# BIG DATA TRANSFORMS TALENT ACQUISITION

Introduction

Big data takes the guesswork out of everything from predicting customer behavior to identifying the most viable new products to bring to market. This is particularly beneficial for talent acquisition. Gaining knowledge into who can best fill each job requisition lowers the cost of recruiting, speeds time-to-fill, and yields stronger candidates.

scout
Best Data. Best Recruiters.
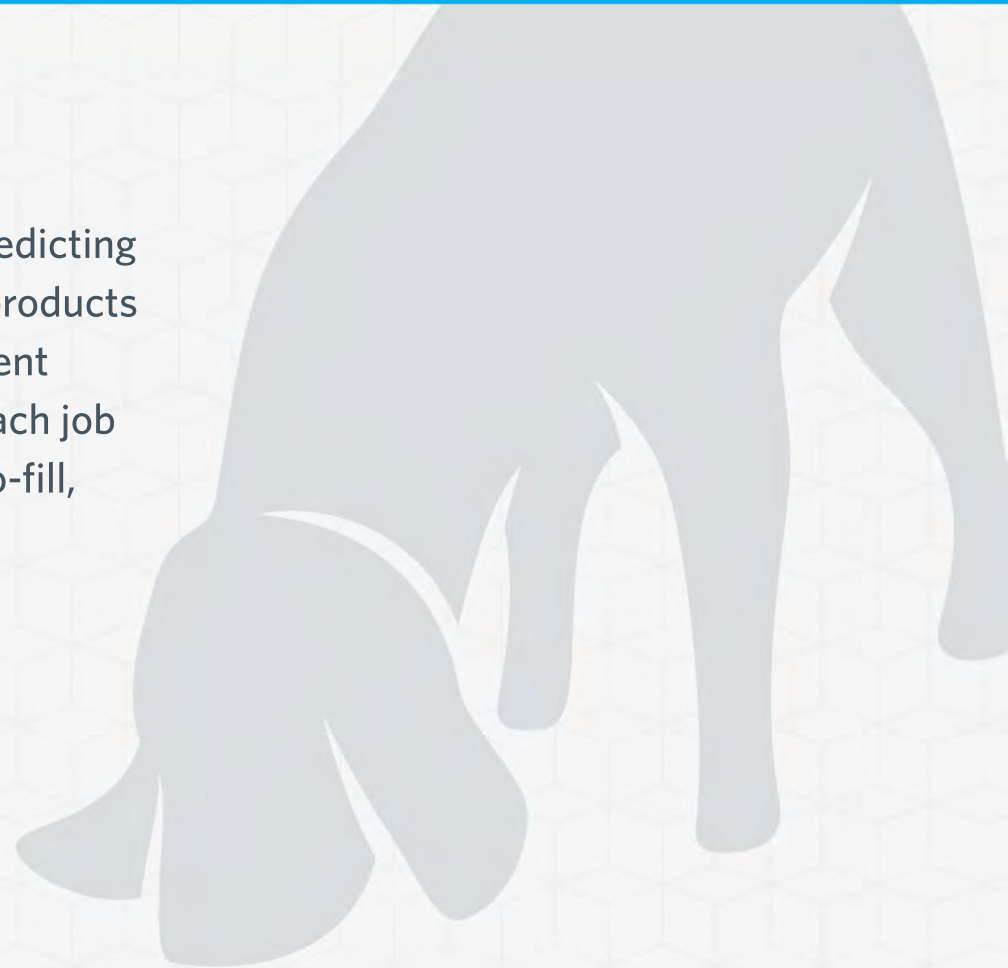
Why is everyone talking about big data?

Organizations of all types are using big data to make more informed decisions. This involves analyzing large volumes of data to gain key business insights.

In fact, the movie *Moneyball* was a great example of big data at its finest. It revealed key trends that had a profound impact on the Oakland A's performance. Today, big data is used in every industry imaginable, from health care to politics. As Amazon's chief technology officer stated in a recent BBC article, "You can never have too much data. Bigger is definitely bigger. The more data you can collect, the finer-grained the results will be."

This ability to make sense of vast amounts of raw data can radically improve efficiency, revealing answers to vexing questions that often stymie business growth.

Why is big data important in HR?

Big data has the potential to affect the whole employee lifecycle. Data insights lead to smarter hiring decisions, identification of hidden talents, and improved employee productivity. In a recent New York Times post, Peter Cappelli, director of the Center for Human Resources at the Wharton School of the University of Pennsylvania, noted that "most companies have been flying completely blind. Big data is absolutely the way forward."

In fact, companies that are investing in big data for HR are achieving tremendous returns.[1] A recent Deloitte report found that "HR organizations with mature [data] analytics functions are twice as likely to improve their recruiting and leadership pipelines." According to Cedar Crestone's latest HR systems survey, a growing number of enterprises are applying data collection, data mining, and pattern recognition to workforce data to meet business outcomes.

