



BARRIERS TO TALENT ACQUISITION MEASUREMENT

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Introduction

Measuring talent acquisition efforts is similar, yet unique from other talent functions, because it requires a broad approach based on the new competencies and requirements for recruiting leaders. It is no longer enough to source, interview, and select candidates. Recruiters and talent leaders must mind the candidate experience, build a powerful employer brand, and create partnerships with technology and service providers to drive the overall processes. This executive summary is a preview of the research report connected with the Lighthouse Research *Modern Measures of Success in Talent Acquisition* study.

Research Highlights

1

One in five companies are not tracking any overall recruiting metrics.

2

61% of organizations are either near-sighted or tactically focused in their talent acquisition measurement practices.

3

More than half of talent acquisition leaders say they are using manual processes to gather, report, and analyze performance data.



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Challenges of Today's Talent Acquisition Leaders

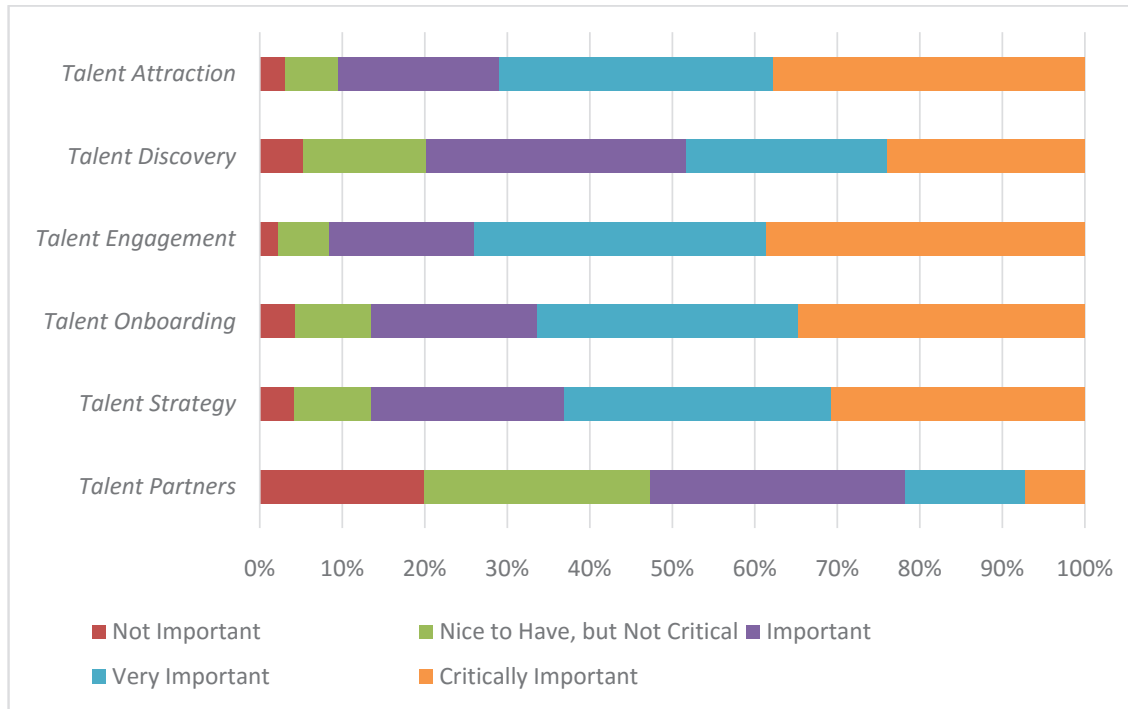
Today, more is demanded of the talent acquisition function than ever before. It is no longer enough to source, interview, and select candidates. Recruiters and talent leaders must mind the candidate experience, build a powerful employer brand, and create partnerships with technology and service providers to drive the overall processes. In order to understand the full spectrum of responsibilities, we have divided talent acquisition into a set of discrete competencies required of today's talent acquisition leaders. This list includes the following six core areas:

- **Talent Attraction** recruitment marketing, employer branding, job advertising, etc
- **Talent Discovery** direct search, executive recruiting, paid search, etc.
- **Talent Engagement** candidate experience, assessments, interviews, etc.
- **Talent Onboarding** pre-boarding and orientation, assimilation and socialization, etc.
- **Talent Strategy** diversity hiring, quality of hire, contingent workforce, etc.
- **Talent Partners** third party recruiting sources, staffing firms, and RPO providers

Measurement within each area is important to evaluate performance, but as you can see in the chart below, each of these elements are not created equally.



