

The Future of Recruiting:

A Guide to Using Data to
Improve Talent Sourcing



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PREFACE

Data, data, data — it's all anyone in the business world wants to talk about these days.

Companies are hiring data scientists and investing in data analytics in the hope that mining their corporate data sets will yield key insights to increase sales, boost productivity, spark innovation, and bolster customer relationships.

But behind the hype, there's a question. Can data really make a difference in your company's performance and future growth?

Yes. Data has the power to transform parts of your business, and one area where it's proven to be particularly helpful is recruiting. Smart companies are using data to improve their talent sourcing and hire high-performing workers whose contributions improve company performance and foster growth.

Want to learn how this works? Keep reading to find out how data-driven recruitment works and how you can use data to power your recruiting efforts.

// SECTION ONE

How HR Uses Data-Driven Recruitment to Hire Top Talent

Let's get started by exploring how data helps HR teams hire top performers, examining the data metrics behind data-driven recruiting, and discussing why you must be using data to power your recruiting process.



SECTION ONE

What is Data-Driven Recruitment?

Traditional recruitment strategies rely heavily on good feelings, gut instincts, and limited candidate pools. The process is slow, and the results are inconsistent.

Data-driven recruitment redefines recruitment by enabling companies to make hiring decisions based on data collected from various sources. The goal of data-driven recruiting is to allow companies to consistently recruit, hire, and retain highly qualified candidates who will add value to the company.

A data-driven recruiting process relies on a diverse set of data from both in-house HR data and external data vendors who provide access to key candidate information like work history, job titles, location, years of experience, education, social media profiles, and contact details.

What Metrics Matter for Data-Driven Recruitment?

If you know anything about data analytics, you know that the real value of data lies in the insight it provides. Data-driven recruitment helps companies by giving insight into the quality of the recruiting process and the quality of the people they hire.

When this insight is used to improve the recruiting process and target talented, high-performing job candidates, the company realizes both cost benefits and performance improvements. There are two sets of metrics that are important for data-driven recruiting. One set focuses on evaluating the recruiting process, while the other is meant to evaluate the quality of the candidates hired.

Recruiting Process Metrics

- **Source of hire** measures which sourcing channels such as job boards, referrals, recruitment ads, recruitment software, and LinkedIn provide the highest volume of candidates for your consideration and which yields the most high quality hires. The goal is to focus your recruiting efforts on the sources with the best results.
- **Cost per hire** helps you understand how much you're spending to fill open positions. The calculation considers all internal and external recruiting costs divided by the total number of hires and helps you set realistic recruiting budgets. You'll also be able to quickly identify rising costs and adjust if needed.
- **Response rate** is a measure of how frequently candidates respond to your outreach efforts. If the response rate is low, you should adjust your approach.
- **Application completion rate** compares the number of submitted job applications to the number of applications started. A low application completion rate often indicates that your application is too long, poorly organized, or focuses on questions that candidates find inappropriate or too personal.

Low rates could also mean candidates are experiencing technical problems. Either way, by paying attention to this metric, you can improve the candidate experience and increase the number of candidates who apply for open positions.

- **Time to hire** is the total time elapsed from beginning the recruiting process to making an offer. Tracking this metric helps you determine if you need to speed up your recruiting process or if some roles take longer to fill than others.

Recruiting Quality Metrics

- **Qualified candidates per opening** is useful for understanding how successful you are at identifying highly qualified candidates for open positions. Over time, your goal should be to dial in your recruiting process so that more of the people applying for each position are highly qualified for the role.
- **Retention rate** is one of the most important recruiting metrics you can track. Retention rate is the number of employees who remain with the company for a specified time period after getting hired. When you track retention rates by role, you can gain insight into what kind of employees are hard to retain and dig deeper to understand why.

The point of tracking the retention rate is to reduce it over time by hiring people who are better qualified or a better fit for your organization.

- **Quality of hire** is the metric every recruiting team wants to improve, and we're going to spend some extra time exploring it. It's meant to assess how well your recruiting process is working to hire employees who are top performers and bring value to your organization. Improving the quality of hire is the main goal of data-driven recruiting.

