

An abstract graphic featuring several thick, flowing red lines that originate from the top left and curve downwards towards the bottom right. The background is white with a pattern of thin, grey, parallel lines that are slightly offset, creating a sense of depth and movement. The red lines vary in thickness and overlap each other, adding a dynamic and modern feel to the design.

**“IF GENERALS DO NOT KNOW HOW TO
ADAPT ADVANTAGEOUSLY, EVEN IF
THEY KNOW THE LAY OF THE LAND
THEY **CANNOT TAKE ADVANTAGE OF IT.**”**

SUN TSU, **THE ART OF WAR**

DATA DISSONANCE IN TALENT ACQUISITION

Companies across nearly every industry have been buried by the recent avalanche of technological advances, machine learning, automation, and the utilization of data. Commercial business has watched corporate giants such as Blockbuster, Borders, and Toys “R” Us fall from greatness while companies who embrace technology have been catapulted to the forefront of their industries.

DATA // DISSONANCE

DATA RELEVANT TO TALENT ACQUISITION

Human resources, specifically talent acquisition, is by its nature foundationally traditional and consequently has been slow to adopt change. Companies in the executive search, contingent recruitment, and contract staffing arena have been particularly slow in their adaptation to the use and incorporation of data. Due to the subjective “human” nature of human resources and the collective reluctance to change, firms have had little competitive reason to adjust. However, it now appears the industry is at a precipice, forcing the competitively relevant to adapt. With growing direct and indirect competitive pressures, the talent acquisition field demands a higher level of performance, technical aptitude, and leveraging of data.

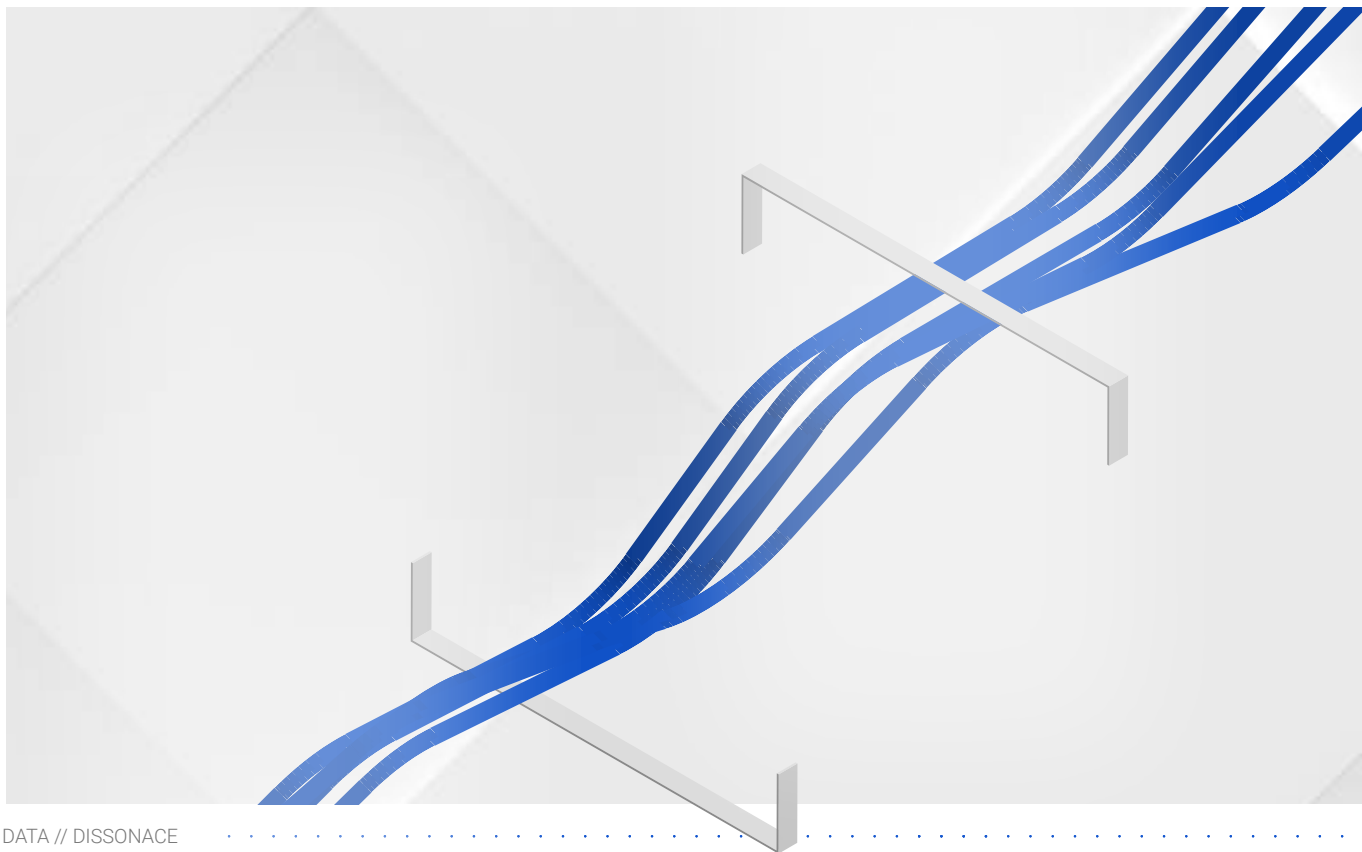
As talent acquisition evolves to incorporate the use of data, an unwillingness to adapt could quickly topple even titans of the industry.