Figure 1: Overall Talent Acquisition Measurement Priorities

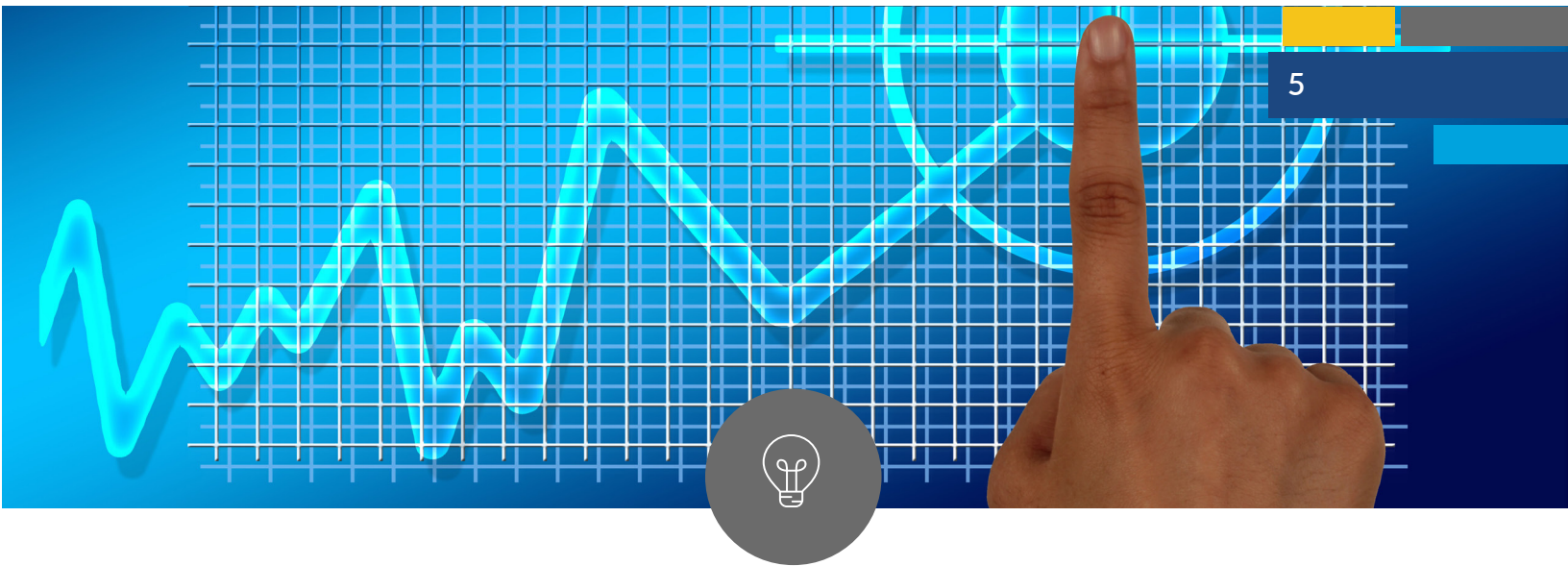


Talent engagement and attraction are the most important pieces to measure in order to gauge talent acquisition performance, but on boarding and talent strategy are right behind them. Falling into the final two slots in terms of priorities are talent discovery and talent partners.

Despite the complexity of today’s talent acquisition role, there are also opportunities for talent acquisition to tie in with organizational goals and drive business objectives, enabling this competitive group to change the transactional view of recruiting that has existed for so long. The way this occurs is through the identification of specific goals, analysis of data that feeds into those performance objectives, and adjustment of strategies and tactics as necessary.