The lessons learned from tracking quality of hire can be used to define a list of attributes present in top performers. When these attributes are used to define the parameters of your recruiting efforts, you're able to attract and hire even more top talent, resulting in increased productivity and lower turnover.

Unlike the other measures, quality of hire is hard to measure objectively. Instead, companies consider several data points, including performance assessments, retention rates, promotion frequency, and time to productivity to determine what quality of hire means in their organization.

The Most Effective Metrics to Calculate Quality of Hire:

Percent of recruiting pros who say these metrics would be very effective at measuring quality of hire.

Employee tenure



Employee engagement at 6-12 months



Performance ratings



Source: "SHRM Customized Talent Acquisition Benchmarking Report," Society for Human Resources Management

Why Is Developing a Data-Driven Recruitment Strategy a Must in 2021?

Adoption of data-driven recruiting strategies has increased significantly in the last few years. Companies are pleased with the results, and it's easier than ever with multiple tools, platforms, and data vendors available to companies who are interested.

If you don't have a data-driven recruitment strategy, it's not too late, but you need to get started as soon as possible. Here's why:

01. Competition for skilled workers is fierce.

In spite of the global pandemic, 87% of employers who responded to a recent survey said they [can't find enough skilled workers to fill their open positions](#). The high-performing workers you want to hire are in demand, and that's not going to change anytime soon. Data-driven recruiting gives you the tools you need to find and effectively recruit the candidates you want to hire.

02. You can't afford to keep making bad hires.

Bad hires negatively affect your business. The average cost of a bad hire is almost \$15,000, and the cost of missing out on a high-quality candidate is even higher at \$30,000.

When you hire people who aren't qualified or don't fit your company culture, they often leave within a few months, disrupting your productivity and requiring you to start recruiting from scratch.

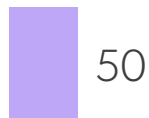
Data-driven recruiting reduces your bad hires and increases your good hires, saving you time, money, and lost productivity.

03. Hiring top talent matters.

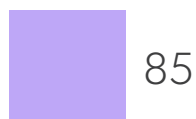
Recruiting top talent boosts your business's performance. When performing very complex tasks, [high performers are 800% more productive than average performers](#). The more top talent you hire, the better for your business. Data-driven recruiting offers you the best way to find, connect with and hire the people who can make a difference for your business.

Productivity gap between average performers and high performers, by job complexity, %

Low complexity



Medium complexity



High complexity



Very high complexity



Source: "McKinsey Global Survey: War for talent 2000," refreshed in 2012



// SECTION TWO

How to Find Quality Data for an Effective Recruitment Process

The right data can transform your recruitment process from a plodding hit-and-miss attempt to find competent workers to a dynamic and reliable way to bring top talent to your team.

Not just any data will do — you need data you can trust that also fits your needs. Let's take a look at some common data sources, as well as how you can avoid common data headaches and identify the right data provider for you.

SECTION TWO

In-House vs. Data Providers

Data-driven recruitment relies on data from two main sources: in-house data and data providers. Both are valuable and can help power your recruiting process. Here, we'll explain the different roles these data types play.

In-House Data

In-house data is all the information you already have about things like employee performance, retention rate, and the efficiency of your hiring process. It can also include data on the skills and qualities valued by your organization and factors that differentiate top performers from employees who struggle at your company. These are valuable insights to help you refine your recruiting activities to target top talent.

Here's what in-house data can help you do:

- Identify qualifications and skills of top performers in particular positions so you know what to look for in potential candidates
- Figure out your percentage of bad hires and identify the root causes such as skill mismatch, lack of support, or lack of cultural fit
- Gain insight into diversity or skill gaps in your organization
- Analyze hiring sources to determine how you found and hired most of your top performers
- Better understand how effective your recruiting process is based on things like application bounce rate, number of qualified applicants, time to hire, cost to hire, and offer acceptance rate

Data Providers

In-house data helps you figure out who your recruiting should target and how to improve your process, but it doesn't do much to help you find the candidates you're looking for. For that, one of your best options is purchasing data from data providers.