75 PERCENT

The infographic features a dark blue rectangular area with a white grid pattern. Overlaid on this are several thick, curved lines in shades of red and purple. The text '75 PERCENT' is prominently displayed in white. Below it, in smaller white capital letters, is the statement 'OF RECRUITERS CURRENTLY DO NOT UTILIZE DATA TO ENHANCE PROCESS'. The background of the entire page includes abstract white shapes and red dotted lines.

OF RECRUITERS
CURRENTLY DO NOT
UTILIZE DATA TO
ENHANCE PROCESS



DATA // DISSONANCE

EFFICIENCIES DRIVING CHANGE

A landscape of inefficiencies has encumbered the development of and put talent acquisition in its current tumultuous state. Low unemployment, a highly mobile ballooning workforce, the inherent risk of working on a contingent model, wide skills gap, unrefined processes, and overall poor candidate experience is leading to a shift in talent acquisition processes. In an industry traditionally dictated by gut feelings, companies are now embracing a data-based form of decision making. Improvement lies in the utilization of data and starts by taking on more profitable clients.

By prioritizing business partners that agree to better terms, communicate effectively, are able to clearly define roles, and ultimately have a higher fill rate, the firm can gain the competitive edge over competitors bogged down by inefficiency. Prioritization leads marketing and outbound sales efforts to optimally target companies deemed as profitable partners, increasing the efficiency of efforts and lowering cost. In lowering variable cost and setting a more lean process in motion, a company's growth can be unbound, through streamlining efforts and maximizing productivity when it comes to a recruitment firm's most valuable resource - **time**.

DATA // DISSONANCE

LOW UNEMPLOYMENT

The employment climate creates an inherent issue for Human Resource departments and recruitment firms alike, a lack of available talent. The national unemployment rate, as reported by [NPR](#), is at its lowest in 50 years, dropping to [3.7%](#) in October of 2018. The availability of talent may be scarce, but the likelihood of sourcing a competent candidate is even lower.

"81% of employers said prospective employees lack critical thinking and analytical reasoning skills. Also, 75% think graduates lack adequate innovation and diversity skills" leading to "42.5% of recent graduates underemployed as of March 2018."

- Select International

Low available talent is leading to a rise in underdeveloped hiring practices. Nearly [75%](#) of all hires are bad hires, causing the cost of a bad hire to become quickly apparent. Bad hires can bring significant damage to a workplace by causing lost productivity, low morale, and an ultimate [40%](#) increase in attrition—leading to internal skill gaps. As rates of attrition rise, the average time-to-fill stretches, leaving 60% of vacancies open after [72 days](#), according to research conducted by [CareerBuilder](#).