The data is key. Instead of relying on time to fill or cost per hire metrics to tell the story, it’s time to dig deeper and analyze more meaningful data points to evaluate true talent acquisition performance, including everything from initial candidate attraction to on boarding new employees. It’s time to step up our efforts and bring talent acquisition in line with other business functions in terms of comfort levels with data, reporting, and performance.

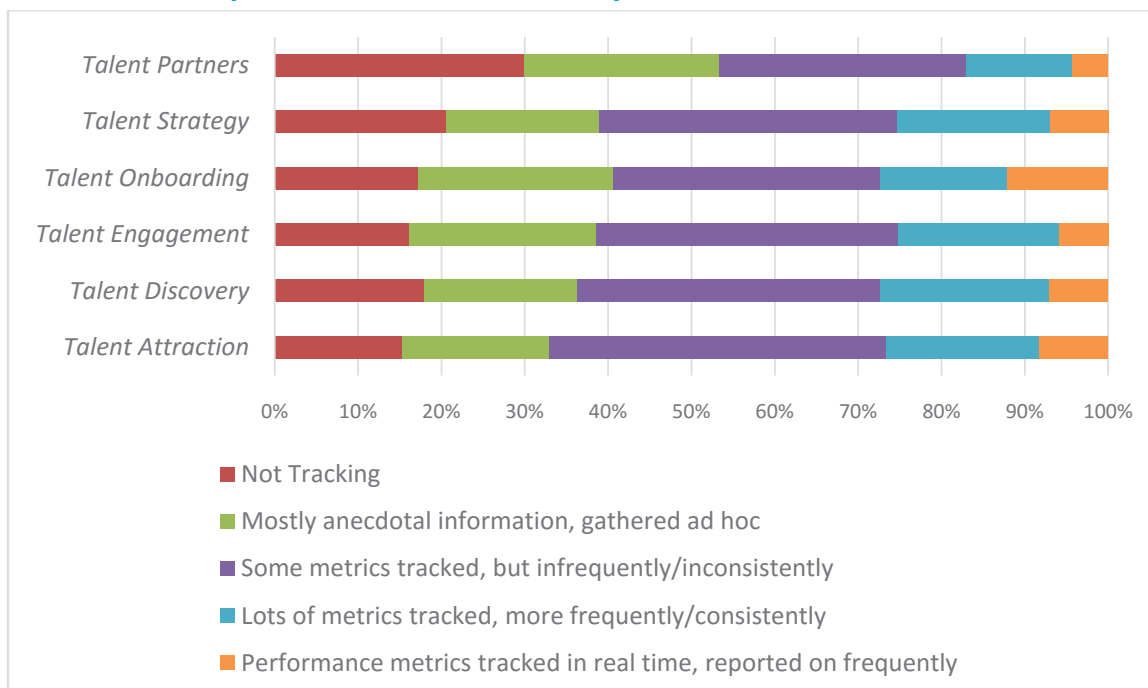
In addition, there is a key opportunity for companies to partner with their technology and service providers to improve results. Within the analysis of each trend below there is commentary around how to leverage the vendor resources at your disposal.



Low Measurement Maturity

The maturity level of a company's measurement practices drives the value it can obtain from the data. Companies with low measurement maturity aren't gathering much data, and they certainly aren't using the information as a threshold for decision making. On average, one in five companies are not tracking any overall recruiting metrics. This is split among a variety of categories, as demonstrated below.

Figure 2: Overall Talent Acquisition Measurement Maturity



As you can see, as we move to the right along the measurement continuum, the number of companies that are tracking at the higher levels (blue and green) are a relatively small portion of the population. Another concerning point has to do with the low perceived value of insights generated from various recruiting activities. Depending on the focus area, the perceived strategic value of insights is anywhere from 6% to 12%, an abysmal level. Talent acquisition leaders are either not getting the right insights, or they are not sure how to make the leap to applying the data to improve recruiting efforts.