Data providers maintain large databases full of the "people data" you need to find high-quality job candidates. Here's what data from data providers can do for you:

- Provide easy access to a huge potential talent pool to start your search
- Allow you to quickly screen candidates based on your key requirements such as years of experience, location, job title, demographics, or education
- Assess candidates' intangibles and fit by providing access to social media accounts like LinkedIn and Facebook.
- Facilitate candidate outreach by providing data about email addresses, phone numbers, and other contact details
- Speed up your process by eliminating the manual work of researching candidates one at a time

The Main Pitfalls of Relying on Data Vendors

You've probably heard the phrase "Garbage In, Garbage Out." It's a popular phrase because it's true and it definitely applies to data-driven recruiting. Your recruiting results will only be as good as the data you use to drive your process.

Unfortunately, not all data vendors provide reliable data. Let's take a look at some common pitfalls companies encounter when working with data vendors.

- **Inaccurate and outdated data:** Identifying and connecting with top talent requires up-to-date and accurate information, but many data providers don't consistently update and verify their data.
- **Incomplete information:** A database is no good if it contains information about experience and location, but no contact information. The reverse is also true — contact information without information on skills and experience is worthless. Unfortunately, some data providers boast about having large numbers of records without stating that many of those records are incomplete.
- **Duplicate data:** Many data companies do a poor job of aggregating data from multiple sources, leading to duplicate records and false-positives in candidate searches.
- **Lack of price transparency:** Some data vendors hide their most valuable data behind unpredictable paywalls, so it's not clear what data you can access and at what cost.
- **Difficult searches:** Not all data vendors make it easy to drill down into candidate data and narrow your search to your top targets, leading to frustration and wasted time for your recruiting team.

How to Choose a Data Provider

Now that you know the headaches that come with a bad data provider, we'll talk about how to avoid the pitfalls and choose a good data provider. Fortunately for your recruiting efforts, there are good data vendors available to work with.

These seven questions will help you evaluate potential data providers and choose the one that's right for you.

01. What are the data provider's sources?

Make sure you understand your data provider's sources. They should be willing and able to provide complete information about how they source data.

02. How does the data provider verify their sources?

Accurate data is the result of a careful process involving data collection, aggregation, organization, and verification. Ask your data provider how they verify the accuracy and consistency of their data and avoid things like duplicate data. They should have a robust process in place and be happy to share the details with you.

Pro tip: Confirming that you're working with high-quality, accurate data is so important that it's worth some extra effort. Always do some data verification yourself either by checking the data against information you know to be true or hiring a third party expert to do the evaluation for you.

03. How often is the data updated?

As job titles, locations, and email addresses change, data goes out of date and is no longer useful for recruiting purposes. You should confirm that your data provider regularly updates their data to keep it current and remove old information.

04. What kind of data is available?

Before signing on with a data provider, you should verify that they have the data you need for your recruiting purposes. It doesn't matter how many records they have if the data they contain isn't relevant to you.

05. How complete are the available records?

Ask potential data vendors how many records include the data you're most interested in, such as contact info, location, or years of experience. They may offer the types of data you're interested in, but if there aren't enough complete records to make your candidate search worthwhile, you should look elsewhere.

06. Is the data searchable?

This is important. Make sure it's easy to query the data and drill down to the list of candidates that best match your requirements.

07. What's the pricing structure?

Data pricing models can be complex. Your data provider should have a transparent pricing structure that only requires you to pay for the data you use.

How to Buy Data from PDL

At People Data Labs, our focus is on building great data and working closely with our customers to provide the data they need. We're committed to transparency about our sources, our pricing, our APIs, and our quality assurance process.

We welcome questions and suggestions from our customers and believe there is always room for improvement.

You might be overwhelmed with the nerdiness of our answers to your data questions, but you'll never be disappointed in our willingness to collaborate or our drive to provide compliant, accurate, up-to-date data to fuel your recruiting efforts.

It's easy to buy data from us — [just reach out to our team today](#).

Someone from our team will contact you and work with you to get the data you need. Our data experts will make sure they understand the data you're looking for and how you intend to use it. Then they'll walk you through the rest of the process step-by-step, answering any questions you may have along the way.



// SECTION THREE

How to Unleash the Power of Data-Driven Recruiting with People Data Labs

Lack of data is not a problem for recruiters in 2021. The challenge is figuring out how to sift through all the noise to find the data that will supercharge your recruiting efforts and lead you to the talented, high-performing people you want to hire.