The external hiring pressures on talent acquisition have created the need for a more efficient and accurate recruitment process. The diamond in this situation is the implementation of analytical-driven decision-making processes. 360-degree surveys, new hire turnover, and hiring manager feedback can be utilized to build a profile, which can then be cross-examined with a candidates' sourcing details to create a holistic data set representative of a successful candidate. This profile must then be validated by a larger poll and with a base of measured data points. Deriving the factors central to quality-of-hire is essential to understanding why candidates are successful, and how to reach objective hiring decisions faster.

The development of a data-candidate pipeline will reduce effective cost-to-reach, lower time-to-hire, and create a more competitively viable recruitment process. Exacting pointed data on the channels most often polled by auspicious candidates allows for a more precise utilization of budget. A more focused, carefully-pointed effort raises conversion rates on candidate submissions, and lowers time-to-hire, as the sourcing process is sufficiently drawn. This reduces variable cost and creates a leaner, more competitive recruitment firm.



DATA // DISSONANCE

A

HIGHLY MOBILE WORKING CLASS

For recruitment firms that work on contingency, the risk of turnover has increased leading to higher demand from clients for longer guarantee periods. This demand from the clients and trend from the candidates is negatively opposed, creating negative feedback mechanisms that firms must escape.

Recruitment firms assume the risk of employee turnover in a period of high mobility and workforce instability. In the candidate-driven job market, the workforce holds a majority of the power. With more job openings than available talent, those currently employed have the viable option to consider other positions with less sense of urgency to make a move. While employee mobility leads to a larger client base potentially, establishing a tenure of at least 90 days has become increasingly difficult. 20% of employee turnover happens within 45 days¹, making the decision of which candidate to submit a weighted one. Utilizing data gathered from placements with longer than average tenures can be used to gather insight into what traits make a candidate more likely to break the 90-day threshold.

The cost of restarting the sourcing process, or even the time cost of managing multiple potential candidates at a time for insurance sake, is margin-eroding.

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However, most recruitment firms are under-equipped to identify inefficiencies in the recruiting process, despite the compounding cost of lost efficiency, effectiveness, and impact. The disregard of process data leads to the frequent placement of fickle candidates, costing the firm and the client time and resources. There is little margin for error when placing candidates in a talent climate where 43% of the modern workforce plan to quit their job within two years². The current talent climate is challenging the bandwidth of internal TA teams leading to an increased reliance on external search partners.

Since 1985, the average tenure of an employee is 4.6 years which falls to 3.2 years for employees under the age of 34³. With a significantly declining trend in tenure, recruitment firms and internal TA teams are under more pressure to find solutions and improve employee retention.

Recruitment firms that have been able to provide high value to their clients have been able to do so through the utilization of data. Globally, 83% of companies have low people-analytics maturity⁴, leading to difficulty in the incorporation of data into the sourcing, hiring, and development process. High people-analytics maturity leads to a higher quality-of-hire and higher rates of satisfaction between clients and candidates for winning recruitment firms.

**43%**

Of the modern workforce plan to quit their job within two years

1. [SHRM](#) - REDUCING NEW EMPLOYEE TURNOVER AMONG EMERGING...

2. [FORBES](#) - 43% OF MILLENNIALS PLAN TO QUIT THEIR JOBS IN...