For companies looking to improve existing practices and move up in terms of maturity, it requires taking steps to gather more data on a consistent basis. This continues up to the highest level where performance measures are tracked in real time and reported on frequently, such as within a dashboard. Imagine the value of being able to examine real-time data on candidate attraction, engagement, or onboarding at any point in time.

This talk of real-time information certainly doesn't have to mean that your company has to invest in a million-dollar infrastructure. The recruiting team at Pluralsight, a software development company based in California, created a simple dashboard that pulls data in from the recruiting system so that executives can keep a finger on the pulse of the talent acquisition function at any point in time. As a tech firm, Pluralsight is always challenged with hiring the right developer talent, competing with numerous big-name firms for the same people. While the dashboard doesn't eliminate that problem, it allows the entire organization to be on the same page with regard to progress and workload at any particular moment.

This is just one example of how your recruiting software can help you to move up the rungs of the ladder in terms of measurement maturity. In the past this simply would not have been feasible. It would have required a significant amount of administrative work and would still not have been a real-time look at the data. However, today's systems, platforms, and integration tools allow us to view, analyze, and evaluate real-time information so that organizations can make the best talent decisions.

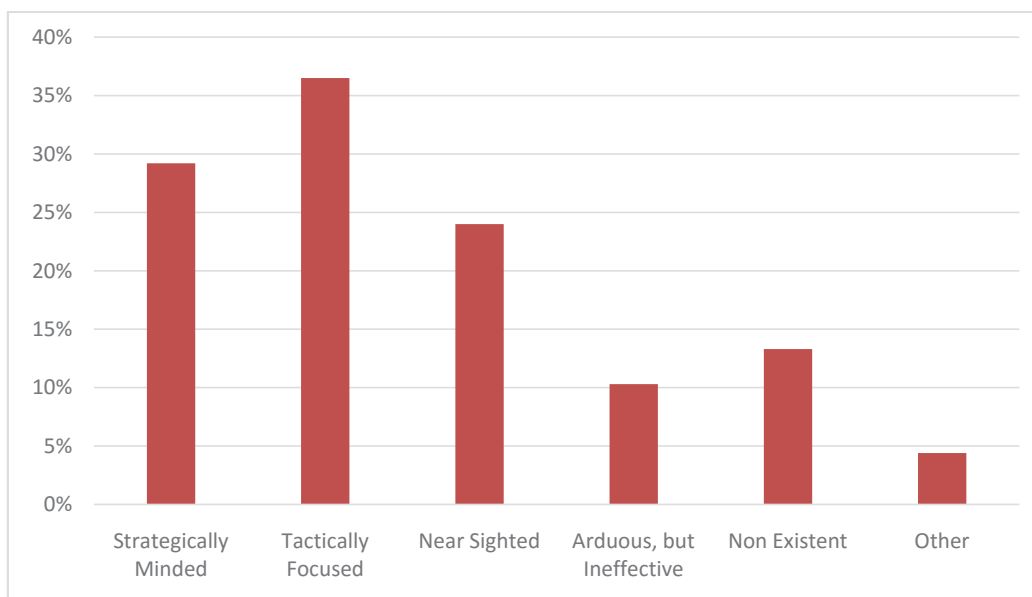


Lack of Strategic Focus

A goal without a plan is just a wish. And yet so many talent leaders are hoping for great hiring results with no plan to get there. A whopping 61% of organizations identified themselves as either near-sighted or tactically focused in their talent acquisition measurement practices.

With that in mind, how do these individuals expect to have a far-reaching business impact without the necessary big picture viewpoint? Just under a third of companies have the proper strategic view of measurement practices for talent acquisition.

Figure 3: Talent Acquisition Measurement Practices



The biggest problem that I see with talent acquisition leaders when it comes to measurement is a lack of understanding what to measure and how to tie it to the organization's goals. For instance, if a company is focused on building an engaging candidate experience, the focus will probably be less on requisition loads and time to fill and more on application drop off, candidate satisfaction, and recruiter response time.

