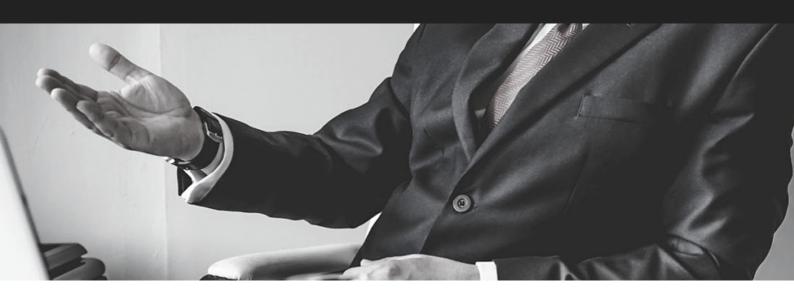# DATA DRIVEN RECRUITMENT DECISION MAKING PROCESS FOR BETTER TALENT AND BUSINESS DECISION

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA

"Companies put a lot of effort on improving data for their business operation but they often forget to do the same for their talent management"

Daniel K. Moran, a computer programmer and writer, once said, "You can have data without information, but you cannot have information without data". This statement reflects how data can create a story about your company's business. It will show you what your company needs in order to compete with others.

The rise of data awareness has become a challenge and an opportunity for most companies regardless of their scalability. What we can see is nowadays the role of data analyst has become more specified and in high demand, but the interesting fact is most of this role is established to support a company's strategic business function such as business operation, sales, marketing, and product development, that could directly impact the company's revenue. To give another perspective, **35 percent of global companies** already implement AI to ease their process of finding data and creating stories. Meanwhile, according to the **Forbes Advisor Survey**, only 26 percent of them use the same technology for recruitment and talent sourcing. The utilization of data-based programs has proven to be

effective which is indicated by their ability to attract the best candidates i.e. most of big companies with strong data management such as Google, Microsoft, Unilever, Nestle, Amazon, are listed as the best attractors in talent competition.

What is data driven analysis and how data plays a significant role

If your recruiting strategy consists of the traditional way of listing on job ads platforms and waiting for someone to apply, it's time to change. **The talent environment is already shifted** and is not what it used to be. The talent market is already flooded with people who search for opportunities based on their personal preference such as better salary increment, flexibility schedule, and companies that most likely align with their personal value. Candidates now have more bargaining power than before and are able to "ghost" and reject the company if the recruitment experience doesn't deliver.

With such complexity, companies and leaders often struggle to find a suitable candidate and retain top talent. Because recruitment is such a volume-based competition, many companies simply just throwing everything on the field and hoping someone will pick, but this strategy often time just doesn't work and your company might have a chance to meet with someone who wasn't suitable for this position or maybe the talent only last for a few amount of time, with that scenario your company might have to start all over again.

To minimize those risks, your company might need to pay more attention towards recruitment which in the process involves data driven decision making. By creating predictive talent models and mapping HR data, you could help your organization to identify current pain points and prioritize future strategy to effectively identify, recruit, develop, and retain the right people. This could be done by considering all factors that could contribute to the process and start to take it into account. As someone who has been involved in the recruitment process for many years, you might feel

confident to make a decision based on your intuition or instinct, while in some cases this could be useful, but if you're in a situation which requires strategic decision making, this is not the best way to consider. To justify this point, **McKinsey had three findings** about how data can give your more insight about this particular area:

1. Choosing where to cast the recruiting net

A Bank in Asia known for doing the well-worn plan for hiring which is to recruit the best and the brightest from the highest-regarded universities, this process was one of many put to the test before the company began a major organization restructuration. As a part of the effort, the bank started to process data analytics to identify high-potential employees, map new roles, and gain greater insight into key indicators performance.

2. Cutting through the hiring noise and bias

Number of applicants often overwhelms the recruiting team which can lead to unconscious bias. For instance, a professional-service company receives 250.000 job applications every year. By introducing more advanced automation, it can reduce costs that usually rise within the initial resume-screening process and help to improve screening effectiveness.

3. Addressing attrition by improving management

A lot of companies try to win the talent war by throwing everything into the mix. In fact, one of US insurers that is facing high attrition rates usually offer bonuses to managers and employees who opted to remain. But they got smarter by gathering data to help create profiles of at-risk workers. The parameters which they use included demographic profile, professional and educational background, performance ratings, and levels of

compensation. By conducting data analysis, a key finding showed that employees in smaller teams with longerperiods between promotions and with lower performing managers were more likely to leave.

Consider the ideal Phase

Although it seems like a long shot by knowing that most of the top attractor companies are using AI to help their recruitment team, you can always adjust it depending on your company scale. If your company is newly established or small, you might want to start the journey by creating data awareness and recruiting the HR recruitment team who was on the same page with you. By doing so, your team will have less difficulty keeping up with the talent climate in the market. For starters, you can utilize a specific open source database and use excel or any other common data analysis tools to generate the information. If your company is medium size, you can implement automatic machine learning to help your team sort the candidate and slightly shift into an exclusive database that only your company can directly access and manipulate the data. On the other hand, if your company is ready to use AI, then you can go with complex machine learning so you can crawl into deeper information.

The reason why you have to know your company's ideal phase is because all of the recruitment processes are related to the financial and human resources itself. Failing to recognize will lead you to financial bursting and employee burnout. Let's take a deep look into another risk, data or even AI requires high skill and established management to operate effectively, thus creating a solid foundation is important. Imagine if the recruiter doesn't engage with the purpose of using data in the first place, then it will mean nothing. Data can show you a lot of information and AI helps you to efficiently run the recruitment process, but neglecting its purpose might cause your team experiencing some issue that you think you can reduce by using those tools such as recruitment bias, cumulation of data junk, or even become impractical.

Hiring is costly, not only from a financial point of view but also affects the productivity of your HR team. By understanding your company scale and capability, you can overhaul your company's talent sourcing strategy which can save you time, effort, and money. Additional finding from **Greenhouse**, 60% job seekers are bothered by time consuming recruitment processes and want companies to refine the candidate experience. Using data driven decision making, your company will be able to understand what is the specific "candidate experience" that will keep those top talents willing to take part in your recruitment process.

Conclusion

Despite being a huge challenge, data is proven to be effective in the field of recruitment. HR departments and companies most likely will save a lot of effort both financial and productivity in return of understanding the talent's climate. You can always adjust the complexity of data management according to your company size but try not to neglect it. By equally improving your data management both operational and recruitment, your company will create a snowball effect in order to win the talent war.

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