3. [BUREAU OF LABOR STATISTICS](#) - ECONOMIC RELEASE - EMPLOYEE

4. [DELIOTTE](#) - TALENT ACQUISITION ANALYTICS

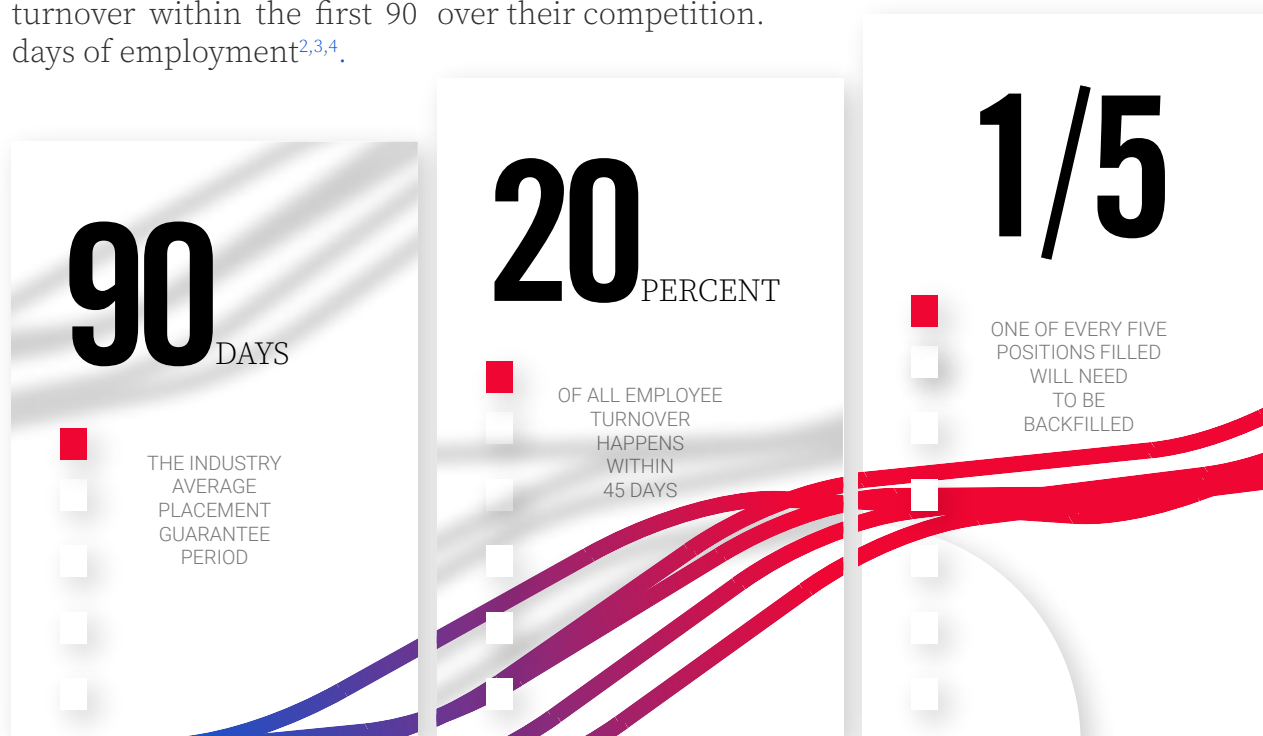
DATA // DISSONANCE

THE WEIGHTED ASSUMED RISK

Recruitment firms working on a contingent basis assume a majority of the risk when working with clients to fill positions. As an end-to-end transactional based system, the value recruitment firms provide is predicated on the successful sourcing, vetting, placement and tenure of the firm's candidate through a predefined guarantee period. As aforementioned, 20% of employee turnover occurs within 45 days¹ and more than 25% of new hires turnover within the first 90 days of employment^{2,3,4}.

These studies indicate that 1 of every 5 filled positions will need to be refilled within 90 days. However, superior firms have found ways to drastically reduce this statistic. Filling a role twice, or "backfilling" a role, costs both the client and the recruiting firm time, opportunity, and expense. Top firms have toiled to perfect their processes through years of trial and error, however, recently it is the use of data analytics that has given firms the edge over their competition.

The incorporation of data into hiring strategies creates an avenue for continuous improvement over firms who do not heavily leverage data. Pulling from a depth of specific and specialized talent market-data lowers the risk assumed, refines the screening process, and creates a more acutely-performing and efficient recruitment process.



1. [INC.](#) - TIPS ON MAKING AN EMPLOYEES FIRST 90...