At People Data Labs, we've translated our love for data into a comprehensive database and a robust set of algorithms designed to power your recruiting process with compliant, pristine, relevant, and up-to-date data.

Keep reading to find out how you can use PDL to cut through the noise and unleash the power of data-driven recruiting.

SECTION THREE

Talent Sourcing

Somewhere out there, the perfect hire for your company is doing awesome work — for someone else. Unless someone already at your company happens to provide you with a referral, you'll likely never connect, meaning you miss out on a great employee, and they miss out on a terrific job opportunity.

To avoid this situation, you need to widen your talent search to include the largest possible candidate pool. This is where People Data Labs comes to the rescue.

Our database contains information for over 2.5 billion unique individuals.

You read that right: People Data Labs aggregates data from thousands of sources to help you access information about billions of potential candidates for open positions at your company. By starting your candidate search with PDL, you have access to a huge talent pool and increase your chances of finding your perfect match.

High-Quality Candidate Data

As much as we love data, we know that not all data is useful. Out-of-date work histories, old email addresses, and deactivated social media profiles aren't worth much to recruiters in search of top talent now. Neither are duplicate records, inaccurate location info, or empty data fields.

We update our data quarterly to make sure you have access to the most current information available. Our team has worked hard to develop processes to de-duplicate our records, avoid false-positives, fill in missing information, and assure the quality and accuracy of our dataset.

As a result, you have access to the data you need to find and hire top talent, including:

- Full name
- Contact info
- Social media profile URLs
- Degrees & certifications
- Geographic location
- Job titles
- Years of experience
- Demographic info
- Employer details

Candidate Screening

Starting with a big talent pool is vital, but it's not practical to manually screen billions of candidates, especially since you know most of them are not who you're looking for. With our Search API, you can quickly narrow your candidate search based on hundreds of data fields.

Make your search as wide or as narrow as you want. Focus your search on years of experience and location or on degree, skills, and demographics. You have complete control over your search, and you only pay for the records that match your criteria, making People Data Labs a great option for screening candidates as efficiently and cost-effectively as possible.

Data Enrichment

Factors like years of experience, job title, and location are important to consider when evaluating candidates for a job, but they don't tell the whole story. You have to dig deeper to assess whether someone really has the skills and the intangibles to fit in and thrive at your company.

With our Enrichment API, you can further narrow your candidate search by requesting more complete information about the people you're interested in recruiting. This is a great way to enrich and verify the data you have about candidates referred to you from other sources such as employee referrals or open job applications.

We've made it convenient for you, too, by allowing you to process up to 100 enrichment requests in a single batch.

Candidate Outreach

Once you've screened candidates and compiled a list of highly qualified and talented people to fill your open positions, it's time to reach out. In today's competitive job market, you can't afford to wait for top candidates to find you — you need to proactively contact and engage with them before someone else does.

Finding valid contact info can be difficult for recruiters, but PDL solves the problem of candidate outreach with the power of data.

Using this contact info, you'll be able to get in touch with your ideal candidates and continue your recruitment process.

With People Data Labs, you can access over 571 million LinkedIn profiles, 640 million email addresses and 250 million mobile phone numbers.

HR Lead Generation

People Data Labs can help your company do more than recruit talented individuals. We also maintain a large B2B database to help you generate more leads and find more clients.

Our extensive B2B database includes details that will help you identify potential clients, get to know their business better, and find ways to contact them. You can use it to find new leads or to enrich the data you have about your existing leads.

Here's a sampling of the information PDL can provide to help you generate leads:

- Company name
- Website & associated domains
- Industry
- LinkedIn & Facebook pages
- Number of employees
- Taglines and company description
- Twitter account
- Year founded
- Location and HQ address

The Wrap Up

If you want to win the competition for top talent, data-driven recruitment is the way to go. In this ebook, we've covered all the basics and given you everything you need to know to kickstart your data-driven recruiting efforts.

Now it's time for you to go out and start mining your data for valuable insights that will enable you to recruit and hire the talented employees you need to power your business. Once you dig in and see for yourself the power of data in recruiting, you'll never look back.

When you're ready to start searching for your ideal candidates, [we'll be ready to help you find them.](#)