Big data enables employers to answer an array of questions, such as how salary correlates with performance, how to retain top performers, and more. Google, for example, is applying data insights to identify best practices for hiring and management. By analyzing large sets of internal data, the company discovered that their most innovative and happy workers are those who feel like they have autonomy and a strong sense of mission. These insights are a valuable asset when it comes to hiring and management decisions.

DATA SOURCES

WEB DATA   OPEN DATA   ACQUIRED DATA   YOUR DATA

BIG DATA ANALYSIS METHODS

MICRO SEGMENTATION   CUSTOMER INTELLIGENCE   PREDICTIVE MODELING   PRESCRIPTIVE ANALYSIS   BEHAVIORAL OUTLOOK   WHAT-IF SCENARIOS   SENTIMENT ANALYSIS/NLP

Data insights lacking in talent acquisition

Although many businesses realize the value of big data for HR, there is still a dearth of performance data available when it comes to working with outside recruiters. And with more than 17,000 search firms in the US alone, it's often hard to pinpoint who can fill the job with the best candidate in the shortest timeframe.

This is frustrating for corporate recruiters, who are under pressure to quickly find the best candidates. With most corporate recruiters juggling nearly 100 job requisitions a year,[3] they have little time to vet specialty recruiters, let alone cull through far too many resumes thrown their way by recruiters looking to get a foot in the door.

To lower costs and reduce time-to-hire, employers need to get job requisitions to specialty recruiters who have the best candidates in their pipeline. No one search firm is right for every job. The right recruiters have a keen understanding of the available talent pool for specific roles and who is best suited for each position.

This approach benefits specialty recruiters as well. The current acquisition model is challenging for specialty recruiters, who report that acquiring new clients is difficult. In fact, nearly half of upper to mid-sized recruiters report receiving 70 percent or more of their revenue from a single client.[4] This is a risky business model. To succeed, specialty recruiters need a much better way to increase the number of job orders best matched to them and win new business.

4 out of 5 organizations use outside recruiters to meet their talent acquisition objectives,[2] but they lack access to the insights to determine which recruiters perform best in each specialty area.

Big data puts a new spin on recruiting

Scout Exchange research revealed that 91 percent of placements come from specialty recruiters, and employers needed a way to quickly connect with the right recruiters. To do so, Scout developed a new application that uses big data to accelerate talent acquisition. With this solution, internal recruiters can quickly identify the right specialty recruiters. When they post a job to their ATS, Scout's performance-based matching algorithm matches the job with the specialty recruiters who have statistically performed the best for that type of role, and are most likely to deliver the best results. This means faster time-to-fill—and better quality candidates.

Scout connects corporate recruiters with the most qualified, best performing specialty recruiters, right within the applicant tracking system (ATS) platform they're already using. The employer posts a job to their ATS, and simply checks a box to post it to Scout. Then Scout analyzes the components and aspects of the job and recommends it to the specialty recruiters with the highest likelihood of success based on similar past placements.

Reduce time-to-fill by **33%** & Lower recruiting costs by **30%**

Employers who join Scout have a single service agreement that gives them access to thousands of specialty recruiting firms who are well positioned to fill the roles swiftly.

Big data benefits specialty recruiters as well. One contract gives them access to a vast marketplace of relevant job requisitions, reducing the amount of time they need to spend on business development. With this model, specialty recruiters receive the job orders they are best equipped to fill. This results in more business opportunities and more satisfied clients. According to Staffing Industry Analysts, "specialization and sourcing relevant job orders create a tremendous business advantage for agency recruiters."

How Scout works

1 When a job requisition is created, internal recruiters simply click a button in their ATS to post to Scout.

2 Employers can set the placement fee, or offer it as "open to bid". This way they can reduce fees for easier to fill positions and focus more resources on niche, tough-to-fill positions.

3 Scout uses big data to identify patterns of success. Its patented matching algorithm determines which specialty recruiters have the best track record in each niche market.

6 There's no fee to be on Scout. Employers don't pay a cent until they hire a candidate.

5 Employers can review candidates with no obligation and no conversations with specialty recruiters. If they're interested in a candidate, they can then start a dialog.

4 When the best-matched specialty recruiters log into their ATS, they see job requisitions that have been recommended for them to fill. From there, they can select candidates to present to the employer, right in the ATS.

The bottom line

Personal attention is essential to hiring the right candidates, however there needs to be a scalable approach to finding the best talent. Big data enables employers to meet key talent acquisition goals while retaining the personalized approach that yields top candidates. This helps employers and recruiters alike dramatically improve success rates.

> *" In the face of growing hype surrounding data-driven recruitment technologies, it's important to remember the proven power of human insight for organizing data and finding great talent. The best solutions leverage both, to connect employers with the most powerful talent networks.*
>
> - Scout CEO Ken Lazarus

For more information on Scout go to **www.goscoutgo.com**

1) High-Impact Talent Analytics, Building a Leading HR Measurement and Analytics Function, Deloitte Consulting, 2013
2) Recruitment Benchmark Survey, The Novo Group, 2013
3) HR Zone
4) "North American Staffing & Recruiting Trends Report", Bullhorn