Intelligent Hiring: Enhancing Recruitment and Elevating Performance

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Abstract

The staffing and recruitment industry is highly fragmented, besides being challenged by a lack of regulation and low cost of entry.[i] Moreover, the emergence of technology startups in this industry has made it one of the most competitive today, globally. Driving profitability in such an environment requires recruiters to up their persuasion skills and augment technology in order to supercharge their productivity.

In a recent survey conducted by staffing solutions firm Bullhorn, 61% of respondents revealed that 'candidate acquisition and sourcing' is their topmost priority in 2019[ii]. This is because organizations are affected by high churn rates due to low unemployment and are looking for a solution to mitigate attrition and turnover caused by a booming job market. To fulfill their key priority and address this challenge, over half of the industry players are embracing digital transformation (DX)[iii]. However, to excel in the current paradigm of Business 4.0, recruiters must adopt a Machine First™ approach to DX by reshaping their entire business around digital technologies such as process automation, blockchain, and Artificial Intelligence (AI) – a tough ask for many.

What's holding recruiters back? Poor visibility of demand, lack of high-quality job descriptions, dated and poorly written resumes, and lack of understanding between the recruiters and hiring managers are key productivity barriers[iv]. Most recruiters rely on individual connections and local databases to hire candidates. As a result, they are seldom able to achieve the desired fill rate – the single-largest key performance indicator (KPI) that directly impacts a staffing company's topline. Defined as the number of open job orders that have been fulfilled, any impediments to the fill rate directly drive down the revenues of a company.

Another key challenge employers face today is high attrition and getting the best out of existing personnel. After all, employees are the primary source of sustainable competitive advantage in the modern world. However, addressing this fundamental human resources challenge isn't easy because the talent lifecycle relies too heavily on intangible aspects like culture, human behavior, and psychology along with job fitment. Clearly, these are areas ripe for disruption with digital technologies. This paper explores how the recruitment industry can shift from traditional to digitally driven data-centric recruitment to achieve higher fill rates, reduce churn, and maximize employee value.

Low retention, low recruitment: A vicious cycle

As the world of work evolves, employee turnover is touching new highs and so are its costs. In 2018, employee turnover was the highest it's been in 10 years,[v] and organizations can expect the associated costs to increase to $680 billion by 2020[vi]. Poor cultural fit is one of the main culprits behind soaring attrition, as most employees who elect to leave a company do so after weighing their current position against alternatives. Separately, sourcing talent remains an issue. According to the Society for Human Resource Management (SHRM), employers and recruiters spend an average of 36 days sourcing, and finally, hiring talent.[vii] It's a tremendous amount of effort that's made even more difficult by poor talent inflow. But all is not grim. Interestingly, employers could prevent up to 77% of their employee turnover, provided they take the right steps at the right time.[viii]

There lies a significant opportunity here for organizations to recruit, onboard, and retain talent more effectively. Currently, the industry is dealing with this issue by putting more manpower on the job. More hours and effort are being spent researching, interviewing, onboarding, and trying to manage the employee lifecycle. Unfortunately, this band-aid approach is not very effective, as it doesn't address the root of the problem. To improve employee retention, employers and recruiters need to ensure that the talent they're hiring is the right fit, both functionally and culturally.

To tap this opportunity and onboard more talent, there is a need for a viable analytics platform that can help reshape the employee lifecycle, optimize recruitment, retention, and internal advancement, thereby leading to a higher fill rate. A robust platform of the future should objectively evaluate a candidate's attributes such as personality traits, compatibility, and learning style using Holland's occupational insights and Gardner's multiple intelligence tool to identify whether a candidate is an overall suitable fit for a particular role.

Generating value through an integrated analytical platform

Addressing high turnover and sourcing difficulties begins when a company recruits both active and passive talent. It is, therefore, important to have a robust integrated analytical platform that

can provide crucial insights to employers, recruiters, and even candidates themselves to help them make the right hiring decisions. Such a platform will also ensure that the integrity of the workplace is preserved and organizations are saving on their bottom line. Here's how:

Superior matching for candidates actively seeking new opportunities: With a simple AI-driven assessment such as selecting colors and uploading or swiping images, the platform would be able to extract detailed information about candidates including their core working style, dominant attributes, etc. The algorithm will glean this data without asking candidates a single question. Thereafter, a proprietary engine can identify and prioritize job openings based on technical skills, cultural alignment, and the candidates' core motivators, while simultaneously reducing subjectivity by 80%. This also offers candidates an opportunity to understand themselves better.

Wider talent pool for recruiters: Recruiting active talent alone is a big opportunity lost for recruiters. Many organizations have massive inventories of resumes at their disposal and mining those databases can help find the right functional and cultural match without spending too much time, cost, and effort. A robust platform should help mine existing resumes to double a company's funnel, and doing this could help cut down recruitment time by nearly 54%.

Extending value beyond sourcing: The insights provided by such a platform can also be leveraged to ensure a seamless onboarding experience for new hires and their managers. Armed with the knowledge of candidates' core motivators and their working and learning styles, managers can easily and quickly deploy optimal tools to encourage engagement, devise right-fit incentive programs, and more. They can also ensure that employees are matched with the right internal mentor, teamed up with like-minded co-workers, and are considered for appropriate career advancement opportunities. Further, as digitization takes hold and seasoned workers are increasingly transitioned into new areas, roles, and processes, crucial insights from such a platform can enable customized job rotation, personalized training, and bring together synergistic teams. Keeping employees connected and engaged during these types of transitions mean less turnover and better productivity.

Competing for 'employee share' in a data-driven world

When it comes to staffing and recruitment, most companies capture only a fraction of the potential value from the wealth of data available today. Most data exist in silos, and while companies spend more on advertising job positions and contracting more headhunters, they fail to leverage technologies such as AI and machine learning (ML) to do the job smartly. Fortunately, forward-thinking organizations are changing this equation as a range of technology firms turn to AI, ML, and Natural Language Processing (NLP) by tapping the science behind personality to find the right hand for the job.[ix] Clearly, organizations that leverage talent data and insights to maximize hiring performance will be best positioned to meet the fast-paced demands of the digital economy and accelerate outcomes.

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