Being able to understand how to develop key performance indicators is an incredibly valuable skill. Instead of only measuring where the organization has been, the KPIs can help to indicate where it is going. More importantly, the data can help guide the organization as it moves along the path toward its goals by offering insights to validate existing processes or course corrections for improper ones.

Another aspect that impacts this is the audience to which the data is reported. While 91% of companies are reporting talent acquisition performance data to C-level executives, just 29% are sharing the information with operations leaders and 39% with business unit leadership. In the daily crunch of finding talent, operations and other business unit leaders are profoundly impacted by the availability of talent. Getting the right people in the loop with regard to the data can help to shed light on what measures are most important to your audience.

Kristina Minyard, Senior Talent Manager at government contracting firm Alatec, Inc., believes that is the critical differentiator for successful recruiters. Her approach includes bringing a tailored approach to hiring managers, operations leaders, and senior executives. Depending on the audience, she shares the metrics that matter most, demonstrating a true partnership with the business.

One final note on strategy—many technology providers offer dashboards, reporting, and other data-driven resources. Companies that aren't sure what to measure should work with their providers to identify the metrics with the most impact. The vendors not only have more familiarity with the system and its capabilities—they also see across a wide range of industries and organizations and can provide some best practices and benchmarking data based on their observations.

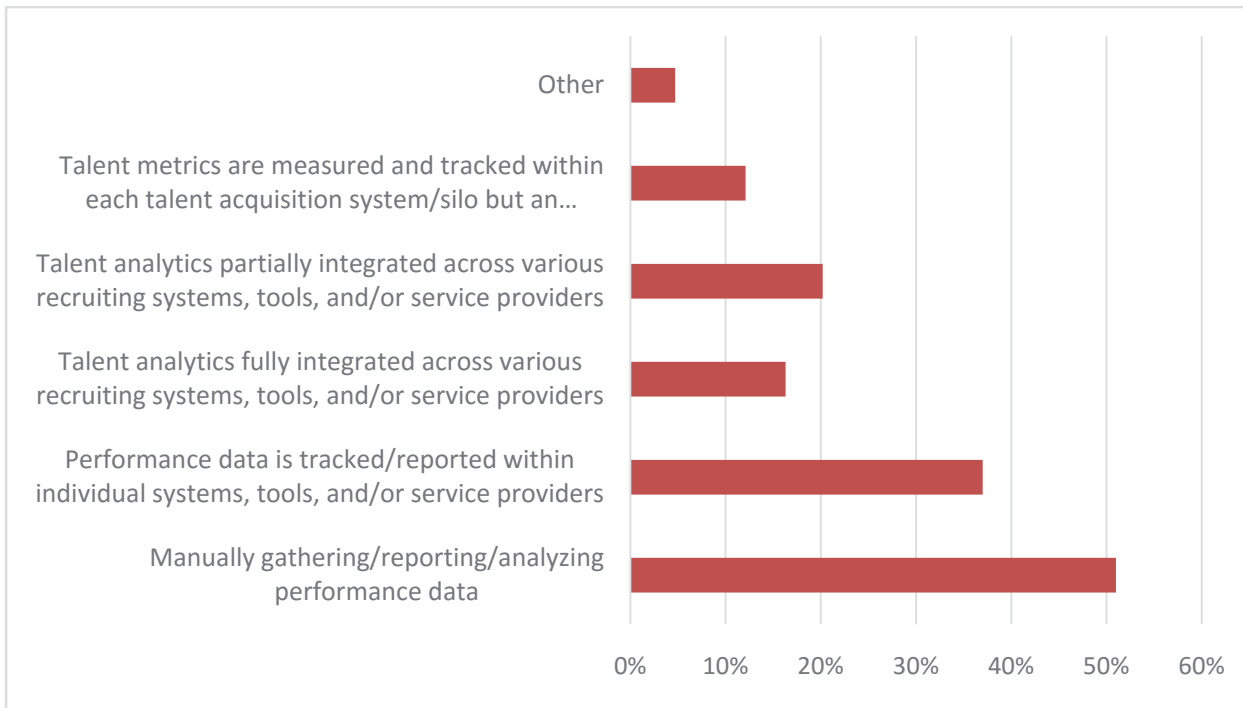


Manual Processes Reduce Impact

If you're on the go and you need to determine your availability for a meeting, how quickly can you determine that? For the overwhelming majority of adults with smartphones, we can find that information within a few seconds. But what if we had to physically look at two different paper calendars, check a to do list, and make a phone call before we could answer that question?

It seems like a silly comparison, but that's the same process many companies use to track performance for key areas of talent acquisition. According to our research, more than half of talent acquisition leaders say they are using manual processes to gather, report, and analyze performance data. While systems exist and are in place for tracking information, they are often left unintegrated with parallel reporting being done with a variety of providers (37%).

Figure 4: Tracking Key Talent Acquisition Performance Areas



There are several reasons we can't rely on manual reporting and analysis—the data is always changing, manual work increases the likelihood of errors, and the time-consuming nature of the practice makes it unwieldy at best.

When you factor in the potential issues with manually analyzing data, it just doesn't make sense. Maybe you could have justified it ten years ago when reporting from many recruiting systems were still immature, but today's talent acquisition technology is much more sophisticated and can provide a clearer picture of performance.

