

Source: www.diginomica.com[3]

Leveraging Data

Once key metrics have been identified and measured, data sets need to be segmented for analysis to find key trends. This is currently where many organizations are lacking in capability resulting in large inflows of data and information without the ability to fully leverage insights that can be gleaned from the results.[6]

Analytics

Metrics	Segmentation	Insight
• Identify metrics that align to objectives	• Segment metrics by key demographics (job, location, performance, tenure, etc.)	• Identify meaningful patterns, areas of opportunity, hotspots, anomalies that are out of alignment with objectives
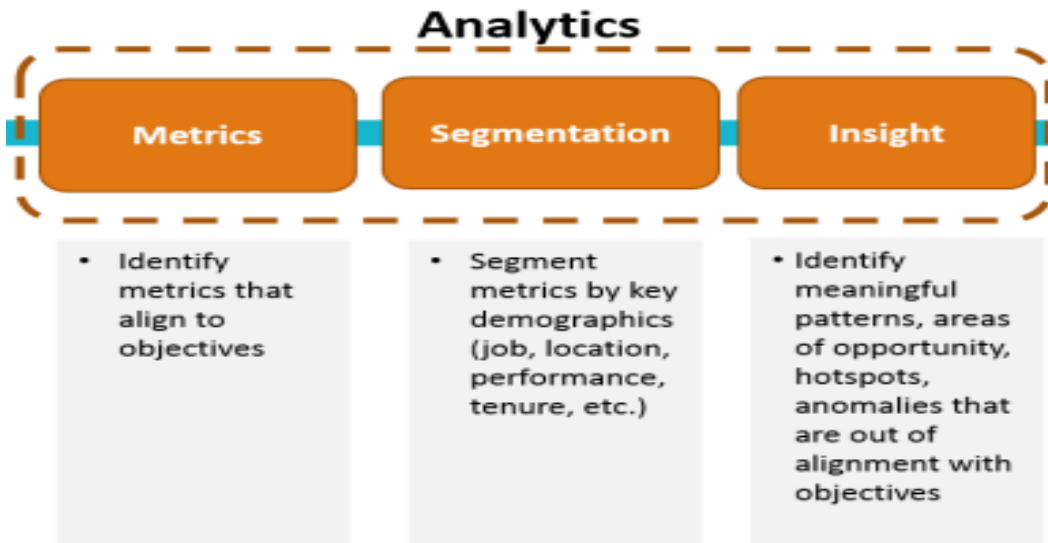
As depicted, measuring is only part of the process. To fully utilize data, companies must perform trend analysis

Source:www.peopleinsight.com[6]

Developing Insights

While many companies have the ability to record and collect large amounts of data, without high-quality reporting capabilities from analytics software, this data amounts to little more than data mining.

The real strength of analytics in talent acquisition comes in the ability to analyze trends in how different recruitment strategies can improve key performance indicators. In performing analysis to find trends in how demographic, seasonal and performance measures are related; Talent Acquisitions can more cost-effectively, efficiently and successfully source the most qualified candidates in a timely manner.[7]

Powerful tools from vendors such as IBM, Visier, and CEB allow companies to easily test ideas and generate reports. in turn these reports can drive actionable items to improve talent acquisition strategies.

What are the Right Questions to Ask?

While many questions are shaped by trends identified in the data; it's also important for talent acquisition teams to understand what questions and trends are relevant for study. One case is highlighted below to see how some companies are leveraging analytics capabilities in talent acquisition.

Opower

In shaping its talent analytics capabilities, Opower was struggling to transition from a stage of data measurement to utilizing true analytics. In order to make this shift, they focused on the key issue of determining how many recruiters it took to fill "X" number of roles. The obvious answer was that this depended on the number of roles, but by looking into other variables such as desired time to fill for specific roles, difficulty to fill for specific roles and difficulty to fill.[8]

In looking at these measures, the company developed a framework that could more accurately reflect the amount of recruiter hours it took to fill different types of roles and break down with more precision the efficacy of different recruiters. For example, tying level of skills for new hires to the time it took to fill roles gave the company greater precision in rating its recruiters rather than only looking at time to fill—with this information they could incorporate weighted efficacy reviews based on time and difficulty. With these new insights, the company could then begin to optimize its recruiter staffing and also produce more accurate workforce forecasts for leaders. With more accurate measures for time to fill and the efforts that would be needed to fill different roles, probabilities for skill gaps and headcount gaps could be more accurately assessed.

This demonstrates one example of how analytic capabilities can build more complex models for HR to become more proactive and make more objective recommendations to support business goals.
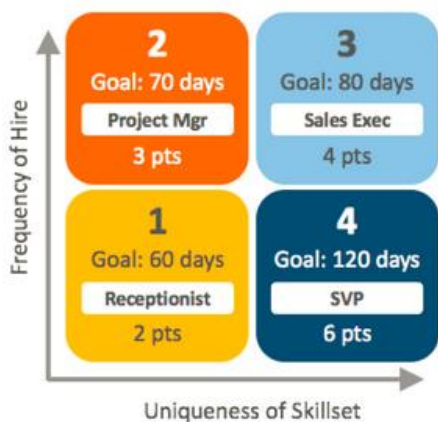
This is part of the model that was developed by Opower when revamping their recruitment process

Source: Hros.co/blog[8]

Conclusion

Looking forward, talent analytics will be a critical asset for HR professionals in making better and more effective decisions. While many companies are still in the early stages of developing the capability to fully leverage data. Some companies that have more mature analytics functions such as Google and IBM, using tools such as IBM Watson, are already in the realm of using predictive analytics in their talent acquisition functions. For example, IBM has patented algorithms for use in predicting the retention of employees as well as predicting most abundant pools of talent at different times of the year.

Talent Analytics Maturity Model

Level		
Level 4	**Predictive Analytics**	Development of Predictive Models • Scenario Planning • Integration with Business & Workforce Planning • Data Governance Model
Level 3	**Advanced Analytics**	Statistical Analysis to Solve Business Problems • Identification of Issues & Actionable Solutions • Centralized Staffing & Integrated Data
Level 2	**Advanced Reporting**	Proactive Reporting for Decision-Making • Analysis of Trends & Benchmarks • Customizable, Self-Service Dashboards
Level 1	**Operational Reporting**	Reactive Reporting of Operational & Compliance Measures • Focus on Data Accuracy, Consistency & Timeliness

Bersin by Deloitte

Talent Analytics Maturity Model: Companies progress through each stage with predictive analytics being the stage at which most benefit can be extracted

Source: www.bersin.com[9]

As companies continue to build the use of analytics in their talent acquisition processes and strategies, it will be important to continuously ask questions about what information can be assessed for key insights and trends and how these trends can tie back to key performance indicators.

References

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