2. [JOBVITE](#) - JOB SEEKER NATIONAL STUDY...

3. [HR DRIVE](#) - WHY DO 28% OF EMPLOYEES QUIT IN...

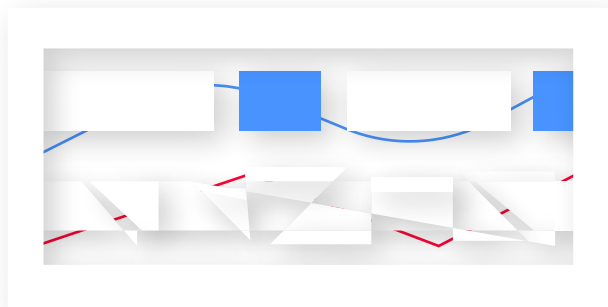
4. [FAST COMPANY](#) - THIS IS WHY NEW HIRES LEAVE...

COLLECTING DATA IS NOT INTERPRETING IT

Data itself is not inherently beneficial—the collection, analysis, re-integration, and validation are necessary for utilizing data effectively. To understand data, it must be linked to a consequence of some sort. For example—retention rate is directly linked to the quality-of-hire, which relies on the candidates having an average tenure of 3 years. Building links between commonalities in the data of quality placements will improve the efficiency of the sourcing process. Another important facet of incorporating data into a firm's strategies is data integrity. A majority of recruitment firms have shown an aversion to data due to a lack of secured data integrity. Ensuring the collection of accurate, unbiased data is necessary to any form of data reintegration.

A lack of data derived from the recruitment process actively furthers the span of the skill gap present in the talent acquisition industry.

The Pareto principle is extremely common in the recruitment industry, where 20% of recruiters represent 80% of a firm's profits. The dependency on top performers is dangerous to the stability of a firm. The abnormally high turnover rate of the recruiting industry, 352% according to the [American Staffing Association](#), is pressingly poignant when coupled with the staggering rise in attrition rates among disengaged employees.



Disengaged employees are twelve times more likely to quit than other employees, as reported by [Glint](#). Only the recruitment firms that invest into the development of their recruitment staff will bridge the skill and engagement gap between the top performers and the trailing 80%. Deconstructing the recruitment process, from sourcing to retention, can be used to identify gaps in the recruitment staff's targeting, approach, communication, and overall ability to gauge talent. Collecting data over time and interpreting trends allows for more pointed talent development and benchmarking of the performance of the top-earning employees. Understanding why the top 20% perform so well is the key to understanding opportunities for improvement and leads to the development of duplicatable techniques that can be applied by new/underperforming recruiters. Without this level of process deconstruction and data analysis, meaningful talent and process optimization will not be as effective.

DATA // DISSONANCE

RECRUITING'S FUNCTIONAL INTERNAL DISSONANCE

Based on research conducted by [Harver](#), 75% of recruiters do not currently use data to improve processes leaving talent acquisition teams half as effective. According to the same research, 82% of recruiters have recently dealt with a hiring manager with unrealistic expectations, typically leading to higher turnover rates and a widening skill gap. Better-performing talent acquisition teams are vital to closing the rift between hiring managers and recruiters. The uses of data to understand and better target the talent market is necessary, as 77% of recruiters feel more efficient and effective when they fully understand the talent pool as well as current trends and market forces.



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- HARVER

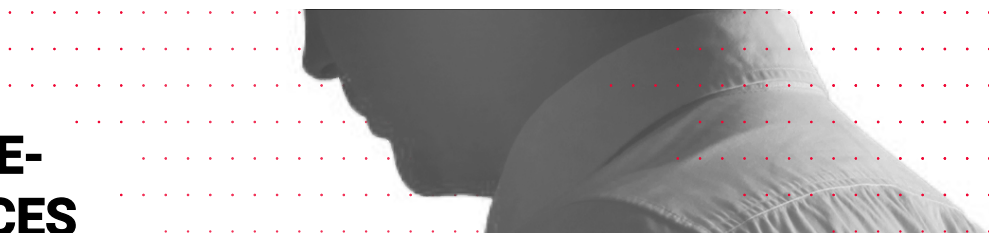
Of the recruiting firms that are currently utilizing data, it could often be further integrated. While many firms are able to pull basic statistics through the use of Applicant Tracking Systems or even internal research, advanced integration is often outside the reach of most firms.



