Data is the Key to Improving Your Talent Search

You may not realize it, but inside your HR files are the keys to successful recruiting and talent management. Big companies have been doing this for years. And now, more small- and medium-sized companies are using data to reshape recruitment into strategic and evidence-based processes that lead to more successful hires.

Why businesses are turning to data
Using information from multiple sources to analyze, process, manage, and optimize the way you acquire talent is one of the latest ways companies are connecting the data dots. Businesses are leveraging data intelligence and technology to fully understand and maximize their recruitment strategies.

Mining your employee data gives you insights into what characteristics make a great hire, why your great hires stay with you — and why they don’t.
To maximize recruitment costs

Knowing how and where you’re spending your recruiting resources can help you uncover ways to trim costs and improve effectiveness. Start by asking these questions:

- Which talent sources bring in the most qualified applicants?
- Which ones yield the best candidates with the highest retention rates?
- Which resources offer the best user experience for candidates?

It’s also important to confirm you’re getting the best value from your talent acquisition dollars. According to research from the Society of Human Resource Management (SHRM), you’ll spend $4,129 on average to fill an open position.² What goes into this investment? Here are a few examples:

<table>
<thead>
<tr>
<th>External costs</th>
<th>Internal costs</th>
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<td>• Third-party fees, such as agencies</td>
<td>• Salary, benefits, and training of recruiters</td>
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<td>• Advertising costs, including job boards and social media</td>
<td>• Talent acquisition system costs (hardware and software)</td>
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<td>• Job fair and campus recruiting costs</td>
<td>• Other fixed costs, such as employee referrals, government compliance, etc.</td>
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<td>• Travel expenses for recruitment</td>
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<td>• External assessments, background checks, and drug tests</td>
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To fill open positions faster

On average, it takes 42 days to fill an open position, according to the SHRM study. Using benchmark data, you can compare your company to the national average and — more importantly — to the competition to see how you stack up. If it’s taking you longer to fill a position, dig deeper to learn why. For example, your benefits package may fall short of your competitors. If that’s the case, adjusting your benefits could shorten the time to hire key talent and increase your productivity.

To avoid recruiting in the first place

It’s hard to watch talented employees leave before you’ve had a chance to recoup your hiring investment. Using data to examine why people stay and why they leave can help you retain the talent you’ve worked so hard
to hire. And it may be tied to something that’s not obvious at first. For example, Wells Fargo implemented a strategy to determine which qualified candidates were also likely to be successful and stay with the company. By analyzing the data on current workers and devising personality tests that aren’t easily manipulated, Wells Fargo discovered that tellers and other customer-facing workers with accounting degrees were top performers, but didn’t last long in their jobs.5

Did you know that:
• One-third of new hires quit after six months.
• 45% of referred employees stay for at least two years.
• 33% of employees know within the first week if they’ll stay with their new company.6

Using data to explore the relationship between hiring, onboarding, performance management, and retention makes good sense. What are the trends in your company? What’s working and what isn’t? Where are the opportunities to make adjustments? Collecting and analyzing data about your company’s recruitment methodology puts science behind what your experience and instincts already tell you.

ADP® can help you hire smarter
ADP helps you apply rigor behind your hiring practices that your competitors can’t match. We can unlock your employee data and combine it with ADP’s competitive benchmarks to help you attract and hire the right employees. ADP certified recruiters can also help you target the right job candidates by managing some, or all, of your recruitment tasks.

Industry experts weigh in on using data analytics in recruitment3,4

“While the average small business has less self-generated data than big players like Google or Facebook, this doesn’t mean big data is off limits. In fact, in many ways, big data is more suited to small businesses because they’re generally more agile and able to act more quickly on data-driven insights.”

BERNARD MARR, author of Big Data for Small Business for Dummies

“Talent analytics is an incredibly predictive tool, a trustworthy future-caster, HR’s own crystal ball.”

MEGHAN BIRO, Forbes magazine

1 LinkedIn Talent Solutions, Small and Mid-Sized Business Recruiting Trends, 2017.
3 DataInformed, 6 Clever Ways Small Businesses Can Use Big Data, by Bernard Marr, October 21, 2016.
5 BAI Banking Strategies, Predictive Analytics for Hiring, by Katie Kuehner-Hebert September 6, 2013.
6 TNLT Talent and HR, November 30, 2015, 9 Employee Retention Statistics That Will Make You Sit Up and Pay Attention, by Maren Hogan.