The perfect option, of course, is integration of your data sources. Having each of your systems and platforms connected and sharing bidirectional data is the best outcome for having a clear picture of performance. At the other end of the spectrum, we see that 16% of companies have talent analytics fully integrated across various recruiting systems, tools, and/or service providers. Instead of relying on someone to whip up an Excel spreadsheet or a PowerPoint deck with the right details, these companies let the software do the heavy lifting, saving time for other priorities like hiring the right people.



Conclusion and Key Takeaways

The path forward is challenging, yet it offers many opportunities for organizations willing to improve their talent acquisition measurement practices. More than any other aspect of talent, learning, or HR, talent acquisition is a competitive piece of the puzzle. Companies with the best hiring practices will hire the best talent before the competition can. This pressure to perform and compete is a powerful daily reminder of the importance of data and analytics to support this process.

Ultimately, the companies that will win this battle will be those with a drive to measure, a high focus on strategic KPIs, and automated processes to derive the proper insights and value from the data.

- 1 Companies need to elevate the measurement maturity of their talent acquisition organizations, and that starts with consistency of measurement and reporting. TA leaders must be comfortable with tracking and sharing performance data across hierarchical, departmental, and functional lines.
- 2 Companies need to ensure a strong link between talent acquisition goals and the broader objectives of the organization. While organizations are not using strategically focused KPIs often, those measurements drive higher value than those strictly focused on tactical or near-sighted goals.
- 3 Companies should rely on systems and technology to scale the process of data analysis. The faster insights are available, the sooner the organization can use them to validate efforts or adjust course as necessary. While there may be some element of manual work in reporting performance data, it should not be the primary method for gathering and analyzing information due to the limitations of the approach.



About The Research

The Modern Measures of Success in Talent Acquisition research was conducted by Kyle Lagunas, founder of Lighthouse Research & Advisory, in 2015 and 2016. The study collected responses from more than 400 talent acquisition professionals, hiring managers, and executives to provide a clear picture of the state of measurement and analytics in today's talent function. This report was written by Ben Eubanks, Principal Analyst at Lighthouse.

About Us

Lighthouse Research & Advisory is a modern analyst firm dedicated to setting the standard for excellence in talent acquisition and beyond. By providing compelling research and actionable insights for recruiters, hiring managers, and business leaders, our mission is to navigate the rapidly changing tides of human capital management in order to support today's talent advisors. From establishing frameworks for end-to-end recruitment marketing and high-powered CRM practices, to illuminating the strategic impact of candidate experience and employer brand management, our goal is to chart a new course for talent acquisition.