Data derived from placements made over several years including the retention rates of placed candidates, can give insight to recruitment teams such as: the most effective lead resources, job boards, prospecting techniques, advertisements, historical success rates of placements made with key accounts, percentage increase in salaries, retention of relocated candidates versus local candidates, retention rates within given verticals or specific industries, and any unique combinations of the two. Recruitment firms should increase fill rate, decrease average time to hire, improve communication, and ultimately lead higher retention rates the longer they work with a company.

DATA // DISSONANCE

POOR CANDIDATE- EXPERIENCES



Negative candidate reviews are a persistent gadfly for internal Talent Acquisition departments and recruiting firms alike. According to a study conducted by [Phenom people](#), 60% of all job seekers report a negative candidate experience, of which 72% post reviews detailing their experience. Unfortunately, if left unchecked, the situation tends to snowball. While a certain amount of negative reviews are expected, an egregious amount of negative experiences could indicate a flawed process.

An unrefined process is a common source of negative candidate and client experiences. If left unchecked, reviews will continue to pour in, ultimately leaving a mark on the brand itself. A spate of cutting reviews will begin to erode brand efficacy, affecting both the sales and recruiting efforts and disrupting the efficiency of the recruitment process and the rate of conversion.

Eventually, the cost of poor candidate experience can mount, and the warning signs are easy to spot. As the talent pool shrinks, response rates diminish, innate trust is lost, incredulity increases during negotiations, and overall time-to-hire increases, firms should consider negative candidate reviews as a major contributor. Candidates who do make it through a negative hiring experience are a more likely flight risk. Higher turnover inevitably leads to a decrease in repeat business and a need for recruitment firms to continually struggle to find new business. Another missed opportunity caused by poor hiring experiences are referrals, both from candidates and the companies where they are placed. With a smaller talent pool and an overall less engaged audience, gathering data for process improvement becomes rigorous. Compounding the problem is the reduction in the quality of data derived when brand efficacy decreases, leading to a dangerous negative feedback mechanism and a lack of exacting data.

... THE MAJORITY OF JOB SEEKERS READ AT LEAST ...
... SIX REVIEWS BEFORE FORMING AN ...
... OPINION OF A COMPANY.

... - GLASSDOOR



Instead, recruitment teams can poll candidates for valuable feedback and develop company-specific data that lead to improved processes. The post-placement dissonance period is an incredibly crucial time, as any ill-will on the end of the candidate could ruin a client relationship or transaction. Soothing post-placement dissonance requires a depth of knowledge of the recruitment process to reassure the candidate and the client of their position. A consistent solution to post-placement dissonance is to develop a higher performing recruitment process through data. Recruitment firms can leverage positive experiences to gather qualitative data. In deriving stronger data to understand candidates, quality-of-hire and time-to-hire improve. Data attributed to successful candidates who had positive experiences can be utilized to narrow down the most effective sourcing methods of candidates, as well as the forms of media with the highest rates of successful candidate conversions—making budgets more efficient and the company more profitable.

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DATA // DISSONANCE

THE SOLUTION

Leveraging data allows recruitment firms and internal talent acquisition teams to improve processes, gain a competitive advantage, increase efficiencies, and leads to better decision making. Advanced tools such as email automation, personalized messaging, machine learning, candidate scoring, vendor prioritization, and effective mass communication all leverage the data that is available. The more granular, long-term, and accurate the data, the more effective firms will be at capitalizing on advanced tools in the future. Firms that hope to grow and gain market share will only be able to do so through the proper utilization of data.

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Written and designed by -
Aidan Eaton
Josh Mangum